

CHARITY DIGITAL TRUST

England & Wales · Charity number 1133179

Details

Other names	CHARITY TECHNOLOGY TRUST, TECH TRUST
Status	Registered
Legal form	Charitable company
Company number	06902258
Registered	2009-12-08
Register	View on the Charity Commission register

Contact

Address	Space4 113-115 Fonthill Road London N4 3HH
Phone	07771972039
Email	customerservice@charitydigital.org.uk
Website	charitydigital.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO ADVANCE IN ANY PART OF THE WORLD SUCH PURPOSES AS ARE RECOGNISED AS BEING EXCLUSIVELY CHARITABLE IN ACCORDANCE WITH THE LAW IN ENGLAND AND WALES AS THE TRUSTEES SHALL IN THEIR ABSOLUTE DISCRETION THINK FIT TO SUPPORT OR ESTABLISH.

Activities: Charity Digital Trust empowers Charities to Accelerate their Mission through Technology working in partnership with commercial and voluntary organisations to support and guide charities and not-for-profit organisations in the UK using technology to enhance the way they work and collaborate.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE WORLD
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-03-31	£1,917,980	£2,223,190	£304,679	19
2023-03-31	£2,200,384	£2,534,846	£609,888	18
2022-03-31	£2,260,611	£2,235,210	£944,350	17
2021-03-31	£2,045,849	£1,881,937	£918,948	15
2020-03-31	£2,056,596	£1,868,467	£755,036	12

Trustees

Name	Role	Appointed
CLAIRE TAVERNIER		2019-05-14
Corrine Ann Garbett		2023-06-19
Emily MacKenzie		2019-12-27
Jonathan Tan		2023-06-19
Richard Taylor		2020-09-21
Robert Francis George		2019-12-27
Thomas Robert Bulgarelli		2025-06-18
Zoe Amar		2019-02-11

CHARITY DIGITAL TRUST

England & Wales - Charity number 1133179

Accounts

Company number: 06902258
Charity number: 1133179

Charity Digital Trust

Report and financial statements
For the year ended 31 March 2024

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For the year ended 31 March 2024

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Charity Digital Trust

Reference and administrative details

For the year ended 31 March 2024

Registered name	Charity Digital Trust (formerly Tech Trust)
Trading names	Charity Digital
Company number	06902258
Country of incorporation	England and Wales
Charity number	1133179
Principal office	Pennine Place 2a Charing Cross Road London WC2H 0HF
Registered office	Camburgh House, 27 New Dover Road Canterbury, CT1 3DN
Trustees	Ms C Tavernier Mr S Dunne Ms Z Amar Ms E MacKenzie Mr R George Mr R Taylor Mr J Nathenson Mr J Tan (Appointed 19 th June 2023) Ms C Garbett (Appointed 19 th June 2023)
Accountants	Burgess Hodgson Camburgh House, 27 New Dover Road Canterbury CT1 3DN
Bankers	NatWest Bank plc The Strand London WC2N 5JB
Solicitors	Wright Hassall LLP Olympus Avenue Royal Leamington Spa CV34 6BF
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane London EC1Y 0TG

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Our purposes and activities

- The objects of the charity are to advance in any part of the world such purposes as are recognised as being exclusively charitable in accordance with the law in England and Wales as the trustees shall in their absolute discretion think fit to support or establish.
- Our vision is that technology can create a better world.
- Our mission is to empower not-for-profits to accelerate their own mission through technology.
- Our objectives are to deliver significant software procurement savings, enable digital platforms to raise significant funds for charities, and demystify technology to make it easier for charities and other social impact not-for-profit organisations (not-for-profits) to be more efficient and effective using digital tools.

The charity and its subsidiaries derive most of their income from trading activities offering products and services to other not-for-profits, either delivering significant cost savings, unique products or levels of support unavailable elsewhere. The trustees have considered this trading position with respect to the Charities SORP, FRS102 and the Charity Commission's guidance on public benefit including:

- Public benefit: the public benefit requirement (PB1)
- Public benefit: running a charity (PB2)
- Public benefit: reporting (PB3)

The trustees are clear that the trading activity model delivers significant benefit to not-for-profits that could not be delivered by a commercial organisation, and that the charity, whilst run on a trading basis, has clear charitable impact objectives which can be quantified and publicly reported.

We have four primary vehicles to deliver our impact:

- Donated and discounted software solutions
- Mail marketing and other engagement services
- Information, education, advice and guidance for not-for-profits
- The provision of fundraising solutions / financial settlement services

Our values

We believe technology used in the right way and to the right extent can be enormously beneficial to society as a whole. We want technology to be fully utilised for the benefit of not-for-profits and their beneficiaries. Charity Digital Trust (Charity Digital) believes it can do this as a charity trading in a commercial way through collaboration with the technology community whilst maintaining a balanced and agnostic view on the choice of solutions.

We aim to be friendly, honest, supportive, open-minded and humble in our approach to supporting UK not-for-profits.

Achievements and performance

Overall, the year 2023/24 was our second year of significant financial challenge as the organisation continued to struggle with realigning its activities and cost base after the end of the Microsoft on-premise donation programme (April 2022), several years of inflationary pressures on the charity's cost base and significantly reduced grant funding.

In response to these challenges, the organisation focused on a tighter subset of strategic initiatives:

- 1) The growth of the Charity Digital user base and content engagement to continue to excite and educate not-for-profits about the potential of digital to increase their impact remained a key focus. However, given the lack of funding, this is now focused on more organic and incremental activities.
- 2) Continuing to grow the base of organisations financially supporting Charity Digital activities including:
 - a. commercial sponsors engaging to support the achievement of their commercial aims
 - b. Corporate Social Responsibility (CSR) organisations engaging to help them achieve their desired social impact (these can include both commercial and non-commercial organisations), and
 - c. grant-givers and foundations engaging to fulfil their charitable objectives

However, given the tighter funding environment, this means being highly targeted in deciding which organisations to engage with.

- 3) The evolution of the organisation to deploy more need-based models of engaging with not-for-profits has been successful and can be continued at relatively low cost.

There were also two significant changes to stop activity. One was the decision to stop investing in the capability to deliver grant-based education programmes –though the organisation will still tactically pursue and deliver grant-funded activity where it is well aligned with existing resources and capabilities. The other was to withdraw from the provision of managed services. This was

because we found that our delivery models are uneconomic for the prices smaller organisations will pay and other organisations are better positioned to support the larger not-for-profits.

Our central purpose has essentially remained the same – helping not-for-profits throughout the UK adjust to and embrace the opportunities and challenges of an increasingly digital world. We continue to focus on three areas to progress our purpose:

- Becoming the UK's central resource for helping not-for-profits access digital products and services at no or very low cost from multiple 3rd party providers;
- Providing information, education, guidance and advice on how not-for-profits can do things more effectively or efficiently – typically using digital platforms and technology (through our Charity Digital publishing platform, our webinars and events and training programmes);
- Providing some of our own platforms where provision wasn't great for not-for-profits (donor email management, payment processing services).

The achievements of the charity are significant, delivering:

- Over £292m of savings and discounts for the not-for-profit sector on their software and hardware purchases
- Annual hard cash savings now running at £4m a year on items they would have otherwise paid a lot more for
- In excess of £362m in donations & payments collected for not-for-profits
- Over 85,000 not-for-profits supported and helped with our discount and donations services
- 600,000 not-for-profits are estimated to access our information and advice services annually to improve what they do and how they do it
- As a result of all of the above, helping not-for-profits with additional funding, resources and capabilities to significantly improve the services they ultimately provide to their beneficiaries.

As a trading charity we have historically generated enough income from activities to sustain the charity and add to reserves for the future, however, a drop in income and expenditure on strategic investments resulted in a planned deficit in 2022/23. These investments continued into 2023/24, but when it became clear that in the current environment, these investments were not delivering the returns expected, with new grants not being won, weaker support from sponsors and significantly reduced validation revenues, a rapid programme of cost reduction was undertaken. This brought the charity back to break-even at the end of the financial year but resulted in a deficit across the year of £305k (2022/23 £334k deficit) on annual revenue of £1.9m (2022/22 £2.2m). Cash reserves now stand at over £0.7m.

Software and Related Services – Charity Digital Exchange

We have been operating the donation programme in the UK since 2006 in close collaboration with our partner TechSoup in the USA. Software partners like Microsoft, Adobe and AWS, and hardware providers like Cisco, make their products available to us. We then give eligible not-for-profits access to those products at no cost or heavily discounted prices, charging an administration fee for each product taken, which funds the eligibility assessment, marketing and customer support.

In 2023/24 4,662 (2022/23 7,024) not-for-profits received a donation from the exchange programme, generating administration fees for Charity Digital of £462k (£459k in 2022/23), cumulatively saving not-for-profits around £4m (2022/23 £4m) versus fair market value. During the year, 4,526 new not-for-profits registered (3,800 in 2022/23) and became eligible to receive donated software. By the financial year-end, a total of 85,000 not-for-profits had registered on the programme since 2006, saving a total of around £292m in procurement costs.

Despite 2023/24 being the first full year after the end of the Microsoft on-premise donation programme and the charity sector as a whole remaining under acute financial pressure it was pleasing that we were able to maintain the total level of admin fees. We were also able to deliver significant growth in sales of Microsoft products which are no longer donated, but instead offered at discounted rates. We believe our overall growth in admin fees and software sales was significantly due to our customer service approach which is focused on helping charities by providing them with free-of-charge advice and guidance. In addition, towards the end of the year, we were able to add the Meta Quest device to the catalogue at a highly discounted price. This generated strong demand. Overall we continue to monitor not-for-profit satisfaction and value for money when using the Exchange programme through Trust Pilot. We have consistently maintained a 5-star rating and have an ongoing programme of improvement to address any specific issues and complaints.

Since 2006 we have built considerable experience validating UK not-for-profits for access to discounted technology on the Exchange. We have provided bespoke validation services to various businesses including Microsoft, for Microsoft 365. This has accelerated the number of not-for-profits we interact with, especially the larger ones. During 2023/24 7,786 (2022/23 9,992) not-for-profits registered for these supplementary services. This was a significant decline from 2022/23, driven significantly by Google's decision to move its validation service to a competing commercial business that purely focuses on cost. TechSoup also lost several other smaller validation contracts in the year and this also impacted product validation revenues. Finally, product validation revenues will drop further in 2024/2025 as the pricing of some contracts has been reduced to retain business. A secondary aspect of our validation work is validating recipients, based outside the US, of grants from US-based trusts and foundations. To comply with US tax laws and regulations, it is important to demonstrate that any non-US not-for-profits in receipt of grant funds are equivalent to a US public charity. In 2023/24 activity dropped significantly in this area too as some US funders paused their activity whilst undertaking strategic reviews.

Software and Related Services – Charity Digital Mail

We bulk buy millions of e-mails each month from dotdigital, a specialist marketing automation provider, and then pass the volume discount we achieve back to the not-for-profits. They can send out templated and branded e-mails to their donors, supporters and service users via a white-labelled dotdigital platform. To ensure that not-for-profits can get the maximum impact from the platform, we provide initial technical training and ongoing support and training including know-how on improving open rates and click-throughs.

In 2023/24, we sent over 48 million e-mails on behalf of UK not-for-profits (49 million 2022/23). We have a 93% customer retention rate and recruited 24 new clients last year, more than replacing the 9 we lost. The slight decrease in the total number of emails sent was due to some of the accounts lost being larger than the new ones recruited.

Information and Education Services – Advertiser-Funded Activity

We know from our many years of experience that not-for-profits struggle to keep pace with changing technology and are quite often daunted by the prospect of IT-related projects. Our information and education platform, previously known as CDN but migrated to our new Affino platform in March 2020, was created to provide a unique daily feed of case studies and helpful advice, aiding not-for-profits in achieving more with digital tools.

In the second half of the 2022/23 financial year, we undertook user research to understand better the needs of not-for-profit users and how they wish to interact with our content. This resulted in changes in 2023/24 which have led to significant increases in page views on the platform, rising to 2.8m (1.8m in 2022/23). In 2023/24 consumption of video content continued to increase with 17,120 views (15,382 in 2022/2023), however total podcast listens and webinar participants reduced as we decreased the number of podcasts and webinars in the year, in response to the tightening finances of the Charity. Podcasts generated 13,515 listens (17,190 in 2022/23) and webinars generated 12,350 participants (15,366 in 2022/23).

With our conference activity in 2022/23 not generating the level of support seen pre-pandemic, major venue increasing their prices significantly and reduced internal resources we decided to move away from large-scale in-person events in 2023/24. Instead, we pivoted to smaller and more focused events which can be run with less effort and at lower cost, but still deliver significant impact and contribute to the organisation's finances. In March 2024 this took the form of the Charity Digital Workshops: Transform and Thrive Day which saw eight workshops delivered from four streams: Marketing, Fundraising, Artificial Intelligence and Strategy and Leadership. Attendance was capped at 100 people. This proved a successful experiment and was then used in the design of other in-person events in 2024/25.

2023/24 saw the return of our ever-popular Digital Fundraising Day – now re-branded as the Digital Fundraising Summit and with a focus on the Future of Fundraising. This year saw record attendances with 1,175 participants logging on over the two days of the event to benefit from twelve sessions and two workshops covering different aspects of fundraising. The continuing success of this event proves the durability of virtual events post-pandemic.

Our information and education services have traditionally been funded from advertising, sponsorship and lead generation campaigns delivered for a mixture of large corporate and focused niche suppliers to the not-for-profit market. With the significant scaling back of the event programme total sponsorship revenues for 2023/24 were lower at £426k (2022/23 £636k). However, with an expanded event programme, we anticipate modest growth in sponsored revenues in 2024/25.

Information and Education Services – Grant Funded

As was reported in the 2022/23 accounts funding from trusts and foundations for infrastructure organisations and digital initiatives has decreased as they have focused funding on front-line service organisations. This hit the charity hard in the 2023/24 year with the level of grant-funded activity undertaken by the charity reducing to £126k (2022/23 £237k). In the year, grant activity was focused on the Accelerating Digital Strategy programme that is funded by the Okta for Good Fund via the TIDES Foundation. The programme focuses on supporting charities to develop and embed a digital strategy, working with leadership teams with a structured approach, the use of practical tools and mentoring support. 2023/24 saw the completion of the second year of delivery of the programme and the start of work to scale up the impact to more charities.

Charity Digital also received funding pledges in the 2023/24 year towards a new project to update the Charity Digital Code of Practice, of which Charity Digital is the custodian. The funding was short of the target to start the project, but further funding was received after the financial year-end and the project started in October 2024.

Settlement Services

CTT Charity Payments has continued to deliver its Direct Debit processing solution principally for UK lotteries and to a lesser extent to support regular giving. Around 156,000 direct debits a month were processed which was unchanged from 2022/23. The aim is to continue to offer the lowest-cost solution available to maximise the proportion of ticket proceeds and donations going to each charity.

Fund Raising

The Charity is funded through commercial activity and grants received from funding organisations. We do not raise funds from the general public.

Financial review

The consolidated unrestricted fund position as of 31 March 2024 is £221,515 compared with £514,432 as at 31 March 2023. Consolidated income of £1,917,980 reduced from the 2022/23 figure of £2,200,384 whilst total expenditure was at £2,223,188 versus £2,534,846 in the previous year.

The excess of expenditure over income in the year has led to a decrease in funds carried forward at year-end to £304,679

Reserves policy and going concern

The reserves policy aims to ensure that the charity (and group) has sufficient reserves to continue its core activities of providing services to the charity sector, even when there are significant deviations from its business plans. The level of reserves is further considered in the context of approved contingent charity activities investment. The level of reserves needed to achieve this objective is reviewed on an annual basis, and for the 2022/23 financial year, the target level was held in line with the policy at a target of £200,000. This target of free reserves is calculated as being Net Assets less Fixed Assets. This free reserves target was reviewed specifically by the Board at its full board meeting in March 2022 and deemed to be sufficient.

In conducting this review, a number of factors are considered including the degree of risk associated with future income streams, the level of fixed costs and forecast cash flow requirements.

At year-end, the amount of unrestricted funds to be carried forward was £221,515. Using the calculation of Net Assets less Fixed Assets as above, unrestricted free reserves at 31 March 2024 were £304,679 thereby exceeding the free reserves target of £200,000. With the reserves significantly reduced the charity introduced a number of cost-saving measures in 2023/24 and sharpened its strategic focus to a smaller number of the initiatives which were delivering the most significant results. The cost saving measures (including headcount and overhead reductions) are delivering ongoing benefits and we expect to close the financial year ended 31st March 2025 with a significantly reduced deficit. Our budget for the year is for a break-even position and we will take further measures to reduce costs as necessary. We will also maintain focus on maintaining and growing revenues. Looking forward to January 2026 we believe that the Charity will continue to be a going concern.

The Financial Sub-Committee will continue to review the financial situation carefully regularly, identifying risks and potential remedies versus the monthly re-forecasting.

The trustees are confident that the activities contained within the subsidiary, CTT Charity Payments Limited, continue to provide value to the charity, both in terms of its complementary activity and benefit to the charity and charitable impact to the charity community. A small profit has been forecast for the coming year, and future years will deliver similar if not higher excess funds for use in the charity. It should also be noted that included in the subsidiary's forecast profit expected in the next financial year are apportionments of fixed cost and expense incurred in, and recharged by, the charity to the subsidiary, which would not be avoided should the subsidiary be closed. As in previous years, the provision for intercompany indebtedness in the charity has been adjusted to reflect the amount outstanding as of 31 March 2024 and provided for in full as of that date and the trustees will continue to review this position in the future.

Plans for future periods

The organisation's key challenge is generating a sufficient surplus to fund its overheads. Declines in revenue and margin therefore have a significant impact on Charity Digital's finances. However, in 2024/25 the organisation is continuing to exercise tight cost control and restructuring where opportunities to make further savings are identified. In addition, the organisation is working hard on revenue growth opportunities.

As outlined earlier the organisation, with limited funds for investment in revenue growth opportunities need to be self-funding. Two key areas identified for potential growth are through further expansion of small in-person events and through the Charity Digital Academy.

The Charity Digital Academy was piloted early in 2024 and focuses on providing detailed education on key digital topics such as AI for non-profits, social media and Microsoft 365 Administration. The education goes into more detail than that typically provided through our sponsored activity or in event sessions and is funded by charging a modest fee per head attending. The Academy has been well received and the financial model described is able to cover costs and contribute to overheads.

We also see key needs to address in the sector relating to artificial intelligence; digital leadership, governance and digital strategy; cyber-security; and supporting the digital needs of smaller charities and are exploring ways of making more impact in these areas and securing the income to fund our activity in these areas.

The Charity Digital Code of Practice 2025 update is progressing, encompassing a number of these themes and once the update is released we hope that this might unlock further revenue growth opportunities as well as delivering significant impact. We are also exploring the options for scaling up the Digital Strategy Accelerator.

Principal risks

Our approach to risk management and control is described on page 10. Following review by the Trustees, the principal risks and uncertainties facing Charity Digital and its subsidiaries are listed here, together with a summary of our approach to managing those risks.

Risk	Our Response
Financial Challenge	
We operate in a dynamic environment and the viability of our business model cannot be assumed to continue. In addition, we are exposed to the impact of the broader economic environment on our customers.	We keep our business performance under constant review. We are actively seeking to both grow our existing revenue streams and to seek new avenues for the generation of income.
People and Culture	
Current market conditions mean that it may be difficult for the charity to recruit and retain the right calibre of staff and hence achieve its strategic goals.	We place significant emphasis on ensuring our employees feel connected to the charity and its mission. We aim to maintain a remuneration package that is competitive within our sector including a performance-linked bonus scheme.
Internal Factors	
Our activities are highly dependent upon our I.T. systems and in common with other organisations cyber threats are a serious risk.	Our IT environment and systems are overseen by a dedicated resource. The security of our systems and our plans to ensure the continuity of operations are kept under review.

Governing document

Charity Digital Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 05 October 2018. It is registered as a charity with the Charity Commission in England and Wales.

Leadership induction and training

New trustees undergo an orientation meeting regarding their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and to inform them of the content of the Memorandum and Articles of Association, decision-making processes, the strategy, the business plan, the budgets and recent financial performance of the charity. An induction document is updated annually.

Leadership

During the year the charity had up to 9 voluntary trustees that met formally four times to review the operations and strategy of the charity and its subsidiary and provide guidance and support to management. The trustees continue to delegate the day-to-day operational decision-making to the Chief Executive and the directors of CTT Charity Payments Limited (CTTCP).

Charity Code of Governance

The Trustees are guided by the principles of the Charity Code of Governance. The composition of the Board is reviewed regularly to ensure that the right mix of skills is present to guide the charity. Throughout the charity equality, diversity and inclusion is a guiding principle and the Board reviews the composition of our team regularly both in terms of composition and remuneration. The Board works closely with management through several sub-committees which help to ensure that the right decisions are taken to advance the mission of the charity. The adequacy of the internal control environment is monitored by the Risk Committee each quarter and reported to the Board.

Related parties and cooperation with other organisations

None of our trustees receive remuneration or other benefits from their work with the charity. However, some of the trustees own or manage companies that the charity partners with and any payments to those organisations for services are logged on the conflict-of-interest register. Any new potential conflicts are declared at each board meeting

Pay policy for senior staff

All trustees give of their time freely and none have received remuneration in the year (2022/23: £Nil)

The pay of the staff is reviewed annually and normally increased in accordance with average earnings and a view on the cost of living.

The CEO salary is reviewed annually by the trustees benchmarking against levels in other charities, social enterprises and commercial organisations. The salary of the CEO was last reviewed in April 2024 at the same time as other staff members.

