

Charity registration number 1134680

Company registration number 07004861 (England and Wales)

THE CINNAMON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE CINNAMON TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D W Band J R Dale P Atkins K Barlow S Neal	(Appointed 4 May 2023) (Appointed 5 September 2024)
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Founder	Mrs A R Jarvis MBE
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Chief Executive Officer	P Williams
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Patrons	Virginia McKenna Sir Paul McCartney
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Charity number	1134680
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Company number	07004861
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Registered office	10 Market Square Hayle Cornwall United Kingdom TR27 4HE
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Auditor	Azets Audit Services Woodlands Court Truro Business Park Truro Cornwall United Kingdom TR4 9NH
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Bankers	Barclays Bank UK Plc 1 Church Place London United Kingdom E14 5HP
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Solicitors	Nalders Farley House Falmouth Road Truro Cornwall United Kingdom TR1 2HX Vingoe Lloyd 33 St Johns Street Hayle Cornwall United Kingdom TR27 4LL
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THE CINNAMON TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Murrell Associates LLP
14 High Cross
Truro
Cornwall
United Kingdom
TR1 2AJ

Investment advisors

Quilter Cheviot
Quilter & Co Limited
Queens Quay
33-35 Queens Square
Bristol
BS1 4LU
United Kingdom

Coutts & Co
Charity Investment
440 Strand
London
WC2R 0QS
United Kingdom

THE CINNAMON TRUST

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THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The charity's objects are to relieve:

- the elderly and anyone who has been diagnosed as suffering from a terminal illness by providing or assisting in the provision of care for the companion animals for which they are no longer able to provide; and
- the suffering of and cruelty to animals whose elderly or terminally ill owners have died, or are no longer able to care for them, by the provision of a shelter or where possible finding a foster home for them.

Mission statement

"Peace of mind and practical help for people - love, care, and safety of their pets."

Public benefit

The Trustees confirm that they have complied with the duty under Section 4 of The Companies Act 2006 to have due regards to the Charity Commission's general guidance on public benefit. References have been made in this report as to how public benefit has been promoted through the care of animals of elderly and terminally ill owners.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

The year to 31 March 2024 was again even busier than previous years helping over 157,000 people with their beloved pets. We have 1,702 pets in forever foster homes and over 100 pets in each of the two specialist sanctuaries in Cornwall and Devon.

Hillside Farm Sanctuary has 21 dogs, 33 cats, 8 sheep, 11 chickens, 1 rooster, 5 tortoises, 2 horses and the arrival of 37 Racing Pigeons, totalling 118 pets. We have 108 residents at Poldarves Farm Sanctuary: 18 dogs, 14 cats, 10 ponies, 2 squirrels, 3 tortoises, 1 pig, 1 cow, 12 sheep and 47 ducks, chickens, geese, finches, budgies and doves. An increase to 7,772 pets who are registered for life-long care. These figures necessarily rise and fall during the course of the year with new animals requiring care and old friends coming to the end of their lives. The representation here is taken on 31st March 2024.

Our veterinary fees to veterinary surgeons all over the UK increased to a massive £943,863 over the year, together with the cost of animal feed at £124,391 and the costs of grooming, veterinary supplements and services to £182,994. This is a massive rise, mainly due to the increased charges that veterinary surgeons demand for their professional services. A total of over £1.25M

The Cinnamon Trust is still, the only major provider of services which not only enables owners and pets to enjoy each other's company in spite of any difficulties that may arise for elderly and frail owners in essential day-to-day care of their pets, but also ensures that owners have peace of mind and pets receive all the care they require for their health and welfare. The marked increase in demand for, and provision of, our services is testament to not only the need, but also the ability to respond. We handled 13,407 new cases in the year. Many continue from year to year, for example there are over 15,000 dogs being walked each day by our volunteers and, most of these, for years. Each dog walking case requires two or three volunteers to ensure continuity of service and constancy, and this in turn requires more members of staff to regularly keep in touch with both owners and volunteers to ensure all is well and take remedial action if there are problems.

