
THE BLUE THREAD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

THE BLUE THREAD

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THE BLUE THREAD

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2023

Trustees

Stephen Grabiner, Chair
Miriam Grabiner
Daniel Grabiner
Sarah Grabiner
Joseph Grabiner-Wolfson
Amy Grabiner
Emily Grabiner-Wolfson

Charity registered number

1130704

Principal office

17 Portland Place
London
W1B 1PU

Independent auditors

BKL Audit LLP
Chartered Accountants
Statutory Auditor
35 Ballards Lane
London
N3 1XW

Bankers

Royal Bank of Scotland
49 Charing Cross
London
SW1A 2DX

**TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2023**

The Trustees present their annual report together with the audited financial statements of the Charity for the 6 April 2022 to 5 April 2023.

Overview

a. Objectives and activities

The objectives of the charity as per its governing document are:

- For any purposes which are charitable in the law of England and Wales for the benefit of the public.

The charity uses its income to provide donations to charitable bodies at the discretion of the Trustees. The area, as per the governing document, are not limited.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Blue Thread is mainly focused on working in the UK and Israel. We support community organisations working in two main areas:

- Women, particularly those affected by violence and abuse
- Refugees, vulnerable migrants and asylum seekers

From time to time, we also support other partners and communities and in particular, organisations supporting children and young people, and the UK Jewish community.

c. Activities undertaken to achieve objectives

The Charity predominantly makes grants to small organisations and grassroots groups doing frontline work meeting basic and immediate needs in their communities.

In general, we aim to support organisations that may not be able to easily raise funds and/or those that are led 'by and for' members of their community.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023

Overview (continued)

d. Grant-making policies

- We work proactively to seek out organisations we would like to work with, rather than running open funding rounds. By taking this approach we hope to avoid wasting organisations' time where we will not be able to fund them.
- We take a relational approach, getting to know those we work with and building over time. We hope to offer an open door, so that our partners feel able to let us know how they're getting on, share any challenges they might be facing, and seek support if they need it.
- We favour organisations:
 - led 'by and for' their communities, recognising both the value of expertise by experience and the importance of supporting those not traditionally represented within our sector
 - who have annual income below £1m and do not have larger than average reserves, and who do not have significant fundraising power. This is so that we might direct our funding at those who find it harder than others to fundraise
- Grants will usually be unrestricted wherever possible. We aim to be a supportive grantmaker and consider the power dynamics involved in grantmaking, how to reduce bureaucracy as much as possible, and how to be trusting and open.

e. Main activities undertaken to further the Charity's purposes for the public benefit

The Blue Thread provides grant funding to organisations in the UK and Israel supporting vulnerable and marginalized groups. The direction of this funding is decided by the Trustees, supported by the Executive Team, and is regularly reviewed and evaluated to ensure we are making the most effective use of the charity's funds.

Achievements and performance

a. Achievements and performance

The charity made grants to various bodies in the period, totaling £4,654,512 (2022: £743,928). The trustees of The Blue Thread are grateful to the trustees of This Day Foundation for their collaboration and support, which has enabled The Blue Thread to grow its grantmaking activity particularly in regard to supporting refugees and asylum seekers. These grants were all for charitable purposes and the trustees paid due regard to the guidance from the Charities Commission on public benefit in deciding what grants the charity should make. These grants covered a broad range of areas in which they supported, covering community, education, refugees, women and others. These comprised 238 grants paid to a total of 173 grantees. Most of our grants were one year commitments but we also made a small number of multi-year commitments.

b. Key performance indicators

At The Blue Thread, we try to work in ways which are as helpful as possible to our partners, and we subscribe to IVAR's Open and Trusting approach to grantmaking. We do not ask partners to report to us on any specific metrics, and therefore do not compile aggregated figures on, for example, number of people supported with our funds. Given our funding is unrestricted, we also do not ask grantees to report on how their grant was spent. To support our learning, we send an annual feedback form to grantees, as well as those we spoke to but did not fund, and other partners. We continue to explore means of monitoring our impact both in terms of reach and approach.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)

c. Public Benefits

United Kingdom

Tackling violence against women and girls

- Most of our funding in this space has supported frontline charities, responding to gender-based violence.
- Several grants have supported innovative models of legal advice provision.
- We continue to support many women's organisations led by and for black and minoritized communities.