Risk management

The Trustees are responsible for identifying and managing the major risks facing the charity. Trustees regularly consider risk management in a broad and strategic manner, considering all relevant internal and external factors that might alter or undermine the capacity of the charity to fulfil its charitable objectives, its mission and its strategy. Risk registers provide comprehensive assurance of the following areas of risk and control:

- Financial sustainability including sustaining and growing our income streams,
- People and culture,
- Operations and processes,
- Compliance with relevant laws and regulations,
- Strategy and impact.

Our risk review process assesses each of the major risks and the effectiveness of the arrangements for managing them. The resulting report is reviewed by the Risk Subcommittee and Trustees every quarter and in greater depth once each year. The Risk Appetite statement is also reviewed by the Trustees annually. The Trustees are satisfied that the principal risks have been identified and are being effectively managed.

To ensure our future viability we continue to employ continuous improvement principles in operational and financial areas with a specific focus on being more effective and efficient at what we do whilst having the lowest cost levels possible. We have introduced several digital solutions to facilitate this whilst focussing on supplier cost reduction.

The trustees are confident that the risks and safeguards contained in the risk assessment have been properly documented and addressed over the course of the financial year. In addition, the trustees have reviewed the internal controls within the charity and its subsidiaries to ensure that they were operating effectively throughout the year as well as ensuring that they will safeguard the assets of the charity.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing the report of the trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

Trustees' annual report

For the year ended 31 March 2024

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the report of the trustees:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to
- establish that the auditor is aware of that information.

By order of the board of trustees

Claire Tavernier (Chair)
3 February 2025

Independent auditor's report

to the members of Charity Digital Trust

For the year ended 31 March 2024

Opinion

We have audited the financial statements of Charity Digital Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent 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 Charity Digital Trust'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 auditor's report

to the members of Charity Digital Trust

For the year ended 31 March 2024

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

to the members of Charity Digital Trust

For the year ended 31 March 2024

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Independent auditor's report

to the members of Charity Digital Trust

For the year ended 31 March 2024

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

to the members of Charity Digital Trust

For the year ended 31 March 2024

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

4 February 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor,
110 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

		Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	Note	£	£	Total	£	£	Total
				£			£
Income from:							
Grants		46,435	79,933	126,368	25,476	211,182	236,658
Charitable activities							
Software and related services		1,184,507	–	1,184,507	1,155,390	–	1,155,390
Information and education services		426,356	–	426,356	636,361	–	636,361
Settlement services		172,548	–	172,548	163,640	–	163,640
Other		8,201	–	8,201	8,335	–	8,335
Total income		1,838,047	79,933	1,917,980	1,989,202	211,182	2,200,384
Expenditure on:							
Charitable activities							
Software and related services		1,125,441	92,225	1,217,666	988,829	195,687	1,184,516
Information and education services		852,075	–	852,075	1,179,201	–	1,179,201
Settlement services		132,032	–	132,032	117,417	–	117,417
Other		21,416	–	21,416	53,712	–	53,712
Total expenditure	2,3	2,130,964	92,225	2,223,189	2,339,159	195,687	2,534,846
Net movement in funds		(292,917)	(12,292)	(305,209)	(349,957)	15,495	(334,462)
Reconciliation of funds:							
Total funds brought forward	18	514,432	95,456	609,888	864,389	79,961	944,350
Total funds carried forward		221,515	83,164	304,679	514,432	95,456	609,888

There were no other recognised gains or losses other than those stated above. All activities are continuing. Movements in funds are disclosed in note 19 to the financial statements.

Balance sheets

Company no. 06902258

As at 31 March 2024

	Note	The group 2024 £	2023 £	The charity 2024 £	2023 £
Fixed assets:					
Tangible assets	9	–	–	–	–
		–	–	–	–
Current assets:					
Debtors	12	209,338	291,984	488,123	636,764
Short term deposits		94,718	174,719	94,719	174,719
Cash at bank and in hand		607,221	773,986	416,310	618,164
		911,277	1,240,689	999,152	1,429,647
Liabilities:					
Creditors: amounts falling due within one year	13	(606,598)	(630,801)	(425,043)	(548,092)
Net current assets		304,679	609,888	574,109	881,555
Total assets less current liabilities		304,679	609,888	574,109	881,555
Creditors: amounts falling due after one year	15	–	–	(326,513)	(447,446)
Total net assets		304,679	609,888	247,596	434,110
Funds:					
Restricted income funds		83,164	95,456	83,164	95,456
Unrestricted general funds		221,515	514,432	164,432	338,654
Total funds	18, 19	304,679	609,888	247,596	434,110

Approved by the trustees on 3 February 2025 and signed on their behalf by

Claire Tavernier
Chairman of the Trustees

Charity Digital Trust

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		(246,765)		(744,270)
Cash flows from investing activities:					
Amounts placed on short term deposit		80,000		(4,671)	
Net cash used in investing activities			80,000		(4,671)
Change in cash and cash equivalents in the year			(166,765)		(748,941)
Cash and cash equivalents at the beginning of the year			773,986		1,522,927
Cash and cash equivalents at the end of the year			607,221		773,986

1 Accounting policies

a) Statutory information

Charity Digital Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Camburgh House, 27 New Dover Road, Canterbury CT1 3DN and its main place of business is Pennine Place, 2a Charing Cross Road, London WC2H 0HF.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary CTT Charity Payments Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern and meet its liabilities as they fall due. The financial position is reviewed regularly and cost saving measures are taken where necessary. Our annual budget is set to at least a breakeven position and corrective actions are taken should actual results fail to meet this expectation.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Such deferment is also applied to grants and donations until those services for which the grant or donation was made, have been provided.

f) 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 bank.

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the group's charitable activities undertaken to further the purposes of the group and their associated support costs
- Other expenditure represents those items not falling into any other heading

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on estimates of activity and/or staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on either staff time or turnover creating the following ratios:

	Support %	Governance %
● Software and related services	18	53
● Marketing services	45	28
● Settlement services	–	7
● Other	–	12
● Governance	37	–

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

The Charity had no operating leases or rentals in the financial period other than that of a short term lease for accommodation (shown in Note 21 below); the cost of which is charged as it is incurred on a straight line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years
- Computer equipment and software 3 years

1 Accounting policies (continued)

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand only includes balances held in accounts with instant access.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with maturity dates of greater than 90 days.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) 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.

q) Pensions

The Charity operates a contribution pension scheme which is available to all members of staff. The Charity contributes a fixed 5% (2023:5%).

Charity Digital Trust

Notes to the financial statements

For the year ended 31 March 2024

2 Analysis of expenditure (current year)

	Charitable activities							
	Software & related services	Information and Education services	Settlement services	Other	Governance costs	Support costs	2024 Total	2023 Total
	£	£	£	£	£	£	£	£
Staff costs (Note 5)	236,187	533,722	–	–	252,548	–	1,022,457	1,081,120
Cost of sales	595,120	161,417	83,586	–	–	–	840,123	1,000,561
Other staff related costs	5,091	11,507	–	–	5,465	–	22,063	50,312
Marketing	58,545	–	–	–	–	–	58,545	69,423
IT and transaction cost	98,759	–	–	–	–	–	98,759	66,719
Consultancy, legal & prof.	–	770	15,290	–	–	39,465	55,525	100,526
Auditors remuneration	–	–	–	–	13,500	–	13,500	13,500
Accommodation and office	–	–	5,472	–	–	60,301	65,773	94,386
Financing and Interest	–	–	–	–	–	1,330	1,330	–
Depreciation and amort.	–	–	–	–	–	–	–	34,884
Insurance	–	–	–	–	–	23,713	23,713	18,307
Other	–	–	–	–	–	21,400	21,400	5,107
	993,702	707,416	104,348	–	271,513	146,209	2,223,188	2,534,846
Support costs	33,741	76,254	–	–	36,215	(146,209)	–	–
Governance costs	190,223	68,406	27,684	20,275	(306,588)	–	–	–
Total expenditure 2024	1,217,666	852,075	132,032	20,275	1,140	–	2,223,188	2,534,846
Total expenditure 2023	1,184,516	1,162,770	133,849	52,054	1,657	–	–	2,534,846

3 Analysis of expenditure (prior year)

	Charitable activities						
	Software & related services £	Restated Information and Education services £	Re stated Settlement services £	Other £	Governance costs £	Support costs £	2023 Total £
Staff costs	193,381	506,230	–	–	381,509	–	1,081,120
Cost of sales	556,191	368,470	75,899	–	–	–	1,000,561
Other staff related costs	9,224	22,641	–	–	18,448	–	50,312
Marketing	69,423	–	–	–	–	–	69,423
IT and transaction cost	66,719	–	–	–	–	–	66,719
Consultancy, legal & prof.	–	38,895	16,484	–	–	45,147	100,526
Auditors remuneration	–	–	–	–	13,500	–	13,500
Accommodation and office	–	–	5,472	–	–	88,914	94,386
Financing and Interest	–	–	–	–	–	–	–
Depreciation and amort.	–	–	–	–	–	34,884	34,884
Insurance	–	–	–	–	–	18,307	18,307
Other	–	–	–	–	–	5,107	5,107
	894,938	936,236	97,855	–	413,457	192,359	2,534,846
Support costs	35,266	86,562	–	–	70,352	(192,359)	–
Governance costs	254,311	139,972	35,994	52,054	(482,331)	–	–
Total expenditure 2023	1,184,516	1,162,770	133,849	52,054	1,657	–	2,534,846

The prior year comparatives are restated to correct the classification of a portion of Cost of Sales. The impact is to increase Information and Education services cost of Sales by £144,375 and reduce Settlement services cost of sales by an equivalent amount.

4 Net income for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation	–	33,461
Operating lease rentals:		
Property	64,907	92,853
Auditors' remuneration (excluding VAT):		
Audit – group	13,500	13,500
Audit subsidiary	–	3,750
Other services	1,025	1,025
Foreign exchange losses/(gains)	1,330	6,988
	<u> </u>	<u> </u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	882,832	954,493
Social security costs	106,529	104,269
Employer's contribution to defined contribution pension schemes	33,096	22,358
	<u>1,022,457</u>	<u>1,081,120</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	1	2
£70,000 – £79,999	1	1
£80,000 – £89,999	1	1
£90,000 – £99,999	1	–
£100,000 – £109,999	1	–
£110,000 – £119,000	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £314,224 (2023: £307,867).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

No donations were received from Trustees during the year. (2023 – Nil).

No expenses were paid to one of the Trustees in the financial year (2023: £99).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 19 (2023:18).

Staff are split across the activities of the charitable company as follows:

	2024 No.	2023 No.
Software and support	4.5	3.9
Mail & marketing Services	10.2	9.1
Support	4.8	4.8
	19.5	17.8

7 Related party transactions

There were no transactions with related parties.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary CTT Charity payments made taxable profits in the year but no charge to corporation tax is expected due to the availability of tax losses brought forward, profit of £28,852 in 2024 (2023:£24.898).

9 Tangible fixed assets

The group and Charity

Cost

At the start of the year

Additions in year

At the end of the year

Depreciation

At the start of the year

Charge for the year

At the end of the year

Net book value

At the end of the year

At the start of the year

	Fixtures and fittings £	Computer equipment £	Total £
At the start of the year	51,302	187,141	238,443
Additions in year	-	-	-
At the end of the year	51,302	187,141	238,443
At the start of the year	51,302	187,141	238,443
Charge for the year	-	-	-
At the end of the year	51,302	187,141	238,443
At the end of the year	-	-	-
At the start of the year	-	-	-

10 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of CTT Charity Payments Limited, a company registered in England (4222881). The subsidiary is used for additional primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

	2024 £	2023 £
Turnover	172,548	163,640
Cost of sales	(96,738)	(89,120)
Gross profit	75,810	74,520
Administrative and direct expenses	(4,461)	(18,099)
Costs fairly apportioned from the parent charity	(33,070)	(33,072)
Operating profit	38,279	23,349
Interest receivable	5,607	1,551
Profit for the financial year	43,886	24,900
The aggregate of the assets, liabilities and funds was:		
Assets	249,139	196,581
Liabilities	(508,291)	(498,619)
Deficit in funds	(259,152)	(302,038)

11 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024 £	2023 £
Gross income	1,739,823	2,035,196
Result for the year	(186,514)	(359,360)

12 Debtors

	The group 2024 £	2023 £	The charity 2024 £	2023 £
Trade debtors	156,008	200,156	104,657	166,682
Other debtors	1,972	11,505	12,472	11,505
Prepayments and accrued income	51,358	80,323	44,481	74,038
Balance with subsidiaries	–	–	326,513	384,539
	209,338	291,984	488,123	636,764

13 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	206,299	125,602	202,492	122,084
Taxation and social security	87,183	99,403	71,164	71,112
Other creditors	161,180	67,111	7,202	9,550
Accruals	42,614	128,471	34,863	120,094
Deferred income (note 14)	109,322	210,214	109,322	225,252
	606,598	630,801	425,043	548,092

14 Deferred income

Deferred income comprises unexpired elements of invoiced contract bundles for email marketing unused by clients at year end, billed but not delivered work undertaken on the Charity Digital News platform and deferred balances from grants received where performance specified under the donation is not completed.

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Balance at the beginning of the year	210,214	325,384	225,252	325,384
Amount released to income in the year	(636,558)	(974,253)	(636,558)	(879,253)
Amount deferred in the year	520,628	859,083	520,628	779,121
Balance at the end of the year	109,322	210,214	109,322	225,252

15 Creditors: amounts falling due after one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Other liabilities	–	–	326,513	447,446
	–	–	326,513	447,446

16 Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	221,515	83,164	304,679
Long term liabilities	–	–	–
Net assets at 31 March 2024	221,515	83,164	304,679

17 Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets		–	–
Net current assets	498,937	110,951	609,888
Long term liabilities	–	–	–
Net assets at 31 March 2023	498,937	110,951	609,888

18 Movements in funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	At 31 March 2024 £
Restricted funds:				
Tides Foundation	95,457	79,933	(92,225)	83,165
TS Foundation	–	–	–	–
Code of practice	–	–	–	–
Total restricted funds	95,457	79,933	(92,225)	83,165
General funds	514,431	1,838,047	(2,130,964)	221,513
Total funds	609,888	1,917,980	(2,223,189)	304,678

The narrative to explain the purpose of each fund is given at the foot of the note below.

19 Movements in funds (prior year)

	At 31 March 2022 £	Income & gains £	Expenditure & losses £	At 1 April 2023 £
Restricted funds:				
Heritage Digital	5,028	124,900	(129,928)	
Tides Foundation	68,484	86,282	(59,309)	95,457
TS Foundation	4,551	–	(4,551)	–
Code of practice	1,899	–	(1,899)	–
OCS		–		–
Total restricted funds	79,962	211,182	(195,687)	95,457
General funds	864,388	1,989,202	(2,339,159)	514,431
Total funds	944,350	2,200,384	(2,534,846)	609,888

Purposes of restricted funds

Heritage Digital

Heritage Digital Academy is a programme managed by Charity Digital which seeks to support organisations in the Heritage sector in developing new practices around the use of digital tools and services.

Tides Foundation

Charity Digital has been awarded funding to deliver a programme entitled 'Accelerating Digital Strategy'. This will support a cohort of not for profits over a 12 month period and will be primarily delivered in the following financial year.

20 Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)	(305,209)	(334,462)
Depreciation charges	–	33,461
Decrease (Increase) in debtors	82,646	(106,395)
Increase in creditors	(24,203)	(336,874)
Net cash provided by operating activities	(246,765)	(744,270)

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2024 £	2023 £	Equipment 2024 £	2023 £
Less than one year	17,082	97,392	–	–

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

CHARITY DIGITAL TRUST

England & Wales - Charity number 1133179

Accounts

Company number: 06902258

Charity number: 1133179

Charity Digital Trust

Report and financial statements

For the year ended 31 March 2023

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For the year ended 31 March 2023

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Charity Digital Trust

Reference and administrative details

For the year ended 31 March 2023

Registered name	Charity Digital Trust (formerly Tech Trust)
Trading names	Charity Digital
Company number	06902258
Country of incorporation	England and Wales
Charity number	1133179
Principal office	Pennine Place 2a Charing Cross Road London WC2H 0HF
Registered office	Camburgh House, 27 New Dover Road CANTERBURY, CT1 3DN
Trustees	Ms C Tavernier Mr S Dunne Ms Z Amar Mr P Jacobs (Resigned 21 st March 2023) Ms E MacKenzie Ms M Brewis (Resigned 12 th December 2022) Mr R George Mr R Taylor Mr J Nathenson (Appointed 4 th August 2022) Mr J Tan (Appointed 19th June 2023) Ms C Garbett (Appointed 19th June 2023)
Accountants	Burgess Hodgson Camburgh House, 27 New Dover Road Canterbury CT1 3DN
Bankers	NatWest Bank plc The Strand London WC2N 5JB
Solicitors	Wright Hassall LLP Olympus Avenue Royal Leamington Spa CV34 6BF
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108–114 Golden Lane, London EC1Y 0TL

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Our purposes and activities

- The objects of the charity are to advance in any part of the world such purposes as are recognised as being exclusively charitable in accordance with the law in England and Wales as the trustees shall in their absolute discretion think fit to support or establish.
- Our vision is that technology can create a better world.
- Our mission is to empower not-for-profits to accelerate their own mission through technology.
- Our objectives are to deliver significant software procurement savings, see digital platforms raise significant funds for charities, and demystify technology to make it easier for charities and other social impact not-for-profit organisations (not-for-profits) to be more efficient and effective using digital tools.

The charity and its subsidiaries derive most of their income from trading activities offering products and services to other not-for-profits, either delivering significant cost savings, unique products or levels of support unavailable elsewhere. The trustees have considered this trading position with respect to the Charities SORP, FRS102 and the Charity Commission's guidance on public benefit including:

- Public benefit: the public benefit requirement (PB1)
- Public benefit: running a charity (PB2)
- Public benefit: reporting (PB3)

The trustees are clear that the trading activity model delivers significant benefit to not-for-profits that could not be delivered by a commercial organisation, and that the charity, whilst run on a trading basis, has clear charitable impact objectives which can be quantified and publicly reported.

We have four primary vehicles to deliver our impact:

- Donated and discounted software solutions
- Mail marketing and other engagement services
- Information, education, advice and guidance for not-for-profits
- The provision of fundraising solutions / financial settlement services

Our values

We believe technology used in the right way and to the right extent can be enormously beneficial to society as a whole. We want technology to be fully utilised for the benefit of not-for-profits and their beneficiaries. Charity Digital Trust (Charity Digital) believes it can do this as a charity trading in a commercial way through collaboration with the technology community whilst maintaining a balanced and agnostic view on the choice of solutions.

We aim to be friendly, honest, supportive, open-minded and humble in our approach to supporting UK not-for-profits.

Achievements and performance

This report covers the first full financial year after the end of the COVID-19 pandemic restrictions. This saw many not-for-profits move their focus away from digital. It also saw the end of most of the Microsoft on-premise donation programme (in April 2022) and the full impact of the cost-of-living crisis. In response to these environmental changes, the Charity Digital strategy was reviewed and significantly updated. This resulted in the identification of five key growth initiatives which were invested in during the year. These were:

- 1) Growing the Charity Digital user base and content engagement to continue to excite and educate not-for-profits about the potential of digital to increase their impact
- 2) Continuing to grow the base of organisations financially supporting Charity Digital activities including:
 - a. commercial sponsors engaging to support the achievement of their commercial aims
 - b. Corporate Social Responsibility (CSR) organisations engaging to help them achieve their desired social impact (these can include both commercial and non-commercial organisations), and
 - c. grant-givers and foundations engaging to fulfil their charitable objectives
- 3) Continuing to evolve the organisation to deploy more need-based models of engaging with not-for-profits. Our highly-rated customer service function providing the starting platform for this
- 4) Investing in our capability to deliver high-impact grant-based programmes
- 5) Continuing to develop and deliver managed service offerings which support not-for-profits in using new digital technology solutions, particularly in areas which are not well supported by commercial organisations

As a result of the programme change and investments, the charity planned for and recorded a deficit in the year. Progress with the strategic initiatives is outlined in the report as well as future plans.

Our central purpose has essentially remained the same – helping not-for-profits throughout the UK adjust to and embrace the opportunities and challenges of an increasingly digital world. We continue to focus on three areas to progress our purpose:

- Becoming the UK's central resource for helping not-for-profits access digital products and services at no or very low cost from multiple 3rd party providers;
- Providing information, education, guidance and advice on how not-for-profits can do things more effectively or efficiently – typically using digital platforms and technology (through our Charity Digital publishing platform, our webinars and events and training programmes);
- Providing some of our own platforms where provision wasn't great for not-for-profits (donor email management, payment processing services).

The achievements of the charity are significant, delivering:

- In excess of £288m of savings and discounts for the not-for-profit sector on their software and hardware purchases
- Annual hard cash savings now running at £4m a year on items they would have otherwise paid a lot more for
- Over £340m in donations & payments collected for not-for-profits
- Over 80,000 not-for-profits supported and helped with our discount and donations services
- Nearly 600,000 not-for-profits are estimated to access our information and advice services annually to improve what they do and how they do it
- As a result of all of the above, helping not-for-profits with additional funding, resources and capabilities to significantly improve the services they ultimately provide to their beneficiaries.

As a trading charity we have historically generated enough income from activities to sustain the charity and add to reserves for the future however the drop in income and expenditure on strategic investments resulted in a planned deficit in 2022/23. Our current annual revenue stands at £2.2m (2021/22 £2.3m) with a deficit of £334k and cash reserves of over £0.8m.

