

Yorkshire Building Society Charitable Foundation
(A Company Limited by Guarantee)

Registered Number: 03545437

Registered Charity Number: 1069082

Annual Report and Financial Statements
for the year ended 31 December 2023

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Trustees and Professional Advisers

Reference and administrative details

Company number	03545437
Charity number	1069082
Trustees	E Fuller N Irving (appointed on 1 August 2023) L Latibeaudiere L Morgan (appointed on 29 March 2023) G Rogers V White (resigned on 1 February 2023)
Secretary	M Smallman (appointed on 1 January 2024) D Colley (resigned on 1 January 2024)
Registered Office	Yorkshire House Yorkshire Drive Bradford West Yorkshire BD5 8LJ
Independent Auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington St Leeds LS1 4DL
Banker	National Westminster Bank plc PO Box 90 1 Market Street Bradford BD1 1EQ

Trustees' Report (incorporating the Directors' Report)

The Trustees, as listed on Page 1, who act as directors for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2023.

The Yorkshire Building Society Charitable Foundation ('the Charity' and 'the Company') qualifies as a small company in accordance with S382(3) of the Companies Act 2006 and is therefore exempt from the requirement to prepare a strategic report under S414B of the Companies Act 2006. This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Structure, governance and management

Governing document

The Charity is a company limited by guarantee, incorporated on 7 April 1998 and registered as a charity on 8 April 1998. The Charity was established under a Memorandum of Association which established the objects and powers of the Charity and is governed under its Articles of Association. The Trustees, who are also the members of the Company, are required to contribute an amount not exceeding £1 in the event of the charitable company being wound up.

The Yorkshire Building Society Charitable Foundation is independent of the Yorkshire Building Society ('the Society').

Appointment of Trustees

The power for the appointment and/or removal of Trustees lies with the Trustees or the Society. On appointment as Trustees, an induction is provided; however, all Trustees should preferably have had or have experience of other charities, voluntary service and/or public service organisations. Trustees register themselves for updates to changes to regulations and best practice from The Charity Commission as well as changes to financial reporting and Company Law requirements. The Trustees are the directors of the charitable company.

None of the Trustees have been paid any remuneration or received any other benefits from employment with the Charity.

Organisation

The Charity has a maximum of five Trustees, the majority of who must not be employed by the Society. The Trustees administer the Charity and meet quarterly, although day-to-day responsibility for routine administration rests with Society employees. To facilitate effective operations, the Society provides the Charity with facilities and with financial, administrative and technical support as needed by it, under a Framework Agreement between them. The principal activity of the Charity, making donations, is undertaken in accordance with the Donations Policy adopted by the Charity and within guidelines as agreed periodically by the Trustees.

The Trustees are the only persons authorised by the Charity to make any payments on its behalf and they do so within authorisation levels agreed in the mandate with the Charity's bankers.

Trustees' Report (incorporating the Directors' Report) (continued)

Structure, governance and management (continued)

Organisation (continued)

Applications for support are made through the submission of an online form. All nominations and requests are reviewed by the administrative personnel of the Society who are charged with undertaking support for the Charity under the Framework Agreement as referred to above.

This review is to ensure that, amongst other things, the application fits within the Charity guidelines which are published to Society colleagues and are available to the public through Society branches, online or direct from the administrative personnel. These guidelines provide a non-exhaustive list of the types of causes, activities and projects which are likely to be supported and, equally, those which are not.

Related parties

As it is complementary to and supportive of the Charity's objects, the Charity works closely with the Society.

Risk management

The Trustees recognise that the Charity is limited in the objects which it espouses and is closely linked with the Society, and its members and colleagues, in connection with its funding and donation activities. Under the Framework Agreement which exists between the Society and the Charity, Society personnel and systems are provided subject to and in accordance with the processes and procedures which the Society, as a building society regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA), must and does maintain. Since it operates entirely within Society premises and utilises Society facilities, the Charity is subject to the same risks faced by the Society in those aspects of its operations. Key elements in the management of financial risk are the adoption of the Donations Policy, which the Trustees review on an annual basis, the mandates which the Trustees set for donations and operation of the Charity's bank accounts and the setting of a Reserves Policy and its review by the Trustees. Other key risks, such as the risk of financial fraud, are managed by the Society colleagues under the controls framework and policy. The Trustees therefore believe all major risks are being appropriately managed.

Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing the annual financial statements.