Supporting Refugees, vulnerable migrants and asylum seekers

- Most of our funding in this space has supported groups providing frontline, acute support e.g. legal advice social support, basic needs provision
- Monitoring developments around the Nationality and Borders Act with a view to understanding how the sector may change and how this may affect our support for partners
- Supporting some grassroots campaigning by those with lived experience.

Education

- We made a small number of more substantial grants to engage in this space
- We will continue defining our approach and focus for this area

Israel

- Similar to our work in the UK, our focus in Israel is on organisations supporting refugees and asylum seekers, and women experiencing abuse.
- We also support several human rights organisations and a small number of peace-focused organisations.

d. Co-funding and Partnership working

In March 2022, The Blue Thread began working with This Day, a new charitable foundation. Through this relationship The Blue Thread received restricted income (received in FY 21/22 to be dispersed in FY 22/23) to grant to the migration sector. As well as providing much-needed funding to organisations in the sector, The Blue Thread was able to support the new foundation to develop its grantmaking approach, strategy and relationships.

The Blue Thread's trustees are keen to develop this approach to working with other philanthropists and grantmakers seeking to support similar communities and looking to work in an open and trusting way. We would be interested in developing a co-funding platform and would welcome discussions from others who would like to partner with us in our grantmaking.

During the year, the Executive Director was a member of an informal grouping of trusts and philanthropists. The Foundation is also a member of several other networks including the Association for Charitable Foundations, London Funders, and Migration Exchange.

e. Fundraising activities and income generation

The charity does not undertake any public fundraising activities and is entirely reliant on donations to the charity to fund its work.

In March 2022 The Blue Thread received £4m grant funding from our partner foundation to be disbursed to migration-focused organisations (restricted income). This has been spent this current financial year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)

f. Factors relevant to achieve objectives

In October 2022 The Blue Thread's Executive Director, Hannah Hoare, went on maternity leave for 10 months. Her role was covered throughout by Lucie Graham. Hannah and Lucie worked together to smoothly handover relationships and operations at both ends of this period.

g. Investment policy and performance

The charity does not hold a formal investment policy, holding only a small amount of shares gifted to it. The expectation is these shares will be sold at an opportune time to provide further funding for the grant giving purposes of the charity.

The Executive Director works with the Trustees to ensure that financial activities and investments that generate funds for the charity align with the Foundation's objectives and ethics.

Financial review

a. Going concern

The Charity has minimal fixed costs, with the main source of expenditure being grants made to institutions which can be made at the discretion of the Trustees. Furthermore, the Charity had a healthy cash balance at the year end. The Trustees therefore consider that based on the circumstances existing at the date of signature of the accounts the Charity is a going concern.

b. Reserves policy

Due to the nature of the charity, being purely for grant giving purposes, there is no formal reserves policy held. At the Year End the charity holds total funds of £3,361,342 (2022: £5,352,229) consisting of £1,030,901 (2022: £1,352,229) of unrestricted funds and £2,330,441 (2022: £4,000,000) of restricted funds. The trustees deem this to be an appropriate level of funds to be holding at the year end.

c. Material investments policy

The charity holds £993,404 (2022: £208,000) of investments at the year end. The trustees have developed a framework for the investing the charity's assets which reflects the trustees' values in terms of social and environmental impact and avoiding negative harms.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023**

d. Principal risks and uncertainties

Grantees are vulnerable to loss of income

Many of our grantees are impacted by rising inflation, cuts in government grants and competition for grant funding and therefore are vulnerable to loss of income. We mitigate this by reviewing grantees' annual and management accounts and meeting regularly with grantees to understand their financial situation.

Supporting causes that are not publicly popular

Some of our grantees support causes that are not publicly popular and may be affected by changes in government policy. This is especially true for organisations supporting refugees, vulnerable migrants and asylum seekers both in the UK and in Israel, and in addition for organisations in Israel defending human rights, democracy and shared society. We mitigate this by funding 'quietly', with a view to minimizing the publicity for the Foundation.