We have 488 young (24 years and under) volunteers and by rejoining The Duke of Edinburgh's Award Scheme in 2024/5 we hope to increase our young volunteers. All charities are struggling with volunteer recruitment due to financial constraints for many people in the UK, with the cost of living crisis. Our main driver for our 40th Anniversary in 25/26 will be to recruit further volunteers.

Our membership is **53,156** including 30 overseas members (From The Bahamas, to The Cayman Islands, France, Hong Kong and The United States). We have two Forever Fosterers in Canada and The United States.

We have **4498** Life Members, up almost 6% on previous year

There are 93 members of staff at 31 March 2024.

THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Our Pet Friendly Care Homes and Retirement complex register has been entrusted to Trusted Care who are managing the register alongside their own catalogue of care homes. They offer our members a dedicated telephone line for queries and are available on the phone 7 days a week.

As most of employment within Cornwall has been around the busy summer period, The Trust has often struggled with staffing levels. By joining the Living Wage Foundation, we are now paying all staff and contractors over the National Minimum Wage which will in turn reduce the need to recruit and keep employees thereby saving in training time and costs.

Payroll processing has been brought back in house. All managers have received Mental Health First Aid training and ten staff members have become Mental Health Champions to help all staff with any issues they may have. This step initially reduced sick leave by 10%.

Work has started on a new CRM system which will help all staff allocate volunteers quicker to new cases and will also help with showing areas of recruitment for new volunteers prior to need. This will make us more prepared to help people as soon as they request help rather than recruiting volunteers when demand is already required. This system will allow us to use the Cloud and thereby reducing the cost on hardware as our current server is end of life.

Head Office Hayle

Following the rise in electricity prices, solar panels are now installed and proving successful providing 70% of power used within the office during the summer months. A noticeable decrease in what we are paying for electricity is beginning to show in monthly bills. The carparking arrangements for staff is still a problem, but Home Bargains has provided us with 6 spaces which the staff use on a rotational basis. Car parking spaces have also been provided in the car park.

Hillside Sanctuary

A programme of repairs and renovations at Hillside started in the summer of 2023, together with the completion of the Dog Rehabilitation Centre, named after one of our young supporters, Gethin, who passed away from cancer, but wanted The Cinnamon Trust to benefit from his gift, so it seemed only right, that this new purpose built home should be named after him.

Following the death of one of our members, we were challenged with building a Pigeon Loft for two flocks of racing pigeons, for them to live out their retirement in the Devon Countryside. Extra training for the staff was provided by a local pigeon group and all pigeons are happily installed.

Changes had been made to the Horses stable, Field shelter and fields to allow better use of the land for both the horses and the sheep, together with a new Straw/Hay store to reduce the cost of the purchase of feed and bedding.

Solar panels have been installed on the cat house to help reduce the cost of electricity and work towards our reduction on fossil fuels.

Hillside has 23 Members of staff at 31 March 2024.

THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Poldarves Sanctuary

Plans for the new Cat Home have had to be put on hold following the passing of planning permission due to non-availability of more electric power. Permission to get more power into Poldarves by National Grid meant permission being granted by both sets of neighbouring land owners. We are still waiting for permission and indeed a solution.

An old storage shed has now been turned into an outside toilet and the conversion of part of the old Cat House has been made into a quiet room for staff (and pets)!

Poldarves has 25 Members of staff (Including 2 on maternity leave) at 31 March 2024.

Plans for next year will include a new website to link into our new CRM system, new air-conditioning / heating for Head office, using the reduced power from the Solar panels to provide a better working environment. Change in working hours for staff to increase efficiencies. Purchase a new Sanctuary in the West Midland area to service pets from Wales and Northern England, whilst keeping in with daily travel for Head Office Staff. Of course, this will be our 40th Anniversary in 2025, and our challenge will be to increase our volunteer family by 20% as well as increasing the number of people who have heard about us.