Though 2022/23 was free of any COVID-19 lockdown effects, the cost of living crisis had a major impact on the sector with increased costs and reduced income from public fundraising experienced by many not-for-profits.

In line with our strategic aims, we were pleased to receive increased levels of support from the tech sector in providing the above services. This resulted in record sponsorship and event revenues of £616k. However, the latter part of the financial year saw many tech businesses commence major cost-reduction programmes many of which impacted their not-for-profit activities. Whilst this had little effect on the charity's 2022/23 results it has significantly impacted the 2023/24 finances.

Software and Related Services – Charity Digital Exchange

We have been operating the donation programme in the UK since 2006 in close collaboration with our partner TechSoup in the USA. Software partners like Microsoft, Adobe and AWS, and hardware providers like Cisco, make their products available to us. We then give eligible not-for-profits access to those products at free or heavily discounted prices, charging an administration fee for each product taken, which funds the eligibility assessment, marketing and customer support.

In 2022/23 7,024 (2021/22 7,404) not-for-profits received a donation from the exchange programme, generating administration fees for Charity Digital of £459k (£845k in 2021/22), cumulatively saving not-for-profits around £4m (2021/22 £12m) versus fair market value. During the year, 3,800 new not-for-profits registered (2,925 in 2021/22) and became eligible to receive donated software. By the financial year end, a total of 80,800 not-for-profits had registered on the programme since 2006, saving a total of around £288m in procurement costs.

The drop in administration fees in the year was anticipated with Microsoft ending its on-premise software donation programme, other than for the Windows Operating System and those not-for-profits running publicly shared computer resources (i.e. libraries and computer training labs). The changes which took effect on April 4th, 2022 were reported in previous annual reports and accelerated a review of the Charity Digital strategy. One element of the strategy was to be more needs-based in our engagement with not-for-profits. This is already delivering results as the non-Microsoft elements of the donation programme grew 16% to £413k in 2022/23 (£355k in 2021/22).

Improving the service we offer to our not-for-profit beneficiaries is important to us and in 2022/23 we introduced two major developments. The first in April 2022 was the introduction of a new customer operations software system called Front. This helps us to more efficiently manage emails, messages and other interactions with customers and supports better collaboration within our customer service team. The second was the introduction of LiveChat in January 2023. LiveChat supports real-time interactions with users who visit the Charity Digital website. It enables personalised support to be provided quickly and efficiently. Both of these developments have contributed significantly to the charity maintaining high customer satisfaction scores. We continually monitor not-for-profit satisfaction and value for money when using the Exchange programme through Trust Pilot. We have consistently maintained a 5-star rating and have an ongoing programme of improvement to address any specific issues and complaints.

Since 2006 we have built considerable experience validating UK not-for-profits for access to discounted technology on the Exchange. We have been providing bespoke validation services to various businesses including Microsoft for Office 365, and Google for their Workspace for Nonprofits programmes. This has accelerated the number of not-for-profits we interact with, especially the larger ones. During 2022/23 9,992 (2021/22 11,561) not-for-profits registered for these supplementary services. The drop in the number of validations in 2021/22 was driven by a combination of factors. The most significant was the decision by Google to start to transition its validation away from TechSoup – starting in the UK in Q3 2022/23. This appears to have been primarily driven by cost considerations. The number of requests for Microsoft validations also dropped in the year. Despite the drop in validation volumes, the product-related validation income

increased slightly to £125k (2021/22 £118k) as a result of currency movements and changes in the mix of validation activity. As a result of the Google changes, validation income is expected to be lower in 2023/24.

Software and Related Services – Charity Digital Mail

We bulk buy millions of e-mails a month from dotdigital (previously known as DotMailer), a specialist marketing automation provider, and then pass the volume discount we achieve back to the not-for-profits. They can send out templated and branded e-mails to their donors, supporters and service users via a white-labelled dotdigital platform. So that not-for-profits can get the maximum impact from the platform, we provide initial technical training and ongoing support and training including know-how on improving open rates and click-throughs.

In 2022/23, we sent over 49 million e-mails on behalf of UK not-for-profits (48 million 2021/22). We have a 95% customer retention rate and recruited 9 new clients last year, more than replacing the 6 we lost. The increase in the total number of emails sent was primarily due to not-for-profits increasing the volume of sends.

Information and Education Services – Advertiser-Funded Activity

We know from our many years of experience that not-for-profits struggle to keep pace with changing technology and are quite often daunted by the prospect of IT-related projects. Our information and education platform, previously known as CDN but migrated to our new Affino platform in March 2020, was created to provide a unique daily feed of case studies and helpful advice, aiding not-for-profits in achieving more with digital tools.

Page views on the platform were stable at 1.8m in 2022/23 (1.9m in 2021/22) despite a temporary move away from consuming digital content in the immediate post-pandemic period. To support the strategic aim of growing our not-for-profit audience, during the year we invested significant effort and funds in better understanding our audience's needs and consumption behaviours and reflected this in our content and improvements to Affino. This has resulted in considerable traffic and page view growth in 2023/24. In 2022/23 our newer content types continued to do well with videos generating 15,382 views, podcasts generating 17,190 listens (12,100 in 2021/22) and webinars generating 15,366 participants (8,214 in 2021/22).

With the return of physical events from the spring of 2022, we were able to run two in-person conferences in 2022/23 as well as hosting our popular virtual #BeMoreDigital Fundraising Day. Our first conference of the year was our delayed 2022 #BeMoreDigital Conference which took place in June 2022 at the Hammersmith Novotel. This was followed in March 2023 by the #BeMoreDigital 2023 Conference. Our conferences saw us host nearly 600 not-for-profit delegates with our popular travel bursary scheme helping to support attendance from those based outside the greater London area. Despite an increased appetite for in-person events, following the COVID lockdowns, our virtual #BeMoreDigital Fundraising Day 2022 enjoyed strong engagement with 449 live attendees (2021 441 attendees). This illustrates the continued appetite for virtual events, which offer not-for-profits from across the country quick and cost-effective access to high-quality education and information regardless of their location.

Our information and education services have traditionally been funded from advertising, sponsorship and lead generation campaigns delivered for a mixture of large corporate and focused niche suppliers to the not-for-profit market. With two in-person events and strong sponsor support across the year, revenues increased to £616k (2021/22 £367k). With the softening of the sponsor market outlined previously and a reduction back to one in-person event per year, these increases will not be sustained in 2023/24.

Information and Education Services – Grant Funded

In the 2022/23 year, the level of grant-funded activity undertaken by the charity reduced slightly to £237k (2021/22 £288k). Grants enable us to deliver programmes which have a more focused impact and would not be fundable by our other income streams. Some of these grants were received directly from funders such as from the Heritage Fund (for the Heritage Digital Academy which is managed by Charity Digital but delivered by a consortium) and others indirectly such as the Digital Questions Project which is also funded by the Heritage Fund but paid by the Heritage Alliance who are managing that project.

The Heritage Digital Academy concluded in November 2022 having started in May 2021. The programme supported 643 individuals from 526 unique Heritage organisations (which are predominantly not-for-profit organisations) in “Making a Plan for Digital” and “Designing Digital Services”. Respondents provided strongly positive feedback with 95% of respondents recommending the programme.

Significant funding was also received from the Okta for Good Fund via the TIDES Foundation for a new programme called Accelerating Digital Strategy. This programme, which supports a cohort of not-for-profits on a 12-month accelerator combining learning and doing, started in March 2022 but was predominantly delivered in the 2022/23 financial year. In October of 2022, we were pleased to receive further funding for a second year of this programme which is focused on supporting not-for-profits in implementing the Digital Strategies previously developed. This programme is being delivered between January and December 2023.

In 2021/22 Charity Digital became the custodian for the Charity Digital Code. The Code was developed by a consortium of voluntary sector contributors, chaired by Zoe Amar (who is also a Charity Digital Trustee). Using residual grant funding which was transferred to Charity Digital some limited user research and education was delivered in the year. More substantial funding is being sought to enable a major update and increased promotion of the Code.

Though there has been some excellent grant delivery, progress on growing grant-funded activity has been disappointing. This largely reflects trusts and foundations reducing funding for infrastructure organisations and digital initiatives to enable them to focus on funding front-line service organisations (for example Heritage Fund support for digital ran from 2020–22 but has not been extended into 2023).

Settlement Services

CTT Charity Payments has continued to invest in its Direct Debit processing solution for UK lotteries, processing around 156,000 direct debits a month compared to 152,000 in 2021/22. The aim is to continue to offer the lowest-cost solution available to maximise the proportion of ticket proceeds going to each charity.

How we generate funds

The Charity does not raise funds through fundraising campaigns or other channels. All funding is generated by the commercial activities of the Charity or funds provided under grant programmes.

Financial review

The consolidated unrestricted fund position as of 31 March 2023 is £514,432 compared with £864,389 as at 31 March 2022. Consolidated income of £2,200,384 reduced from the 2021/22 figure of £2,260,611 whilst total expenditure was at £2,534,846 versus £2,235,210 in the previous year.

The excess of expenditure over income in the year has led to a decrease in funds carried forward at year-end to £609,888.

Reserves policy and going concern

The reserves policy aims to ensure that the charity (and group) has sufficient reserves to continue its core activities of providing services to the charity sector, even when there are significant deviations from its business plans. The level of reserves is further considered in the context of approved contingent charity activities investment. The level of reserves needed to achieve this objective is reviewed on an annual basis, and for the 2022/23 financial year, the target level was held in line with the policy at a target of £200,000. This target of free reserves is calculated as being Net Assets less Fixed Assets. This free reserves target was reviewed specifically by the Board at its full board meeting in March 2022 and deemed to be sufficient.

In conducting this review, a number of factors are taken into account including the degree of risk associated with future income streams, the level of fixed costs and forecast cash flow requirements.

At year-end, the amount of unrestricted funds to be carried forward was £514,432. Using the calculation of Net Assets less Fixed Assets as above, unrestricted free reserves at 31 March 2023 were £514,432 thereby exceeding the free reserves target of £200,000. With the reserves significantly reduced the charity has introduced a number of cost-saving measures in 2023/24 and has sharpened its strategic focus to a smaller number of the initiatives which were delivering the most significant results.

The Financial Sub-Committee will continue to review the financial situation carefully regularly, identifying risks and potential remedies versus the monthly re-forecasting.

The trustees are confident that the activities contained within the subsidiary, CTT Charity Payments Limited, continue to provide value to the charity, both in terms of its complementary activity and benefit to the charity and charitable impact to the charity community. A small profit has been forecast for the coming year, and future years will deliver similar if not higher excess funds for use in the charity. It should also be noted that included in the subsidiary's forecast profit expected in the next financial year are apportionments of fixed cost and expense incurred in, and recharged by, the charity to the subsidiary, which would not be avoided should the subsidiary be closed. As in previous years, the provision for intercompany indebtedness in the charity has been adjusted to reflect the amount outstanding as of 31 March 2023 and provided for in full as of that date and the trustees will continue to review this position in the future.

Plans for future periods

As outlined earlier in the report the end of the majority of the Microsoft on-premise donation programme had a significant effect on the 2022/23 finances which when combined with investments resulted in a major deficit.

The 2023/24 finances have been further affected by sponsorship reductions from tech businesses, loss of Google validations, reduced grant funding opportunities and the impact of inflation on the Charity Digital cost base. As a result, the charity has been forced to undertake a major cost-cutting programme to bring its finances to a sustainable position.

It has halted its investments in grants and managed services (though these areas will continue to be pursued opportunistically where resources allow) and focused its attention on the initiatives which have been delivering the most significant results:

- 1) Growing the Charity Digital audience. The results of previous investments have started to deliver significant growth in 2023/24. This means that the charity is helping many more not-for-profits and this audience should over time convert to higher revenues as these organisations take up chargeable services and as sponsors see better results from their programmes and invest more in Charity Digital services
- 2) Continuing to grow the funder base. This was highly successful in previous years and though 2023/24 is seeing some challenges as a result of the broader tech sector and economic environment we believe the sponsor market will return in time
- 3) Engaging not-for-profits with needs-based models. This showed early results in 2022/23 with an increase in the non-Microsoft part of the donation programme and we believe continuing with this approach should continue to deliver growth in the product side of the organisation

Together with TechSoup Global, we will continue to work with partners like Microsoft, AWS and Adobe to help not-for-profits use technology to enable them to thrive and deliver more impact for their beneficiaries.

The continuous improvement principles applied over the last ten years will continue with a focus on using technology to improve efficiency and negotiating the best possible commercial deals with suppliers.

All products and services will be reviewed for impact and their ability to generate a margin versus the complexity, risk and investment surrounding their operation. We expect to see ever greater integration between product and content on the Charity Digital platform over the coming years.

Principal risks

Our approach to risk management and control is described on page 10. Following review by the Trustees, the principal risks and uncertainties facing Charity Digital and its subsidiaries are listed here, together with a summary of our approach to managing those risks.

Risk	Our Response
Financial Challenge	
We operate in a dynamic environment and the viability of our business model cannot be assumed to continue. In addition, we are exposed to the impact of the broader economic environment on our customers.	We keep our business performance under constant review. We are actively seeking to both grow our existing revenue streams and to seek new avenues for the generation of income.
People and Culture	
Current market conditions mean that it may be difficult for the charity to recruit and retain the right calibres of staff and hence achieve its strategic goals.	We place significant emphasis on ensuring our employees feel connected to the charity and its mission. We aim to maintain a remuneration package that is competitive within our sector including a performance-linked bonus scheme.
Internal Factors	
Our activities are highly dependent upon our I.T. systems and in common with other organisations cyber threats are a serious risk.	Our I. T. environment and systems are overseen by a dedicated resource. The security of our systems and our plans to ensure the continuity of operations are kept under review.

Governing document

Charity Digital Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 05 October 2018. It is registered as a charity with the Charity Commission in England and Wales.

Leadership induction and training

New trustees undergo an orientation meeting regarding their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and to inform them of the content of the Memorandum and Articles of Association, decision-making processes, the strategy, the business plan, the budgets and recent financial performance of the charity. An induction document is updated annually.

Leadership

During the year the charity had up to 9 voluntary trustees that met formally four times to review the operations and strategy of the charity and its subsidiary and provide guidance and support to management. The trustees continue to delegate the day-to-day operational decision-making to the Chief Executive and the directors of CTT Charity Payments Limited (CTTCP).

Charity Code of Governance

The Trustees are guided by the principles of the Charity Code of Governance. The composition of the Board is reviewed regularly to ensure that the right mix of skills is present to guide the charity. Throughout the charity equality, diversity and inclusion is a guiding principle and the Board reviews the composition of our team regularly both in terms of composition and remuneration. The Board works closely with management through several sub-committees which help to ensure that the right decisions are taken to advance the mission of the charity. The adequacy of the internal control environment is monitored by the Risk Committee each quarter and reported to the Board.

Related parties and cooperation with other organisations

None of our trustees receive remuneration or other benefits from their work with the charity. However, some of the trustees own or manage companies that the charity partners with and any payments to those organisations for services are logged on the conflict-of-interest register. Any new potential conflicts are declared at each board meeting

Pay policy for senior staff

All trustees give of their time freely and none have received remuneration in the year (2021/22: £Nil)

The pay of the staff is reviewed annually and normally increased in accordance with average earnings and a view on the cost of living.

The CEO salary is reviewed annually by the trustees benchmarking against levels in other charities, social enterprises and commercial organisations. The salary of the CEO was last reviewed in April 2023 at the same time as other staff members.

Risk management

The Trustees are responsible for identifying and managing the major risks facing the charity. Trustees regularly consider risk management in a broad and strategic manner, considering all relevant internal and external factors that might alter or undermine the capacity of the charity to fulfil its charitable objectives, its mission and its strategy. Risk registers provide comprehensive assurance of the following areas of risk and control:

- Financial sustainability including sustaining and growing our income streams,
- People and culture,
- Operations and processes,
- Compliance with relevant laws and regulations,
- Strategy and impact.

Our risk review process assesses each of the major risks and the effectiveness of the arrangements for managing them. The resulting report is reviewed by the Risk Subcommittee and Trustees every quarter and in greater depth once each year. The Risk Appetite statement is also reviewed by the Trustees annually. The Trustees are satisfied that the principal risks have been identified and are being effectively managed.

To ensure our future viability we continue to employ continuous improvement principles in operational and financial areas with a specific focus on being more effective and efficient at what we do whilst having the lowest cost levels possible. We have introduced several digital solutions to facilitate this whilst focussing on supplier cost reduction.

The trustees are confident that the risks and safeguards contained in the risk assessment have been properly documented and addressed over the course of the financial year. In addition, the trustees have reviewed the internal controls within the charity and its subsidiaries to ensure that they were operating effectively throughout the year as well as ensuring that they will safeguard the assets of the charity.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing the report of the trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the

incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the report of the trustees:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to
- establish that the auditor is aware of that information.

By order of the board of trustees

Claire Tavernier (Chair)

11th December 2023

Independent auditor's report

To the members of

Charity Digital Trust

Opinion

We have audited the financial statements of Charity Digital Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent 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 Charity Digital Trust'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 other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

Charity Digital Trust

- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date 18 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)**For the year ended 31 March 2023**

				2023			2022
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Grants		25,476	211,182	236,658	2,719	284,847	287,566
Charitable activities							
Software and related services		1,155,390	–	1,155,390	1,440,862	–	1,440,862
Information and education services		636,361	–	636,361	367,474	–	367,474
Settlement services		163,640	–	163,640	163,277	–	163,277
Other		8,335	–	8,335	1,432	–	1,432
Total income		1,989,202	211,182	2,200,384	1,975,764	284,847	2,260,611
Expenditure on:							
Charitable activities							
Software and related services		988,829	195,687	1,184,516	1,073,413	209,386	1,282,799
Information and education services		1,018,394	–	1,018,394	738,486	–	738,486
Settlement services		278,224	–	278,224	199,889	–	199,889
Other		53,712	–	53,712	14,036	–	14,036
Total expenditure	2,3	2,339,159	195,687	2,534,846	2,025,824	209,386	2,235,210
Net movement in funds		(349,957)	15,495	(334,462)	(50,060)	75,461	25,401
Reconciliation of funds:							
Total funds brought forward	18	864,389	79,961	944,350	914,449	4,500	918,949
Total funds carried forward		514,432	95,456	609,888	864,389	79,961	944,350

There were no other recognised gains or losses other than those stated above. All activities are continuing. Movements in funds are disclosed in note 19 to the financial statements.

Balance sheets

Company no. 06902258

As at 31 March 2023

	Note	The group 2023 £	2022 £	The charity 2023 £	2022 £
Fixed assets:					
Tangible assets	9	–	33,461	–	33,461
		–	33,461	–	33,461
Current assets:					
Debtors	12	291,984	185,589	636,764	524,568
Short term deposits		174,719	170,049	174,719	170,049
Cash at bank and in hand		773,986	1,522,927	618,164	1,224,262
		1,240,689	1,878,565	1,429,647	1,918,879
Liabilities:					
Creditors: amounts falling due within one year	13	(630,801)	(967,676)	(548,092)	(680,053)
Net current assets		609,888	910,889	881,555	1,238,826
Total assets less current liabilities		609,888	944,350	881,555	1,272,287
Creditors: amounts falling due after one year	15	–	–	(447,446)	(447,446)
Total net assets		609,888	944,350	434,110	824,841
Funds:					
Restricted income funds		95,456	79,961	95,456	79,961
Unrestricted general funds		514,432	864,389	338,654	744,880
Total funds	18, 19	609,888	944,350	434,110	824,841

Approved by the trustees on 11 December 2023 and signed on their behalf by

Claire Tavernier
Chairman of the Trustees

Charity Digital Trust

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		(744,270)		267,769
Cash flows from investing activities:					
Purchase of fixed assets		–		(4,522)	
Amounts placed on short term deposit		(4,671)		(48)	
Net cash used in investing activities			(4,671)		(4,570)
Change in cash and cash equivalents in the year			(748,941)		263,199
Cash and cash equivalents at the beginning of the year			1,522,927		1,259,728
Cash and cash equivalents at the end of the year			773,986		1,522,927

1 Accounting policies

a) Statutory information

Charity Digital Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Camburgh House, 27 New Dover Road, Canterbury CT1 3DN and its main place of business is Pennine Place, 2a Charing Cross Road, London WC2H 0HF.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary CTT Charity Payments Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern and meet its liabilities as they fall due.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. There has been no material impact on trading through the Covid period and there is no expectation that there will be in the rest of the financial year.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Such deferment is also applied to grants and donations until those services for which the grant or donation was made, have been provided.

f) 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 bank.

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the group's charitable activities undertaken to further the purposes of the group and their associated support costs
- Other expenditure represents those items not falling into any other heading

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on estimates of activity and/or staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on either staff time or turnover creating the following ratios:

	Support %	Governance %
● Software and related services	18	53
● Marketing services	45	28
● Settlement services	–	7
● Other	–	12
● Governance	37	–

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

The Charity had no operating leases or rentals in the financial period other than that of a short term lease for accommodation (shown in Note 21 below); the cost of which is charged as it is incurred on a straight line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years
- Computer equipment and software 3 years

1 Accounting policies (continued)

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand only includes balances held in accounts with instant access.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with maturity dates of greater than 90 days.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) 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.

q) Pensions

The Charity operates a contribution pension scheme which is available to all members of staff. The Charity contributes a fixed 2.5% (2022:5%).

