

THE COTTON TREE TRUST

England & Wales · Charity number 1172069

Details

Status	Registered
Legal form	Trust
Registered	2017-03-15
Register	View on the Charity Commission register

Contact

Address	Manor Gardens Welfare Trust 6-9 Manor Gardens London N7 6LA
Phone	02075030038
Email	info@cottontreetrust.org.uk
Website	www.cottontreetrust.org.uk

Activities

Objects: OBJECTS(1) IN THIS CLAUSE 'REFUGEES' MEANS PERSONS WITHIN ENGLAND AND WALES SEEKING ASYLUM OR OTHER REFUGEE STATUS CONFERRING A LEGAL RIGHT TO REMAIN IN THE UNITED KINGDOM AND THOSE GRANTED ASYLUM OR SUCH OTHER RIGHT TO REMAIN AND THE DEPENDANTS OF ANY OF THE ABOVE LIVING IN ENGLAND AND WALES.(2) THE OBJECTS OF THE CHARITY ARE (A) TO ADVANCE EDUCATION AND RELIEVE FINANCIAL HARDSHIP AMONGST REFUGEES IN PARTICULAR BY (I) THE PROVISION OF LEGAL AND OTHER ADVICE, (II) PROVIDING TRAINING AND EDUCATION FOR THEM SO AS TO ADVANCE THEM IN LIFE AND ASSIST THEM TO ADAPT TO LIFE IN THE UNITED KINGDOM AND BE ACCEPTED BY THEIR LOCAL COMMUNITY, AND SUCH TRAINING AND EDUCATION MAY INCLUDE IN PARTICULAR THE PROVISION OF VOCATIONAL AND SKILLS TRAINING, ADVICE AND SUPPORT AND THE TEACHING OF ENGLISH AND (III) DIRECTING REFUGEES TO OTHER SOURCES PROVIDING THE ADVICE, TRAINING AND EDUCATION REFERRED TO IN (I) AND (II) ABOVE.(B) TO PRESERVE AND PROTECT THE PHYSICAL AND MENTAL HEALTH OF REFUGEES.(C) TO ADVANCE THE EDUCATION OF THE PUBLIC ABOUT ISSUES RELATING TO REFUGEES.(D) TO PROVIDE FACILITIES FOR, ASSISTANCE WITH AND ADVICE ABOUT RECREATION AND OTHER LEISURE TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE OF REFUGEES WHO NEED SUCH FACILITIES, RECREATION OR LEISURE TIME OCCUPATION BY REASON OF THEIR YOUTH, AGE, INFIRMITY, DISABLEMENT, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES AND TO DIRECT REFUGEES TO OTHER SOURCES PROVIDING SUCH FACILITIES, ASSISTANCE AND ADVICE.

Activities: The charity helps asylum seekers to tell their stories both for therapeutic purposes and to help them with their claims for the right to remain in the UK. It also gives them and other refugees legal and practical advice and representation in relation to asylum claims and appeals, and gives other practical help and advice and support in relation to their lives in the UK.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£56,769	£191,410	-	-
2023-12-31	£26,473	£179,735	-	-
2022-12-31	£33,839	£187,872	-	-
2021-12-31	£25,052	£134,699	-	-
2020-12-31	£29,035	£92,320	-	-

Trustees

Name	Role	Appointed
Dr RUTH CIGMAN	Chair	2016-10-22
George Goldstein		2019-02-09
Judith Favour Ahikire		2020-02-08
Michael Mark		2016-10-22
Ram Gudovitch		2025-12-13
Ruba Gbalang Sesay		2026-03-14

THE COTTON TREE TRUST

England & Wales - Charity number 1172069

Accounts

Charity registration number 1172069

THE COTTON TREE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE COTTON TREE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Michael Mark Judith Favour Ahikire George Goldstein Dr Ruth Cigman Shreya Mugdal Kidist Woldesenbet Corin Alexei Etienne Menuge Kevin Randriamanantena Dr. Janice Ann Derry	(Resigned on 26 March 2025) (Resigned on 10 May 2024) (Appointed on 11 May 2024) (Resigned on 31 May 2024) (Appointed on 11 May 2024, Resigned on 11 June 2025)
Charity number	1172069	
IAA (formerly OISC) Reference Number	N202000123	
Senior Management	Allison Marie Cox CEO Ayan Yalchin CEO	(Resigned on 12 April 2024) (Appointed on 13 May 2024)
Registered office	Manor Gardens Welfare Trust 6-9 Manor Gardens London N7 6LA	
Independent examiner	Samir Shah FCA, ATII Ramon Lee Ltd Chartered Accountants 93 Tabernacle Street London EC2A 4BA	
Bankers	Lloyds Bank Holborn Circus Branch London EC1N 2HP	
Website	www.cottontreetrust.org.uk	
Solicitors	Dentons UK and Middle East LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE	

THE COTTON TREE TRUST

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THE COTTON TREE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 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 Trust Deed, the Charities Act 2011 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 VISION

Our vision is an inclusive society that respects the rights and dignity of asylum seekers and refugees, seeking justice and a flourishing life for all.

AIMS

We aim to help a limited number of impoverished refugees, asylum seekers and their families to move on with their lives by providing an excellent, personally sensitive service. We also aim to address systemic limitations in the culture surrounding immigration, especially as these affect children. This has included working with banks to make it easier for asylum seekers and refugees to obtain bank accounts, as well as holding the Home Office to account when they fail to fulfil their stated promises.