Investment Objectives

The Trustees wish to invest the portfolio to provide a return, that maintains the real (inflation adjusted) value of the growth of the capital. The Trustees wish to follow a total return approach. Sufficient liquidity and cash reserves should be maintained at all times to meet emergency funding requirements of the charity.

Assets

The Trust's assets can be invested widely and diversified to produce a balanced portfolio using asset classes which can include cash, bonds, equities, property, hedge funds etc. and any other asset that is deemed suitable for the charity.

Cash reserves outside the investment portfolios are invested in UK term deposits.

Ethical Policy

All the above is subject to the proviso that funds should not be invested with any company involved either directly or indirectly with animal testing and research. Trustees are aware that is implemented on a best endeavours basis.

Reporting and Monitoring

The fund managers are required to provide the following information on a quarterly basis, valuation of investments, transaction reports, cash reconciliations, performance analysis and commentary.

The board collectively has responsibility for agreeing strategy, monitoring investment assets and for signing instructions to investment managers. Management can take actions within certain parameters to facilitate investment decisions and these are reported to the board either prior to the action or as soon as reasonably possible.

The Trustees will review the information provided at each meeting and make adjustments to policy as and when necessary.

THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

For the year ended 31 March 2024, The Cinnamon Trust had an income of **£8,352,049 (2023: £6,680,540)** of which **£6,138,773 (2023:£5,091,254)** is derived from legacies. Total net incoming resources were **£6,247,906 (2023: £992,647)**. The improvement is largely due to improved investment performance in the year.

The trend has been for legacy income to decline. This dependence on legacies, which are a source of income dependent upon circumstances and beyond the control of the charity, make it extremely difficult to budget for anticipated legacy income and reserves need to be maintained to cover any future reduction in revenues. Further, these resources stand the charity in good stead in a very uncertain economic climate and are readily available to meet anticipated cash flow requirements.

Reserves policy

The Trust currently has unrestricted funds of **£56,734,807 (2023: £50,331,418)**. This includes tangible and intangible fixed assets of **£3,164,271 (2023: £2,575,969)**, therefore leaving a free reserves balance of **£53,570,536 (2023: £47,775,449)**. It is the Trustees' policy to retain three years' running costs in reserve (**£14,215,065, 2013: £11,863,986**). Current levels of reserves are higher than the multiple of recent expenditure but stand The Trust in good stead in very unpredictable times on all fronts.

The Trust reviewed its reserves policy in May 2024 and decided that effective 31 March 2024 two designated funds be recognised in the annual accounts of the Charity. A designated fund is created when the Board of Trustees decides to set aside an amount from unrestricted funds for a particular purpose.

THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Cinnamon Promise Designated Fund

The Cinnamon Trust has estimated the future cost of our promise to the previous owners to take care of the pets currently in our care for the term of their natural lives. This has considered current costs and average lifespan of different pets (increased to reflect our experience that pets live longer than average with the care we provide). and has created a designated fund to reflect this commitment.

The Cinnamon Trust is unique. When it takes on responsibility for a pet it takes on and retains ownership of the pet. We promise to the previous owner (a person over 65 or with a terminal illness) who relinquishes ownership of their beloved pet to us is that we will continue to look after and love their pet for the rest of its natural life. Some of our pets have long natural lives (eg tortoises and ponies). For pets that are found foster families, we do our utmost to find the perfect match of foster family and pet. We also stay in touch with foster families and ensure the pet receives a safe and loving home. We have responsibility for all vet bills so we can be sure these pets get the best possible medical care. For those pets we accept into our care which we do not think are suitable for foster family placement, we take them into our sanctuaries. Our sanctuaries are like a home away from home.