Supporting grassroots groups

Some of our grantees are not registered charities or constituted groups. We mitigate this by limiting the size of grant and supporting these groups to develop their governance, or alternatively make the grant to a constituted charity that can hold the grant for the group

e. Financial risk management objectives and policies

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems are in place to protect the charity's assets.

f. Principal funding

The charity is reliant on donations for the funding of the charity, principally being funded by members of the Grabiner family. These resources allow the charity to continue its significant plans to give grants to good causes.

Structure, governance and management

a. Constitution

The charity is a Unincorporated Trust, constituted under Trust Deed dated 22 June 2009. The charity was registered with the Charity Commission on 23 July 2009 with charity number 1130704.

b. Methods of appointment or election of Trustees

New Trustees are recommended by current Trustees of the charity when a vacancy is open on the board. The Trustees will then assess the skills and suitability of a potential Trustee before voting them onto the board.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Trustees:

There are 7 Trustees:

- Amy Grabiner
- Emily Grabiner-Wolfson
- Joseph Grabiner-Wolfson
- Daniel Grabiner
- Stephen Grabiner
- Miriam Grabiner
- Sarah Grabiner

Staff:

- Hannah Hoare: Executive Director (on maternity leave from Oct 2022 – Sept 2023)
- Lucie Graham - Maternity Cover for the Executive Director (Oct 2022 – Oct 2023)
- Karen Lam- Team Associate

Governance:

Trustees guide the executive team in making effective decisions, delivering the charity's purpose, holding financial oversight, and in complying with our Governing document and the law.

- Trustees meet formally with the executive team approximately 3-4 times a year, and informally throughout the year.
- The executive team meet at least weekly with two Trustees.
- Grant allocations are discussed at least monthly between these trustees and the executive.
- The administration of approved grants and the careful consideration of potential grants before they are put to Trustees for decision is delegated to the Executive Director.

Key management

The Trustees consider that they together with the Executive Director comprise the key management of the foundation in charge of directing, controlling, running and operating the charity on a day-to-day basis.

There are grant conditions to conform to the terms of a grant. These are set out in a grant offer relating to the award of a grant. The monitoring of all grants is achieved both by the submission of self-evaluative reports from grantees and for some grantees, by visits from the Executive Director. Due to the Covid-19 pandemic, physical visits were replaced with virtual calls since March 2020. The Executive Director also reviews each grantee's statutory accounts and policies as part of the due diligence process. Arising out of the pre and post grant review by the Executive Director, Trustees satisfy themselves that all grants awarded meet with public benefit requirements

d. Policies adopted for the induction and training of Trustees

All new Trustees receive specialist training to the role that they hold, provided by existing Trustees. New Trustees are encouraged to review the most recent financial statements to familiarise themselves with the day to day running of the charity.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023**

Structure, governance and management (continued)

e. Pay policy for key management personnel

The pay awards for the Executive Director and other staff are reviewed annually by the trustees. Pay is normally considered in accordance with average earnings and in line with similar roles in other comparable organisations.

f. Financial risk management

The Board and Executive team review the risks to the organisation regularly and agree the best way forward with a view to protecting the Foundation and continue to further our charitable aims.

Plans for future periods

The charity hopes to continue to receive donations and make grants to other bodies for charitable purposes for the foreseeable future.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales 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 Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2023

Auditors

The auditors, BKL Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Stephen Grabiner

Chair of Trustees

Date: 01/02/2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLUE THREAD

Opinion

We have audited the financial statements of The Blue Thread (the 'charity') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLUE THREAD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLUE THREAD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing board meeting minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLUE THREAD (CONTINUED)

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

BKL Audit LLP

BKL Audit LLP

Chartered Accountants
Statutory Auditor

London

Date: 01/02/2024

BKL Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	2	2,102,200	790,000	2,892,200	5,484,217
Investments	3	-	48,589	48,589	7,214
Total income		2,102,200	838,589	2,940,789	5,491,431
Expenditure on:					
Charitable activities		3,771,759	1,114,918	4,886,677	846,591
Total expenditure		3,771,759	1,114,918	4,886,677	846,591
Net (expenditure)/income before net losses on investments		(1,669,559)	(276,329)	(1,945,888)	4,644,840
Net losses on investments		-	(44,999)	(44,999)	-
Net movement in funds		(1,669,559)	(321,328)	(1,990,887)	4,644,840
Reconciliation of funds:					
Total funds brought forward		4,000,000	1,352,229	5,352,229	707,389
Net movement in funds		(1,669,559)	(321,328)	(1,990,887)	4,644,840
Total funds carried forward		2,330,441	1,030,901	3,361,342	5,352,229

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 28 form part of these financial statements.