2 Analysis of expenditure (current year)

	Charitable activities								
	Software & related services £	Information and Education services £	Settlement services £	Other £	Governance costs £	Support costs £	2023 Total £	2022 Total £	
Staff costs (Note 5)	193,381	506,230	–	–	381,509	–	1,081,120	877,940	
Cost of sales	556,191	224,095	220,274	–	–	–	1,000,561	953,931	
Other staff related costs	9,224	22,641	–	–	18,448	–	50,312	50,172	
Marketing	69,423	–	–	–	–	–	69,423	39,631	
IT and transaction cost	66,719	–	–	–	–	–	66,719	83,066	
Consultancy, legal & prof.	–	38,895	16,484	–	–	45,147	100,526	74,760	
Auditors remuneration	–	–	–	–	13,500	–	13,500	13,500	
Accommodation and office	–	–	5,472	–	–	88,914	94,386	90,978	
Financing and Interest	–	–	–	–	–	–	–	–	
Depreciation and amort.	–	–	–	–	–	34,884	34,884	36,480	
Other	–	–	–	–	–	23,414	23,414	14,752	
	894,938	791,861	242,230	–	413,457	192,359	2,534,846	2,235,210	
Support costs	35,266	86,562	–	–	70,532	(192,359)	–	–	
Governance costs	254,311	139,972	35,994	52,054	(482,331)	–	–	–	
Total expenditure 2023	1,184,516	1,018,394	278,224	52,054	1,657		2,534,846	2,235,210	
Total expenditure 2022	1,284,572	738,938	200,090	11,714	(104)	–	–	2,235,210	

3 Analysis of expenditure (prior year)

	Charitable activities						
	Re stated Software & related services £	Restated Information and Education services £	Settlement services £	Other £	Governance costs £	Support costs £	2022 Total £
Staff costs	246,756	367,471	–	–	–	263,713	877,940
Cost of sales	692,376	90,306	171,249	–	–	–	953,931
Other staff related costs	15,494	24,584	–	–	10,093	–	50,172
Marketing	39,631	–	–	–	–	–	39,631
IT and transaction cost	83,066	–	–	–	–	–	83,066
Consultancy, legal & prof.	–	24,741	15,138	–	–	34,881	74,760
Auditors remuneration	–	–	–	–	13,500	–	13,500
Accommodation and office	–	–	5,472	–	–	85,506	90,978
Financing and Interest	–	–	–	–	–	–	–
Depreciation and amort.	–	–	–	–	–	36,480	36,480
Other	–	–	–	–	–	14,752	14,752
	1,077,324	507,102	191,859	–	23,593	435,332	2,235,210
Support costs	134,441	213,313	–	–	87,578	(435,332)	–
Governance costs	71,034	18,072	8,030	14,036	(111,171)	–	–
Total expenditure 2022	1,282,799	738,486	200,090	14,036	–	–	2,235,411

4 Net income for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	34,884	36,480
Operating lease rentals:		
Property	92,853	88,540
Equipment	–	120
Auditors' remuneration (excluding VAT):		
Audit – group	13,500	13,500
Audit – subsidiary	3,750	3,250
Other services	1,025	–
Over-accrual in prior year	–	1,200
Foreign exchange losses/(gains)	6,988	3,048
	6,988	3,048

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	954,493	762,411
Social security costs	104,269	83,812
Employer's contribution to defined contribution pension schemes	22,358	26,533
Other forms of employee benefits	–	5,185
	1,081,120	877,940

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	2	–
£70,000 – £79,999	1	–
£80,000 – £89,999	1	–
£90,000 – £99,999	–	–
£100,000 – £109,999	–	1
£110,000 – £119,000	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £307,867 (2022: £288,831).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No donations were received from Trustees during the year. (2022 – Nil).

Travel expenses of £99 were paid to one of the Trustees in the financial year (2022: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 18 (2022:17).

Staff are split across the activities of the charitable company as follows:

	2023 No.	2022 No.
Software and support	3.9	5.3
Mail & marketing Services	9.1	8.3
Support	4.8	3.4
	17.8	17.0

7 Related party transactions

There were no transactions with related parties.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary CTT Charity payments made taxable profits in the year but no charge to corporation tax is expected due to the availability of tax losses brought forward, profit of £24,898 in 2023 (2022:£25,283).

9 Tangible fixed assets

The group and Charity	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	51,302	187,141	238,443
Additions in year	-	-	-
At the end of the year	51,302	187,141	238,443
Depreciation			
At the start of the year	50,584	154,398	204,982
Charge for the year	718	32,743	33,461
At the end of the year	51,302	187,141	238,443
Net book value			
At the end of the year	-	-	-
At the start of the year	718	32,743	33,461

10 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of CTT Charity Payments Limited, a company registered in England (4222881). The subsidiary is used for additional primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

	2023 £	2022 £
Turnover	163,640	163,277
Cost of sales	(89,120)	(85,029)
Gross profit	74,520	78,248
Administrative and direct expenses	(18,099)	(19,933)
Costs fairly apportioned from the parent charity	(33,072)	(33,072)
Operating profit	23,349	25,243
Interest receivable	1,551	40
Profit for the financial year	24,900	25,283
The aggregate of the assets, liabilities and funds was:		
Assets	196,581	339,794
Liabilities	(498,619)	(667,730)
Deficit in funds	(302,038)	(327,936)

11 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2022 £
Gross income	2,035,196	2,130,364
Result for the year	(359,360)	116

12 Debtors

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Trade debtors	200,156	133,867	166,682	95,583
Other debtors	11,505	10,755	11,505	10,755
Prepayments and accrued income	80,323	40,967	74,038	38,122
Balance with subsidiaries	–	–	384,539	380,108
	291,984	185,589	636,764	524,568

13 Creditors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	125,602	109,674	122,084	107,718
Taxation and social security	99,403	132,108	71,112	109,239
Other creditors	67,111	253,453	9,550	12,469
Accruals	128,471	147,057	120,094	125,243
Deferred income (note 14)	210,214	325,384	225,252	325,384
	630,801	967,676	548,092	680,053

14 Deferred income

Deferred income comprises unexpired elements of invoiced contract bundles for email marketing unused by clients at year end, billed but not delivered work undertaken on the Charity Digital News platform and deferred balances from grants received where performance specified under the donation is not completed.

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	325,384	191,247	325,384	191,247
Amount released to income in the year	(974,253)	(663,466)	(974,253)	(663,466)
Amount deferred in the year	859,083	797,603	859,083	797,603
Balance at the end of the year	210,214	325,384	210,214	325,384

15 Creditors: amounts falling due after one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Other liabilities	–	–	447,446	447,446
	–	–	447,446	447,446

16 Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	514,432	95,456	609,888
Long term liabilities	–	–	–
Net assets at 31 March 2023	514,432	95,456	609,888

17 Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	33,461	–	33,461
Net current assets	830,928	79,961	910,889
Long term liabilities	–	–	–
Net assets at 31 March 2022	864,389	79,961	944,350

18 Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	At 31 March 2023 £
Restricted funds:				
Heritage Digital	5,028	124,900	(129,928)	–
Tides Foundation	68,484	86,282	(59,309)	95,457
TS Foundation	4,551	–	(4,551)	–
Code of practice	1,899	–	(1,899)	–
Total restricted funds	79,962	211,182	(195,687)	95,457
General funds	864,388	1,989,202	(2,339,159)	514,431
Total funds	944,350	2,200,384	(2,534,846)	609,888

The narrative to explain the purpose of each fund is given at the foot of the note below.

19 Movements in funds (prior year)

	At 31 March 2021 £	Income & gains £	Expenditure & losses £	At 31 March 2022 £
Restricted funds:				
Heritage Digital	–	180,088	(175,060)	5,028
Tides Foundation	–	74,404	(5,920)	68,484
TS Foundation	–	20,957	(16,406)	4,551
Code of practice	–	9,399	(7,500)	1,899
OCS	4,500	–	(4,500)	–
Total restricted funds	4,500	284,848	(209,386)	79,962
General funds	914,448	1,975,764	(2,025,824)	864,388
Total funds	918,948	2,260,612	(2,235,210)	944,350

Purposes of restricted funds

Heritage Digital

Heritage Digital Academy is a programme managed by Charity Digital which seeks to support organisations in the Heritage sector in developing new practices around the use of digital tools and services.

Tides Foundation

Charity Digital has been awarded funding to deliver a programme entitled 'Accelerating Digital Strategy'. This will support a cohort of not for profits over a 12 month period and will be primarily delivered in the following financial year.

20 Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net income for the reporting period (as per the statement of financial activities)	(334,462)	25,401
Depreciation charges	33,461	36,480
Decrease (Increase) in debtors	(106,395)	(63,783)
Increase in creditors	(336,874)	269,671
Net cash provided by operating activities	(744,270)	267,769

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	51,450	89,400	–	–

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

CHARITY DIGITAL TRUST

England & Wales - Charity number 1133179

Accounts

Company number: 06902258

Charity number: 1133179

Charity Digital Trust

Report and financial statements

For the year ended 31 March 2022

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For the year ended 31 March 2022

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Charity Digital Trust

Reference and administrative details

For the year ended 31 March 2022

Registered name	Charity Digital Trust	(formerly Tech Trust)
Trading names	Charity Digital	
Company number	06902258	
Country of incorporation	England and Wales	
Charity number	1133179	
Principal office	Pennine Place 2a Charing Cross Road London WC2H 0HF	
Registered office	Camburgh House, 27 New Dover Road CANTERBURY, CT1 3DN	
Trustees	Ms C Tavernier Mr S Dunne Ms Z Amar Mr P Jacobs Ms E MacKenzie Ms M Brewis Mr R George Mr R Taylor Mr J Nathenson (Appointed 4 th August 2022)	
Accountants	Burgess Hodgson Camburgh House, 27 New Dover Road Canterbury CT1 3DN	
Bankers	NatWest Bank plc The Strand London WC2N 5JB	
Solicitors	Wright Hassall LLP Olympus Avenue Royal Leamington Spa CV34 6BF	
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108–114 Golden Lane London EC1Y 0TL	

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Our purposes and activities

- The objects of the charity are to advance in any part of the world such purposes as are recognised as being exclusively charitable in accordance with the law in England and Wales as the trustees shall in their absolute discretion think fit to support or establish.
- Our vision is that technology can create a better world.
- Our mission is to empower not-for-profits to accelerate their own mission through technology.
- Our objectives are to deliver significant software procurement savings, see digital platforms raise significant funds for charities, and demystify technology to make it easier for charities and other social impact not-for-profit organisations (not-for-profits) to be more efficient and effective using digital tools.

The charity and its subsidiaries derive most of their income from trading activities offering products and services to other not-for-profits, either delivering significant cost savings, unique products or levels of support unavailable elsewhere. The trustees have considered this trading position with respect to the Charities SORP, FRS102 and the Charity Commission's guidance on public benefit including:

- Public benefit: the public benefit requirement (PB1)
- Public benefit: running a charity (PB2)
- Public benefit: reporting (PB3)

The trustees are clear that the trading activity model delivers significant benefit to not-for-profits that could not be delivered by a commercial organisation, and that the charity, whilst run on a trading basis, has clear charitable impact objectives which can be quantified and publicly reported.

We have four primary vehicles to deliver our impact:

- Donated and discounted software solutions
- Mail marketing and other engagement services
- Information, education, advice and guidance for not-for-profits
- The provision of fundraising solutions / financial settlement services

Our values

We believe technology used in the right way and to the right extent can be enormously beneficial to society as a whole. We want technology to be fully utilised for the benefit of not-for-profits and their beneficiaries. Charity Digital Trust (Charity Digital) believes it can do this as a charity trading in a commercial way through collaboration with the technology community whilst maintaining a balanced and agnostic view on the choice of solutions.

We aim to be friendly, honest, supportive, open-minded and humble in our approach to supporting UK not-for-profits.

Achievements and performance

This report covers the second year of the COVID-19 pandemic and, though it was a year of significant challenge for organisations across the country and not-for-profits in particular, the Charity, supported by a great board of trustees, performed strongly.

Our central purpose has essentially remained the same – helping not-for-profits throughout the UK adjust to and embrace the opportunities and challenges of an increasingly digital world. This has led the organisation to focus on doing 3 things:

- Becoming the UK's central resource for helping not-for-profits access digital products and services at no or very low cost from multiple 3rd party providers;
- Providing information, education, guidance and advice on how not-for-profits can do things more effectively or efficiently – typically using digital platforms and technology (through our Charity Digital publishing platform, our webinars and events and training programmes);
- Providing some of our own platforms where provision wasn't great for not-for-profits (donor email management, payment processing services).

The achievements of the charity are significant, delivering:

- In excess of £284m of savings and discounts for the not-for-profit sector on their software and hardware purchases
- Annual hard cash savings now running at £12m a year on items they would have otherwise paid a lot more for
- Over £322m in donations & payments collected for not-for-profits
- Over 77,000 not-for-profits supported and helped with our discount and donations services
- Over 81,000 not-for-profits accessing our information and advice services on a regular basis to improve what they do and how they do it
- As a result of all of the above, helping not-for-profits with additional funding, resources and capabilities to significantly improve the services they ultimately provide to their beneficiaries.

As a trading charity we typically generate enough income from activities to sustain the charity and add to reserves for the future. Our current annual revenue stands at £2.3m (2020/21 £2.05m) with a surplus of £25k and cash reserves of over £1.2m.

Though lockdown was less of a feature in 2021/2022 than in the previous year, the COVID-19 pandemic continued to affect the sector with reduced income from public fundraising for many charities and demand for charitable services continuing to increase. The year also saw the start of the so-called cost-of-living crisis which has continued to have a significant effect through 2022/2023.

We were pleased to continue to receive strong levels of support from the tech sector in providing the above services and this together with high levels of not-for-profit demand resulted in a strong financial year for the Charity.

Software and Related Services – Charity Digital Exchange

We have been operating the donation programme in the UK since 2006 in close collaboration with our partner TechSoup in the USA. Software partners like Microsoft, Adobe and Zoom, and hardware providers like Cisco, make their products available to us. We then give eligible not-for-profits access to those products at free or heavily discounted prices, charging an administration fee for each product taken, which funds the eligibility assessment, marketing and customer support.

In 2021/22 7,404 (2020/21 6,204) not-for-profits received a donation from the exchange programme, generating administration fees for Charity Digital of £845k (£885k in 2020/21), cumulatively saving not-for-profits around £12m (2020/21 £12m) versus fair market value. During the year, 2,925 new not-for-profits registered (5,349 in 2020/21) and became eligible to receive donated software. By the financial year end, a total of 77,014 not-for-profits had registered on the programme since 2006, saving a total of around £284m in procurement costs.

The drop in administration fees in the year was anticipated and is linked to Microsoft transitioning its Charity offering to the Cloud. Administration fees are anticipated to fall further in 2022/23, as in October 2021 Microsoft announced the end of its on-premise software donation programme, other than for the Windows Operating System and those not-for-profits running publicly shared computer resources (i.e. libraries and computer training labs). The changes which took effect on April 4th 2022 were also reported in the 2020/21 annual report and accelerated a review of the Charity Digital strategy.

We continually monitor not-for-profit satisfaction and value for money when using the Exchange programme through Trust Pilot. We have consistently maintained a 5-star rating and have an ongoing programme of improvement to address any specific issues and complaints.

Since 2006 we have built considerable experience validating UK not-for-profits for access to discounted technology on the Exchange. We now offer bespoke validation services to Microsoft for Office 365, and Google for their Workspace for Nonprofits programmes. This has accelerated the number of not-for-profits we interact with, especially the larger ones. During 2021/22 8,231 (2020/21 11,159) not-for-profits registered for these supplementary services bringing the total number of registered and eligible not-for-profits to 36,688. The reduced number of validations

compared to 2020/21 reflects a return to the levels seen prior to the pandemic, after a one-off increase at its onset. The reduced number of validations is reflected in a reduction in total product-related validation income to £118k (2020/21 £154k).

Software and Related Services – Charity Digital Mail

We bulk buy millions of e-mails a month from dotdigital (previously known as DotMailer), a specialist marketing automation provider, and then pass the volume discount we achieve back to the not-for-profits. They are able to send out templated and branded e-mails to their donors, supporters and service users via a white-labelled dotdigital platform. So that not-for-profits can get the maximum impact from the platform, we provide initial technical training and also ongoing support and training including know-how on improving open rates and click-throughs.

In 2021/22, we sent over 48m million e-mails on behalf of UK not-for-profits (49 million 2020/21). The slight decrease was caused by one significant customer deciding to move to another e-mail marketing platform. Despite this customer loss, the service remains very popular with a retention rate of 99% in the year. Underlying mail volumes continuing to increase.

Information and Education Services – Advertiser-Funded Activity

We know from our many years' experience that not-for-profits struggle to keep pace with changing technology and are quite often daunted by the prospect of IT related projects. Our information and education platform, previously known as CDN but migrated to our new Affino platform in March 2020, was created to provide a unique daily feed of case studies and helpful advice, aiding not-for-profits in achieving more with digital tools.

Page views were stable at 1.9m in 2021/22 (1.9m in 2020/21) despite publishers more generally reporting a weakening in demand for online content in the second year of the pandemic. The Affino platform was key in enabling us to support users in accessing this information and we continued to invest in developing its capability. Across the year our newer content types continued to do well with videos generating 27,840 views, podcasts generating 12,100 listens (11,663 in 2020/21) and webinars generating 8,214 participants (8,780 in 2020/21).

With uncertainty over physical events at the start of the year, the plan for 2021/22 was for three significant virtual events and a return of our physical conference in March 2022. We started with our virtual Digital Marketing Day in May 2021, this was followed in June with Digital Strategy Day and October 2021 saw the successful return of our #BeMoreDigital Fundraising Day. These three virtual events engaged 1,174 live participants for a total of 148k minutes and a further 2,141 engagements with event recordings in the year. Unfortunately, the onset of the Omicron variant of COVID-19 forced us to postpone our physical conference to June 2022. In its place, we ran a content take-over called "Digital Transformation Week". This delivered a good level of engagement, but more modest sponsorship revenues.

Our information and education services have traditionally been funded from advertising, sponsorship and lead generation campaigns delivered for a mixture of large corporate and focused niche suppliers to the not-for-profit market. Despite the loss of the conference-related revenues in Q4, we achieved revenues of £367k an increase on 2020/21 (£342k).

Information and Education Services – Grant Funded

In the 2021/22 year, the level of grant funded activity undertaken by the Charity increased significantly to £288k (2020/21 £62k). Grants enable us to deliver programmes which have more focused impact and would not be fundable by our other income streams. Some of these grants were received directly from funders such as from the Heritage Fund (for the Heritage Digital Academy which is managed by Charity Digital but delivered by a consortium) and others indirectly such as the Digital Questions Project which is also funded from the Heritage Fund but paid by the Heritage Alliance who are managing that project.

Significant funding was also received from the Okta for Good Fund via the TIDES foundation for a new programme called Accelerating Digital Strategy. This programme, which supports a cohort of not-for-profits on a 12-month accelerator combining learning and doing, started in March 2022 but will be substantially delivered in the 2022/23 financial year.

In the 2021/22 Charity Digital also became the custodian for the Charity Digital Code. The Code was developed by a consortium of voluntary sector contributors, chaired by Zoe Amar (who is also a Charity Digital Trustee). Some initial grant funding was transferred to Charity Digital to support some activities in the year and more substantial funding is being sought to enable a major update and increased promotion of the code.

Most of the grant funded activity the Charity undertakes leverages the Affino platform, our virtual event capability and our reach into the not-for-profit sector to cost effectively deliver significant impact.

Settlement Services

CTT Charity Payments has continued to invest in its Direct Debit processing solution for UK lotteries, processing around 152,000 direct debits a month compared to 151,00 in 2020/21. The aim is to continue to offer the lowest costs solution available to maximise the proportion of ticket proceeds going to each charity.

Financial review

The consolidated unrestricted fund position as of 31 March 2022 is £864,389 compared with £914,448 as at 31 March 2021. Consolidated income of £2,260,611 was up on the 2020/21 figure of £2,045,849 whilst total expenditure was at £2,235,210 versus £1,881,937 in the previous year.

The surplus of income over expenditure in the year has led to an increase in funds carried forward at year end to £944,350.

Reserves policy and going concern

The reserves policy aims to ensure that the charity (and group) has sufficient reserves to continue its core activities of providing services to the charity sector, even when there are significant deviations from its business plans. The level of reserves is further considered in the context of approved contingent charity activities investment. The level of reserves needed to achieve this

objective is reviewed on an annual basis, and for the 2021/22 financial year the target level was held in line with the policy at a target of £200,000. This target of free reserves is calculated as being Net Assets less Fixed Assets. This free reserves target was reviewed specifically by the Board at its full board meeting in March 2022 and deemed to be sufficient.

In conducting this review, a number of factors are taken into account including the degree of risk associated with future income streams, the level of fixed costs and forecast cash flow requirements.

At year-end the amount of unrestricted funds to be carried forward was £864,389. Using the calculation of Net Assets less Fixed Assets as above, unrestricted free reserves at 31 March 2022 were £830,928 thereby exceeding the free reserves target of £200,000. The end of most of the Microsoft on-premise donation programme in April 2022 is resulting in a significant loss of income in 2022/23, the Charity is therefore investing some of its reserves in developing new income streams. It is also investing in further growing its audience to increase the number of not-for-profits that will benefit from its services and content.

The Financial Sub-Committee will continue to review the financial situation carefully on a regular basis, identifying risks and potential remedies versus the monthly reforecasting.