We take this promise to the previous owner very seriously. Ultimately, we are promising your pet will continue to be loved and live their best life. This designated fund has been created based on our estimate of the cost of delivering on this promise for pets currently in our care. The Trust estimates this commitment to be £30,021,406 as at 31 March 2024.

The Cinnamon Trust New Sanctuary Designated Fund

It has become clear that the Charity faces increasing demand for its services. With the 40th anniversary year in 2025 it is expected that more people will hear of us and that we will be helping more people. Our sanctuaries are nearing capacity and it has been decided that we need to create a third sanctuary. We have learned from setting up the existing two sanctuaries that purpose built is the best way. It is anticipated that this new sanctuary will be outside of Southwest England, will need extensive modification or construction, and will integrate with our existing operations. A considerable recruitment and training effort will also be required. An amount of £15 million has been set aside for the acquisition and development of a new sanctuary (including all acquisition, modification and construction, recruitment and training costs). The Cinnamon Trust has begun its search for an appropriate property.

After setting aside these two designated funds our unrestricted (and undesignated) funds will amount to £11,713,401.

Investment policy and objectives

The objective of the Cinnamon Trust is to at least maintain the value in real terms of Charity funds.

£1,586,553 is currently invested with and managed by Quilters and the Trustees are not minded to increase this.

£30,402,927 is invested and managed by the appropriate team at Coutts & Co. The Trustees reviewed this during the financial year and compared Coutts to other investment managers and advisers. The Trustees decided to retain Coutts as the primary investment manager.

Cash at bank and in hand of £20,139,930 reflects a high level of term deposits on call or short maturities which gained the Charity attractive interest earnings at very low risk. Since year end the Charity has reallocated some of these funds to investment portfolios as interest rates began to decline.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE CINNAMON TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

The charity is controlled by its governing document, the Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

The Trustees who have served during the year and since the year end are set out below.

D W Band

J R Dale

P Atkins

K Barlow

(Appointed 4 May 2023)

S Neal

(Appointed 5 September 2024)

Trustees are appointed by the board of Trustees and meet quarterly with, if necessary, ad hoc meetings called to address matters of importance that occur between meetings.

The Chief Executive is responsible for strategic leadership, day to day decision making and administration and reports to the Trustees.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



.....
J R Dale

Trustee

Date: **17/12/2024**
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THE CINNAMON TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

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

THE CINNAMON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CINNAMON TRUST

Opinion

We have audited the financial statements of The Cinnamon Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes 1 to 28 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

THE CINNAMON TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE CINNAMON TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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 as auditor under and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

THE CINNAMON TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE CINNAMON TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk 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.

Use of our report

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

Matthew Webb

Matthew Webb (Dec 17, 2024 15:54 GMT)

Matthew Webb FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

17/12/2024
.....

Chartered Accountants
Statutory Auditor

Woodlands Court
Truro Business Park
Truro
Cornwall
United Kingdom
TR4 9NH

THE CINNAMON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies	4	6,833,405	-	6,833,405	5,829,256
Other trading activities	2	131,384	-	131,384	133,138
Investments	3	1,387,260	-	1,387,260	718,146
Total income		8,352,049	-	8,352,049	6,680,540
Expenditure on:					
Raising funds	5	88,624	-	88,624	82,163
Charitable activities					
Poldarves Sanctuary	8	145,671	-	145,671	139,861
Hillside Sanctuary	8	289,574	-	289,574	193,104
Community Services	8	4,238,376	-	4,238,376	3,609,950
Sunnyside & Millbank	8	64,734	-	64,734	11,747
Total charitable expenditure		4,738,355	-	4,738,355	3,954,662
Other	7	13,662	-	13,662	-
Total expenditure		4,840,641	-	4,840,641	4,036,825
Net gains/(losses) on investments	12	2,736,498	-	2,736,498	(1,651,068)
Net incoming resources before transfers		6,247,906	-	6,247,906	992,647
Gross transfers between funds		155,483	(155,483)	-	-
Net movement in funds		6,403,389	(155,483)	6,247,906	992,647
Fund balances at 1 April 2023		50,331,418	410,485	50,741,903	49,749,256
Fund balances at 31 March 2024		56,734,807	255,002	56,989,809	50,741,903

