

**REGISTERED COMPANY NUMBER: 02895760 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1040487**

**Trustees' Report and**  
**Financial Statements for the Year Ended 30 June 2021**  
**for**  
**THE CHARITIES ADVISORY TRUST**

# THE CHARITIES ADVISORY TRUST

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## THE CHARITIES ADVISORY TRUST

### Reference and Administrative Details for the Year Ended 30 June 2021

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**TRUSTEES**

D Russell  
B Bhasin (resigned 4 Nov 21)  
Ms L M MacTavish  
R Dunn

**COMPANY SECRETARY**

Dame H S B Blume

**REGISTERED OFFICE**

Radius Works  
Back Lane  
Hampstead  
London  
NW3 1HL

**REGISTERED COMPANY  
NUMBER**

02895760 (England and Wales)

**REGISTERED CHARITY NUMBER** 1040487

**INDEPENDENT AUDITORS**

Knox Cropper LLP  
Chartered Accountants and Statutory Auditors  
65 Leadenhall Street  
London  
EC3A 2AD

**Trustees' Report  
for the Year Ended 30 June 2021**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The Charity's main objectives were to continue to plan the transition from income dependency on Card Aid to other activities:

- 1) To maintain the Good Gifts Catalogue;
- 2) To respond to the organic growth of Knit for Peace;
- 3) To recognise the need to draw on reserves to support the Charity's objectives
- 4) To devise income generation schemes to fund Knit for Peace on a sustainable basis;
- 5) To promote the health benefits of knitting;
- 6) To campaign on ethical behaviour by charities.

**Public benefit**

The Trustees have a policy of transparency on how and whom CAT benefits. Card Aid and the Good Gifts Catalogue clearly state where and how the money is spent. The area of benefit is wide, consistent with the charity's objects. The promotion of religion is not supported, and in general the priority is to provide help to the poor or disadvantaged, except where, for example with tree planting, there is general benefit to the community. Our support for art projects is largely to provide access to the arts for those under 18. Support for medical research we take as potentially benefitting all sections of the community.

**Grantmaking**

Most of our grant making is through funds raised through the Good Gifts Catalogue. Applications for funding for individuals are rarely, if ever, successful. We work with charities with whom we have developed a programme to deliver the outcomes we seek.

**Trustees' Report  
for the Year Ended 30 June 2021**

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**ACHIEVEMENT AND PERFORMANCE**

**Activities, achievements and performance**

The economic climate continues to make everyone cautious about spending and this impacts on giving to all charities. The difficult economic conditions and the drastic fall in interest rates (which is costing us over £100,000 a year) made belt-tightening essential.

Our strategy has been to safeguard our beneficiaries.

Plans to set up Knit for Peace in the Middle East has exceeded expectations. Knit a Community in Israel now has approximately 230 groups, providing a meeting point for all communities. The next phase is to see the feasibility of setting up parallel organisations in Jordan and the West Bank (Palestinian Authority).

**Card Aid**

For 40 years the Trust has produced and marketed charity Christmas cards. Our Annual Scrooge Awards led to increased revenue in fact generating millions of pounds for charity. The decline in card sending seems to us inexorable. The high cost of postage, the unreliability of the mail, the ease of sending e-cards or, for the young, text messages; all continue to erode the market.

**Good Gifts Catalogue**

For Good Gifts, we noticed people continued to buy less expensive gifts. We notice people spent less overall.

**Knit for Peace**

Knit for Peace is a major part of the Trust's work. It has grown in response to the demands of both knitters and those needing warm clothes, and we are proud of our ability to respond to these real needs. A major part of the work is distributing the donated knitting. We have over 40,000 volunteers in the UK donating their knitting to those in need.

Despite the difficulties, we were able to carry out a feasibility study of setting up Knit a Community organisations in Jordan and the West Bank (Palestinian Authority) on equal footing with Knit a Community in Israel.

We held a very successful knitting holiday at the Green Hotel, led by Jane Crowfoot and Juliet Bernard, building support for Knit for Peace. Unfortunately, the pandemic meant our very successful holidays at the Green Hotel had to be cancelled.

We would like to express our thanks to our wonderful volunteers who are worth their weight in gold. Because of the pandemic and the need to protect our staff and volunteers, we had to limit the number of people allowed into the office. Tribute should be paid to the staff, who had to take on a much heavier work load.

**Fundraising Policy**

During the year, Charities Advisory Trust did not make use of any consultants or external professionals to undertake its fundraising activities. Additionally, no data was shared with, or sold to, any external agencies. We did not undertake direct mail shots, send any unsolicited newsletters or approach any vulnerable individuals to support our work. A complaints policy is in place, but we received no complaints during the year about any of our fundraising activity.

**FINANCIAL REVIEW**

**Investment policy and performance**

The Charity's investments were managed by Ethical Investors and Barings Fund Managers Limited, whose policies are designed to meet the Trustees' wishes for environmental, social and ethical investment. The Trustees continue to monitor the performance of these investments closely. The fall in interest rates continues to impact adversely on our income (note that the valuation of investments given on the balance sheet are unrealised assets. Their value may decline).

**Trustees' Report  
for the Year Ended 30 June 2021**

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**FINANCIAL REVIEW**

**Reserves policy**

The Trustees are satisfied that the Charity maintains a strong financial position with a healthy level of general reserves. They adopt a prudent attitude towards reserves which in the circumstances has proved wise.