OBJECTIVES

To help provide holistic support to refugees, asylum seekers and their dependents in this country principally through:

1. the provision of legal and other advice
2. the alleviation of financial and practical hardships
3. the building of resilience through community, educational and recreational support
4. mental and physical health support
5. signposting to organisations and individuals providing forms of support that we cannot provide.

Our objectives are set out in full in our Trust Deed and can be found on the Charity Commission website.

Clients are generally referred to us by charities that do not have the resources to help them, for example, the Refugee Council and the Red Cross. They also self-refer as a result of personal recommendations and internet searches.

STRUCTURE

The Charity has two branches: Legal & Casework and Heal & Grow.

SERVICES

Clients seeking asylum or humanitarian protection benefit from one or more of the following integrated services:

- **Social and emotional support**, enabling them
 - to enjoy our community and make friends
 - to tell and explore their traumatic stories,
 - to hear and learn from others in similar situations, and
 - to endure long waiting times and the indignities of being unable to work, study and make basic life choices.

The community meets regularly on zoom, at monthly lunches and at other events.

We say on our website:

The asylum process is usually long and devastating. Delays can be endless and honest testimonies disbelieved. Expectations of people with traumatic histories—that they should lucidly recall, on cue, everything that has happened to them—are often wildly unrealistic. When all goes well and leave to remain is granted, settling in the UK as a refugee can also be a difficult challenge. All this can be unbearable if one is lonely and isolated. Our aim in the Heal & Grow branch is to help members to develop resilience through community. We meet informally at social gatherings, and regularly in workshops. Members, staff and volunteers share 'relaxed time' for talking, listening and creativity.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

- **Legal/practical help pre-leave to remain, including**
 - help making and pursuing a claim (obtaining crucial evidence, e.g. of home country conditions, physical /mental problems etc), preparing statements, discussing the progress of the case etc); and
 - finding solicitors to pursue claims and where necessary appeal against adverse decisions..
 - ensuring that the Home Office provides the support and accommodation it is legally required to provide;
 - providing additional support where needed (ensuring that physical/mental health issues are dealt with appropriately, finding schools for children, providing Wi-Fi devices, food vouchers etc).
- **Legal/practical help post-leave to remain, including**
 - opening a bank account;
 - obtaining universal credit;
 - obtaining housing; and
 - finding study opportunities and/or work.

Clients are invited to maintain their connections with the Charity indefinitely and to ask for help as required.

FUNDING OBJECTIVES

While the Charity has adequate funds to continue throughout 2025 to provide services at their current level, further funding will be needed to enable us to maintain and expand our unique holistic assistance to asylum seekers and refugees. To help achieve this, in September 2024 we obtained a legal aid contract for our immigration law work, having first raised our level of immigration work from OISC (now IAA) level 2 to level 3.

We currently have two solicitors and five immigration advisers able to undertake such work and plan to find other fee earners in this area over the coming year. We anticipate that, so long as the government promptly implements the promised and long overdue 30% rise in legal aid fees, the costs of our legal aid team and a significant part of our core costs will be covered by our legal aid receipts from mid-2026.

We are likely to need funding from elsewhere to cover the other services we provide and are working actively to secure such funding.

Many organisations offer refugees and asylum seekers legal and practical support, but social and emotional issues are often treated as secondary. Alternatively, they focus on the latter but not the former. From the start, we have been committed to engaging holistically and personally with our clients; one of our original aims was to offer a good service to a few rather than a poor service for many. This focus is much more demanding than it sounds. No two asylum seekers or refugees are identical, and it can take time to get to know them and fully assess their needs. This is imperative, we believe, in a system that tends to de-personalise people, and it has enormous benefits (including a high legal success rate). But it brings organisational challenges in terms of staff time and potential burn-out, as well as the responsibility of being fair. Our services are labour intensive as we negotiate the balance of acute and varied individual needs.

WHAT DOES THE HOME OFFICE PROVIDE FOR ASYLUM SEEKERS?

It is important here to distinguish between what the Home Office is supposed to provide and what is provided in reality for destitute asylum seekers. In the broadest terms, in 2024, the Home Office was supposed to provide for most destitute asylum seekers either hotel or hostel accommodation with meals plus £9.95 per week, or self-catering accommodation plus £49.18 per week). This compares with a London living wage of £13.85 an hour.

There are rules as to what should be included in the accommodation (e.g. functional toilets, bathrooms, refrigerators etc.) and a timescale within which breakdowns, plumbing problems etc should be dealt with.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

In practice, there are constant problems

- with the quality of the accommodation and, where provided, the quality and suitability of the food;
- with the appropriateness of the accommodation taking into account the reasonable needs of the asylum seeker;
- with failures by the Home Office to provide the accommodation and to pay the sums it is supposed to pay, at times for over a year, until threatened with litigation;
- with the ability of an asylum seeker to meet their basic needs from the sums paid by the Home Office, needs which, in the case of our clients, the Charity has then to provide for ;
- reaching the Home Office to deal with issues - usually this must be done by phone to a line which is constantly busy or where the caseworker and claimant have to wait several hours, often unsuccessfully, for the call to be answered.

In 2021, one of our clients wrote this about the weekly allowance, then £39.63

The financial allowance for people like me is a death sentence. The London living wage is £10.20 per hour, but asylum seekers are expected to live on £5.39 a day.