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CINNAMON TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
<u>Income from:</u>				
Donations and legacies	4	5,829,256	-	5,829,256
Other trading activities	2	133,138	-	133,138
Investments	3	718,146	-	718,146
Total income		6,680,540	-	6,680,540
<u>Expenditure on:</u>				
Raising funds	5	82,163	-	82,163
<u>Charitable activities</u>				
Poldarves Sanctuary	8	139,861	-	139,861
Hillside Sanctuary	8	193,104	-	193,104
Community Services	8	3,609,950	-	3,609,950
Sunnyside & Millbank	8	11,747	-	11,747
Total charitable expenditure		3,954,662	-	3,954,662
Total expenditure		4,036,825	-	4,036,825
Net gains/(losses) on investments	12	(1,651,068)	-	(1,651,068)
Net incoming resources before transfers		992,647	-	992,647
Gross transfers between funds		3,566	(3,566)	-
Net movement in funds		996,213	(3,566)	992,647
Fund balances at 1 April 2022		49,335,205	414,051	49,749,256
Fund balances at 31 March 2023		50,331,418	410,485	50,741,903

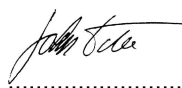
THE CINNAMON TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Intangible assets	14	371,621		83,532	
Tangible assets	15	2,792,650		2,492,437	
Investments	16	31,989,480		28,457,613	
		35,153,751		31,033,582	
Current assets					
Stocks	17	34,146		34,640	
Debtors	18	1,901,449		2,094,355	
Cash at bank and in hand		20,139,930		17,847,052	
		22,075,525		19,976,047	
Creditors: amounts falling due within one year	19	(239,467)		(267,726)	
Net current assets		21,836,058		19,708,321	
Total assets less current liabilities		56,989,809		50,741,903	
Income funds					
Restricted funds	21	255,002		410,485	
<u>Unrestricted funds</u>					
Designated funds	22	45,021,406		-	
General unrestricted funds		11,713,401		50,331,418	
		56,734,807		50,331,418	
		56,989,809		50,741,903	

The financial statements were approved by the Trustees on 17/12/2024



J R Dale
Trustee

Company registration number 07004861

THE CINNAMON TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	26		2,409,072		1,573,585
Investing activities					
Purchase of intangible assets		(301,920)		(59,280)	
Purchase of tangible fixed assets		(406,284)		(95,598)	
Purchase of investments		(14,345,556)		(34,800,415)	
Proceeds on disposal of investments		13,550,186		24,305,167	
Interest and dividends received		1,387,260		718,146	
Net cash used in investing activities			(116,314)		(9,931,980)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			2,292,758		(8,358,395)
Cash and cash equivalents at beginning of year			17,847,052		26,205,447
Cash and cash equivalents at end of year			20,139,810		17,847,052
Relating to:					
Cash at bank and in hand			20,139,930		17,847,052
Bank overdrafts included in creditors payable within one year			(120)		-

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Cinnamon Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 10 Market Square, Hayle, Cornwall, TR27 4HE, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, with the exception of investments that are measured at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees have assessed the use of the going concern basis and have considered possible events or conditions that might cast a significant doubt on the ability of the charitable company to continue as a going concern. The trustees have considered a period of at least twelve months from the date of approval of these financial statements. In particular, the trustees have considered the charitable company's available cash balances in conjunction with expected working capital requirements and have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

The trustees are of the view that there are no material uncertainties that may create significant doubt over the charitable company's ability to continue as a going concern. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.4 Income

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:-

a) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at their fair value where this can be reliably measured and a third party is bearing the cost. The value of services provided by volunteers is not quantifiable and accordingly has not been included.

b) Income from the the sale of bought in goods is included at the point of sale of the goods.

c) Dividend and interest income from investments is included in the period in which it is receivable.

d) Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of goods purchased for resale as part of the trading income.