Our reserves, built up over the years, and declining since about 2008, give a more cheerful view of our finances. Our income has been declining (because of the decline of Card Aid). Our expenditure on Knit for Peace has grown, and we are grateful for the financial support promised by the National Lottery Fund for our next financial year.

Knit for Peace is incredibly worthwhile, both in providing warm clothes and blankets to those in need, which shows them they are not forgotten and valued. More than that Knit for Peace is enabling people of all backgrounds to continue to feel useful and overcome the isolation and powerlessness of old age. We are determined to continue the project, but do not want to do so to the exclusion of our other activities.

**Designated funds**

The Trustees have considered the designated funds in the accounts and feel that the various provisions are prudent.

**Project development:**

We expect to continue the expansion of our work on Peace and reconciliation and on Knit for Peace and shall continue to invest in improved IT systems. Note every year we report plans to improve our IT systems, but changes seem to outpace us.

**Endowment Fund:**

We are planning for an expected decline in income, we expect to draw upon our reserves to fund our work and worthwhile grants.

The pandemic has been a difficult time. The trustees took the decision that priority should be given to those we help, rather than conserving our resources. Whilst our income dropped both for Knit for Peace and the Good Gifts Catalogue, our existing supporters remained loyal.

We introduced a range of new gifts, and these were well received. The new website neared completion. This was a major part of work involving all the staff.

We moved away from a full printed Good Gifts Catalogue, both for reason of cost, particularly postage, and for environmental reasons. Also, for environmental reasons, we have encouraged knitters to donate knitting to local charities - reducing transport costs.

An application to the National Lottery for support for Knit for Peace was successful and made us feel more confident going forward. The payments will be made in the next financial year.

In essence the pandemic showed us how people valued the work we do. They could turn to us for emergency funding from Good Gifts to Knit for Peace for yarn and materials to keep the knitters knitting, and for community groups, hospices, and care homes, wonderful warm clothes and blankets!

**FUTURE PLANS**

- Manage the decline in Card Aid income, due to a falling market;
- Improve IT. This is an ongoing process;
- Expand Knit for Peace, in the UK and Middle East;
- Spread the awareness of the health benefits of knitting

**Trustees' Report  
for the Year Ended 30 June 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Charity is registered as a charitable company limited by guarantee and is governed by its memorandum and articles of association. The Charity has no share capital or debentures, hence there are no Trustees' interests requiring disclosure. In the event of the Charity being wound up each member is required to contribute an amount not exceeding £1.

**Trustees**

The Trustees, who served in the year, David Russell, Ms Leila Mactavish. and Ms Rowena Dunn. Trustees are appointed by the members of the Charity, who are currently the same as the Trustees. The Charity sees no need to have a policy on the recruitment, induction and training of Trustees.

**Organisational structure and decision making**

The founding Director, Dame Hilary Blume, is responsible to the Trustees for the day-to-day management of the Charity and other staff report to her. The Charity's policy towards staff is to ensure that all staff are given the opportunity to realise their full potential. The Trust prides itself on being a learning environment. It should be noted that the Trust has a strict policy on paying graduate interns, which it believes provides opportunities for those not subsidised by their families nor the State.

**Key management personnel**

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling its activities, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, key management personnel include the Director, Dame Hilary Blume, whose remuneration is set by the Board of Trustees and Deputy Director Avril Jn-Marie.

**Related organisations**

Details of the Charity's subsidiary company in India, Greenway Hotels Private Limited, are given in Note 20 to the accounts. The company was established in pursuit of the Charity's object of preserving buildings of architectural merit and its primary activity is currently the running of the Chittaranjan Palace in Mysore as a hotel (the Green Hotel) in order to preserve it. Profits from the Green Hotel are given to charitable and environmental projects in India. The pandemic has forced the suspension of the Hotel's activities.

The Charity also works with Christmas Card Scheme Limited which manufactures charity Christmas cards and gift tags. As explained in Note 22 to the accounts the company's directors are respectively a Trustee and the Director of the Charity and any profits of the company are paid to the Charity under the Gift Aid scheme. The company sells cards to charities which use the Charity's Card Aid scheme (see below) and also donates cards and gift tags to the Charity for sale in its Card Aid shops. The market for Christmas cards has declined and our plans are to wind up the Charity.

**Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied those systems are in place to mitigate the exposure to the major risks. Our resilience during the pandemic pays testament to the organisation's judicious planning.

**TRUSTEES' RESPONSIBILITY STATEMENT**

The trustees (who are also the directors of The Charities Advisory Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Trustees' Report  
for the Year Ended 30 June 2021**

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**TRUSTEES' RESPONSIBILITY STATEMENT - continued**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on .....28th March 2022..... and signed on its behalf by:



.....  
D Russell - Trustee



## **Opinion**

We have audited the financial statements of The Charities Advisory Trust (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 June 2021 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 Auditors' 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.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the trustees' Report.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, 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.

### **Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- The Charitable Company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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 auditors' 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.

Richard Billinghamurst (Senior Statutory Auditor)  
for and on behalf of Knox Cropper LLP  
Chartered Accountants and Statutory Auditors  
65 Leadenhall Street  
London  
EC3A 2AD

Date: .....