The trustees are confident that the activities contained within the subsidiary, CTT Charity Payments Limited, continue to provide value to the charity, both in terms of its complementary activity and benefit to the charity and charitable impact to the charity community. A small profit has been forecast for the coming year, and future years will deliver similar if not higher excess funds for use in the charity. It should also be noted that included in the subsidiary's forecast profit expected in the next financial year are apportionments of fixed cost and expense incurred in, and recharged by, the charity to the subsidiary, which would not be avoided should the subsidiary be closed. As in previous years the provision for intercompany indebtedness in the Charity has been adjusted to reflect the amount outstanding as at 31 March 2022 and provided for in full as at that date and the trustees will continue to review this position in the future.

Plans for future periods

Following the significant changes to the Microsoft donation programme it was decided to fully review and update the Charity Digital Strategy.

Working closely in the first half of 2022 the trustees and executive team refined the strategy, building on the elements agreed in 2018, with 5 key focus areas:

- 1) To significantly grow the Charity Digital user base and content engagement to continue to excite and educate not-for-profits about the potential of digital to increase their impact
- 2) To continue to grow the base of organisations financially supporting Charity Digital activities including:
 - a. commercial sponsors engaging to support the achievement of their commercial aims

- b. Corporate Social Responsibility (CSR) organisations engaging to help them achieve their desired impact aims (these can include both commercial and non-commercial organisations), and
 - c. grant-givers and foundations engaging to fulfil their charitable objectives
- 3) To continue to evolve the organisation to deploy more need-based models of engaging with not-for-profits. Our highly rated customer function will provide the starting platform for this
- 4) To invest in our capability to deliver high-impact grant-based programmes
- 5) To continue to develop and deliver managed service offerings which support not-for-profits in using new digital technology solutions, particularly in areas which are not well supported by commercial organisations

Executing this strategy will be important in both increasing impact and building financial resilience following the major changes to the Microsoft on-premise Exchange programme. This will involve further investment in both people and platform development.

Together with TechSoup Global, we will continue to work with partners like Microsoft, Google and Adobe to help not-for-profits transition to the cloud whilst adapting existing commercial models to work in a subscription world.

The continuous improvement principles applied over the last ten years will continue with a focus on using technology to improve efficiency and negotiating the best possible commercial deals with suppliers.

All products and services will be reviewed for impact and their ability to generate a margin versus the complexity, risk and investment surrounding their operation. The likelihood is that we will see a more focussed list of products and services in future years and greater integration between product and content on the Charity Digital platform.

Principal risks

Our approach to risk management and control is described on page 10. Following review by the Trustees, the principal risks and uncertainties facing Charity Digital and its subsidiaries are listed here, together with a summary of our approach to managing those risks.

Risk	Our Response
Financial Challenge	
We operate in a dynamic environment and the viability of our business model cannot be assumed to continue. In addition, we are exposed to the impact of the broader economic environment on our customers.	We keep our business performance under constant review. We are actively seeking to both grow our existing revenue streams and to seek new avenues for the generation of income.
People and Culture	
Current market conditions mean that it may be difficult for the Charity to recruit and retain the right calibres of staff and hence achieve its strategic goals.	We place significant emphasis on ensuring our employees feel connected to the Charity and its mission. We aim to maintain a remuneration package that is competitive within our sector including a performance-linked bonus scheme.
Internal Factors	
Our activities are highly dependent upon our I.T. systems and in common with other organisations cyber threats are a serious risk.	Our I. T. environment and systems are overseen by a dedicated resource. The security of our systems and our plans to ensure the continuity of operations are kept under review.

Governing document

Charity Digital Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 05 October 2018. It is registered as a charity with the Charity Commission in England and Wales.

Leadership induction and training

New trustees undergo an orientation meeting on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, decision-making processes, the strategy, the business plan, the budgets and recent financial performance of the charity. An induction document is updated annually.

Leadership

During the year the charity had up to 8 voluntary trustees that met formally four times to review the operations and strategy of the charity and its subsidiary and provide guidance and support to management. The trustees continue to delegate the day-to-day operational decision making to the Chief Executive and to the directors of CTT Charity Payments Limited (CTTCP).

Charity Code of Governance

The Trustees are guided by the principles of the Charity Code of Governance. The composition of the Board is reviewed regularly to ensure that the right mix of skills is present to guide the Charity. Throughout the Charity equality, diversity and inclusion is a guiding principle and the Board reviews the composition of our team regularly both in terms of composition and remuneration. The Board works closely with management through several sub-committees which help to ensure that the right decisions are taken to advance the mission of the Charity. The adequacy of the internal control environment is monitored by the Risk Committee each quarter and reported to the Board.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefits from their work with the charity. However, some of the trustees own or manage companies that the charity partners with and any payments to those organisations for services are logged on the conflict of interest register. Any new potential conflicts are declared at each board meeting

Pay policy for senior staff

All trustees give of their time freely and none have received remuneration in the year (2020/21: £Nil)

The pay of the staff is reviewed annually and normally increased in accordance with average earnings and a view on the cost of living.

The CEO salary is reviewed annually by the trustees benchmarking against levels in other charities, social enterprises and commercial organisations. The salary of the CEO was last reviewed in April 2022 at the same time as other staff members.

Risk management

The Trustees are responsible for identifying and managing the major risks facing the charity. Trustees regularly consider risk management in a broad and strategic manner, considering all relevant internal and external factors that might alter or undermine the capacity of the charity to fulfil its charitable objectives, its mission and its strategy. Risk registers provide comprehensive assurance of the following areas of risk and control:

- Financial sustainability including sustaining and growing our income streams,
- People and culture,
- Operations and processes,
- Compliance with relevant laws and regulations,
- Strategy and impact.

Our risk review process assesses each of the major risks and the effectiveness of the arrangements for managing them. The resulting report is reviewed by the Risk Subcommittee and Trustees every quarter and in greater depth once each year. The Risk Appetite statement is also reviewed by the Trustees annually. The Trustees are satisfied that the principal risks have been identified and are being effectively managed.

To ensure our future viability we continue to employ continuous improvement principles in operational and financial areas with a specific focus on being more effective and efficient at what we do whilst having the lowest cost levels possible. We have introduced several digital solutions to facilitate this whilst focussing on supplier cost reduction.

The trustees are confident that the risks and safeguards contained in the risk assessment have been properly documented and addressed over the course of the financial year. In addition, the trustees have reviewed the internal controls within the charity and its subsidiaries to ensure that they were operating effectively throughout the year as well as ensuring that they will safeguard the assets of the charity.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing the report of the trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the

assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the report of the trustees:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to
- establish that the auditor is aware of that information.

By order of the board of trustees

Claire Tavernier (Chair)

12th December 2022

Opinion

We have audited the financial statements of Charity Digital Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent 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 Charity Digital Trust'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 other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible

for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditor's report to the members of Charity Digital Trust

For the year ended 31 March 2022

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

15 December 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

				2022			2021
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Grants		2,719	284,847	287,566	51,962	9,788	61,750
Charitable activities							
Software and related services		1,440,862	–	1,440,862	1,470,430	–	1,470,430
Information and education services		367,474	–	367,474	342,328	–	342,328
Settlement services		163,277	–	163,277	168,731	–	168,731
Other		1,432	–	1,432	2,611	–	2,611
Total income		1,975,764	284,847	2,260,611	2,036,062	9,788	2,045,850
Expenditure on:							
Charitable activities							
Software and related services		1,073,413	209,386	1,282,799	1,150,599	9,788	1,160,387
Information and education services		738,486	–	738,486	557,750	–	557,750
Settlement services		199,889	–	199,889	159,642	–	159,642
Other		14,036	–	14,036	4,158	–	4,158
Total expenditure	2,3	2,025,824	209,386	2,235,210	1,872,149	9,788	1,881,937
Net movement in funds		(50,060)	75,461	25,401	163,913	–	163,913
Reconciliation of funds:							
Total funds brought forward	18	914,449	4,500	918,949	750,537	4,500	755,037
Total funds carried forward		864,389	79,961	944,350	914,449	4,500	918,949

There were no other recognised gains or losses other than those stated above. All activities are continuing. Movements in funds are disclosed in note 19 to the financial statements.

As at 31 March 2022

	Note	The group 2022 £	2021 £	The charity 2022 £	2021 £
Fixed assets:					
Tangible assets	9	33,461	65,419	33,461	65,419
		33,461	65,419	33,461	65,419
Current assets:					
Debtors	12	185,589	121,806	524,568	581,684
Short term deposits		170,049	170,000	170,049	170,000
Cash at bank and in hand		1,522,927	1,259,728	1,224,262	939,604
		1,878,565	1,551,534	1,918,879	1,691,288
Liabilities:					
Creditors: amounts falling due within one year	13	(967,676)	(698,005)	(680,053)	(484,536)
		910,889	853,529	1,238,826	1,206,752
Net current assets		910,889	853,529	1,238,826	1,206,752
Total assets less current liabilities		944,350	918,948	1,272,287	1,272,171
Creditors: amounts falling due after one year	15	–	–	(447,446)	(447,446)
Total net assets		944,350	918,948	824,841	824,725
Funds:					
Restricted income funds		79,961	4,500	79,961	4,500
Unrestricted general funds		864,389	914,448	744,880	820,225
		944,350	918,948	824,841	824,725
Total funds	18, 19	944,350	918,948	824,841	824,725

Approved by the trustees on 12th December 2022 and signed on their behalf by

Claire Tavernier
Chairman of the Trustees

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		267,769		241,509
Cash flows from investing activities:					
Purchase of fixed assets		(4,522)		(2,898)	
Amounts placed on short term deposit		(48)		47	
Net cash used in investing activities			(4,570)		(2,851)
Change in cash and cash equivalents in the year			263,199		238,660
Cash and cash equivalents at the beginning of the year			1,259,728		1,021,068
Cash and cash equivalents at the end of the year			1,522,927		1,259,728

1 Accounting policies

a) Statutory information

Charity Digital Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Camburgh House, 27 New Dover Road, Canterbury CT1 3DN and its main place of business is Pennine Place, 2a Charing Cross Road, London WC2H 0HF.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary CTT Charity Payments Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern and meet its liabilities as they fall due. The impact of Covid has been considered in reaching this assessment.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. There has been no material impact on trading through the Covid period and there is no expectation that there will be in the rest of the financial year.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Such deferment is also applied to grants and donations until those services for which the grant or donation was made, have been provided.

f) 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 bank.

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the group's charitable activities undertaken to further the purposes of the group and their associated support costs
- Other expenditure represents those items not falling into any other heading

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on estimates of activity and/or staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on either staff time or turnover creating the following ratios:

	Support %	Governance %
● Software and related services	31	66
● Marketing services	49	17
● Settlement services	–	8
● Other	–	9
● Governance	20	–

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

The Charity had no operating leases or rentals in the financial period other than that of a short term lease for accommodation (shown in Note 21 below); the cost of which is charged as it is incurred on a straight line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years
- Computer equipment and software 3 years

1 Accounting policies (continued)

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand only includes balances held in accounts with instant access.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with maturity dates of greater than 90 days.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) 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.

q) Pensions

The Charity operates a defined contribution pension scheme which is available to all members of staff. The Charity contributes a fixed 5% (2021:5%).

2 Analysis of expenditure (current year)

	Charitable activities							
	Software & related services	Information and Education services	Settlement services	Other	Governance costs	Support costs	2022 Total	2021 Total
	£	£	£	£	£	£	£	£
Staff costs (Note 5)	246,756	367,471	–	–	–	263,713	877,940	738,258
Cost of sales	692,376	90,306	171,249	–	–	–	953,931	822,527
Other staff related costs	15,494	24,584	–	–	10,093	–	50,172	22,741
Marketing	39,631	–	–	–	–	–	39,631	15,625
IT and transaction cost	83,066	–	–	–	–	–	83,066	68,010
Consultancy, legal & prof.	–	24,741	15,138	–	–	34,881	74,760	68,795
Auditors remuneration	–	–	–	–	13,500	–	13,500	13,200
Accommodation and office	–	–	5,472	–	–	85,506	90,978	86,738
Depreciation	–	–	–	–	–	36,480	36,480	36,148
Other	–	–	–	–	–	14,752	14,752	9,895
	1,077,324	507,102	191,859	–	23,593	435,332	2,235,210	1,881,937
Support costs	134,441	213,313	–	–	87,578	(435,332)	–	–
Governance costs	71,034	18,072	8,030	14,036	(111,171)	–	–	–
Total expenditure 2022	1,282,799	738,486	199,889	14,036		–	2,235,210	1,881,937
Total expenditure 2021	1,160,387	557,750	159,642	4,158	–	–	1,881,937	

Of the £2,218,778 (2020 – £1,881,937) £2,081,012 was unrestricted (2021 – £1,855,491) and £137,766 was restricted (2021 – £26,446)

3 Analysis of expenditure (prior year)

	Charitable activities						
	Re stated Software & related services £	Restated Information and Education services £	Settlement services £	Other £	Governance costs £	Support costs £	2021 Total £
Staff costs	181,698	256,241	–	–	–	300,319	738,258
Cost of sales	640,151	62,591	119,785	–	–	–	822,527
Other staff related costs	7,374	9,468	–	–	5,899	–	22,741
Marketing	15,625	–	–	–	–	–	15,625
IT and transaction cost	68,010	–	–	–	–	–	68,010
Consultancy, legal & prof.	–	15,937	23,023	–	–	29,835	68,795
Auditors remuneration	–	–	–	–	13,200	–	13,200
Accommodation and office	–	–	5,472	–	–	81,266	86,738
Financing and Interest	–	–	–	–	–	–	–
Depreciation and amort.	–	–	–	–	–	36,148	36,148
Other	–	–	–	–	–	9,895	9,895
	912,858	344,237	148,280	–	19,099	457,463	1,881,937
Support costs	148,334	190,461	–	–	118,667	(457,463)	–
Governance costs	99,194	23,052	11,362	4,158	(137,766)	–	–
Total expenditure 2021	1,160,386	557,750	159,642	4,158	–	–	1,881,937

4 Net income for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	36,480	36,148
Operating lease rentals:		
Property	88,540	84,982
Equipment	120	120
Auditors' remuneration (excluding VAT):		
Audit – group	13,500	13,200
Over –accrual in prior year	1,200	900
Foreign exchange losses/(gains)	3,048	5,748
	877,940	738,258

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	762,411	639,986
Social security costs	83,812	69,970
Employer's contribution to defined contribution pension schemes	26,533	21,406
Other forms of employee benefits	5,185	6,896
	877,940	738,258

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£110,000 – £119,999	1	–
£100,000 – £109,999		1
£60,000 – £69,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £288,831 (2021: £196,791).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No travel or other expenses were paid to the Trustees in the financial year (2021: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 17 (2021: 15.4).

Staff are split across the activities of the charitable company as follows:

	2022 No.	2021 No.
Software and support	5.3	5.0
Mail & marketing Services	8.3	6.4
Support	3.4	4.0
	17.0	15.4

7 Related party transactions

During the year one of our Trustees, Zoe Amar, was instrumental in arranging the award of funding to Charity Digital in respect of the Charity Digital Code.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary CTT Charity payments made taxable profits in the year but no charge to corporation tax is expected due to the availability of tax losses brought forward, profit of £25,283 in 2021 (2021: £31,432).

9 Tangible fixed assets

The group and Charity

Cost

At the start of the year

Additions in year

At the end of the year

Depreciation

At the start of the year

Charge for the year

At the end of the year

Net book value

At the end of the year

At the start of the year

	Fixtures and fittings £	Computer equipment £	Total £
At the start of the year	51,302	182,619	233,921
Additions in year	–	4,522	4,522
At the end of the year	51,302	187,141	238,443
At the start of the year	50,584	117,918	168,502
Charge for the year	–	36,480	36,480
At the end of the year	50,584	154,398	204,982
At the end of the year	718	32,743	33,461
At the start of the year	718	64,701	65,419

All of the above assets are used for charitable purposes.

10 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of CTT Charity Payments Limited, a company registered in England (4222881). The subsidiary is used for additional primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

	2022 £	2021 £
Turnover	163,277	168,731
Cost of sales	(85,029)	(81,441)
Gross profit	78,248	87,290
Administrative and direct expenses	(19,933)	(27,287)
Costs fairly apportioned from the parent charity	(33,072)	(29,050)
Operating profit	25,243	30,953
Interest receivable	40	479
Profit for the financial year	25,283	31,432
The aggregate of the assets, liabilities and funds was:		
Assets	339,794	360,000
Liabilities	(667,730)	(713,222)
Deficit in funds	(327,936)	(353,222)

11 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £	2021 £
Gross income	2,130,364	1,905,689
Result for the year	116	132,481

12 Debtors

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	133,867	80,410	95,583	43,454
Other debtors	10,755	10,755	10,755	10,755
Prepayments and accrued income	40,967	30,641	38,122	27,723
Balance with subsidiaries	–	–	380,108	499,752
	185,589	121,806	524,568	581,684

13 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	109,674	63,535	107,718	61,929
Taxation and social security	132,108	113,370	109,239	105,312
Other creditors	253,453	194,760	12,469	10,560
Accruals	147,057	135,093	125,243	115,488
Deferred income (note 14)	325,384	191,247	325,384	191,247
	967,676	698,005	680,053	484,536

14 Deferred income

Deferred income comprises unexpired elements of invoiced contract bundles for email marketing unused by clients at year end, billed but not delivered work undertaken on the Charity Digital News platform and deferred balances from grants received where performance specified under the donation is not completed.

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	191,247	139,829	191,247	139,829
Amount released to income in the year	(663,466)	(139,829)	(663,466)	(139,829)
Amount deferred in the year	797,603	191,247	797,603	191,247
Balance at the end of the year	325,384	191,247	325,384	191,247

15 Creditors: amounts falling due after one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Other liabilities	–	–	447,446	447,446
	–	–	447,446	447,446

16 Analysis of group net assets between funds (current year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	33,461	–	33,461
Net current assets	830,928	79,961	910,889
Net assets at 31 March 2022	864,389	79,961	944,350

17 Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	65,419	–	65,419
Net current assets	849,029	4,500	853,529
Net assets at 31 March 2021	914,448	4,500	918,948

18 Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	At 31 March 2022 £
Restricted funds:				
Heritage Digital	–	180,088	(175,060)	5,028
Tides Foundation	–	74,404	(5,920)	68,484
TS Foundation	–	20,957	(16,406)	4,551
Code of practice	–	9,399	(7,500)	1,899
OCS	4,500	–	(4,500)	–
Total restricted funds	4,500	284,848	(209,386)	79,962
General funds	914,448	1,975,764	(2,025,824)	864,388
Total funds	918,948	2,260,612	(2,235,210)	944,350

The narrative to explain the purpose of each fund is given at the foot of the note below.

19 Movements in funds (prior year)

	At 31 March 2020 £	Income & gains £	Expenditure & losses £	At 31 March 2021 £
Restricted funds:				
TS Foundation	–	9,788	(9,788)	–
OCS	4,500	–	–	4,500
Total restricted funds	4,500	9,788	(9,788)	4,500
General funds	750,536	2,036,061	(1,872,149)	914,447
Total funds	755,036	2,045,849	(1,881,937)	918,947

Purposes of restricted funds

Heritage Digital

Heritage Digital Academy is a programme managed by Charity Digital which seeks to support organisations in the Heritage sector in developing new practices around the use of digital tools and services.

Tides Foundation

Charity Digital has been awarded funding to deliver a programme entitled 'Accelerating Digital Strategy'. This will support a cohort of not for profits over a 12 month period and will be primarily delivered in the following financial year.

TS Foundation (Fundacja Techsoup– [Poland])

Grants were received in the year from TS Foundation as part of the roll out of SAP's european technology access programme designed to generate interest in computer coding in young people. Small individual grants were given to local groups working with young people to hold events promote coding.

Code of Practice

Charity Digital is the custodian of the Charity Digital Code of Practice. Developed by a number of sector participants, more funding is expected to further develop and promote the code.

OCS (Office for Civil Society)

Charity Digital ran a first and very successful multi strand conference event in March 2019. This event was attended by in excess of 200 delegates, many from small and very small charities. OCS provided a grant support to help charities with travel bursaries and ticket subsidy to promote representation among the smaller charities. In addition OCS helped promote a series of related webinars on subjects covered at the conference.

20 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	25,401	163,912
Depreciation charges	36,480	36,148
Decrease (Increase) in debtors	(63,783)	4,078
Increase in creditors	269,671	37,371
Net cash provided by operating activities	267,769	241,509

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2022 £	2021 £
Less than one year	89,400	88,200

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

CHARITY DIGITAL TRUST

England & Wales - Charity number 1133179

Accounts

Company number: 06902258

Charity number: 1133179

Charity Digital Trust

Report and financial statements

For the year ended 31 March 2021

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For the year ended 31 March 2021

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Charity Digital Trust

Reference and administrative details

For the year ended 31 March 2021

Registered name	Charity Digital Trust	(formerly Tech Trust)
Trading names	Charity Digital	
Company number	06902258	
Country of incorporation	England and Wales	
Charity number	1133179	
Principal office	Pennine Place 2a Charing Cross Road London WC2H 0HF	
Registered office	Camburgh House, 27 New Dover Road Canterbury, CT1 3DN	
Trustees	Ms C Tavernier Mr C Mindenhall (resigned September 2020) Mr J Lazar CBE (resigned 30 th June 2020) Mr S Dunne Ms Z Amar Mr P Jacobs Ms E MacKenzie Ms M Brewis Mr R George Mr R Taylor (appointed September 21 st 2020)	
Accountants	Burgess Hodgson Camburgh House, 27 New Dover Road Canterbury CT1 3DN	
Bankers	NatWest Bank plc The Strand London WC2N 5JB	
Solicitors	Wright Hassall LLP Olympus Avenue Royal Leamington Spa CV34 6BF	
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108–114 Golden Lane London EC1Y 0TL	

The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Our purposes and activities

- The objects of the charity are to advance in any part of the world such purposes as are recognised as being exclusively charitable in accordance with the law in England and Wales as the trustees shall in their absolute discretion think fit to support or establish.
- Our vision is that technology can create a better world.
- Our mission is to empower not-for-profits to accelerate their own mission through technology.
- Our objectives are to deliver significant software procurement savings, see digital platforms raise significant funds for charities, and demystify technology to make it easier for charities and other social impact not-for-profit organisations (not-for-profits) to be more efficient and effective using digital tools.