Governance costs are management and administration costs that are incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	25% on reducing balance
----------	-------------------------

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and accumulated impairment losses. Costs includes costs directly attributable to making the asset capable of operating as intended by management.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	50 years straight line
Plant and equipment	10-40 years straight line
Fixtures and fittings	10 years straight line
Motor vehicles	7 years straight line
Office equipment	3-5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

During the year, the depreciation rates have been revised to a straight line method as opposed to a reducing balance method, based on each assets remaining useful life. The effect of this change is immaterial both in the current year and prospectively.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Activities.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

The charity is subject to corporation tax if its trading activities exceed the small trading taxation exemption.

No corporation tax was due in respect of the year ended 31 March 2024, nor to 31 March 2023, as the trading element resulted in a loss.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.16 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Other trading activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
CT100 Club income	43,488	43,507
Catalogue income	87,896	89,631
Other trading activities	131,384	133,138

3 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Income from listed investments	945,205	616,227
Interest receivable	442,055	101,919
	1,387,260	718,146

4 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Donations and gifts (including gift aid)	691,161	738,002
Legacies receivable	6,138,773	5,091,254
Government grants receivable	3,471	-
	6,833,405	5,829,256

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	11,433	10,686

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Raising funds

(Continued)

Trading costs

Purchases

77,191

71,477

88,624

82,163

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2023: £nil).

Trustees' expenses

There were no expenses reimbursed to, or paid, on behalf of Trustees in the year (2023: £nil).

7 Other

Unrestricted
funds

Total

2024

2023

£

£

Net loss on disposal of tangible fixed assets

13,662

-

13,662

-

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Charitable activities

	Poldarves Sanctuary 2024 £	Hillside Sanctuary 2024 £	Community Services 2024 £	Sunnyside & Millbank 2024 £	Total 2024 £	Total 2023 £
Staff costs	-	-	2,303,004	-	2,303,004	1,830,396
Depreciation, amortisation and impairment	4,869	7,571	93,150	650	106,240	86,936
Hire of plant and machinery	(4)	-	1,263	-	1,259	1,010
Rents, rates and water	3,083	4,742	3,012	(84)	10,753	13,921
Insurance	-	-	57,254	-	57,254	54,446
Light and heat	19,089	28,135	7,217	370	54,811	32,144
Telephone	1,076	2,803	11,949	97	15,925	38,371
Postage and stationery	139	300	244,872	-	245,311	310,480
Advertising	-	-	15,061	-	15,061	2,692
Animal supplies (non food)	12,597	27,460	142,937	-	182,994	170,191
Animal feed	31,698	52,611	40,082	-	124,391	121,132
Cleaning	8,952	5,078	12,445	-	26,475	14,934
Repairs and renewals	21,555	57,357	44,440	63,701	187,053	72,079
Computer costs	292	362	73,095	-	73,749	70,886
Motor expenses	5,598	2,871	-	-	8,469	9,683
Veterinary fees and medicines	30,060	89,003	824,800	-	943,863	772,339
Travelling	1,364	1,708	126,533	-	129,605	136,202
Other charitable expenditure	5,303	9,573	237,262	-	252,138	216,820
	145,671	289,574	4,238,376	64,734	4,738,355	3,954,662
	145,671	289,574	4,238,376	64,734	4,738,355	3,954,662

9 Support costs

Included within charitable activity expenses are the following support costs:

	2023 £	2023 £
Staff costs	401,891	331,590
Office expenditure	316,047	352,175
Computer costs	73,749	70,626
Depreciation and amortisation	106,240	86,936
	897,927	841,327