# THE CHARITIES ADVISORY TRUST

## Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	240	539,248	539,488	753,093
<b>Charitable activities</b>					
Turnover from purchased goods	4	5,269	-	5,269	31,584
Turnover from donated goods		39,159	-	39,159	73,219
Other income		12,759	-	12,759	27,772
Investment income	3	12,163	-	12,163	15,547
<b>Total</b>		<b>69,590</b>	<b>539,248</b>	<b>608,838</b>	<b>901,215</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Good Gifts	5	-	472,987	472,987	535,870
UK Disaster Relief		-	-	-	1,323
Advisory Service		1,691	-	1,691	43,477
Direct awards programme		1,106	1,895	3,001	14,493
Card Aid		-	2,228	2,228	68,010
Peace Oil		1,318	-	1,318	9,608
Peace projects		223,360	-	223,360	229,841
Other		20,486	-	20,486	40,397
<b>Total</b>		<b>247,961</b>	<b>477,110</b>	<b>725,071</b>	<b>943,019</b>
Net gains/(losses) on investments		212,895	-	212,895	(33,859)
<b>NET INCOME/(EXPENDITURE)</b>		<b>34,524</b>	<b>62,138</b>	<b>96,662</b>	<b>(75,663)</b>
Transfers between funds	19	(30,953)	30,953	-	-
<b>Net movement in funds</b>		<b>3,571</b>	<b>93,091</b>	<b>96,662</b>	<b>(75,663)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		2,323,990	597,956	2,921,946	2,997,609
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,327,561</b>	<b>691,047</b>	<b>3,018,608</b>	<b>2,921,946</b>

The notes form part of these financial statements

**THE CHARITIES ADVISORY TRUST (REGISTERED NUMBER: 02895760)****Balance Sheet  
30 June 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	7,205	10,727
Investments	13	<u>1,600,133</u>	<u>2,082,696</u>
		<b>1,607,338</b>	2,093,423
<b>CURRENT ASSETS</b>			
Stocks	14	-	1,318
Debtors	15	364,674	256,878
Cash at bank and in hand		<u>1,276,375</u>	<u>670,090</u>
		<b>1,641,049</b>	928,286
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>(229,779)</u>	<u>(99,763)</u>
<b>NET CURRENT ASSETS</b>		<u><b>1,411,270</b></u>	<u>828,523</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>3,018,608</b></u>	<u>2,921,946</u>
<b>NET ASSETS</b>		<u><b>3,018,608</b></u>	<u>2,921,946</u>
<b>FUNDS</b>	19		
Unrestricted funds		2,327,559	2,323,990
Restricted funds		<u>691,049</u>	<u>597,956</u>
<b>TOTAL FUNDS</b>		<u><b>3,018,608</b></u>	<u>2,921,946</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on .....28th March 2022..... and were signed on its behalf by:



D Russell - Trustee

The notes form part of these financial statements

# THE CHARITIES ADVISORY TRUST

## Cash Flow Statement for the Year Ended 30 June 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>111,470</u>	<u>(172,937)</u>
Net cash used in operating activities		<u>111,470</u>	<u>(172,937)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(1,811)
Purchase of fixed asset investments		(136,857)	-
Sale of fixed asset investments		619,509	-
Interest received		<u>12,163</u>	<u>15,547</u>
Net cash provided by/(used in) investing activities		<u>494,815</u>	<u>13,736</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>606,285</b>	<b>(159,201)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>670,090</u>	<u>829,291</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u><u>1,276,375</u></u>	<u><u>670,090</u></u>

The notes form part of these financial statements

# THE CHARITIES ADVISORY TRUST

## Notes to the Cash Flow Statement for the Year Ended 30 June 2021

### 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>96,662</b>	<b>(75,663)</b>
<b>Adjustments for:</b>		
Depreciation charges	3,522	4,425
(Gain)/losses on investments	(212,895)	33,859
Interest received	(12,163)	(15,547)
Decrease in stocks	1,318	4,941
Increase in debtors	107,796	(93,557)
Increase/(decrease) in creditors	<u>127,230</u>	<u>(31,395)</u>
<b>Net cash used in operations</b>	<b><u>111,470</u></b>	<b><u>(172,937)</u></b>

### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	2,965	36,114
Notice deposits (less than 3 months)	<u>1,273,410</u>	<u>633,976</u>
<b>Total cash and cash equivalents</b>	<b><u>1,276,375</u></b>	<b><u>670,090</u></b>

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.20 £	Cash flow £	At 30.6.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>670,090</u>	<u>606,285</u>	<u>1,276,375</u>
<b>Total</b>	<b>670,090</b>	<b>606,285</b>	<b>1,276,375</b>

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Financial Statements are presented in pound sterling.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**Consolidation**

As explained in Note 21 the Charity has a subsidiary in India, Greenway Hotels Private Limited. Under Indian law assets of the subsidiary are not permitted to be repatriated to the UK and this substantially hinders the exercise of the Charity over the subsidiary's assets. The Charity therefore does not prepare group accounts. The subsidiary is regarded by the Charity's Trustees as an independent project and it is administered by a separate board of directors, all Indian nationals except for the Charity's Director.