The charity and its subsidiaries derive most of their income from trading activities offering products and services to other not-for-profits, either delivering significant costs savings, unique products or levels of support unavailable elsewhere. The trustees have considered this trading position with respect to the SORP 2015, FRS102 and the Charity Commission's guidance on public benefit including:

- Public benefit: the public benefit requirement (PB1)
- Public benefit: running a charity (PB2)
- Public benefit: reporting (PB3)

The trustees are clear that the trading activity model delivers significant benefit to not-for-profits that could not be delivered by a commercial organisation, and that the charity, whilst run on a trading basis, has clear charitable impact objectives which can be quantified and publicly reported.

We have four primary vehicles to deliver our impact:

- Donated and discounted software solutions
- Mail marketing and other engagement services
- Information, education, advice and guidance for not-for-profits
- The provision of fundraising solutions / financial settlement services

Our values

We believe technology used in the right way and to the right extent can be enormously beneficial to society as a whole. We want technology to be fully utilised for the benefit of not-for-profits and their beneficiaries. Charity Digital Trust (Charity Digital) believes it can do this as a charity trading in a commercial way through collaboration with the technology community whilst maintaining a balanced and agnostic view on the choice of solutions.

We aim to be friendly, honest, supportive, open-minded and humble in our approach to supporting UK not-for-profits.

Achievements and performance

This report is my first as chair of Charity Digital, having become a trustee in 2019. Though it was a year of significant challenge for organisations across the country and not-for-profits in particular the Charity, supported by a great board of trustees performed strongly.

Our central purpose has essentially remained the same – helping not-for-profits throughout the UK adjust to and embrace the opportunities and challenges of an increasingly digital world. This has led the organisation to focus on doing 3 things:

- Becoming the UK's central resource for helping not-for-profits access digital products and services at no or very low cost (from multiple 3rd party providers);
- Providing information, education, guidance and advice on how not-for-profits can do things more effectively or efficiently – typically using digital platforms and technology (through our Charity Digital publishing platform, our webinars and events and training programmes);
- Providing some of our own platforms where provision wasn't great for not-for-profits (donor email management, payment processing services).

The achievements of the charity are significant, delivering:

- In excess of £272m of savings and discounts for the not-for-profit sector on their software and hardware purchases
- Annual hard cash savings now running at £12m a year (on items they would have otherwise paid a lot more for)
- Over £315m in donations & payments collected for not-for-profits
- Over 74,000 not-for-profits supported and helped with our discount and donations services
- Over 70,000 not-for-profits accessing our information and advice services on a regular basis to improve what they do and how they do it
- As a result of all of the above, helping not-for-profits with additional funding, resources and capabilities to significantly improve the services they ultimately provide to their beneficiaries.

As a trading charity we generate enough income from activities to sustain the charity and add to reserves for the future. Our current annual revenue stands at £2.05m (2019/20 £2.06m) and a surplus of £164k, with cash reserves of over £1m.

2020/2021 was a year of huge challenge for the not-for-profit sector as the COVID-19 pandemic which commenced early in 2020 impacted operations of organisations across the entire country. In this environment the importance of our mission and the strategy approved in 2018/19 really came to the fore.

At the start of the year, the focus of the organisation was on enabling not-for-profits to continue to operate under work from home restrictions. This then quickly evolved to supporting organisations in digitising their beneficiary services in order that they could continue to be safely provided, despite lock down restrictions. In parallel to this, through the year, there was an increasing focus on supporting not-for-profits to increase their digital fundraising activities to help address the loss of income from the widespread cancellation of face to face fundraising events.

We were pleased to receive strong levels of support from the tech sector in providing the above services and this together with high levels of not-for-profit demand resulted in a strong financial year for the Charity.

Software and Related Services – Charity Digital Exchange

We have been operating the donation programme in the UK since 2006 in close collaboration with our partner TechSoup in the USA. Software partners like Microsoft, Adobe and Zoom, and hardware providers like Cisco, make their products available to us. We then give eligible not-for-profits access to those products at free or heavily discounted prices, charging an administration fee for each product taken, which funds the eligibility assessment, marketing and customer support.

In 2020/21 6,204 (2019/20 10,986) not-for-profits received a donation from the exchange programme, generating admin fees for Charity Digital of £885k (£1.08m in 2019/20), cumulatively saving not-for-profits around £12m (2019/20 £18m) versus fair market value. During the year, 5,349 new not-for-profits registered (6,920 in 2019/20) and became eligible to receive donated software. By the financial year end a total of 74,089 not-for-profits had registered on the programme since 2006, saving a total of around £272m in procurement costs. The drop in revenues in the year was anticipated following an uncharacteristically strong 2019/20, driven significantly by the withdrawal of support for Windows 7 and investment in new software at the onset of the COVID-19 pandemic.

We continually monitor not-for-profit satisfaction and value for money when using the exchange programme through Trust Pilot. We have consistently maintained a 5-star rating, and we have an ongoing programme of improvement to address any specific issues and complaints.

Since 2006 we have built considerable experience validating UK not-for-profits for access to discounted technology on the Exchange. We now offer bespoke validation services to Microsoft for

Office 365 and Google for their Workspace for non-profit programmes. This has accelerated the number of not-for-profits we interact with, especially the larger ones. During 2020/21 11,159 (2019/20 9,508) not-for-profits registered for these supplementary services bringing the total number of registered and eligible not-for-profits to 28,457. In recognition of the reductions in the donation programme, Microsoft started to pay for validations from July 2019. This together with the large number of not-for-profits migrating to cloud services resulted in significant growth in total product related validation income to £154k (2019/20 £117k).

The decrease in the donation programme in 2020/21 is anticipated to continue in 2021/22, driven largely by reduced demand for Microsoft on premise software following the migration of many not-for-profit organisations to cloud based software solutions. In addition, in October 2021, Microsoft announced the withdrawal of nearly all of its on premise software donations (except Windows Operating System) from 4th April 2022. It is anticipated that this will boost the Q4 2021/22 donation programme revenues, but result in a significant drop in 2022/23 revenues.

Software and Related Services – Charity Digital Mail

We bulk buy millions of e-mails a month from a specialist email provider and then pass the volume discount we achieve back to the not-for-profits. They are able to send out templated and branded e-mails to their donors, supporters and service users via a white labelled dotdigital platform (previously known as DotMailer). So that not-for-profits can get the maximum impact from the platform, we provide initial technical training and also knowhow on improving open rates and click-through.

In 2020/21, we sent over 49 million e-mails on behalf of UK not-for-profits (40 million 2019/20). The increase is down to a combination of not-for-profits rebuilding their mailing lists since the reductions at the time of the introduction of the new GDPR regulations in May 2018 and increasing use of email communication since the onset of the COVID-19 pandemic.

Information and Education Services – Advertiser Funded Activity

We know from our many years' experience that not-for-profits struggle to keep pace with changing technology and are quite often daunted by the prospect of IT related projects. Our information and education platform, previously known as CDN but migrated to our new Affino platform in March 2020, was created to provide a unique daily feed of case studies and helpful advice, aiding not-for-profits in achieving more with digital tools.

The onset of the COVID-19 pandemic saw a considerable increase in demand for the information and guidance we provide with page views more than doubling to 1.9m in 2020/21 (0.8m in 2019/20). The new Affino platform was key in enabling us to support users in accessing this information. Across the year our newer content types continued to do well with podcasts generating 11,663 listens (3,513 in 2019/20) and webinars generating 8,780 participants (5,313 in 2019/20).

With the lockdowns and restrictions of 2020/21 affecting our ability to run face to face events in the year, we used the success of the March 2020 #BeMoreDigital physical conference to spawn a number of virtual events: #BeMoreDigital Leadership Day (June 2020), #BeMoreDigital Fundraising

Day (October 2020) and the #BeMoreDigital 2021 Conference (March 2021). These events engaged 2,909 live users and resulted in a further 1,341 engagements with event recordings in the year. With the recordings being made available online for an extended period these will continue to attract viewers in the 2021/22 year and beyond.

We have continued to focus on virtual events for most of 2021/22 but hope to return with a physical #BeMoreDigital conference in March 2022 and to offer a mixed programme of virtual and physical events in 2022/23.

Our information and education services are largely funded from advertising, sponsorship and lead generation campaigns delivered for a mixture of large corporate and focused niche suppliers to the not-for-profit market. Revenues of £349k increased on 2019/20 (£276k) and though 2021/22 has seen some caution from sponsors who have wanted to preserve budget for face to face activities we are still aiming to deliver growth across the year.

Information and Education Services – Grant Funded

In the 2020/21 year, the level of grant funded activity undertaken by the Charity increased significantly to £62k (2019/20 £9k). Grants enable us to deliver programmes which have more focused impact and would not be fundable by our other income streams. Some of these grants were received directly from funders such as from CAST for the Service Recipes project and others indirectly such as Heritage Digital which is funded by the Heritage Fund but paid by The Heritage Alliance who are the consortium leaders.

Most of the grant funded activity the Charity undertakes leverages the Affino platform, our virtual event capability and our reach into the not-for-profit sector to cost effectively deliver significant impact. Our position is increasingly recognised by partners and funders and as a result grant funded activity is increasing. £250k of further funding from the Heritage Fund was awarded for the Heritage Digital Academy in Q4 of 2020/21 and this will be delivered across 2021/22 and 2022/23.

Settlement Services

CTT Charity Payments has continued to invest in its Direct Debit processing solution for UK lotteries, processing around 155,000 direct debits a month compared to 140,000 in 2019/20. The aim is to continue to offer the lowest costs solution available to maximise the proportion of ticket proceeds going to each charity.

It should be noted that a number of the service areas have been renamed in this report compared to the 2019/20 report. This is to better align them with their area of areas of impact. The table below explains the changes:

Service Area name in 2020/21 report	Service area name in 2019/20 report
Software and Related Services – Charity Digital Exchange	Software and Related Services – Charity Digital Exchange
Software and Related Services – Charity Digital Mail	Marketing Services – Charity Digital Mail

Information and Education Services – Advertiser Funded Activity	Marketing Services – Charity Digital News (CDN)
Information and Education Services – Grant Funded	(not split out in 2019/20 report)
Settlement Services	Settlement Services

Financial review

The consolidated unrestricted fund position as at 31 March 2021 is £914,448 compared with £750,537 as at 31 March 2020. Consolidated income of £2,045,849 was down on the 2019/20 figure of £2,056,597 whilst total expenditure was at £1,881,937 versus £1,868,467 in the previous year.

The surplus of income over expenditure in the year has led to an increase in funds carried forward at year end to £918,948 of which £4,500 are carried forward Restricted funds.

Reserves policy and going concern

The reserves policy aims to ensure that the charity (and group) has sufficient reserves to continue its core activities of providing services to the charity sector, even when there are significant deviations from its business plans. The level of reserves is further considered in the context of approved contingent charity activities investment. The level of reserves needed to achieve this objective is reviewed on an annual basis, and for the 2020/21 financial year the target level was held in line with the policy at a target of £200,000. This target of free reserves is calculated as being Net Assets less Fixed Assets. This free reserves target was reviewed specifically by the Board at its full board meeting in December 2020 and deemed to be sufficient.

In conducting this review, a number of factors are taken into account including the degree of risk associated with future income streams, the level of fixed costs and forecast cash flow requirements.

At year end the Unrestricted funds to be carried forward was £914,448. Using the calculation of Net Assets less Fixed Assets as above, Unrestricted free reserves at 31 March 2020 were £849,030 thereby exceeding the free reserves target of £200,000. The end of the Microsoft on premise donation programme in April 2022 will result in a significant loss of income in 2022/23, the Charity is therefore planning to invest some of its excess reserves on developing new income streams. It is also investing in further growing its audience to increase the number of not-for-profits that will benefit from its services and content.

The Financial Sub-Committee will continue to review the financial situation carefully on a regular basis identifying risks and potential remedies versus the monthly reforecasting.

The trustees are confident that the activities contained within the subsidiary, CTT Charity Payments Limited, continue to provide value to the charity, both in terms of its complementary activity and

benefit to the charity and charitable impact to the charity community. A small profit has been forecast for the coming year, and future years will deliver similar if not higher excess funds for use in the charity. It should also be noted that included in the subsidiary's forecast profit expected in the next financial year are apportionments of fixed cost and expense incurred in, and recharged by, the charity to the subsidiary, which would not be avoided should the subsidiary be closed. As in previous years the provision for intercompany indebtedness in the Charity has been adjusted to reflect the amount outstanding as at 31 March 2021 and provided for in full as at that date and the trustees will continue to review this position in the future.

Impact of COVID-19 on the Operation of the charity

COVID-19 had a significant impact upon the day-to-day operations of the Charity, resulting in a reduction in events revenue and a migration to remote working. During this period, we implemented ways of working that allowed us to ensure the continued wellbeing of our staff. We were pleased to be able to assist other not-for-profit organisations in navigating this difficult period. With our activities centred online, we were able to continue supplying products and content to our client base and the move to remote working during the pandemic resulted in an increase in demand for several software products. 2021/22 has been more difficult. The not-for-profit sector is suffering considerable financial challenges and this has resulted in a decrease in engagement and demand and this together with the investments the Charity has made in the year means we are anticipating a small deficit. However, this is well within reserves and the Charity believes it can continue to operate effectively regardless of any further COVID restrictions.

Plans for future periods

With strong reserves, Charity Digital plans to continue to execute the strategy agreed in 2018 with the aim of continuing to increase impact and reduce reliance on the Microsoft on-premise Exchange programme. This will involve further investment in both people and platform development.

We plan to continue to grow the Charity Digital user base and content engagement and use this to continue to excite and educate not-for-profits about the potential of digital to increase their impact. We will also work to monetise engagement, both through the continued sale of advertisements and sponsored content and through launching new, paid for products. The aim being to establish the Information and Education Services revenue stream as a significant and sustainable revenue stream capable of continuing independently of donation programme revenues.

Together with TechSoup Global, we will continue to work with partners like Microsoft, Google and Adobe to help not-for-profits transition to the cloud whilst adapting existing commercial models to work in a subscription world.

The continuous improvement principles applied over the last nine years will continue with a focus on using technology to improve efficiency and negotiating the best possible commercial deals with suppliers.

All products and services will be reviewed for impact and their ability to generate a margin versus the complexity, risk and investment surrounding their operation. The likelihood is that we will see a more focussed list of products and services in future years and greater integration between product and content on the Charity Digital platform.

Governing document

Charity Digital Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 05 October 2018. It is registered as a charity with the Charity Commission in England and Wales.

Trustee induction and training

New trustees undergo an orientation meeting on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, decision-making processes, the strategy, the business plan, the budgets and recent financial performance of the charity. An induction document is updated annually.

Organisation

During the year the charity had up to 9 voluntary trustees that met formally four times to review the operations and strategy of the charity and its subsidiary and provide guidance and support to management. The trustees continue to delegate the day-to-day operational decision making to the Chief Executive and to the directors of CTT Charity Payments Limited (CTTCP). During the financial year Charles Mindenhall stepped down as Chair and John Lazar as a trustee and on behalf of the Board I would like to thank them both for their many years of dedicated effort and service and warmly welcome Richard Taylor who joined the Board as a new Trustee.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any new potential conflicts of interest are declared at each board meeting.

There were no transactions with related parties during the year.

Fund Raising

The Charity does not engage in fund raising activities either directly or using third parties. The operations of the Charity generate sufficient resources to support the mission of the Charity.

Pay policy for senior staff

All trustees give of their time freely and none have received remuneration in the year (2019/20: £Nil)

The pay of the staff is reviewed annually and normally increased in accordance with average earnings and a view on cost of living.

The CEO salary is reviewed annually by the trustees benchmarking against levels in other charities, social enterprises and commercial organisations. The salary of the CEO was last reviewed in April 2021 at the same time as other staff members.

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face
- the establishment of policies, systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As a trading charity focussed on digital solutions many of our risks are associated with the rapidly changing technology space and the associated commercial models. The United Kingdom has one of the highest adoption rates of cloud services and at present the revenue the charity generates from these subscription services is less than the equivalent product download solutions. We continue to collaborate with TechSoup in talking to partners like Microsoft and Google around this transition and how we might maintain our sustainability from commercial models, whilst presenting not-for-profits with the most appropriate solutions.

Most administration fees for download products are set in USD based on a discount of up to 95% versus fair market value. As exchange rates move so does the UK administration fee price. We can be exposed to short term fluctuations and to price sensitivity versus other charity discount propositions. We have regular meetings with TechSoup and the partners to ensure price levels are appropriate and sustainable and an exchange rate buffer has been introduced to remove some volatility risk.

To ensure the future viability we continue to employ continuous improvement principles in operational and financial area with a specific focus on being more effective and efficient at what we do whilst having the lowest costs levels possible. We have introduced several digital solutions to facilitate this whilst focussing on supplier cost reduction.

The trustees are confident that the risks and safeguards contained in the risk assessment have been properly documented and addressed over the course of the financial year. In addition, the trustees have reviewed the internal controls within the charity and its subsidiaries to ensure that they were operating effectively throughout the year as well as ensuring that they will safeguard the assets of the charity.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing the report of the trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the report of the trustees:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken,

Charity Digital Trust

Trustees' annual report

For the year ended 31 March 2021

have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to

- establish that the auditor is aware of that information.

By order of the board of trustees

Claire Tavernier (Chair)

21st March 2022

Opinion

We have audited the financial statements of Charity Digital Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent 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 Charity Digital Trust'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 other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report to the members of Charity Digital Trust

For the year ended 31 March 2021

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

24 March 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Charity Digital Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Restated Unrestricted £	Restricted £	2020 Total £
Income from:							
Grants		51,962	9,788	61,750	–	9,173	9,173
Charitable activities							
Software and related services		1,470,430	–	1,470,430	1,590,711	–	1,590,711
Information and education services		342,328	–	342,328	276,286	–	276,286
Settlement services		168,731	–	168,731	162,300	–	162,300
Reversal of prior year provision		–	–	–	14,778	–	14,778
Other		2,611	–	2,611	3,350	–	3,350
Total income		2,036,061	9,788	2,045,849	2,047,424	9,173	2,056,597
Expenditure on:							
Charitable activities							
Software and related services		1,150,599	9,788	1,160,387	1,312,633	9,240	1,321,873
Information and education services		557,750	–	557,750	423,103	–	423,103
Settlement services		159,642	–	159,642	121,907	–	121,907
Other		4,158	–	4,158	1,583	–	1,583
Total expenditure	2,3	1,872,149	9,788	1,881,937	1,859,227	9,240	1,868,467
Net movement in funds		163,912	–	163,912	188,197	(67)	188,129
Reconciliation of funds:							
Total funds brought forward	18	750,537	4,500	755,036	562,341	4,567	566,908
Total funds carried forward		914,448	4,500	918,948	750,537	4,500	755,036

There were no other recognised gains or losses other than those stated above. All activities are continuing. Movements in funds are disclosed in note 19 to the financial statements.

Charity Digital Trust

Balance sheets

Company no. 06902258

As at 31 March 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	9	65,419	98,669	65,419	98,669
		65,419	98,669	65,419	98,669
Current assets:					
Debtors	12	121,806	125,884	581,684	538,213
Short term deposits		170,000	170,049	170,000	170,049
Cash at bank and in hand		1,259,728	1,021,068	939,604	787,984
		1,551,534	1,317,001	1,691,288	1,496,245
Liabilities:					
Creditors: amounts falling due within one year	13	(698,005)	(660,634)	(484,536)	(455,225)
Net current assets		853,529	656,367	1,206,752	1,041,020
Total assets less current liabilities		918,948	755,036	1,272,171	1,139,689
Creditors: amounts falling due after one year	15	–	–	(447,446)	(447,914)
Total net assets		918,948	755,036	824,725	691,775
Funds:					
Restricted income funds		4,500	4,500	4,500	4,500
Unrestricted general funds		914,448	750,536	820,225	687,275
Total funds	18, 19	918,948	755,036	824,725	691,775

Approved by the trustees on 21st March 2022 and signed on their behalf by

Claire Tavernier
Chair of the Trustees

Charity Digital Trust

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		241,509		343,068
Cash flows from investing activities:					
Dividends, interest and rents from investments		–		–	
Proceeds from the sale of fixed assets		–		–	
Purchase of fixed assets		(2,898)		(103,048)	
Proceeds from sale of assets		–		–	
Purchase of intangibles		–		–	
Amounts placed on short term deposit		47		(170,049)	
Net cash used in investing activities			(2,851)		(273,097)
Change in cash and cash equivalents in the year			238,660		69,973
Cash and cash equivalents at the beginning of the year			1,021,068		951,098
Cash and cash equivalents at the end of the year			1,259,728		1,021,068

1 Accounting policies

a) Statutory information

Charity Digital Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Camburgh House, 27 New Dover Road, Canterbury CT1 3DN and its main place of business is Pennine Place, 2a Charing Cross Road, London WC2H 0HF.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary CTT Charity Payments Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern and meet its liabilities as they fall due. The impact of Covid has been considered in reaching this assessment.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. There has been no material impact on trading through the covid period and there is no expectation that there will be in the rest of the financial year.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Such deferment is also applied to grants and donations until those services for which the grant or donation was made, have been provided.

f) 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 bank.