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Sanctuary staff	45	33
Community support and administrative staff	44	44
Total	89	77

Employment costs

	2024 £	2023 £
Wages and salaries	2,090,021	1,661,566
Social security costs	169,160	137,082
Other pension costs	43,823	31,748
	2,303,004	1,830,396

The number of employees whose annual remuneration was £60,000 or more were:

	2024 Number	2023 Number
£60,001 to £70,000	1	-

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Change in fair value of investments	2,736,498	(1,651,068)

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13	Net movement in funds	2024	2023
		£	£
	Net movement in funds is stated after charging/(crediting)		
	Depreciation of owned tangible fixed assets	92,409	78,852
	Amortisation of intangible assets	13,831	8,084
	Hire of plant and machinery	1,259	1,009
	Auditors remuneration	16,550	12,750
	Auditors remuneration for non-audit work	13,664	2,300
14	Intangible fixed assets		Software
			£
	Cost		
	At 1 April 2023		295,444
	Additions		301,920
	At 31 March 2024		597,364
	Amortisation and impairment		
	At 1 April 2023		211,912
	Amortisation charged for the year		13,831
	At 31 March 2024		225,743
	Carrying amount		
	At 31 March 2024		371,621
	At 31 March 2023		83,532

Included within software is £361,200 (2023: £59,280) relating to a CRM database system currently in development but not yet in use. No amortisation has been charged on this asset in the period (2023: nil).

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Tangible fixed assets							
	Freehold property £	Plant and equipment £	Fixtures and Motor vehicles fittings £	Office equipment £	Total £		
Cost							
At 1 April 2023	3,017,179	58,120	123,407	131,357	3,363,835		
Additions	157,967	154,196	19,335	48,668	406,284		
Disposals	-	-	(9,455)	(76,245)	(85,700)		
At 31 March 2024	3,175,146	212,316	133,287	103,780	3,684,419		
Depreciation and impairment							
At 1 April 2023	627,689	37,173	66,610	109,878	871,398		
Depreciation charged in the year	60,763	6,788	7,163	12,106	92,409		
Eliminated in respect of disposals	-	-	(7,188)	(64,850)	(72,038)		
At 31 March 2024	688,452	43,961	66,585	57,134	891,769		
Carrying amount							
At 31 March 2024	2,486,694	168,355	66,702	46,646	2,792,650		
At 31 March 2023	2,389,490	20,947	56,797	21,479	2,492,437		

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 April 2023	27,393,444	1,064,169	28,457,613
Additions	14,345,556	-	14,345,556
Valuation changes	2,736,497	-	2,736,497
Disposals	(13,544,310)	(5,876)	(13,550,186)
At 31 March 2024	30,931,187	1,058,293	31,989,480
Carrying amount			
At 31 March 2024	30,931,187	1,058,293	31,989,480
At 31 March 2023	27,393,444	1,064,169	28,457,613

Fixed asset investments revalued

Investments include listed investments that are included at fair value.

The historical cost of listed investments at 31 March 2024 is £28,958,976 (2023: £27,674,736).

17 Stocks

	2024 £	2023 £
Goods for resale	34,146	34,640

18 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	549	-
Other debtors	49,213	-
Prepayments and accrued income	1,851,687	2,094,355
	1,901,449	2,094,355

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank overdrafts		120	-
Other taxation and social security		42,521	35,781
Trade creditors		127,818	168,201
Other creditors		11,049	19,874
Accruals and deferred income		57,959	43,870
		<u>239,467</u>	<u>267,726</u>

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £43,823 (2023 - £31,748).

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2022 £	Transfers £	Balance at 1 April 2023 £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Property and facilities reserve	275,000	-	275,000	(151,917)	-	123,083
Hillside Sanctuary	139,051	(3,566)	135,485	-	(3,566)	131,919
	<u>414,051</u>	<u>(3,566)</u>	<u>410,485</u>	<u>(151,917)</u>	<u>(3,566)</u>	<u>255,002</u>

The Hillside Sanctuary fund is in respect of funds specifically donated in connection with the purchase of a second sanctuary, being Hillside Sanctuary.