**Income**

All incoming resources are shown net of VAT where applicable. Donated goods for sale are recognised in the Statement of Financial Activities as they are sold. Donated services are only recognised to the extent that they are material and reasonably quantifiable and measurable; in particular non-professional services from volunteers are not recognised. All trading activities are undertaken in furtherance of the Charity's objects, including assisting other charities with their fundraising through raising their profile through the Card Aid and Good Gifts schemes. Training income is recognised in the period in which the training event took place; where income for a training event is received prior to the event taking place, the income is deferred to the correct financial period. Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

**Expenditure**

All expenditure is accounted for gross, and when incurred. Direct charitable expenditure includes the direct costs of charitable activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an estimated time basis for the staff concerned. Support costs comprise those costs incurred centrally in support of the Charity's activities, including Governance costs, and have been apportioned to activities in proportion to the total costs of those activities. Governance costs are those associated with meeting the constitutional and statutory requirements of the Charity and its strategic management.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

**Tangible fixed assets and depreciation**

Individual fixed assets costing more than £500 are capitalised at cost.



**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Furniture and equipment	-	5 to 6 years
Motor vehicles	-	5 to 10 years

**Stocks**

Stocks of Christmas cards donated for resale are not valued by the Charity. The Trustees believe that they are similar in nature to second-hand goods donated for resale by charities. Like these donated goods, the income is not recognised until the point of sale. Stocks of Peace Oil for sale are recognised at the lower of cost and net realisable value.

**Taxation**

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

**Fund accounting**

The General fund comprises unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund, and the basis of transfers to or from them, are set out in Note 19.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net income/(expenditure).

**Pension costs**

The Charity has historically operated a defined contribution pension scheme the assets of which are held separately from those of the Charity in independently administered funds chosen by individual staff. For eligible staff, contributions payable for the year are charged in the Statement of Financial Activities. Since April 2016, The Charity has enrolled all new staff in Nest's defined contribution Workplace Pension Scheme.

**Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

**Judgements and key sources of estimation uncertainty**

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies where applicable.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Charity Direct donations	2,310	58,003
Good Gifts donations - gifts	406,853	481,949
Good Gifts other income	82,547	92,425
Knit for Peace	47,537	118,511
Other voluntary income	241	2,205
	<u>539,488</u>	<u>753,093</u>

The Good Gifts scheme encourages donations to a selection of specific charitable purposes described in a catalogue. The donor is also encouraged to make a Gift Aid declaration and donate this Gift Aid towards the scheme's running costs. The resulting income is the main component of the Good Gifts other income shown above. The donor receives literature associated with the donation for which they are charged postage and packaging. Although this scheme generates a significant amount of voluntary income all costs of administering the scheme are included as part of the cost of Charitable activities. Details of grants given under the scheme are shown in Note 6.

3. INVESTMENT INCOME

	2021	2020
	£	£
Dividends	11,239	13,309
Bank interest receivable	924	2,238
	<u>12,163</u>	<u>15,547</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Turnover from purchased goods	Turnover from donated goods	Other income	2021	2020
	£	£	£	Total activities £	Total activities £
Incoming resources from charitable activities	5,269	23,443	12,759	41,471	127,825
Grants	-	-	15,716	15,716	4,750
	<u>5,269</u>	<u>23,443</u>	<u>28,475</u>	<u>57,187</u>	<u>132,575</u>

Details of the Good Gifts Scheme are given in Note 19.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

4. INCOME FROM CHARITABLE ACTIVITIES - continued

Donated cards and gift tags are sold through the Charity's Card Aid shops. The object of the Card Aid initiative, which is delivered through the Charity and its sister company CCSL (see Note 23), is to maximise the amount going to charity from the sale of Christmas cards. Card Aid produces cards for charities to sell to their supporters. All of the donated cards sold, state that they are sold in aid of a particular beneficiary. The amount paid to the charities (see Note 6) is calculated as a percentage of the sale proceeds. This amount of the sale proceeds is shown above as restricted income.

The Card Aid shops sell cards supplied by charities; a levy is charged for this service. The shops also sell 'overs', cards and gift tags surplus to orders, donated by CCSL, the income from which is shown above. Other Card Aid income is mainly the levy on other charities' sales through the Card Aid shops and sales through the Business Initiative.

The Charity provides services to CCSL for which a management charge is made. The corresponding cost (mainly staff and overheads) is included as part of Card Aid costs in Note 5.

Grants represent the amount received from the UK government as part of the Job Retention Scheme during the Covid-19 pandemic.

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Furlough Grant Income	<u>15,716</u>	<u>4,750</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Good Gifts	135,971	290,566	46,450	472,987
Advisory Service	1,243	-	448	1,691
Direct awards programme	811	1,895	295	3,001
Card Aid	1,774	383	71	2,228
Peace Oil	1,318	-	-	1,318
Peace projects	172,769	-	50,591	223,360
Other	-	-	20,486	20,486
	<u>313,886</u>	<u>292,844</u>	<u>118,341</u>	<u>725,071</u>

Details of Support costs and Governance costs are given in Note 7.

**5. CHARITABLE ACTIVITIES COSTS - continued**

UK Disaster Relief (UKDR) is an initiative of the Charity aimed at raising funds for practical assistance in the event of a UK disaster. It has now been established as a separate charitable company, registered charity number 1136164 and registered company number 07104828. The costs included above relate to an allocation of staff costs, representing time spent by Charity staff on UKDR affairs.