The external environment continues to be challenging, many of the features of UK economic and political landscape have continued along the themes established in 2022. Although inflationary pressures on UK households continue, amidst a backdrop of a rising Bank Rate and ongoing political uncertainty, it is expected that these external factors will have limited direct impact on the Charity. It is expected that the Charity will continue to receive funding from the Society for at least 12 months from the date of signing these financial statements.

Trustees' Report (incorporating the Directors' Report) (continued)

Objectives and activities

The aim of the Charity is to support charities for the public benefit where the Society's members and colleagues live and work, helping to demonstrate the value and support that the Society provides to local communities throughout the United Kingdom.

The Charity's objects are to promote being exclusively charitable according to the law of England and Wales. Charities that receive donations in Scotland must be registered with the Office of the Scottish Charity Regulator (OSCR).

The objectives of the Charity are to apply the income and/or capital for charitable purposes, and to make donations to UK registered charities in such manner as the Trustees in their absolute discretion see fit.

In 2023, the Trustees agreed to focus the Charity's support on areas of deprivation and charities supporting marginalised groups. Similarly, smaller, grassroots charities are often supported to ensure donations make the biggest difference. The Charity's support is limited to the United Kingdom.

The Charity has focused its activities on seeking to help as many charities and causes as possible for the public benefit where those meet its donations criteria as set out in the Donations Policy. The Trustees also updated the maximum donation amount to £2,500 and relaxed application guidelines to give charities greater freedom to spend donations flexibly. Donations are made possible thanks to Society members who take part in the Small Change Big Difference® (SCBD) scheme. In 2023, the Charity donated over £319,008 to 306 charities. Note 8 discloses all donations approved in the year to charities with an individual value of £2,000 or more. The Charity's donation activities are supported through the activities of Society colleagues and concentrate on charities proposed by the Society's members and colleagues.

In addition to the funding received through the SCBD scheme, the Charity received a further £100,000 for the Real Help with Real Life Fund, from the Society. This donation received in 2023 will go towards projects in 2024.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the Donation Policy for the year. Society employees and members (who are spread throughout the UK) are encouraged to nominate charitable causes to receive a donation from the Charity.

Trustees' Report (incorporating the Directors' Report) (continued)

Financial review

Achievements and performance

The Charity received income of £469,095 (2022: £414,964) and spent £326,208 (2022: £429,155) during the year in line with the Charity objectives. The surplus for the year amounted to £142,887 (2022: £14,191 deficit). This surplus is predominantly due to the Real Help with Real Life fund from the Society and growth in SCBD income, the Trustees have recognised this growth in reserves and have discussed plans to bring it in line with the new reserves policy. The total funds carried are £205,487 (2022: the deficit was funded from the accumulated funds, giving £62,600) available for future expenditure as at 31 December 2023. The surplus for the year increases the reserves of the Charity in line with the Reserves Policy below.

During the year, the Charity made donations of £319,008 (2022: £415,355). These donations align with the Society's own objectives but have been chosen at the discretion of the Trustees of the Charity. All donations were made to charities, and none made to individuals which is in line with the Charity's objectives.

Note 8 of this report includes a list of the charities which received more than £2,000 from the Charity during the year, either as one donation or a few smaller donations.

Reserves policy

It is the policy of the Charity to maintain holding reserves at a level which considers the relative stability of the source of funds and the active management of all donation processes. The Trustees review the Reserves Policy annually and during 2023 agreed to amend the policy from a reserves target of 10% of total annual income, to hold a minimum of £10,000.

Holding reserves are those funds which are unrestricted funds which have not been designated for a particular purpose. The Charity's holding reserves are intended to provide sufficient funds to cover expected administration costs and outstanding commitments.

The only liability recognised by the Charity is the audit fee, which for the year ended 2023 was £7,200 (2022: £13,800). The audit fee is currently funded by a donation received from the Society. The £10,000 minimum reserves level is therefore considered sufficient to cover outstanding liabilities.

The Charity maintained a holding reserves level of £205,487, greater than 10% and £10,000 during the year.

Funding and investments

The Trustees continue to have the power to invest money in shares, stocks, funds, securities, land, buildings and/or other investments or property, as they think fit. However, it has been their practice to maintain a liquid bank account in order to meet commitments as they fall due, so as to maintain a continuous programme of donations which in turn is matched by an ongoing funding programme, where income is spread over the financial year.