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the group's charitable activities undertaken to further the purposes of the group and their associated support costs
- Other expenditure represents those items not falling into any other heading

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on estimates of activity and/or staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on either staff time or turnover creating the following ratios:

	Support %	Governance %
● Software and related services	32	72
● Marketing services	42	17
● Settlement services	–	8
● Other	–	3
● Governance	26	–

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

The Charity had no operating leases or rentals in the financial period other than that of a short term lease for accommodation (shown in Note 21 below); the cost of which is charged as it is incurred on a straight line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years
- Computer equipment and software 3 years

1 Accounting policies (continued)

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand only includes balances held in accounts with instant access.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with maturity dates of greater than 90 days.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) 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.

q) Pensions

The Charity operates a contribution pension scheme which is available to all members of staff. The Charity contributes a fixed 5% (2019:5%).

2 Analysis of expenditure (current year)

	Charitable activities								
	Information								
	Software & related services £	Education services £	Settlement services £	Other £	Governance costs £	Support costs £	2021 Total £	2020 Total £	
Staff costs (Note 5)	181,698	256,241	–	–	–	300,319	738,258	588,023	
Cost of sales	640,151	62,591	119,785	–	–	–	822,527	930,161	
Other staff related costs	7,374	9,468	–	–	5,899	–	22,740	29,871	
Marketing	15,625	–	–	–	–	–	15,625	25,116	
IT and transaction cost	68,010	–	–	–	–	–	68,010	38,871	
Consultancy, legal & prof.	–	15,937	23,023	–	–	29,835	68,795	131,926	
Auditors remuneration	–	–	–	–	13,200	–	13,200	12,300	
Accommodation and office	–	–	5,472	–	–	81,266	86,738	92,038	
Financing and Interest	–	–	–	–	–	–	–	2	
Depreciation and amort.	–	–	–	–	–	36,148	36,148	7,555	
Other	–	–	–	–	–	9,895	9,895	12,604	
	912,859	344,236	148,280	–	19,099	457,463	1,881,937	1,868,467	
Support costs	148,334	190,461	–	–	118,667	(457,463)	–	–	
Governance costs	99,194	23,052	11,362	4,158	(137,766)	–	–	–	
Total expenditure 2021	1,160,387	557,750	159,642	4,158	–	–	1,881,937	1,868,467	
Total expenditure 2020	1,321,874	423,103	121,907	1,583	–	–	1,868,467		

Of the £1,881,937 (2020 – £1,868,467) £1,855,491 was unrestricted (2020 – £1,859,227) and £26,446 was restricted (2020 – £9,240)

3 Analysis of expenditure (prior year)

	Charitable activities						
	Re stated Software & related services £	Restated Information and Education services £	Settlement services £	Other £	Governance costs £	Support costs £	2020 Total £
Staff costs	265,718	123,317	–	–	–	198,988	588,023
Cost of sales	698,429	140,705	91,027	–	–	–	930,161
Other staff related costs	14,731	7,570	–	–	7,570	–	29,871
Marketing	25,116	–	–	–	–	–	25,116
IT and transaction cost	38,871	–	–	–	–	–	38,871
Consultancy, legal & prof.	–	29,462	14,821	–	–	87,643	131,926
Auditors remuneration	–	–	–	–	12,300	–	12,300
Accommodation and office	–	–	6,648	–	–	85,390	92,038
Financing and Interest	–	–	–	–	–	2	2
Depreciation and amort.	–	–	–	–	–	7,555	7,555
Other	–	–	–	–	–	12,604	12,604
	1,042,865	301,054	112,496	–	19,870	392,182	1,868,467
Support costs	193,406	99,388	–	–	99,388	(392,182)	–
Governance costs	85,603	22,661	9,411	1,583	(119,258)	–	–
Total expenditure 2020	1,321,874	423,103	121,907	1,583	–	–	1,868,467

Mail services income and expenditure was recategorised during the current year, as a result £114,493 of income and £59,799 of expenditure was reclassified in the prior year from Information and Education services to Software and related services, this had no impact on the surplus reported.

4 Net income for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	36,148	7,555
Operating lease rentals:		
Property	84,982	84,000
Equipment	120	120
Auditors' remuneration (excluding VAT):		
Audit – group	13,200	13,000
Over –accrual in prior year	900	(942)
Foreign exchange losses/(gains)	5,748	8,600
	<u>36,148</u>	<u>8,600</u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	639,986	509,551
Social security costs	69,970	52,667
Employer's contribution to defined contribution pension schemes	21,406	16,140
Other forms of employee benefits	6,896	9,664
	<u>738,258</u>	<u>588,023</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£100,000 – £109,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £196,791 (2020: £176,456).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No travel or other expenses were paid to the Trustees in the financial year (2020: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 15.4 (2020: 12.2).

Staff are split across the activities of the charitable company as follows:

	2021 No.	2020 No.
Software and support	5.0	6.0
Mail & marketing Services	6.4	3.1
Settlement services	–	–
Support	4.0	3.1
	15.4	12.2

7 Related party transactions

There were no transactions with related parties in the year under audit.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary CTT Charity payments made taxable profits in the year but no charge to corporation tax is expected due to the availability of tax losses brought forward, profit of £31,432 in 2021 (2020:£73,444).

9 Tangible fixed assets

The group	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	51,302	179,721	231,023
Additions in year	–	2,898	2,898
At the end of the year	51,302	182,619	233,921
Depreciation			
At the start of the year	50,584	81,770	132,354
Charge for the year	–	36,148	36,148
At the end of the year	50,584	117,918	168,502
Net book value			
At the end of the year	718	64,701	65,419
At the start of the year	718	97,951	98,669

10 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of CTT Charity Payments Limited, a company registered in England (4222881). The subsidiary is used for additional primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

	2021 £	2020 £
Turnover	168,731	177,078
Cost of sales	(81,441)	(66,296)
Gross profit	87,290	110,782
Administrative and direct expenses	(27,287)	(18,061)
Costs fairly apportioned from the parent charity	(29,050)	(20,352)
Operating profit	30,953	72,369
Interest receivable	479	1,075
Profit for the financial year	31,432	73,444
The aggregate of the assets, liabilities and funds was:		
Assets	360,000	268,201
Liabilities	(713,222)	(652,854)
Deficit in funds	(353,222)	(384,653)

11 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	1,905,689	1,898,795
Result for the year	132,481	114,685

12 Debtors

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	80,410	94,309	43,454	61,865
Other debtors	10,755	10,875	10,755	10,875
Prepayments and accrued income	30,641	20,700	27,723	18,027
Balance with subsidiaries	–	–	499,752	447,446
	121,806	125,884	581,684	538,213

13 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	63,535	100,612	61,929	100,072
Taxation and social security	113,370	110,289	105,312	102,260
Other creditors	194,760	193,563	10,560	10,734
Accruals	135,093	116,341	115,488	102,330
Deferred income (note 14)	191,247	139,829	191,247	139,829
	698,005	660,634	484,536	455,225

14 Deferred income

Deferred income comprises unexpired elements of invoiced contract bundles for email marketing unused by clients at year end, billed but not delivered work undertaken on the Charity Digital News platform and deferred balances from grants received where performance specified under the donation is not completed.

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	139,829	128,053	139,829	128,053
Amount released to income in the year	(139,829)	(20,974)	(139,829)	(81,674)
Amount deferred in the year	191,247	32,750	191,247	93,450
Balance at the end of the year	191,247	139,829	191,247	139,829

15 Creditors: amounts falling due after one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Other liabilities	–	–	447,446	447,914
	–	–	447,446	447,914

16 Analysis of group net assets between funds (current year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	65,419	–	65,419
Net current assets	849,029	4,500	853,529
Long term liabilities	–	–	–
Net assets at 31 March 2021	914,448	4,500	918,948

17 Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	98,669	–	98,669
Net current assets	651,867	4,500	656,367
Long term liabilities	–	–	–
Net assets at 31 March 2020	750,536	4,500	755,036

18 Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	At 31 March 2021 £
Restricted funds:				
TS Foundation	–	9,788	(9,788)	–
OCS	4,500	–	–	4,500
Total restricted funds	4,500	9,788	(9,788)	4,500
General funds	750,536	2,036,061	(1,872,149)	914,448
Total funds	755,036	2,045,849	(1,881,937)	918,948

The narrative to explain the purpose of each fund is given at the foot of the note below.

19 Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	At 31 March 2020 £
Restricted funds:				
Mindenhall Foundation	67	–	(67)	–
TS Foundation	–	9,173	(9,173)	–
OCS	4,500	–	–	4,500
Total restricted funds	4,567	9,173	(9,240)	4,500
General funds	562,341	2,047,423	(1,859,227)	750,536
Total funds	566,908	2,056,596	(1,868,467)	755,036

Purposes of restricted funds**TS Foundation (Fundacja Techsoup– [Poland])**

Grants were received in the year from TS Foundation as part of the roll out of SAP's european technology access programme designed to generate interest in computer coding in young people. Small individual grants were given to local groups working with young people to hold events promote coding.

OCS (Office for Civil Society)

Charity Digital ran a first and very successful multi strand conference event in March 2019. This event was attended by in excess of 200 delegates, many from small and very small charities. OCS provided a grant support to help charities with travel bursaries and ticket subsidy to promote representation among the smaller charities. In addition OCS helped promote a series of related webinars on subjects covered at the conference.

20 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	163,912	188,129
Depreciation charges	36,148	7,555
Amortisation	–	–
Purchase of fixed assets	–	–
Decrease in debtors	4,078	71,116
Increase in creditors	37,371	76,267
Net cash provided by operating activities	241,509	343,068

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	88,200	74,300	–	–

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 06902258

Charity number: 1133179

Charity Digital Trust

Report and financial statements

For the year ended 31 March 2020

Contents

For the year ended 31 March 2020

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Charity Digital Trust

Reference and administrative details

For the year ended 31 March 2019

Registered name	Charity Digital Trust (formerly Tech Trust)
Trading names	Charity Digital Charity Digital News
Company number	06902258
Country of incorporation	England and Wales
Charity number	1133179
Principal office	Pennine Place 2a Charing Cross Road London WC2H 0HF
Registered office	Camburgh House, 27 New Dover Road CANTERBURY, CT1 3DN
Trustees	Mr C Mindenhall Ms D Bushell (resigned 9 July 2019) Mr D Cobley (resigned 9 December 2019) Ms E Thomas (resigned 9 July 2019) Mr I James (resigned 31 January 2020) Mr J Lazar CBE Mr S Dunne Ms Z Amar Mr P Jacobs Ms C Tavernier (appointed 14 May 2019) Ms E MacKenzie (appointed 27 December 2019) Ms M Brewis (appointed 8 December 2019) Mr R George (appointed 27 December 2019)
Accountants	Burgess Hodgson Camburgh House, 27 New Dover Road Canterbury CT1 3DN
Bankers	NatWest Bank plc The Strand London WC2N 5JB
Solicitors	Wright Hassall LLP Olympus Avenue Royal Leamington Spa CV34 6BF

Charity Digital Trust

Reference and administrative details

For the year ended 31 March 2019

Auditors

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House, 108–114 Golden Lane
London EC1Y 0TL

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

Our purposes and activities

- The objects of the charity are to advance in any part of the world such purposes as are recognised as being exclusively charitable in accordance with the law in England and Wales as the trustees shall in their absolute discretion think fit to support or establish.
- Our vision is that technology can create a better world.
- Our mission is to empower charities to accelerate their own mission through technology.
- Our objectives are to deliver significant software procurement savings, see digital platforms raise significant funds for charities, and demystify technology to make it easier for charities to be more efficient and effective using digital tools.

The charity and its subsidiaries derive most of their income from trading activities offering products and services to other charities, either delivering significant costs savings, unique products or levels of support unavailable elsewhere. The trustees have considered this trading position with respect to the SORP 2015, FRS102 and the Charity Commission's guidance on public benefit including:

- Public benefit: the public benefit requirement (PB1)
- Public benefit: running a charity (PB2)
- Public benefit: reporting (PB3)

The trustees are clear that the trading activity model delivers significant benefit to charities that could not be delivered by a commercial organisation, and that the charity, whilst run on a trading basis, has clear charitable impact objectives which can be quantified and publicly reported.

We have four primary vehicles to deliver our impact:

- Donated and discounted software solutions
- The provision of fundraising solutions / financial settlement services
- Mail marketing and other engagement services
- Advice & guidance for charities

Our values

We believe technology used in the right way and to the right extent can be enormously beneficial to society as a whole. We want technology to be fully utilised for the benefit of charities and their beneficiaries. Charity Digital Trust (Charity Digital) believes it can do this as a charity trading in a commercial way through collaboration with the technology community whilst maintaining a balanced and agnostic view on the choice of solutions.

We aim to be friendly, honest, supportive, open-minded and humble in our approach to supporting UK charities.

Achievements and performance

This report will be my last as chair and trustee of Charity Digital as after nearly 15 years I have decided to step down and hand over to an excellent new chair (and existing trustee), Claire Tavernier. Claire will be ably supported by a great board of trustees. Charity Digital has now been operating for nearly 20 years and over this time it has had just three chairs (Sir Charles Dunstone, Peter Wheeler and I). The Charity has also had around 30 different trustees and directors, committing their time and advice so generously and helpfully. As is the case with lots of charities and organisations, we have had a few interesting moments, some uncertainty at times as to the future direction and some funding challenges but more often than not good and even great days fulfilling our mission.

Our central purpose has essentially remained the same – helping charities throughout the UK adjust to and embrace the opportunities and challenges of an increasingly digital world. This has led the organisation to focus on doing 3 things:

- Becoming the UK's central resource for helping charities access digital products and services at no or very low cost (from multiple 3rd party providers);
- Providing news, guidance and advice on how charities can do things more effectively or efficiently – typically using digital platforms and technology (through our Charity Digital News service and our webinars and conferences);
- Providing some of our own platforms where provision wasn't great for charities (donor email management, payment processing services).

The achievements of the charity are significant, delivering:

- In excess of £260m of savings and discounts for the charity sector on their software and hardware purchases
- Annual hard cash savings now running at £18m a year (on items they would have otherwise paid a lot more for)
- Over £300m in donations & payments collected for charities
- Over 68,000 charities supported and helped with our discount and donations services
- Over 60,000 charities accessing our news and advice services on a regular basis to improve what they do and how they do it

- As a result of all of the above, helping charities with additional funding, resources and capabilities to significantly improve the services they ultimately provide to their beneficiaries.

As a trading charity we generate enough income from activities to sustain the charity and add to reserves for the future. Our current annual revenue stands at £2.057m (2018/19 £1.616m) and a surplus of £188,129, with cash reserves of over £1m.

2019/2020 was a year of further change as we looked to continue to implement the strategy approved in 2018/19 and build on the model of sponsored content that is now established. To facilitate this further growth the board approved a major investment programme with £139k of spend on deploying a new web platform called Affino and project consultancy and associated marketing services. The spend comprised £99k of capital and £42k of revenue expenditure and with a break-even budget was planned to be funded by reserves. However as a result of a year of strong performance, including an unexpected increase in the donation programme and Microsoft starting to pay validation fees the funds for this were covered by general trading.

The new Affino system was deployed in February 2020 and now provides a much stronger platform for Charity Digital to operate a virtuous circle of content and sponsorship. This works by enabling strong and engaging content to be served to charity beneficiaries which in turn results in more satisfied sponsors who then fund further content. This model saw Charity Digital News revenues more than double in the year to £276,285 with further growth planned for 2020/21.

As part of the investment plan, the Charity's activities were unified under the Charity Digital brand in July 2019. As a further step, the sub-brand Charity Digital News was retired when the new Affino platform went live. All content is now published under the Charity Digital brand.

The onset of the Covid 19 pandemic had a limited effect on the 2019/20 finances as it only impacted from March and the organisation was able to quickly and easily transition to a working from home model as a result of its cloud-based infrastructure. This has largely continued beyond the end of the lock down and no large-scale return to office working is envisaged within the foreseeable future.

Software and Related Services – Charity Digital Exchange

We have been operating the donation programme in the UK since 2006 in close collaboration with our partner TechSoup in the USA. Software partners like Microsoft, Adobe and Zoom, and hardware providers like Cisco, make their products available to us. We then give eligible charities access to those products at free or heavily discounted prices, charging an administration fee for each product taken, which funds the eligibility assessment, marketing and customer support.

In 2019/20 10,986 (2018/19 7,019) charities received a donation from the exchange programme, generating admin fees for Charity Digital of £1.08m (£0.88m in 2018/19), cumulatively saving the charities around £18m (2018/19 £15m) versus fair market value. During the year, 6,920 new charities registered (9,735 in 2018/19) and became eligible to receive donated software. By the financial year end a total of 68,740 charities had registered on the programme since 2006, saving a total of around £260m in procurement costs.

We continually monitor charity satisfaction and value for money when using the exchange programme using Trust Pilot. We have consistently maintained a 5-star rating, and we have an ongoing programme of improvement to address any specific issues and complaints.

Since 2006 we have built considerable experience validating UK charities for access to discounted technology on the exchange. We now offer bespoke validation services to Microsoft for Office 365 and Google for their apps for non-profit programmes. This has accelerated the number of charities we interact with, especially the larger ones. During 2019/20 9,508 (2018/19 7,790) charities registered for these supplementary services bringing the total number of registered and eligible charities to 17,298. In recognition of the reductions in the donation programme, Microsoft started to pay for validations from July 2019. This resulted in significant growth in total product related validation income to £116,645 (2018/19 £41,293).

After the decrease in the donation programme activity and income in 2018/19 following the reduction in the donated Microsoft products available, 2019/20 saw a bounce back. We believe that this was partly driven by the withdrawal of support for Windows 7 in January 2020. This forced charities with out of date software to update and we were pleased to be able to help them do this cost effectively via the Exchange. The Covid 19 pandemic also caused an increase in activity in March 2020 and this continued through to May 2020.

This bounce back is not expected to be sustained across 2020/21 and we are budgeting for revenues similar to 2018/19.

Marketing Services – Charity Digital News (CDN)

We know from our many years' experience that charities struggle to keep pace with changing technology and are quite often daunted by the prospect of IT related projects. CDN was created to provide a unique daily feed of case studies and helpful advice, aiding charities in achieving more with digital tools.

In 2019/20 saw CDN engagement continue to grow with users up 40% on the previous year. New content types continued to do well with webinars generating 8,982 participants (1,408 in 2018/19) and podcasts being launched in October 2019 and generating 3,084 listeners.

The Charity Digital conference returned early in March 2020 after its successful launch in 2019. Marketed under the theme of #BeMoreDigital we bought 370 charity attendees to the London Olympia conference centre for a day packed full of engaging and educational content. As in 2019 we have had a strong focus on widening the impact of the event. Short videos were produced of key speakers and are being released along with audio recordings on our podcast channel to reach a wider audience. We were also pleased to offer a travel bursary scheme to increase the accessibility of the event to charities based outside London. 111 attendees took advantage of the scheme at a cost of £15,554 to the charity.

November 2019 also saw us pilot our first virtual event with our Digital Fundraising Day. This saw nearly 1,000 participants from across the country participate in a range of different sessions. With the onset of the Covid pandemic, virtual events have become more common, however we are

working to build on our early experience with two events planned for 2020/21 and the likelihood that the annual conference will need to be virtual too.

CDN operations are largely funded from advertising, sponsorship and lead generation campaigns delivered for a mixture of large corporate and focused niche suppliers to the charity market. Revenues of £276,285 increased significantly on 2018/19 (£126,415) and though the first quarter of the 2020/21 year saw some softness with a number of sponsors cutting spend we are still aiming to deliver growth across the year.

There were no major grant funds received in the 2019/20 financial year, however we did receive a grant of Euro17,975 (£16,140.15, £9,173 of which was recognised as income during the year) from TechSoup for the Meet and Code programme. The charity also successfully bid as part of the Heritage Digital consortium to raise the level of digital skills of heritage organisations. Most of these organisations are charities so the project fits our charitable aims. The delivery for this program which is funded by the National Lottery Heritage Fund is in 2020/21 and the first quarter of 2021/22.

Marketing Services – Charity Digital Mail

We bulk buy millions of e-mails a month from a specialist email provider and then pass the volume discount we achieve back to the charities. They are able to send out templated and branded e-mails to their donors, supporters and service users via a white labelled dotdigital platform (previously known as DotMailer). So that charities can get the maximum impact from the platform, we provide initial technical training and also knowhow on improving open rates and click-through.

In 2019/20, we sent over 40 million e-mails on behalf of UK charities (47 million 2018/19). The decline is down a reduction in volume following the introduction of the new GDPR regulations in May 2018 and some larger charities choosing to move to integrated CRM and email solutions.

Despite the decrease in volume we are continuing to provide group and one to one education sessions, as well as managed service activities, to persuade the sector to do more things digitally. We are now starting to see the email volumes of our charity customers increase as they rebuild their contact lists.

Settlement Services

CTT Charity Payments has continued to invest in its Direct Debit processing solution for UK lotteries, processing around 140,000 direct debits a month compared to 113,000 in 2018/19. The aim is to continue to offer the lowest costs solution available to maximise the proportion of ticket proceeds going to each charity.