Direct costs for Card Aid, Training, Good Gifts, Peace Projects and the Direct awards programme, include grants payable which are detailed in Note 6.

**6. GRANTS PAYABLE**

	2021	2020
	£	£
Good Gifts	290,566	372,340
Direct awards programme	1,895	7,197
Card Aid	383	4,749
	<u>292,844</u>	<u>384,286</u>

Good Gifts payments relate to donations by individuals and companies passed on to good causes chosen by them from a catalogue (see Note 19 for more details). Payments are made twice yearly.

The amount shown as Direct awards programme represents funds donated by individuals paid to charities of their choice (see Note 19).

All grants were made to institutions.

**7. SUPPORT COSTS**

	Other	Governance costs	Totals
	£	£	£
Good Gifts	43,446	3,004	46,450
Advisory Service	419	29	448
Direct awards programme	276	19	295
Card Aid	66	5	71
Peace projects	47,321	3,270	50,591
Other	19,162	1,324	20,486
	<u>110,690</u>	<u>7,651</u>	<u>118,341</u>

## THE CHARITIES ADVISORY TRUST

### Notes to the Financial Statements - continued for the Year Ended 30 June 2021

#### 7. SUPPORT COSTS - continued

Support costs have been apportioned to activities proportionately to staff costs on those activities.

#### 8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	7,651	6,250
Depreciation - owned assets	<u>3,522</u>	<u>4,425</u>

#### 9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

#### 10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	226,279	245,457
Social security costs	18,949	27,973
Other pension costs	<u>25,099</u>	<u>25,658</u>
	<u>270,327</u>	<u>299,088</u>

The average number of employees during the year was 6 (2020: 7).

The average weekly number of employees, calculated as full-time equivalents, during the period was:

	2021	2020
	No.	No.
Card Aid	0.01	1.96
Training	-	-
Good Gifts	1.99	2.42
Direct Aid	0.02	0.06
Advisory & Ethics	0.03	0.27
Peace projects	3.04	2.21
Peace Oil	-	0.05
UK Disaster Relief	-	0.01
Support and governance	<u>0.81</u>	<u>1.47</u>

# THE CHARITIES ADVISORY TRUST

## Notes to the Financial Statements - continued for the Year Ended 30 June 2021

### 10. STAFF COSTS - continued

5.9

7.45

The salary of the Director amounted to £78,400 for the year (2020 - £78,400). In addition, she was due pension contributions amounting to £19,600 (2020 - £19,600).

Only one employee received total emoluments, excluding employer pension contributions, in excess of £60,000.

Pension costs represent contributions payable by the Charity for eligible staff to funds chosen by the individuals calculated, for most staff, at 6% of annual salaries. The Charity has no commitments beyond these regular contributions. All other staff are enrolled in NEST's defined contribution scheme.

### 11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	60,208	692,885	753,093
<b>Charitable activities</b>			
Turnover from purchased goods	31,584	-	31,584
Turnover from donated goods	73,219	-	73,219
Other income	27,772	-	27,772
Investment income	<u>15,547</u>	<u>-</u>	<u>15,547</u>
<b>Total</b>	208,330	692,885	901,215
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Good Gifts	132,095	403,775	535,870
UK Disaster Relief	1,323	-	1,323
Advisory Service	43,477	-	43,477
Direct awards programme	7,296	7,197	14,493
Card Aid	52,649	15,361	68,010
Peace Oil	9,608	-	9,608
Peace projects	145,876	83,965	229,841
Other	40,397	-	40,397
<b>Total</b>	<u>432,721</u>	<u>510,298</u>	<u>943,019</u>
Net gains/(losses) on investments	<u>(33,859)</u>	<u>-</u>	<u>(33,859)</u>
<b>NET INCOME/(EXPENDITURE)</b>	(258,250)	182,587	(75,663)
<b>Transfers between funds</b>	<u>96,104</u>	<u>(96,104)</u>	<u>-</u>
<b>Net movement in funds</b>	(162,146)	86,483	(75,663)

THE CHARITIES ADVISORY TRUST

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	2,486,136	511,473	2,997,609
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>2,323,990</u>	<u>597,956</u>	<u>2,921,946</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 July 2020 and 30 June 2021	<u>119,693</u>	<u>17,533</u>	<u>137,226</u>
<b>DEPRECIATION</b>			
At 1 July 2020	112,553	13,946	126,499
Charge for year	<u>2,062</u>	<u>1,460</u>	<u>3,522</u>
At 30 June 2021	<u>114,615</u>	<u>15,406</u>	<u>130,021</u>
<b>NET BOOK VALUE</b>			
At 30 June 2021	<u>5,078</u>	<u>2,127</u>	<u>7,205</u>
At 30 June 2020	<u>7,140</u>	<u>3,587</u>	<u>10,727</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £
<b>MARKET VALUE</b>	
At 1 July 2020	2,082,696
Additions	136,857
Disposals	(619,509)
Net investment gain/(loss)	<u>89</u>
At 30 June 2021	<u>1,600,133</u>
<b>NET BOOK VALUE</b>	
At 30 June 2021	<u>1,600,133</u>
At 30 June 2020	<u>2,082,696</u>

There were no investment assets outside the UK.