I accept this allowance in order to sustain my miserable life and communicate my message.

The government of my country is abusing and killing people. It killed my family.

The Cotton Tree is trying to get the Home Office to hear. Will they succeed? When? For how long must I live this way?

There are no special shops for people in my position. I have to go to the same shops as people who earn a proper wage. If I budget carefully, £5.39 will buy me: one loaf of bread, a pack of rice, a tin of beans, a litre of milk, one apple, one orange. This leaves nothing for travel, clothes, cleaning materials or personal hygiene.

On Home Office rations I face daily dilemmas. Shall I fill my stomach today and go hungry tomorrow? What choices should I make to preserve my health, so that I have the best chance of seeing my case through? How can I avoid getting sick? Should I walk or take the bus? What will I do when my boots wear out?

It's torture to see the things I can't buy on the market stalls. It's unbearable to be denied the right to work and give something back to the country that accepted me when I was in crisis.

I am a human being. I have a voice. I am you in another future, another space or time. We need to sustain each other in adversity in order to preserve mankind.

Achievements and performance

Overall, the Charity helped over 175 people in 2024. This included over 120 who received help with their asylum claims and about 55 who received help with food vouchers, wifi, community and other welfare. For those who obtained, or had previously obtained, leave to remain, we helped them settle, in particular by helping them obtain housing, bank accounts and access to benefits.

Legal & Casework Branch

The Charity was registered with the Office of the Immigration Services Commissioner, registration being completed in January 2021. In 2023 it was authorised to provide immigration services up to level 2, which included helping with claims to the Home Office but did not include acting on appeals to a tribunal from a negative Home Office decision.

The Charity has now been registered at level 3 and, in September 2024, obtained a legal aid contract to provide help with asylum claims and appeals.

The Heal & Grow Branch

The Heal and Grow Branch continues to be a warm and welcoming community where asylum seekers enjoy what they describe as a family-like atmosphere. Members exchange news and greetings on WhatsApp on a more or less daily basis. They meet three Thursdays a month on zoom for the Fellow Travellers group, led by two refugees, Michael Mugishangyezi and Betty Kabalemba. On the third Thursday of the month, they meet for lunch, and staff and trustees often join in.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Thank you very much for everything 🥰😊😘 my best family
Am Soo happy for that 😊🥰 .. and so happy to participate in the party and see
you all .. ur my second family here . Thank you for you allll ❤️❤️❤️ have a nice
Christmas 🎄 and wish you all the best always .

At the end of 2024, the group came together for a joyful Christmas party, with dancing and food from around the world.

A note of gratitude: The cotton Tree trust evokes a feeling of warmth, a home from the cold. The kindness and guidance that been extended to me is unfathomable, coming from a place of Hate and prejudice, I feel human, now I want to live, am alive!

During this period, we have cut back on our workshops and other activities, because of financial constraints. However, in 2024 we formed a partnership with Painting Progress: Art for Social Impact, with the promise of workshops and fundraising support (fulfilled in 2025). We also started to address the question of eligibility for Heal & Grow, given that we acquired a Legal Aid contract in 2024 that would lead to a substantial expansion of numbers, exceeding our capacity unless we raise significant extra funds. Heal & Grow Branch

Destitution

The majority of asylum seekers are destitute and, at best, dependent on the paltry asylum support of £49.18 per week, raised in December 2023 to that amount only after the Home Office was ordered to do so by the High Court. Our clients' difficulties were compounded by the fact that food prices in local shops rose noticeably or were erratic, making it impossible for asylum seekers on the limited government allowances to budget properly.

We were fortunate in 2024 to receive support relieving destitution amongst our clients from the London Churches Refugee Fund (destitution generally) and the Society of the Holy Child Jesus (food vouchers).

In 2024 we provided Tesco vouchers to 20 adults and 12 of their children, most of them on a regular basis, enabling them to achieve a basic level of sustenance.

BANKING FOR REFUGEES

Following discussions between the Charity and Lloyds Banking Group in 2019, Lloyds Banking Group started a pilot project making it easier for refugees and asylum seekers to open bank accounts. The pilot project was expanded in 2020 and the Charity continued to act as a link between other charities assisting refugees and asylum seekers to open bank accounts and Lloyds Banking Group where problems were encountered. By late 2021, the project had been extended to all branches of Lloyds Bank, Halifax Bank and the Bank of Scotland, and, with our initial assistance, in late 2021 and 2022, seminars began to be held by the Lloyds Banking Group Customers Vulnerability team which were open to members of the Asylum Support Appeal Network (ASAN). Email contact details have now been provided by the Customer Vulnerability team on the ASAN network so that any member of that network having problems helping a refugee or asylum seeker to obtain a bank account can contact the team for assistance.

In addition, the Charity is asked for and provides support and advice to other ASAN members with regard to obtaining bank accounts for their clients.

The Cotton Tree is proud that its efforts have resulted in this significant development which makes the lives of many asylum seekers and refugees and those helping them significantly easier in an area where there have been serious problems in the past.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Comments from other ASAN members include:

"Fantastic news indeed

Thank you very much"

"That's brilliant news; well done and thank you for your hard and tireless work on this!"

"We were really excited to read your email on ASAN last week. I manage the refugee support service at the British Red Cross in London. Our team support refugees and asylum seekers across London and we face ongoing issues with access to bank accounts."