Financial review

The consolidated unrestricted fund position as at 31 March 2020 is £750,536 compared with £562,341 as at 31 March 2019. Consolidated income of £2,056,596 was up on the 2018/19 figure of £1,616,168 whilst total expenditure was at £1,868,467 versus £1,578,358 in the previous year.

The surplus of income over expenditure in the year has led to an increase in funds carried forward at year end to £755,036 of which £4,500 are carried forward Restricted funds.

Reserves policy and going concern

The reserves policy aims to ensure that the charity (and group) has sufficient reserves to continue its core activities of providing services to the charity sector, even when there are significant deviations from its business plans. The level of reserves is further considered in the context of approved contingent charity activities investment. The level of reserves needed to achieve this objective is reviewed on an annual basis, and for the 2019/20 financial year the target level was held in line with the policy at a target of £200,000. This target of free reserves is calculated as being Net Assets less Fixed Assets. This free reserves target was reviewed specifically by the Board at its full board meeting in July 2019 and deemed to be sufficient.

In conducting this review, a number of factors are taken into account including the degree of risk associated with future income streams, the level of fixed costs and forecast cash flow requirements.

At year end the Unrestricted funds to be carried forward was £750,536. Using the calculation of Net Assets less Fixed Assets as above, Unrestricted free reserves at 31 March 2020 were £651,867 thereby exceeding the free reserves target of £200,000. The Charity is planning to invest some of its reserves on further growing its audience and the number of charities that will therefore benefit from its services and content. However, owing to the current uncertainty regarding the impact of COVID-19 the Charity believes that it is right to carry a slightly higher level of reserves than previously.

The Financial Sub-Committee will continue to review the financial situation carefully on a regular basis identifying risks and potential remedies versus the monthly reforecasting.

The trustees are confident that the activities contained within the subsidiary, CTT Charity Payments Limited, continue to provide value to the charity, both in terms of its complementary activity and benefit to the charity and charitable impact to the charity community. A small profit has been forecast for the coming year, and future years will deliver similar if not higher excess funds for use in the charity. It should also be noted that included in the subsidiary's forecast profit expected in the next financial year are apportionments of fixed cost and expense incurred in, and recharged by, the charity to the subsidiary, which would not be avoided should the subsidiary be closed. As in previous years the provision for intercompany indebtedness in the Charity has been adjusted to reflect the amount outstanding as at 31 March 2020 and provided for in full as at that date and the trustees will continue to review this position in the future.

Plans for future periods

With strong reserves, Charity Digital plans to continue to execute the strategy agreed in 2018 with the aim of continuing to increase impact and reduce reliance on the Exchange programme. This will involve further investment in both people and platform development.

We plan to continue to grow the Charity Digital user base and content engagement and use this to continue to excite and educate charities about the potential of digital to increase their impact. We will also work to monetise engagement, both through the continued sale of advertisements and sponsored content and through launching new, paid for products. The aim being to establish the Marketing Services revenue stream as a significant and sustainable revenue stream capable of continuing independently of the donation programme revenues.

Together with TechSoup Global, we will continue to work with partners like Microsoft, Google and Adobe to help charities transition to the cloud whilst adapting existing commercial models to work in a subscription world.

The continuous improvement principles applied over the last eight years will continue with a focus on using technology to improve efficiency and negotiating the best possible commercial deals with suppliers.

All products and services will be reviewed for impact and their ability to generate a margin versus the complexity, risk and investment surrounding their operation. The likelihood is that we will see more focussed list of products and services in future years and greater integration between product and content on the Charity Digital platform.

Governing document

Charity Digital Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 05 October 2018. It is registered as a charity with the Charity Commission in England and Wales.

Trustee induction and training

New trustees undergo an orientation meeting on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, decision-making processes, the strategy, the business plan, the budgets and recent financial performance of the charity. An induction document is updated annually.

Organisation

During the year the charity had up to 13 voluntary trustees that met formally 4 times during the year to review the operations and strategy of the charity and its subsidiary and provide guidance and support to management. The trustees continue to delegate the day-to-day operational decision making to the Chief Executive and to the directors of CTT Charity Payments Limited (CTTCP). During the financial year and since year end, a number of Trustees stepped down and on behalf of the Board I would like to thank them for their many years of dedicated effort and service and warmly welcome our new Trustees who have joined the Board.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. However, some of the trustees own or manage companies that the charity partners with and any payments to those organisations for services are logged on the conflict of interest register. Any new potential conflicts are declared at each board meeting

Related party transactions are disclosed in note 7 to the accounts.

Pay policy for senior staff

All trustees give of their time freely and none have received remuneration in the year (2019/20: £Nil)

The pay of the staff is reviewed annually and normally increased in accordance with average earnings and a view on cost of living.

The CEO salary is reviewed annually by the trustees benchmarking against levels in other charities, and other social enterprises and commercial organisations. The salary of the CEO was last reviewed in April 2020 at the same time as other staff members.

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face
- the establishment of policies, systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As a trading charity focussed on digital solutions many of our risks are associated with the rapidly changing technology space and the associated commercial models. The United Kingdom has one of the highest adoption rates of cloud services and at present the revenue the charity generates from these subscription services is less than the equivalent product download solutions. We continue to collaborate with TechSoup in talking to partners like Microsoft and Google around this transition and how we might maintain our sustainability from commercial models, whilst presenting charities with the most appropriate solutions.

Administration fees for download products are set in USD broadly based on a 95% discount versus fair market value. As exchange rates move so does the UK administration fee price. We can be exposed to short term fluctuations and to price sensitivity versus other charity discount propositions. We have regular meetings with TechSoup and the partners to ensure price levels are appropriate and sustainable and an exchange rate buffer has been introduced to remove some volatility risk.

To ensure the future viability we continue to employ continuous improvement principles in operational and financial area with a specific focus on being more effective and efficient at what we do whilst having the lowest costs levels possible. We have introduced several digital solutions to facilitate this whilst focussing on supplier cost reduction.

The trustees are confident that the risks and safeguards contained in the risk assessment have been properly documented and addressed over the course of the financial year. In addition, the trustees have reviewed the internal controls within the charity and its subsidiaries to ensure that they were operating effectively throughout the year as well as ensuring that they will safeguard the assets of the charity.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing the report of the trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the report of the trustees:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to
- establish that the auditor is aware of that information.

By order of the board of trustees

Charles Mindenhall (Chair)

30 September 2020

Opinion

We have audited the financial statements of Charity Digital Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the group financial statements and

Independent auditor's report to the members of Charity Digital Trust

For the year ended 31 March 2020

our auditor's report thereon. Our opinion on the group 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 group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 there is a material misstatement in the group 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 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 on the effectiveness of the group's or the parent charitable company'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 group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

Independent auditor's report to the members of Charity Digital Trust

For the year ended 31 March 2020

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

25 November 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Grants		–	9,173	9,173	11,098	85,663	96,761
Charitable activities							
Software and related services		1,476,217	–	1,476,217	1,050,764	–	1,050,764
Marketing services		390,779	–	390,779	248,395	33,118	281,513
Settlement services		162,300	–	162,300	157,635	–	157,635
Reversal of prior year provision		14,778	–	14,778	29,222	–	29,222
Other		3,350	–	3,350	273	–	273
Total income		2,047,423	9,173	2,056,596	1,497,387	118,781	1,616,168
Expenditure on:							
Charitable activities							
Software and related services		1,252,834	9,240	1,262,074	947,659	17,308	964,967
Marketing services		482,902	–	482,902	366,062	96,906	462,968
Settlement services		121,907	–	121,907	143,741	–	143,741
Lottery Services		–	–	–	1,351	–	1,351
Other		1,583	–	1,583	5,331	–	5,331
Total expenditure	2,3	1,859,227	9,240	1,868,467	1,464,144	114,214	1,578,358
Net movement in funds		188,196	(67)	188,129	33,243	4,567	37,810
Reconciliation of funds:							
Total funds brought forward	18	562,341	4,567	566,908	529,098	–	529,098
Total funds carried forward		750,536	4,500	755,036	562,341	4,567	566,908

There were no other recognised gains or losses other than those stated above. All activities are continuing. Movements in funds are disclosed in note 19 to the financial statements.

Charity Digital Trust

Balance sheets

Company no. 06902258

As at 31 March 2020

	Note	The group 2020 £	2019 £	The charity 2020 £	2019 £
Fixed assets:					
Tangible assets	9	98,669	3,176	98,669	3,176
		98,669	3,176	98,669	3,176
Current assets:					
Debtors	12	125,884	197,000	538,213	590,880
Short term deposits		170,049	–	170,049	–
Cash at bank and in hand		1,021,068	951,098	787,984	884,402
		1,317,001	1,148,098	1,496,245	1,475,282
Liabilities:					
Creditors: amounts falling due within one year	13	(660,634)	(569,563)	(455,225)	(453,454)
Net current assets		656,367	578,535	1,041,020	1,021,828
Total assets less current liabilities		755,036	581,711	1,139,689	1,025,004
Creditors: amounts falling due after one year	15	–	(14,803)	(447,914)	(447,914)
Total net assets		755,036	566,908	691,775	577,090
Funds:					
Restricted income funds		4,500	4,567	4,500	4,567
Unrestricted general funds		750,536	562,341	687,275	572,523
Total funds	18, 19	755,036	566,908	691,775	577,090

Approved by the trustees on 30 September 2020 and signed on their behalf by

Charles Mindenhall
Chairman of the Trustees

Charity Digital Trust

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		343,068		(76,071)
Cash flows from investing activities:					
Purchase of fixed assets		(103,048)		–	
Amounts placed on short term deposit		(170,049)		–	
Net cash used in investing activities			(273,097)		–
Cash flows from financing activities:					
Repayments of borrowing		–		(6,673)	
Net cash used in financing activities			–		(6,673)
Change in cash and cash equivalents in the year			69,973		(82,742)
Cash and cash equivalents at the beginning of the year			951,098		1,033,840
Cash and cash equivalents at the end of the year			1,021,068		951,098

1 Accounting policies

a) Statutory information

Charity Digital Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Camburgh House, 27 New Dover Road, Canterbury CT1 3DN and its main place of business is Pennine Place, 2a Charing Cross Road, London WC2H 0HF.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary CTT Charity Payments Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. There has been no material impact on trading through the covid period and there is no expectation that there will be in the rest of the financial year.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Such deferment is also applied to grants and donations until those services for which the grant or donation was made, have been provided.

f) 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 bank.

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of the group's charitable activities undertaken to further the purposes of the group and their associated support costs
- Other expenditure represents those items not falling into any other heading

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on estimates of activity and/or staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on either staff time or turnover creating the following ratios:

	Support %	Governance %
● Software and related services	53	66
● Marketing services	31	18
● Settlement services	1	10
● Other	–	6
● Governance	15	–

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

The Charity had no operating leases or rentals in the financial period other than that of a short term lease for accommodation (shown in Note 21 below); the cost of which is charged as it is incurred on a straight line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years
- Computer equipment and software 3 years

1 Accounting policies (continued)

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand only includes balances held in accounts with instant access.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with maturity dates of greater than 90 days.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) 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.

q) Pensions

The Charity operates a contribution pension scheme which is available to all members of staff. The Charity contributes a fixed 5% (2019:5%).

2 Analysis of expenditure (current year)

	Charitable activities				Other	Governance costs	Support costs	2020 Total	2019 Total
	Software & related services £	Marketing services £	Settlement services £	Lottery and scratchcard management £					
Staff costs (Note 5)	265,718	123,317	–	–	–	–	198,988	588,023	545,335
Cost of sales	638,630	200,504	91,027	–	–	–	–	930,161	648,752
Other staff related costs	14,731	7,570	–	–	–	7,570	–	29,871	37,500
Marketing	25,116	–	–	–	–	–	–	25,116	19,709
IT and transaction cost	38,871	–	–	–	–	–	–	38,871	38,010
Consultancy, legal & prof.	–	29,462	14,821	–	–	–	87,643	131,926	125,102
Auditors remuneration	–	–	–	–	–	12,300	–	12,300	13,692
Accommodation and office	–	–	6,648	–	–	–	85,390	92,038	115,913
Financing and Interest	–	–	–	–	–	–	2	2	–
Depreciation and amort.	–	–	–	–	–	–	7,555	7,555	6,145
Other	–	–	–	–	–	–	12,604	12,604	28,200
	983,066	360,853	112,496	–	–	19,870	392,182	1,868,467	1,578,358
Support costs	193,406	99,388	–	–	–	99,388	(392,182)	–	–
Governance costs	85,603	22,661	9,411	–	1,583	(119,258)	–	–	–
Total expenditure 2020	1,262,075	482,902	121,907	–	1,583	–	–	1,868,467	1,578,358
Total expenditure 2019	964,967	462,968	143,741	1,351	5,331	–	–	1,578,358	

3 Analysis of expenditure (prior year)

	Charitable activities							
	Software & related services £	Marketing services £	Settlement services £	Lottery and scratchcard management £	Other £	Governance costs £	Support costs £	2019 Total £
Staff costs	209,770	185,724	4,269	–	844	–	144,728	545,335
Cost of sales	436,697	122,957	89,098	–	–	–	–	648,752
Other staff related costs	19,837	11,413	543	–	–	5,707	–	37,500
Marketing	19,709	–	–	–	–	–	–	19,709
IT and transaction cost	38,031	–	(21)	–	–	–	–	38,010
Consultancy, legal & prof.	–	19,197	20,457	–	–	–	85,448	125,102
Auditors remuneration	–	–	–	–	–	13,692	–	13,692
Accommodation and office	–	–	16,836	–	–	–	99,077	115,913
Financing and Interest	–	–	–	–	–	–	–	–
Depreciation and amort.	–	–	–	–	–	–	6,145	6,145
Other	–	–	–	–	–	–	28,200	28,200
	724,044	339,291	131,182	–	844	19,399	363,598	1,578,358
Support costs	192,338	110,660	5,270	–	–	55,330	(363,598)	–
Governance costs	48,585	13,017	7,289	1,351	4,487	(74,729)	–	–
Total expenditure 2019	964,967	462,968	143,741	1,351	5,331	–	–	1,578,358

4 Net income for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	7,555	4,893
Amortisation	–	1,252
Loss on disposal of fixed assets	–	2,152
Operating lease rentals:		
Property	84,000	101,058
Equipment	120	5,245
Auditors' remuneration (excluding VAT):		
Audit – group	13,000	12,750
Over-accrual in prior year	(942)	(592)
Foreign exchange losses/(gains)	8,600	804
	8,600	804

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	509,551	466,511
Social security costs	52,667	50,744
Employer's contribution to defined contribution pension schemes	16,140	22,119
Other forms of employee benefits	9,664	5,961
	588,023	545,335

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£80,000 – £89,999	–	1
£100,000 – £109,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £176,456 (2019: £166,204).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

No travel or other expenses were paid to the Trustees in the financial year (2019: £nil).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 12.2 (2019: 11.5).

Staff are split across the activities of the charitable company as follows:

	2020 No.	2019 No.
Software and support	6.0	6.0
Mail & marketing Services	3.1	3.5
Settlement services	–	0.2
Support	3.1	1.8
	<u>12.2</u>	<u>11.5</u>

7 Related party transactions

During the year the Charity paid £7,200 (2019:£6,000) to Ad Grow Kempwright Limited for IT web maximisation services, a company which is controlled by the brother of Ms D Bushwell a Trustee of the Charity. At the year end the company owed Ad Grow Kempwright Limited £1,200 (2019:£nil).

Richard Craig was a director of CTT Charity Payments (CTTCP) and Catalyst for Good Causes Limited (CGC) and Charles Mindenhall of the charity and CGC. No transactions have occurred in the year that have impacted upon the income statements of either Charity Digital Trust or its subsidiary. During the year the CTTCP has received monies on behalf of CGC from the BCC Lottery in which both parties have an involvement. All of these monies have been onward transmitted to CGC without deduction. At year end CTTCP owed CGC £460 (2019:£4,677).

During the year a restricted donation of £nil (2019: £68,355) was received from the Mindenhall Trust of which a Trustee, Mr C Mindenhall, was a trustee. In 2019 no donations either restricted or unrestricted were received from any organisation in which a Trustee was a related party.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary CTT Charity payments made taxable profits of £nil in the year but no charge to corporation tax is expected due to the availability of tax losses brought forward, profit of £73,444 in 2020 (2019:£16,415).

9 Tangible fixed assets

The group	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	51,302	76,673	127,975
Additions in year	–	103,048	103,048
At the end of the year	51,302	179,721	231,023
Depreciation			
At the start of the year	50,046	74,753	124,799
Charge for the year	538	7,017	7,555
At the end of the year	50,584	81,770	132,354
Net book value			
At the end of the year	718	97,951	98,669
At the start of the year	1,256	1,920	3,176
The charity			
Cost			
At the start of the year	25,235	53,600	78,835
Additions in year	–	103,048	103,048
At the end of the year	25,235	156,648	181,883
Depreciation			
At the start of the year	18,836	56,823	75,659
Charge for the year	538	7,017	7,555
At the end of the year	19,374	63,840	83,214
Net book value			
At the end of the year	5,861	92,808	98,669
At the start of the year	6,399	(3,223)	3,176

All of the above assets are used for charitable purposes.

10 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of CTT Charity Payments Limited, a company registered in England (4222881). The subsidiary is used for additional primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities.

	2020 £	2019 £
Turnover	177,078	190,456
Cost of sales	(66,296)	(89,097)
Gross profit/ (loss)	110,782	101,359
Administrative and direct expenses	(18,061)	(19,631)
Costs fairly apportioned from the parent charity	(20,352)	(65,426)
Operating profit / (loss)	72,369	16,302
Interest receivable	1,075	113
Interest payable		
Profit / (loss) for the financial year	73,444	16,415
The aggregate of the assets, liabilities and funds was:		
Assets	268,201	120,727
Liabilities	(652,854)	(578,824)
Funds	(384,653)	(458,097)

11 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	1,898,795	1,425,598
Result for the year	114,685	97,978

12 Debtors

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	94,309	122,056	61,865	103,471
Other debtors	10,875	12,003	10,875	12,003
Prepayments and accrued income	20,700	62,941	18,027	27,493
Balance with subsidiaries		–	447,446	447,914
	125,884	197,000	538,213	590,880

13 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	100,612	142,487	100,072	134,392
Taxation and social security	110,289	133,670	102,260	108,984
Other creditors	193,563	72,131	10,734	7,867
Accruals	116,341	93,222	102,330	74,158
Deferred income (note 15)	139,829	128,053	139,829	128,053
	660,634	569,563	455,225	453,454

14 Deferred income

Deferred income comprises unexpired elements of invoiced contract bundles for email marketing unused by clients at year end, billed but not delivered work undertaken on the Charity Digital News platform and deferred balances from grants received where performance specified under the donation is not completed.

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	128,053	71,176	128,053	71,176
Amount released to income in the year	(20,974)	(39,557)	(81,674)	(39,557)
Amount deferred in the year	32,750	96,434	93,450	96,434
	139,829	128,053	139,829	128,053

15 Creditors: amounts falling due after one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Other liabilities	–	14,803	447,914	447,914
	–	14,803	447,914	447,914

16 Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	98,669	–	98,669
Net current assets	651,867	4,500	656,367
Long term liabilities	–	–	–
Net assets at 31 March 2020	750,536	4,500	755,036

17 Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	3,176	–	3,176
Net current assets	573,968	4,567	578,535
Long term liabilities	(14,803)	–	(14,803)
Net assets at 31 March 2019	562,341	4,567	566,908

18 Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	At 31 March 2020 £
Restricted funds:				
Mindenhall Foundation	67	–	(67)	–
TS Foundation	–	9,173	(9,173)	–
OCS	4,500	–	–	4,500
Total restricted funds	4,567	9,173	(9,240)	4,500
General funds	562,341	2,047,423	(1,859,227)	750,536
Total funds	566,908	2,056,596	(1,868,467)	755,036

The narrative to explain the purpose of each fund is given at the foot of the note below.

19 Movements in funds (prior year)

	At 31 March 2018 £	Income & gains £	Expenditure & losses £	At 1 April 2019 £
Restricted funds:				
Mindenhall Foundation	–	68,355	(68,288)	67
TS Foundation	–	17,380	(17,380)	–
OCS	–	33,118	(28,618)	4,500
Total restricted funds	–	118,853	(114,286)	4,567
General funds	529,098	1,497,386	(1,464,143)	562,341
Total funds	529,098	1,616,239	(1,578,429)	566,908

Purposes of restricted funds

TS Foundation (Fundacja Techsoup– [Poland])

Grants were received in the year from TS Foundation as part of the roll out of SAP's european technology access programme designed to generate interest in computer coding in young people. Small individual grants were given to local groups working with young people to hold events promote coding.

OCS (Office for Civil Society)

Charity Digital ran a first and very successful multi strand conference event in March 2019. This event was attended by in excess of 200 delegates, many from small and very small charities. OCS provided a grant support to help charities with travel bursaries and ticket subsidy to promote representation among the smaller charities. In addition OCS helped promote a series of related webinars on subjects covered at the conference.

Mindenhall Foundation

During 2019 the Mindenhall Foundation funded a senior fixed term post to help coordinate tech engagement across charities in the UK. This post brought together and colated tech impact and strategy across different charity sectors.

20 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	188,129	37,810
Depreciation charges	7,555	4,893
Amortisation	–	1,252
Loss on the disposal of fixed assets	–	2,152
Decrease in debtors	71,116	34,575
Increase/(decrease) in creditors	76,267	(156,753)
Net cash provided by / (used in) operating activities	343,068	(76,071)

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Less than one year	74,300	35,000	–	50

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.