## THE CHARITIES ADVISORY TRUST

### Notes to the Financial Statements - continued for the Year Ended 30 June 2021

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#### 13. FIXED ASSET INVESTMENTS - continued

The historical cost of investments as at the year-end was £1,207,732 (2020: £1,707,732).

The investments include a shareholding in Standard Life with a year-end value of £6,992 (2020: £7,686). Other investments comprise of unit trusts.

#### 14. STOCKS

	2021 £	2020 £
Peace Oil	-	1,318

#### 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	60,009	41,826
Due from Christmas Card Scheme Limited	19,091	18,363
Gift Aid tax recoverable	206,411	118,306
VAT	23,855	23,082
Prepayments	55,308	55,301
	<u>364,674</u>	<u>256,878</u>



## THE CHARITIES ADVISORY TRUST

### Notes to the Financial Statements - continued for the Year Ended 30 June 2021

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#### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,162	1,160
Social security and other taxes	5,255	1,479
Other creditors	10,170	10,538
Accruals	144,774	86,586
Deferred training income	<u>68,418</u>	<u>-</u>
	<u>229,779</u>	<u>99,763</u>

Deferred training income, representing fees received in the year for courses, for the following year, comprises the following:

	2021	2020
	£	£
Balance at 1 July 2020	-	38,390
Add: Deferred training income arising in the year	68,418	-
Less: Released in the year	<u>-</u>	<u>(38,390)</u>
Balance at 30 June 2021	<u>£68,418</u>	<u>-</u>

#### 17. LEASING AGREEMENTS

	2021	2020
Within 1 Year	<u>53,000</u>	<u>53,000</u>

# THE CHARITIES ADVISORY TRUST

## Notes to the Financial Statements - continued for the Year Ended 30 June 2021

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	7,205	-	7,205	10,727
Investments	1,600,133	-	1,600,133	2,082,696
Current assets	790,595	850,454	1,641,049	928,286
Current liabilities	(70,374)	(159,405)	(229,779)	(99,763)
	<u>2,327,559</u>	<u>691,049</u>	<u>3,018,608</u>	<u>2,921,946</u>

### 19. MOVEMENT IN FUNDS

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
<b>Unrestricted funds</b>				
General fund	79,626	34,522	(30,953)	83,195
Working capital	200,000	-	-	200,000
Property	103,000	-	-	103,000
Flexible endowment	730,000	-	-	730,000
Revaluation reserve	374,964	-	-	374,964
Ethics of Charitable Giving	395,000	-	-	395,000
Good Gifts Monitoring	23,400	-	-	23,400
Computer and IT Upgrade	70,000	-	-	70,000
Publications	25,000	-	-	25,000
Knit for Peace Middle East	60,000	-	-	60,000
Knit for Peace Working Capital	203,000	-	-	203,000
Knitting as Team Building for Companies	60,000	-	-	60,000
	<u>2,323,990</u>	<u>34,522</u>	<u>(30,953)</u>	<u>2,327,559</u>
<b>Restricted funds</b>				
Card Aid	130,547	(2,228)	-	128,319
Charity Direct	141,229	415	-	141,644
Good Gifts - charitable gifts	325,758	118,443	(71,074)	373,127
Good Gifts - running costs	-	(102,027)	102,027	-
Knit for peace	422	47,537	-	47,959
	<u>597,956</u>	<u>62,140</u>	<u>30,953</u>	<u>691,049</u>
<b>TOTAL FUNDS</b>	<u>2,921,946</u>	<u>96,662</u>	<u>-</u>	<u>3,018,608</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	69,590	(247,963)	212,895	34,522
<b>Restricted funds</b>				
Card Aid	-	(2,228)	-	(2,228)
Charity Direct	2,310	(1,895)	-	415
Good Gifts - charitable gifts	406,853	(288,410)	-	118,443
Good Gifts - running costs	82,548	(184,575)	-	(102,027)
Knit for peace	47,537	-	-	47,537
	<u>539,248</u>	<u>(477,108)</u>	<u>-</u>	<u>62,140</u>
<b>TOTAL FUNDS</b>	<u>608,838</u>	<u>(725,071)</u>	<u>212,895</u>	<u>96,662</u>