Trustees' Report (incorporating the Directors' Report) (continued)

Financial review (continued)

Small Change Big Difference (SCBD)

The Charity receives donations primarily from the SCBD scheme which the Society includes as an optional term in most of its savings and mortgage products. SCBD is a scheme promoted by the Society, under which the holders of savings or mortgage accounts agree to transfer to the Charity an amount equivalent to the pence of interest received on a savings account, or, rounding up to the nearest pound, the pence of interest paid on a mortgage account (never exceeding 99p per year, per account). Members of the Society can opt in or out of the SCBD scheme at any time.

Real Help with Real Life Fund

Supplementary income is received via a donation from the Society to fund the Real Help with Real Life Fund. This fund is set up by the Society to support projects working for those experiencing financial hardship and supporting people with employability skills. The Charity has ultimate control over the approval, whether the donations are in line with the Charity's Donation Policy, and subsequently authorising payment to the charities.

Disclosure of information to the auditors

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Trustees' Report (incorporating the Directors' Report) (continued)

Financial review (continued)

Plans for future years

The Charity plans to continue the activities outlined previously in the forthcoming years, subject to satisfactory funding arrangements and annual reviews of the Donations and Reserves policies.

The Trustees are mindful of the potential for an impact on the Charity's income arising from the current economic climate, with specific consideration of the potential impact of the rising cost of living. The Trustees are satisfied that continuing to operate in line with the Reserves Policy will afford the best chance of prudently managing financial resources.

The Charity aims to maintain reserves levels at a minimum of £10,000 over the coming years to ensure the Charity meets any liabilities as they fall due.

The majority of funding available to the Charitable Foundation is generated by the Society's members through the Small Change Big Difference scheme therefore recommendations of charities to receive support are only accepted from members or employees of the Society. This will continue for the foreseeable future.

The Trustees confirm that the Charity has complied with section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission.

The Trustees have confirmed their intention to re-appoint PricewaterhouseCoopers LLP as the Charity's auditors.

Approved by order of the Board of Directors and signed on behalf of the Board.



Signed on behalf of the Trustees:
N Irving
Trustee
18 March 2024

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Yorkshire Building Society Charitable Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



N Irving
Trustee
18 March 2024

Independent auditors' Report to the members of Yorkshire Building Society Charitable Foundation

Report on the audit of the financial statements

Opinion

In our opinion, Yorkshire Building Society Charitable Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2023; the statement of financial activities (incorporating an income and expenditure account) and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors' Report to the members of Yorkshire Building Society Charitable Foundation (continued)

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Trustees' Annual Report (incorporating the Directors' Report), we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Annual Report (incorporating the Directors' Report)

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report (incorporating the Directors' Report) for the period ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Annual Report (incorporating the Directors' Report).

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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.

Independent auditors' Report to the members of Yorkshire Building Society Charitable Foundation (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry/environment, we identified the principal risks of non-compliance with laws and regulations related breaches of UK Company and Charity regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override of controls through posting of inappropriate manual journal entries and making unapproved cash payments during the period. Audit procedures performed by the engagement team included:

- Enquiries with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations;
- Identifying and testing any higher risk journal entries.
- Testing the review and approval of a sample of grants paid during the period

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' Report to the members of Yorkshire Building Society Charitable Foundation (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Jonathan Hinchliffe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
18 March 2024

Statement of Financial Activities

for the year ended 31 December 2023

		2023	2022
	Note	£	£
Income from:			
Donations and legacies	3	465,626	414,644
Investment income	4	3,469	320
Total income		469,095	414,964
Expenditure on:			
Other expenditure	5	(7,200)	(13,800)
Charitable activities	6	(319,008)	(415,355)
Total expenditure		(326,208)	(429,155)
Net movement in funds		142,887	(14,191)
Funds brought forward		62,600	76,791
Funds carried forward		205,487	62,600

There are no recognised gains or losses during the current year or preceding year other than the movement in funds for the year stated above.

The results are wholly derived from the continuing operations of the Charity.

The Statement of Financial Activities incorporates an income and expenditure account and the net movement in funds represents the net income for the year. All funds are unrestricted.

The notes on pages 16 to 20 form part of these financial statements.