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BALANCE SHEET AS AT 5 APRIL 2023

	Note	2023 £	2022 £
Current assets			
Debtors	9	480,000	4,000,000
Investments	10	993,404	208,000
Cash at bank and in hand		2,038,535	1,215,229
		<u>3,511,939</u>	<u>5,423,229</u>
Creditors: amounts falling due within one year	11	(150,597)	(57,000)
Net current assets		<u>3,361,342</u>	<u>5,366,229</u>
Total assets less current liabilities		<u>3,361,342</u>	<u>5,366,229</u>
Creditors: amounts falling due after more than one year	12	-	(14,000)
Net assets excluding pension asset		<u>3,361,342</u>	<u>5,352,229</u>
Total net assets		<u><u>3,361,342</u></u>	<u><u>5,352,229</u></u>
Charity funds			
Restricted funds	13	2,330,441	4,000,000
Unrestricted funds	13	1,030,901	1,352,229
Total funds		<u><u>3,361,342</u></u>	<u><u>5,352,229</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Stephen Grabiner

Trustee

Date: 01/02/2024

The notes on pages 17 to 28 form part of these financial statements.

THE BLUE THREAD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 5 APRIL 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	1,651,265	731,704
Cash flows from investing activities		
Dividends, interests and rents from investments	(48,589)	(89)
Proceeds from sale of investments	10,630	1,122,125
Gift of investments	(790,000)	(1,323,000)
Net cash used in investing activities	(827,959)	(200,964)
Change in cash and cash equivalents in the year	823,306	530,740
Cash and cash equivalents at the beginning of the year	1,215,229	684,489
Cash and cash equivalents at the end of the year	2,038,535	1,215,229

The notes on pages 17 to 28 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Blue Thread meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Current asset investments

Current asset investments are initially recognised at cost. Subsequent to initial recognition, current asset investments are revalued to fair value with the movements recognised in the Statement of Financial Activities. Where market value or fair value cannot be reliably determined, such investments are stated at historic cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies (continued)

1.7 Debtors

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

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Fund accounting

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

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 costs 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.

THE BLUE THREAD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

2. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations	2,102,200	790,000	2,892,200

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	4,036,000	1,448,217	5,484,217

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from listed investments	40,581	40,581
Bank interest	8,008	8,008
	48,589	48,589

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from listed investments	7,125	7,125
Bank interest	89	89
	7,214	7,214

THE BLUE THREAD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

4. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Grants given	4,654,512	4,654,512
	<i>Grants to Institutions 2022 £</i>	<i>Total funds 2022 £</i>
Grants given	743,928	743,928

The charity has taken the statutory exemption under Charity law from disclosing the names of grant recipients during the lifetime of the settlor of the trust

	2023 £	2022 £
Analysis of grant expenditure		
Community	352,939	152,237
Peace and dialogue	17,000	40,000
Welfare	222,176	35,000
Education	287,923	60,927
Miscellaneous	674,369	32,476
Women	410,325	151,538
Refugees	2,689,780	271,750
	4,654,512	743,928

5. Analysis of expenditure by activities

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Supporting good causes	4,654,512	232,165	4,886,677

THE BLUE THREAD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

5. Analysis of expenditure by activities (continued)

	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Supporting good causes	743,928	102,663	846,591

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	146,856	96,069
Consultancy	63,480	-
General expenses	2,599	446
Bank fees	462	148
Subscriptions	888	-
IT	80	-
Bad debt provision for loan	10,000	-
Accountancy fees	7,800	6,000
	232,165	102,663

6. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £7,800 (2022 - £6,000).

7. Staff costs

	2023 £	<i>2022 £</i>
Wages and salaries	120,248	79,602
Social security costs	17,094	9,764
Contribution to defined contribution pension schemes	9,514	6,703
	146,856	96,069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

7. **Staff costs (continued)**

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Employees	2	1

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £70,001 - £80,000	1	1

The total employee remuneration and benefits of the key management personnel of the Charity were £120,248 (2022: £79,602).