"Thank you very much for helping me in this case. Your advice led to the Chinese lady getting a specific letter from her GP, and now she has her Lloyds Bank debit card! She is really happy and able to move forward with her job applications. So, thanks again."

We estimate that by making it easier for asylum seekers and refugees to obtain bank accounts, we have already helped tens of thousands of people.

Volunteers

During 2024 the Charity had 10 volunteers.

Employees

During 2024 the Charity had an average of 5 employees.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

Financial review

The total donations received during the year amounted to £17,461 (2023 - £24,162). Of this, £200 (2023 - £Nil) was restricted and £17,261 (2023- £24,162) was unrestricted. This includes donations in kind of £16,318 (2023 - £17,900).

Our total expenditure was £191,410 (2023 - £179,735). Our deficit of income over expenditure during the period was £134,641 (2023 – net deficit of £153,262) and, after other gains / (losses), left us with reserves of £304,745 (2023 - £439,386). Our principal asset at the end of the period was a bank balance of £14,040 (2023 - £11,334), investments worth £289,382 (2023 - £432,670) and debtors (mainly refugees to whom we had made loans) of £3,936 (2023 - £2,897).

Average net interest rates on term deposit accounts in 2024 were about 5%. The longer term investments were all realised in 2023 and invested in interest bearing bank accounts for terms of up to 12 months. The Charity has an Ethical Investment Policy.

Principal funding sources

The charity continued to fund its activities from its original start-up funding. Apart from small donations, all new funding received in 2024 was to provide help for its destitute clients. What remains from our initial funding is being used to develop our legal aid contract, where there is typically a 7-8 months delay between paid staff doing the work and the Legal Aid Authority paying for it. Our other activities are therefore dependent on future funding. We are very grateful to the Society of the Holy Child Jesus, NACCOM and the London Churches Refugees Fund for the help they have given in this respect.

Investment powers and policy

The trustees have the powers of investment conferred by the Trustee Act 2000 and by their trust deed. They have an ethical investment policy.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Reserves policy

At the close of the period under review we retained over £300,000 unrestricted general funds available or becoming available for day to day expenditure in the course of 2024. The trustees consider this to be a prudent reserve at this stage of the Charity's development, having regard to our current plans re staffing, legal aid funding and other commitments for 2024-25.

As at 31 December 2024 the financial statements showed reserves of £304,745 (2023 - £439,386) of which £3,599 (2023 - £659) were restricted funds and £301,146 (2023 - £438,727) were unrestricted funds. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £300,194 (2023 - £436,930).

Going Concern

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

Plans for future periods

During 2024 we have been reorganising with a view to developing our vision and mission and strengthening our ability to meet the needs of the growing number of refugees and asylum seekers falling foul of the "hostile environment".

With a new legal aid contract, we are expanding our immigration advice and representation services and will be using receipts from the Legal Aid Authority to cover a substantial and increasing part of our outgoings. Our aim is ultimately to cover the whole of our legal aid expenses and other core costs from those receipts.

Structure, governance and management

Governing document

The organisation is a trust registered as a charity with the Charity Commission on 15 March 2017 (Charity no.1172069). The charity is established under a written Trust Deed dated 22 October 2016 that established the objects and powers of the charity and is also governed under this Trust Deed.

Recruitment and Appointment of Trustees

The board of trustees is responsible for the management of the Charity. None of the trustees has any beneficial interest in the Charity. Trustees are appointed by a resolution of the trustees at a special meeting called in accordance with the provisions of the Trust Deed.

The Board met at roughly quarterly intervals throughout 2024.

Our CEO's, first Allison Cox and then Ayan Yalchin, were the Charity's most senior staff members.

Organisation structure

The Charity had 7 trustees for the majority of 2024. Two of those trustees worked actively throughout the year. Three other trustees also worked as volunteers on different aspects of the Charity's affairs. The Charity's staff, apart from the CEO, consisted of a solicitor, two to three staff members dealing with casework admin and comms, and a refugee who ran the weekly Heal & Grow Branch zoom meetings.

Trustee induction and training

New trustees are briefed on their legal obligations under charity law, the content of the Trust Deed, decision-making processes, policies, risk register, annual targets and financial performance. Trustees are also introduced to the Charity's staff and briefed on their areas of work. They are encouraged to attend appropriate training events.

Risk Management

The trustees are committed to a policy of identifying, monitoring and managing the risks that might adversely affect the activities of the Charity. In this context, risk is defined as the potential to fail to achieve the Charity's objectives and for loss, financial and/or reputational. An ongoing process is in place for identifying, evaluating and managing any significant risks faced by the Charity and identified by the trustees or senior management. Appropriate actions have been put in place to mitigate the exposure to and possible consequences of these risks.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Related parties

During the year there were no related party transactions.

The Charity receives occasional pro bono advice from Dentons solicitors as to legal issues.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The trustees' report was approved by the Board of Trustees and signed on its behalf by:

Signed by:



.....1714A42CAE5E4B6...

Michael Mark
Trustee

DocuSigned by:



.....1E2283383EF8417...

Ruth Cigman
Trustee

25 September 2025

THE COTTON TREE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE COTTON TREE TRUST

I report to the trustees on my examination of the financial statements of The Cotton Tree Trust (the charity) for the year ended 31 December 2024.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed by:



BFA6442682BF4CE...