Balance Sheet

as at 31 December 2023

	2023	2022
	£	£
Current assets		
Cash at bank and in hand	183,011	56,006
Other debtors	91,805	116,503
Prepayments and accrued income	29,676	20,394
Total assets	304,492	192,903
Current liabilities		
Creditors - amount falling due within one year	(7,200)	(13,800)
Other liabilities	(91,805)	(116,503)
Total liabilities	(99,005)	(130,303)
Net current assets	205,487	62,600
Net assets	205,487	62,600
Unrestricted funds	205,487	62,600

The notes on pages 16 to 20 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The financial statements have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements on pages 13 to 20 were approved by the Trustees on 18 March 2024 and signed on its behalf by



N Irving
Trustee

Registered company number: 03545437
Registered charity number: 1069082

Statement of Cash Flows

for the year ended 31 December 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net movement in funds	142,887	(14,191)
(Decrease)/increase in creditors	(6,600)	13,800
(Increase)/decrease in accrued income	(9,282)	2,875
(Decrease)/increase in other liabilities	(24,698)	91,904
Decrease/(increase) in other debtors	24,698	(91,904)
Interest income received	(3,469)	(320)
Net cash flows generated from operating activities	123,536	2,164
Cash flows from investing activities		
Interest income received	3,469	320
Net cash flows generated by investing activities	3,469	320
Net increase in cash and cash equivalents	127,005	2,484
Opening balance	56,006	53,522
Closing cash at bank and in hand	183,011	56,006

The notes on pages 16 to 20 form part of these financial statements.

Notes to the financial statements

1. Material accounting policies

The Yorkshire Building Society Charitable Foundation, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having share capital. The Company is domiciled and registered in England.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Except where otherwise stated, all figures in the financial statements are presented pounds sterling (£). The financial statements have been prepared on the going concern basis, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Statement of Cash flows has been prepared in compliance with FRS 102 Section 7 'Statement of Cash flows'. The cash flow has been presented under the indirect method.

The Statement of Cash Flows presents cash flows from operating and investing activities. The Charity did not undertake any financing activities in the year. The net cash flows from all three categories are totalled to show the movement in cash and cash equivalents during the year, which is then used to reconcile cash and cash equivalents.

1.2 Accounting developments

Changes to Accounting Standards Effective in the Period

IFRS 17 Insurance Contracts

Insurance arrangements are not within the scope of the Charity's activities. Therefore, IFRS 17 Insurance contracts is not applicable.

IAS 1 Presentation of financial statements

The IASB issued amendments to IAS 1 Presentation of Financial Statements. IAS 1 now mandates disclosure of material accounting policies rather than significant accounting policies. The accounting policies of the Charity have been reviewed in respect of IAS 1 amendments with no significant changes deemed necessary.

There are no other new accounting standards applicable for this set of financial statements expected in the near future, and only a small number of narrow amendments or some annual improvements to existing standards, none of which have an impact on these financial statements.

Standards issued but not yet effective

There are no standards in issue but not effective that have an impact on these financial statements.

Notes to the financial statements (continued)

1. Material accounting policies (continued)

1.3 Unrestricted funds

The use of these funds has not been restricted to a particular purpose by the donors or their representatives.

1.4 Income

Investment income is recognised on an accruals basis. Donations and legacies are credited to the Statement of Financial Activities as they are received or when committed to by the donating party. Other income is only recognised once receipt is expected and is reliably measurable. Any related tax credits are accounted for on an accruals basis.

1.5 Expenditure

Expenditure is included on an accruals basis. Governance costs are those costs incurred in meeting the Charity's statutory and regulatory obligations and under FRS 102 are included within other expenditure on the Statement of Financial Activities.

No Trustee expenses have been paid in the year 2023 (2022: £nil).

1.6 Donations payable

It is considered that there is a constructive obligation to make the donation once the amount has been approved and the recipient informed of this. Once these criteria are met, the donations are accrued for and subsequently paid to Charities Trust who administer and distribute the donations to the end-charities.

Balances paid over to Charities Trust but not yet paid on to the end-charities are classified as "Other debtors" on the balance sheet, with a corresponding liability to the end-charity held in "Other liabilities".

1.7 Financial instruments

The following accounting policies have applied in the preparation of the financial statements.

- (i) **Accrued income** – Accrued Income amounts due in under one year and relates wholly to balances due from Yorkshire Building Society in relation to period end SCBD income. These are measured on an accruals basis.
- (ii) **Cash at bank and in hand** – Cash at bank and in hand includes cash held at bank. All cash balances are immediately available. Amounts are held at amortised cost.
- (iii) **Other debtors** – Other debtors represents cash balances held at Charities Trust on behalf of the Charity. Cash balances held at Charities Trust relate to approved donations awaiting payment to recipients. Amounts are held at amortised cost.
- (iv) **Creditors** – Creditors relate wholly to amounts owed in respect of audit fees. Amounts are held at amortised cost.
- (v) **Other liabilities** – Other liabilities represents donations approved awaiting payment to recipients. Amounts are held at amortised cost.