THE CHARITIES ADVISORY TRUST

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.7.19 £	Net movement in funds £	Transfers between funds £	At 30.6.20 £
<b>Unrestricted funds</b>				
General fund	150,313	(224,391)	153,704	79,626
Working capital	180,000	-	20,000	200,000
Property	103,000	-	-	103,000
Flexible endowment	730,000	-	-	730,000
Revaluation reserve	408,823	(33,859)	-	374,964
Ethics of Charitable Giving	395,000	-	-	395,000
Good Gifts Monitoring	28,000	-	(4,600)	23,400
Computer and IT Upgrade	60,000	-	10,000	70,000
Publications	21,000	-	4,000	25,000
Knit for Peace Middle East	147,000	-	(87,000)	60,000
Knit for Peace Working Capital	203,000	-	-	203,000
Knitting as Team Building for Companies	60,000	-	-	60,000
	2,486,136	(258,250)	96,104	2,323,990
<b>Restricted funds</b>				
Card Aid	123,317	(15,361)	22,591	130,547
Charity Direct	90,424	(7,197)	58,002	141,229
Good Gifts - charitable gifts	297,732	109,609	(81,583)	325,758
Good Gifts - running costs	-	60,990	(60,990)	-
Knit for peace	-	34,546	(34,124)	422
	511,473	182,587	(96,104)	597,956
<b>TOTAL FUNDS</b>	<u>2,997,609</u>	<u>(75,663)</u>	<u>-</u>	<u>2,921,946</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	208,330	(432,721)	-	(224,391)
Revaluation reserve	-	-	(33,859)	(33,859)
	208,330	(432,721)	(33,859)	(258,250)
<b>Restricted funds</b>				
Card Aid	-	(15,361)	-	(15,361)
Charity Direct	-	(7,197)	-	(7,197)
Good Gifts - charitable gifts	481,949	(372,340)	-	109,609
Good Gifts - running costs	92,425	(31,435)	-	60,990
Knit for peace	118,511	(83,965)	-	34,546
	692,885	(510,298)	-	182,587
<b>TOTAL FUNDS</b>	<u>901,215</u>	<u>(943,019)</u>	<u>(33,859)</u>	<u>(75,663)</u>

Ethics of Charitable giving, is a 2 year project resulting in publication and PR - this is in preparation and additional funds have been allocated to it.

Good Gifts monitoring - a provision for travel costs to monitor projects/grants.

The sum of £40,000 has been designated for future computer and IT and website upgrades.

Publications - £18,000 has been set aside for the publication of Exercises for Knitters (planned for 2020/21), and £7,000 to publish photographs of our projects, which were kindly taken by Alan Judd, and to print cards for Knit for Peace.

Knit for Peace in the Middle East was launched in December 2018. The sum of £60,000 has been set aside for planned expansion into Jordan and the West Bank. A visit to the 'Knit a Community Conventions in Israel was cancelled due to ill health.

The Charity previously derived much of its income from CCSL (see Note 22) which had a significant working capital requirement in the period before sales start to charities in the new season. The Charity itself also has its own working capital requirements. However, with an adjusted focus on Knit for Peace, the working capital fund has been reduced in recent years.

Property - we are steeling ourselves for major disruption in connection with the downstairs flooring. The downstairs toilet needs to be re-tiled. Clearing up the Knitting room and hall is a particular concern.

The virtually weekly changes during the Pandemic largely upset our plans for future work because of the need to work with reduced staff and volunteers. Work on the Ethics on Charitable Giving was put on hold. Visits to supported projects were curtailed to protect staff from contagion. One aspect of the work which did continue was on the new Good Gifts website.

**19. MOVEMENT IN FUNDS - continued**

In 2002, the Trustees decided to establish a Flexible endowment fund to enable grants to be made when suitable projects came to their attention. In 2010, the Flexible endowment fund has been used as a buffer to underwrite some of the restricted funds where payouts were greater than the fund balance. The trustees felt since we had reserves it was better to use them to protect our beneficiaries, hard hit by recession, rather than set them adrift.

The purpose of Charity Direct is to encourage tax-effective giving through Gift Aid donations from individuals. The amounts donated are expended for charitable purposes at the instructions of the individuals concerned. The Charity Direct fund is also used to channel other donations to good causes.

The Good Gifts scheme encourages donations to a selection of specific charitable purposes described in a catalogue. Generally, the donations are passed on to a named charity but the Charities Advisory Trust itself takes direct responsibility for some of the projects. This income, and the corresponding payments to charities, are shown above as Good Gifts - charitable gifts. Good Gifts payments are made twice yearly. Several of our delivering charities merged or closed down. We made some emergency grants to several charities to bring immediate relief e.g. for food, help with household bills, school books.

It's been a challenging time and much effort went in to projects that subsequently had to be abandoned. We were buoyed up by the trust put in us by our supporters

There was a transfer of £71,074 out of this reserve at the year end. This is made up of £36,440 which was Knit for Peace income received through Good Gifts, £2,247 for Good Gifts Advent Calendar admin charges and £23,812 which was commission charged on all gifts to compensate the card payment fees and international transfer costs. The remaining difference represents money raised through the sale of Christmas cards specifically in aid of Good Gifts projects and funds paid via Green Hotel.

The Charity charges a small postage and packing fee for Good Gifts overseas orders and encourages the donor to make a Gift Aid declaration to enable tax to be reclaimed, helping cover the running costs of the scheme. This income is shown above in Good Gifts - running costs above. The corresponding resources expended are part of the running costs of the scheme, the balance being funded from the General fund.

Knitting as team building for companies - we are trying to encourage companies to use knitting days for team building.

The balance in the Revaluation reserve is calculated as the excess of the value of investments over the historical cost (there was no excess at 30 June 2010). The reserve is represented by that part of the investments.

## THE CHARITIES ADVISORY TRUST

### Notes to the Financial Statements - continued for the Year Ended 30 June 2021

#### 20. RELATED PARTY DISCLOSURES

David Russell, a Trustee at the Charity, is a consultant at SURF. During the year grants totalling £76,019.39 (2019/20: £49,767.48) were made to SURF to help fund the SURF Rwanda livelihoods, livestock and education projects. Charities Advisory Trust has supported SURF since before David's appointment as Trustee, and he has no involvement in the donations made to SURF.