Samir Shah FCA, ATII

Ramon Lee Ltd
Chartered Accountants
93 Tabernacle Street
London
EC2A 4BA

Dated: 25 September 2025

THE COTTON TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<u>Income from:</u>					
Donations and legacies	3	17,261	200	17,461	24,162
Charitable activities	4	-	11,750	11,750	1,900
Investments	5	27,558	-	27,558	411
Total income		44,819	11,950	56,769	26,473
<u>Expenditure on:</u>					
Raising funds	6	28,516	-	28,516	5,625
Charitable activities	7	153,884	9,010	162,894	174,110
Total expenditure		182,400	9,010	191,410	179,735
Net income/(expenditure) and net movement in funds before gains and losses on investments					
		(137,581)	2,940	(134,641)	(153,262)
Net gains/(losses) on investments	9	-	-	-	5,041
Net movement in funds		(137,581)	2,940	(134,641)	(148,221)
Fund balances at 1 January 2024		438,727	659	439,386	587,607
Fund balances at 31 December 2024		301,146	3,599	304,745	439,386

CONTINUING OPERATIONS

None of the charity's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The charity has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 11 to 21 form part of these financial statements.

THE COTTON TREE TRUST

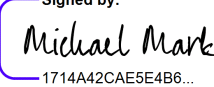
BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	12		952		1,797
Current assets					
Debtors	13	3,936		2,897	
Investments	14	289,382		432,670	
Cash at bank and in hand		14,040		11,334	
		<u>307,358</u>		<u>446,901</u>	
Creditors: amounts falling due within one year	15	<u>(3,565)</u>		<u>(9,312)</u>	
Net current assets			303,793		437,589
Total assets less current liabilities			<u>304,745</u>		<u>439,386</u>
Income funds					
Restricted funds	16		3,599		659
Unrestricted funds - general			301,146		438,727
			<u>304,745</u>		<u>439,386</u>

The notes on pages 11 to 21 form part of these financial statements.

The financial statements were approved by the Trustees 25 September 2025 and were signed on its behalf by:

Signed by:

1714A42CAE5E4B6...

Michael Mark
Trustee

DocuSigned by:

1E2283383EF8417...

Ruth Cigman
Trustee

THE COTTON TREE TRUST

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

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing documents, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity's financial statements show net deficit of £134,641 (2023 – net deficit £148,221) and free reserves of £300,194 (2023 - £436,930) as at the year end. The trustees are of the view that these results have secured the immediate future of the charity for the next 12 months and on this basis the charity is a going concern.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably. Investment income is included when receivable.

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grant income

Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

THE COTTON TREE TRUST

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

1 Accounting policies

(Continued)

Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets are charged against the restricted fund.

Donations and legacies

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

Investment Income

Investment income is included when receivable.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel and governance costs which support the charity's programmes and activities. All the general support and governance costs have been apportioned to the various charitable activities on the basis of direct costs allocated to each activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. The cost of minor additions or those costing less than £500 are not capitalised.

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

Office equipment	25% Straight line basis
------------------	-------------------------

1.7 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.

1.8 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 COTTON TREE TRUST

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

1 Accounting policies

(Continued)

1.9 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.

1.10 Taxation

The charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.11 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.

1.12 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.13 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.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.15 Cash flow statement

The charity qualifies as a small charity and advantage has been taken of the exemption provided by SORP (FRS 102) not to prepare a cash flow statement.

THE COTTON TREE TRUST

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

2 Critical accounting estimates and judgements

In the application of the charity’s accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
The Cotton Tree Trust Limited	-	-	-	5,000
Donations in kind	16,318	-	16,318	17,900
Other donations < £500	943	-	943	1,262
COSARAF	-	200	200	-
	17,261	200	17,461	24,162
For the year ended 31 December 2023	24,162	-		24,162

The charity is indebted to solicitors, Dentons, for providing the pro bono professional services and to Cranfield Trust for providing pro bono consultancy support. The income equivalent is recognised within income as donations in kind, and corresponding charges included within expenditure under support costs as legal and professional costs of £16,318 (2023 – £17,900).

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Charitable activities

	Restricted funds	Total 2024	Total 2023
	£	£	£
Society Holy Child Jesus 2024	10,000	10,000	-
London Churches grant7-34	-	-	1,000
London Churches grant8-35	-	-	900
London Churches grant 9-36	750	750	-
London Churches grant 10-37	1,000	1,000	-
	<u>11,750</u>	<u>11,750</u>	<u>1,900</u>
Analysis by fund			
Restricted funds	<u>11,750</u>	<u>11,750</u>	<u>1,900</u>
	<u>11,750</u>	<u>11,750</u>	<u>1,900</u>
For the year ended 31 December 2023			
Restricted funds	<u>1,900</u>		<u>1,900</u>
	<u>1,900</u>		<u>1,900</u>

5 Investments

	Unrestricted funds	Total 2024	Total 2023
	£	£	£
Interest on Investments	27,558	27,558	411
	<u>27,558</u>	<u>27,558</u>	<u>411</u>
For the year ended 31 December 2023	<u>411</u>		<u>411</u>