Notes to the financial statements (continued)

2. Critical accounting judgements and key sources of estimation uncertainty

The Charity makes judgements in applying its accounting policies that may have a significant impact on the amounts recognised in the financial statements. In addition, estimates and assumptions are used which could affect the reported amounts of assets and liabilities in the next financial year. There are no critical judgements or key sources of estimation uncertainty in these financial statements.

3. Donations and Legacies

	2023	2022
	£	£
Small Change Big Difference (SCBD) income	358,217	307,718
Payroll Giving income	209	326
Real Help with Real Life Fund income	100,000	100,000
Other donations from Yorkshire Building Society	7,200	6,600
	465,626	414,644

Plans for future years

SCBD is a scheme promoted by Yorkshire Building Society under which the holders of savings or mortgage accounts agree to the transfer to the Charity an amount equivalent to the pence of interest received on a savings account, or, rounding up to the nearest pound, the pence of interest paid on a mortgage account (never exceeding 99p per year, per account).

Payroll giving income is voluntary donations that are made by Yorkshire Building Society employees from their gross salary.

The Society donated £100,000 for the Foundation's Real Help with Real Life Fund, to allow the Charity to contribute to several larger projects which are strategically aligned with the Society's aims. The fund has not been spent in 2023, but the Trustees have agreed that these funds will be distributed to projects in 2024, following a strategic review of the Charity.

All funds are unrestricted.

4. Investment income

	2023	2022
	£	£
Bank interest	3,469	320
	3,469	320

Notes to the financial statements (continued)

5. Other expenditure

	2023 £	2022 £
Governance costs – audit fees	7,200	13,800
	<u>7,200</u>	<u>13,800</u>

There were no non-audit services provided by the auditors in the period (2022: £nil).

6. Charitable activities

	2023 £	2022 £
Charitable donations	319,008	415,355
	<u>319,008</u>	<u>415,355</u>

The Charity made 306 (2022: 230) charitable donations to charities. No donations were made to individuals in the year. Note 8 provides a breakdown of donations of £2,000 and over made to individual charities during the year.

7. Related party transactions

During the year the Charity received donations of £100,000 (2022: £100,000) from the Society; it also received £358,217 (2022: £307,718) during the year from the Society's SCBD scheme, see Note 3 for more information. The Charity also received an additional £7,200 (2022: £6,600) from the Society to cover certain operational costs. The Society provides administration services under a Framework Agreement; the cost of services provided is considered immaterial.

Notes to the financial statements (continued)

8. Donations approved in the year to charitable institutions of £2,000 and over

The following shows donations approved valuing £2,000 and over during the year.

Audio Active	£ 2,000.00
Ashdon Jazz Academy	£ 2,000.00
Barton Area Food Bank	£ 2,000.00
Ryedale Carers Support	£ 2,000.00
Tigers Trust	£ 2,000.00
Yorkshire's Brain Tumour Charity	£ 2,000.00
Emmaus Bradford	£ 2,000.00
Community House	£ 2,000.00
Children & Families First	£ 2,000.00
The Royal Leicestershire Rutland and Wycliffe Society for the Blind	£ 2,000.00
The Liberty Centre	£ 2,000.00
The Marie Trust	£ 2,000.00
Aber Necessities	£ 2,000.00
Home Start Teesside	£ 2,000.00
The School Fund	£ 2,000.00
West End Primary School	£ 2,000.00
Rowans Hospice	£ 2,000.00
St Peter & St James Hospice	£ 2,000.00
The Big C Appeal Limited	£ 2,000.00
Aylsham and District Care Trust	£ 2,000.00
Pembrokeshire Cancer Support Group	£ 2,000.00
UCAN	£ 2,000.00
Invictus Wellbeing Foundation CIO	£ 2,000.00
Little Hiccups	£ 2,000.00
Age UK South Gloucestershire Limited	£ 2,000.00
Raven House Trust Limited	£ 2,000.00
EDAN Lincs	£ 2,000.00
Newham Community Renewal Programme Limited	£ 2,000.00
Women Centre Limited	£ 2,000.00
Herts Young Homeless Group	£ 2,000.00
FareShare Tayside and Fife	£ 2,000.00
Counselling in the Community	£ 2,000.00
Home - Start Host	£ 2,000.00
Pregnancy Crisis Care (Plymouth & SE Cornwall)	£ 2,000.00
Towards Tomorrow Together	£ 2,000.00