#### 21. GREENWAY HOTELS PRIVATE LIMITED

The Charity has a subsidiary called Greenway Hotels Private Limited, a company registered in India, established to preserve historic buildings by refurbishing them for sustainable use in tourist ventures. The company's first project was a historic palace in Mysore - the Chittaranjan Palace - which is now run, as the Green Hotel, as a demonstration project showing how tourism ventures can be run on a non-exploitative basis and can benefit employees, the local community and visitors. Profits earned are distributed for charitable and environmental purposes in India. These grants are made out of profits before the end of the year. In past years the Charity has made grants to the company to renovate the palace and maintain its fabric.

Consolidated accounts have not been prepared in respect of the subsidiary company as explained in Note 1. Due to the Coronavirus pandemic, the Hotel did not trade in 2020/21, but the results of the company for the year ended 31 March 2021 were as follows:

	2021 Rs'000	2021 £	2020 Rs'000	2020 £
Turnover	634	6,165	19,433	208,032
Less: Operating costs	<u>(5,460)</u>	<u>(53,095)</u>	<u>(20,682)</u>	<u>(221,403)</u>
	(4,826)	(46,930)	(1,249)	(13,371)
Taxation	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(32)</u>
Loss for the year	<u><u>(4,826)</u></u>	<u><u>(46,930)</u></u>	<u><u>(1,252)</u></u>	<u><u>(13,403)</u></u>
Profit and loss account:				
At start of year	(6,833)	(73,148)	(5,581)	(61,764)
Profit/(loss) for year	(4,826)	(46,930)	(1,252)	(13,403)
Exchange Differences	<u>-</u>	<u>6,703</u>	<u>-</u>	<u>2,019</u>
At end of year	(11,659)	(113,375)	(6,833)	(73,148)
Share capital	<u>8,997</u>	<u>87,489</u>	<u>8,997</u>	<u>96,314</u>
Total capital and reserves	<u><u>(2,662)</u></u>	<u><u>(25,886)</u></u>	<u><u>2,164</u></u>	<u><u>23,166</u></u>
Assets and liabilities:				
Total assets	7,828	76,122	12,875	137,828
Less: total liabilities	<u>(10,490)</u>	<u>(102,008)</u>	<u>(10,711)</u>	<u>(114,662)</u>
	<u><u>(2,662)</u></u>	<u><u>(25,886)</u></u>	<u><u>2,164</u></u>	<u><u>23,166</u></u>

**22. CORPORATION TAX**

As a registered charity there is no liability to tax on the interest received. The Charity is liable to tax on its trading activities but after taking into account the notional market value of the donated goods and the notional cost of volunteers in the Card Aid shops and other donated services there are tax losses.

**23. CHRISTMAS CARD SCHEME LIMITED**

The Charity has a sister company, The Christmas Card Scheme Limited (CCSL), which designed and produced a wide range of cards for sale to charities. Although not a subsidiary, CCSL's directors and shareholders are the Charity's Director and one of its Trustees. Any profits of the company are paid to the Charity. Following the decline in the Christmas card market our plans are to wind up the Charity.



# THE CHARITIES ADVISORY TRUST

## Detailed Statement of Financial Activities for the Year Ended 30 June 2021

	2021 £	2020 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Charity Direct donations	2,310	58,003
Good Gifts donations - gifts	406,853	481,949
Good Gifts other income	82,547	92,425
Knit for Peace	47,537	118,511
Other voluntary income	<u>240</u>	<u>2,205</u>
	539,487	753,093
<b>Investment income</b>		
Dividends	11,239	13,309
Bank interest receivable	<u>925</u>	<u>2,238</u>
	12,164	15,547
<b>Charitable activities</b>		
Incoming resources from charitable activities	57,187	127,825
Grants	<u>-</u>	<u>4,750</u>
	57,187	132,575
<b>Total incoming resources</b>	608,838	901,215
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	226,279	245,457
Social security	18,949	27,973
Pensions	25,100	25,658
CAID operational costs	384	1,718
CARD Aid Host payments	-	5,983
Printing, over printing, cards postage, and stationery	470	1,557
Direct charitable activities	42,320	121,813
PR and Publicity	384	1,000
Grants to institutions	<u>292,844</u>	<u>384,286</u>
	606,730	815,445
<b>Support costs</b>		

This page does not form part of the statutory financial statements

# THE CHARITIES ADVISORY TRUST

## Detailed Statement of Financial Activities for the Year Ended 30 June 2021

	2021 £	2020 £
<b>Support costs</b>		
<b>Other</b>		
Office accommodation	70,511	69,707
Postage, telephone & office expenses	32,181	35,881
Vehicle running costs	2,938	3,445
Sundries	1,454	7,514
Bank charges	84	352
Depreciation of tangible fixed assets	<u>3,522</u>	<u>4,425</u>
	110,690	121,324
<b>Governance costs</b>		
Auditors' remuneration	<u>7,651</u>	<u>6,250</u>
Total resources expended	<u>725,071</u>	<u>943,019</u>
<b>Net expenditure before gains and losses</b>	(116,233)	(41,804)
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	<u>212,895</u>	<u>(33,859)</u>
<b>Net income/(expenditure)</b>	<u><u>96,662</u></u>	<u><u>(75,663)</u></u>

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