THE COTTON TREE TRUST

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

6 Raising funds

	Unrestricted funds £	Total 2024 £	Total 2023 £
Staff costs	16,231	16,231	1,630
Monitoring & Evaluation	2,453	2,453	1,192
Fundraising costs	1,591	1,591	930
Share of support costs (see note 8)	7,439	7,439	1,676
Share of Governance costs (see note 8)	802	802	197
	<u>28,516</u>	<u>28,516</u>	<u>5,625</u>
For the year ended 31 December 2023			
Fundraising and publicity	5,625		5,625
	<u>5,625</u>		<u>5,625</u>

7 Charitable activities

	Legal & Casework £	Destitution Support £	Heal & Grow £	Communications £	Total 2024 £	Total 2023 £
Staff costs	55,083	11,617	9,837	7,714	84,251	87,912
Monitoring & Evaluation	5,117	4,103	4,103	2,453	15,776	3,114
Staff Training	280	-	-	-	280	5,348
Programme Costs	2,396	496	1,396	-	4,288	4,806
Travel Costs	40	561	900	-	1,501	4,715
Food Parcels	-	5,909	-	-	5,909	6,003
Communication Costs	-	3,672	-	142	3,814	4,244
	<u>62,916</u>	<u>26,358</u>	<u>16,236</u>	<u>10,309</u>	<u>115,819</u>	<u>116,142</u>
Share of support costs (see note 8)	23,084	9,671	5,955	3,783	42,493	51,886
Share of governance costs (see note 8)	2,489	1,043	642	408	4,582	6,082
	<u>88,489</u>	<u>37,072</u>	<u>22,833</u>	<u>14,500</u>	<u>162,894</u>	<u>174,110</u>
Analysis by fund						
Unrestricted funds - general	88,489	29,954	20,941	14,500	153,884	169,859
Restricted funds	-	7,118	1,892	-	9,010	4,251
	<u>88,489</u>	<u>37,072</u>	<u>22,833</u>	<u>14,500</u>	<u>162,894</u>	<u>174,110</u>
For the year ended 31 December 2023						
Unrestricted funds - general	84,780	36,243	40,762	8,074		169,859
Restricted funds	-	4,251	-	-		4,251
	<u>84,780</u>	<u>40,494</u>	<u>40,762</u>	<u>8,074</u>		<u>174,110</u>

THE COTTON TREE TRUST

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

8 Support costs

	Support costs	Governance costs	Total 2024	Total 2023
	£	£	£	£
Staff costs	4,443	2,337	6,780	6,153
Depreciation	845	-	845	1,125
Travel cost	177	-	177	-
Premises Costs	12,681	-	12,681	13,074
Communication & IT Costs	1,107	-	1,107	1,189
Legal & Professional Costs	22,635	-	22,635	21,704
Subscriptions	2,256	-	2,256	1,361
Recruitment Costs	3,304	-	3,304	649
Investment Management Fees	-	-	-	7,615
Bank Charges	506	-	506	-
Sundry expenses	1,178	-	1,178	1,808
Petty Cash Expenditure	-	-	-	2,037
Charitable Contributions	800	-	800	-
Trustees expenses	-	-	-	29
Independent Examiner's Fees	-	3,047	3,047	3,097
	<u>49,932</u>	<u>5,384</u>	<u>55,316</u>	<u>59,841</u>
Analysed between				
Fundraising	7,439	802	8,241	1,873
Charitable activities	42,493	4,582	47,075	57,968
	<u>49,932</u>	<u>5,384</u>	<u>55,316</u>	<u>59,841</u>

Legal & professional costs include pro bono professional services of £16,318 (2023 - £17,900) from solicitors Dentons.

Petty cash expenditure in 2023 relates to sums not properly accounted for by a former employee before he left.

9 Net gains/(losses) on investments

	Unrestricted funds	Total 2024	Total 2023
	£	£	£
Realised/unrealised gains/(losses) on investments	-	-	5,041
	<u>-</u>	<u>-</u>	<u>5,041</u>
For the year ended 31 December 2023	<u>5,041</u>		<u>5,041</u>

THE COTTON TREE TRUST

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

10	Net movement in funds	2024 £	2023 £
	Net movement in funds is stated after charging:		
	Depreciation on tangible fixed assets	845	1,125
	<u>Independent examiner's fees</u>		
	Independent examination	1,560	1,440
	Other services	1,487	1,657
		3,047	3,097

11 Employees

The average monthly number of staff employed by the charity during the year was as follows:

	2024 Number	2023 Number
Direct charitable work	4.20	4.70
Total	4.20	4.70

The average monthly number of persons employed by the charity during the year was 5 (2023 – 5).

Employment costs	2024 £	2023 £
Wages and salaries	117,740	99,408
National Insurance	6,037	3,574
Pension	1,714	1,427
	125,491	104,409

There were no employees whose annual remuneration was more than £60,000.

None of the trustees received reimbursement of expenses during the year (2023 - £29 - two trustees).

The key management personnel of the charity comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £38,639 (2023 - £27,015).