The property and facilities reserve restricted fund is in respect of funds specifically donated for the purchase, improvement or other costs directly attributable to a physical facility. £151,917 was spent during the year from this restricted fund. This included construction of new stables, pigeon loft and aviary, and a purpose built dog rehabilitation building. In addition a number of field shelters were built or repaired and a new workshop/ storage and tractor shed constructed.

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources	Balance at 1 April 2023	Transfers	Balance at 31 March 2024
	£	£	£	£
Future sanctuary and office	-	-	15,000,000	15,000,000
Promise commitment	-	-	30,021,406	30,021,406
	-	-	45,021,406	45,021,406

Future sanctuary

Both the Hillside and Poldarves sanctuaries are nearing full capacity. While numbers can fluctuate we expect growth in numbers of animals at our sanctuaries as we become better known in our 40th anniversary year. The Trustees have decided to set aside funds of £15 million to fund the purchase of a new sanctuary. This sanctuary will preferably be outside of the South West of England and so in keeping with our national operations. The amount set aside in the designated fund reflects a purchase of land somewhere in England and Wales, construction of purpose built buildings, integration with existing operations and recruitment and training of relevant staff.

The Cinnamon Promise

The Cinnamon Trust has estimated the future cost of our promise to the previous owners to take care of the pets currently in our care for the term of their natural lives. This has considered current costs and average lifespan of different pets (increased to reflect our experience that pets live longer than average with the care we provide). The Trust estimates this commitment to be £30,021,406 and has created a designated fund to reflect this commitment. For further information please see the Trustees report.

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds		Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:						
Intangible fixed assets	371,621	-	371,621	83,532	-	83,532
Tangible assets	2,660,731	131,919	2,792,650	2,356,952	135,485	2,492,437
Investments	31,989,480	-	31,989,480	28,457,613	-	28,457,613
Current assets/(liabilities)	21,712,975	123,083	21,836,058	19,433,321	275,000	19,708,321
	56,734,807	255,002	56,989,809	50,331,418	410,485	50,741,903

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

2024	2023
£	£

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

24	Operating lease commitments	(Continued)	
	Within one year	-	197
25	Capital commitments	2024	2023
		£	£
	At 31 March 2024 the charity had capital commitments as follows:		
	Contracted for but not provided in the financial statements:		
	Acquisition of property, plant and equipment	248,400	180,720
26	Cash generated from operations	2024	2023
		£	£
	Surplus for the year	6,247,906	992,647
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,387,260)	(718,146)
	Loss on disposal of tangible fixed assets	13,662	-
	Fair value gains and losses on investments	(2,736,498)	1,651,068
	Amortisation and impairment of intangible assets	13,831	8,084
	Depreciation and impairment of tangible fixed assets	92,409	78,852
	Movements in working capital:		
	Decrease/(increase) in stocks	495	(15,228)
	Decrease/(increase) in debtors	192,906	(528,250)
	(Decrease)/increase in creditors	(28,379)	104,558
	Cash generated from operations	2,409,072	1,573,585
27	Analysis of changes in net funds		
	The charity had no debt during the year.		

THE CINNAMON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	<u>238,360</u>	<u>192,165</u>

Transactions with related parties

The charity purchased goods and services from Design Solutions, a business owned by J Dale, totalling £81,647 (2023: £96,122) during the year. At the balance sheet date, there was an amount due to Design Solutions of £nil (2023: 28,820) included within Creditors: Amounts due within one year.

The charity purchased goods and services from Nalders LLP, an LLP in which D Band is a designated member, totalling £3,969 (2023: £29,078) during the year. There were no amounts owed to Nalders LLP at the current or previous year end.