8. **Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 5 April 2023, no Trustee expenses have been incurred (2022 - £NIL).

9. **Debtors**

	2023 £	2022 £
Due within one year		
Grants receivable	480,000	4,000,000
	480,000	4,000,000

10. **Current asset investments**

	2023 £	2022 £
Listed investments	993,404	208,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	7,800	6,000
Multi-Year grant commitments	142,797	51,000
	<u>150,597</u>	<u>57,000</u>

12. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Multi-Year grant commitments	-	14,000
	<u>-</u>	<u>14,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

13. Statement of funds

Statement of funds - current year

	Balance at 6 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2023 £
Unrestricted funds					
General Funds - all funds	1,352,229	838,589	(1,114,918)	(44,999)	1,030,901
Restricted funds					
Refugee fund (2)	4,000,000	2,100,000	(3,769,559)	-	2,330,441
Refugee fund (3)	-	2,200	(2,200)	-	-
	4,000,000	2,102,200	(3,771,759)	-	2,330,441
Total of funds	5,352,229	2,940,789	(4,886,677)	(44,999)	3,361,342

Refugee Fund (1) is a fund established to support refugees in the UK adversely affected by COVID-19.

Refugee Fund (2) is a fund established to improve the position of refugees in the UK.

Refugee Fund (3) is a fund established to support a project relating to the war in Ukraine

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

13. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 5 April 2022 £
Unrestricted funds				
General Funds - all funds	698,024	1,455,431	(801,226)	1,352,229
Restricted funds				
Refugee fund (1)	-	36,000	(36,000)	-
Jewish action on climate change	9,365	-	(9,365)	-
Refugee fund (2)	-	4,000,000	-	4,000,000
	9,365	4,036,000	(45,365)	4,000,000
Total of funds	707,389	5,491,431	(846,591)	5,352,229

14. Summary of funds

Summary of funds - current year

	Balance at 6 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2023 £
General funds	1,352,229	838,589	(1,114,918)	(44,999)	1,030,901
Restricted funds	4,000,000	2,102,200	(3,771,759)	-	2,330,441
	5,352,229	2,940,789	(4,886,677)	(44,999)	3,361,342

THE BLUE THREAD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

14. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 5 April 2022 £</i>
General funds	698,024	1,455,431	(801,226)	1,352,229
Restricted funds	9,365	4,036,000	(45,365)	4,000,000
	<u>707,389</u>	<u>5,491,431</u>	<u>(846,591)</u>	<u>5,352,229</u>

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	-	51,033	51,033
Current assets	2,330,441	1,130,465	3,460,906
Creditors due within one year	-	(150,597)	(150,597)
Total	<u>2,330,441</u>	<u>1,030,901</u>	<u>3,361,342</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Current assets	4,000,000	1,423,229	5,423,229
Creditors due within one year	-	(57,000)	(57,000)
Creditors due in more than one year	-	(14,000)	(14,000)
Total	<u>4,000,000</u>	<u>1,352,229</u>	<u>5,352,229</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,990,887)	4,644,840
Adjustments for:		
Losses on investments	(44,999)	(7,125)
Dividends, interests and rents from investments	48,589	89
Decrease/(increase) in debtors	3,520,000	(3,975,000)
Increase/(decrease) in creditors	79,597	68,900
Other non cash movements	38,965	-
Net cash provided by operating activities	1,651,265	731,704

17. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	2,038,535	1,215,229
Total cash and cash equivalents	2,038,535	1,215,229

18. Analysis of changes in net debt

	At 6 April 2022 £	Cash flows £	Other non- cash changes £	At 5 April 2023 £
Cash at bank and in hand	1,215,229	823,306	-	2,038,535
Liquid investments	208,000	-	734,371	942,371
	1,423,229	823,306	734,371	2,980,906

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

19. Related party transactions

During the year, the Trustees donated £790,000 (2022: £1,321,000) to the charity.

During the year, Grabiner Management Company Ltd, a company whose directors are also Trustees of the charity, recharged payroll costs of £146,856 (2022: £96,069).

During the year the Charity gave a loan of £10,000 to Luminary Bakery Ltd, a Company to which one of the Trustees is a director. At the year end £10,000 was written off as it is not seen as recoverable.