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Tangible fixed assets

	Office Equipments £
Cost	
At 1 January 2024	4,498
At 31 December 2024	4,498
Depreciation and impairment	
At 1 January 2024	2,701
Depreciation charged in the year	845
At 31 December 2024	3,546
Carrying amount	
At 31 December 2024	952
At 31 December 2023	1,797

13 Debtors

	2024 £	2023 £
Other debtors	3,302	2,398
Prepayments	634	499
	3,936	2,897

14 Current asset investments

	2024 £	2023 £
Listed investments	-	100
Unlisted investments	289,382	432,570
	289,382	432,670

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	-	4,055
Trade creditors	-	2,400
Other creditors	505	-
Accruals	3,060	2,857
	3,565	9,312

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 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:

	Movement in funds			Movement in funds			
	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	£	£	£	£	£	£	£
London Churches Grant R31	150	-	(150)	-	-	-	-
Green Hall Foundation	2,860	-	(2,860)	-	-	-	-
London Churches grant7-34	-	1,000	(1,000)	-	-	-	-
London Churches grant8-35	-	900	(241)	659	-	(600)	59
Society Holy Child Jesus 2024	-	-	-	-	10,000	(6,960)	3,040
London Churches Grant 9-36	-	-	-	-	750	(750)	-
London Churches Grant 10-37	-	-	-	-	1,000	(500)	500
COSARAF	-	-	-	-	200	(200)	-
	<u>3,010</u>	<u>1,900</u>	<u>(4,251)</u>	<u>659</u>	<u>11,950</u>	<u>(9,010)</u>	<u>3,599</u>

Description, nature and purpose of restricted funds:

- **London Churches grant** – Funding to support work for the relief of destitute refugees and asylum seekers in the London area.
- **Society Holy Child Jesus** - Funding towards the Food Access Project.

THE COTTON TREE TRUST

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

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Fund balances at 31 December 2024 are represented by:						
Tangible assets	952	-	952	1,797	-	1,797
Current assets/(liabilities)	300,194	3,599	303,793	436,930	659	437,589
	<u>301,146</u>	<u>3,599</u>	<u>304,745</u>	<u>438,727</u>	<u>659</u>	<u>439,386</u>

18 PENSION

The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,714 (2023 - £1,427). Contributions totalling £505 (2023 - £198 receivable) were payable to the fund at the year end.

19 Related party transactions

During the year, the charity received a donation of £Nil (2023 - £5,000) from The Cotton Tree Trust Limited (registration number 1199748) having common trustees.

THE COTTON TREE TRUST

England & Wales - Charity number 1172069

Accounts

Charity registration number 1172069

THE COTTON TREE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE COTTON TREE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Michael Mark Dr Ruth Cigman George Goldstein Judith Favour Ahikire Shreya Mugdal Alison Marie Cox Kidist Woldesenbet Kevin Randriamanantena Corin Menuge Jan Derry	(Appointed 28 January 2023) (Appointed 28 January 2023, Resigned 17 June 2023) (Appointed 07 October 2023, Resigned 10 May 2024) (Appointed 6 November 2023, Resigned 31 May 2024) (Appointed 11 May 2024) (Appointed 11 May 2024)
Charity number	1172069	
OISC Reference Number	N202000123	
Senior Management	Allison Marie Cox CEO Ayan Yalchin CEO	(Appointed 22 June 2023, Resigned 12 April 2024) (Appointed 13 May 2024)
Registered office	Manor Gardens Welfare Trust 6-9 Manor Gardens London N7 6LA	
Independent examiner	Samir Shah FCA, ATII Ramon Lee Ltd Chartered Accountants 93 Tabernacle Street London EC2A 4BA	
Bankers	Lloyds Bank Holborn Circus Branch London EC1N 2HP	
Website	www.cottontreetrust.org.uk	
Solicitors	Dentons UK and Middle East LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE	

THE COTTON TREE TRUST

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THE COTTON TREE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

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 Trust Deed, the Charities Act 2011 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 VISION

Our vision is an inclusive society that respects the rights and dignity of asylum seekers and refugees, seeking justice and a flourishing life for all.

AIMS

We aim to help a limited number of impoverished refugees, asylum seekers and their families to move on with their lives by providing an excellent, personally sensitive service. We also aim to address systemic limitations in the culture surrounding immigration, especially as these affect children. This includes working with banks to make it easier for asylum seekers and refugees to obtain bank accounts, as well as holding the Home Office to account when they fail to fulfil their stated promises.

OBJECTIVES

To help provide holistic support to refugees, asylum seekers and their dependents in this country principally through:

1. the provision of legal and other advice
2. the alleviation of financial and practical hardships
3. the building of resilience through community, educational and recreational support
4. mental and physical health support
5. signposting to organisations and individuals providing forms of support that we cannot provide.

Our objectives are set out in full in our Trust Deed and can be found on the Charity Commission website.

Clients are generally referred to us by charities that do not have the resources to help them, for example, the Refugee Council and the Red Cross. They also self-refer as a result of personal recommendations and internet searches.

STRUCTURE

The Charity has two branches: Legal & Casework and Heal & Grow.

SERVICES

Clients seeking asylum or humanitarian protection benefit from one or more of the following integrated services:

- **Social and emotional support**, enabling them
 - to enjoy our community and make friends
 - to tell and explore their traumatic stories,
 - to hear and learn from others in similar situations, and
 - to endure long waiting times and the indignities of being unable to work, study and make basic life choices.

The community meets regularly on zoom, at monthly lunches and at other events.

We say on our website:

The asylum process is usually long and devastating. Delays can be endless and honest testimonies disbelieved. Expectations of people with traumatic histories—that they should lucidly recall, on cue, everything that has happened to them—are often wildly unrealistic. When all goes well and leave to remain is granted, settling in the UK as a refugee can also be a difficult challenge.

All this can be unbearable if one is lonely and isolated. Our aim in the Heal & Grow branch is to help members to develop resilience through community. We meet informally at social gatherings, and regularly in workshops. Members, staff and volunteers share 'relaxed time' for talking, listening and creativity.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

- **Legal/practical help pre-leave to remain, including**
 - help making and pursuing a claim (obtaining crucial evidence, e.g. of home country conditions, physical /mental problems etc), preparing statements, discussing the progress of the case etc); and
 - finding solicitors to pursue claims and where necessary appeal against adverse decisions..
 - ensuring that the Home Office provides the support and accommodation it is legally required to provide;
 - providing additional support where needed (ensuring that physical/mental health issues are dealt with appropriately, finding schools for children, providing wifi devices, food vouchers etc).
- **Legal/practical help post-leave to remain, including**
 - opening a bank account;
 - obtaining universal credit;
 - obtaining housing; and
 - finding study opportunities and/or work.

Clients are invited to maintain their connections with the Charity indefinitely and to ask for help as required.

FUNDING OBJECTIVES

While the Charity has adequate funds to continue throughout 2024 and 2025 to provide services at their current level, further funding will be needed to enable us to maintain and expand our unique holistic assistance to asylum seekers and refugees. To achieve this, we have obtained a legal aid contract for our immigration law work. We have also, in July 2024, raised our level of immigration work from OISC level 2 to level 3. This will enable our solicitors to pursue appeals to tribunals from Home Office decisions refusing to grant asylum to applicants. We commenced legal aid work at the end of September 2024 and expect the resulting funding stream to commence in April 2025. We currently have two solicitors and an immigration adviser able to undertake such work and plan to find other fee earners in this area over the coming year.

Many organisations offer refugees and asylum seekers legal and practical support, but social and emotional issues are often treated as secondary. Alternatively, they focus on the latter but not the former. From the start, we have been committed to engaging holistically and personally with our clients; one of our original aims was to offer a good service to a few rather than a poor service for many. This focus is much more demanding than it sounds. No two asylum seekers or refugees are identical, and it can take time to get to know them and fully assess their needs. This is imperative, we believe, in a system that tends to de-personalise people, and it has enormous benefits (including a high legal success rate). But it brings organisational challenges in terms of staff time and potential burn-out, as well as the responsibility of being fair. Our services are labour intensive as we negotiate the balance of acute and varied individual needs.

WHAT DOES THE HOME OFFICE PROVIDE FOR ASYLUM SEEKERS?

It is important here to distinguish between what the Home Office is supposed to provide and what is provided in reality for destitute asylum seekers. In the broadest terms, in 2023, the Home Office was supposed to provide for most destitute asylum seekers either hotel or hostel accommodation with meals plus £8.86pw, or self-catering accommodation plus £45pw (raised in December 2023 to £49.18pw). There are rules as to what should be included in the accommodation (e.g. functional toilets, bathrooms, refrigerators etc.) and a timescale within which breakdowns, plumbing problems etc should be dealt with.

Further, while there used to be a target at the Home Office to determine most asylum claims within 6 months of the claim being made, that target was abandoned and it can take over a year for the Home Office even to arrange an interview with a claimant. This briefly improved while the last government sought to reduce the very large backlog which had arisen, but the last months of that government saw the rate of decision making rapidly reducing. It remains to be seen whether the rate of decision making will improve under the new Labour government.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

In practice, there are constant problems

- with the quality of the accommodation and, where provided, the quality and suitability of the food;
- with the appropriateness of the accommodation taking into account the reasonable needs of the asylum seeker;
- with failures by the Home Office to pay the sums it is supposed to pay, at times for over a year, until threatened with litigation;
- with the ability of an asylum seeker to meet their basic needs from the sums paid by the Home Office, needs which, in the case of our clients, the Charity has then to provide for ;
- reaching the Home Office to deal with issues - usually this must be done by phone to a line which is constantly busy or where the caseworker and claimant have to wait several hours, often unsuccessfully, for the call to be answered.

In 2021, one of our clients wrote this about the weekly allowance, then £39.63

"The financial allowance for people like me is a death sentence. The London living wage is £10.20 per hour, but asylum seekers are expected to live on £5.39 a day.

I accept this allowance in order to sustain my miserable life and communicate my message.

The government of my country is abusing and killing people. It killed my family.

The Cotton Tree is trying to get the Home Office to hear. Will they succeed? When? For how long must I live this way?

There are no special shops for people in my position. I have to go to the same shops as people who earn a proper wage. If I budget carefully, £5.39 will buy me: one loaf of bread, a pack of rice, a tin of beans, a litre of milk, one apple, one orange. This leaves nothing for travel, clothes, cleaning materials or personal hygiene.

On Home Office rations I face daily dilemmas. Shall I fill my stomach today and go hungry tomorrow? What choices should I make to preserve my health, so that I have the best chance of seeing my case through? How can I avoid getting sick? Should I walk or take the bus? What will I do when my boots wear out?

It's torture to see the things I can't buy on the market stalls. It's unbearable to be denied the right to work and give something back to the country that accepted me when I was in crisis.

I am a human being. I have a voice. I am you in another future, another space or time. We need to sustain each other in adversity in order to preserve mankind."

Achievements and performance

Overall, the Charity helped over 75 people in 2023. This included over 20 dependants of asylum seekers and refugees.

Legal & Casework Branch

The Charity was registered with the Office of the Immigration Services Commissioner, registration being completed in January 2021. In 2023 it was authorised to provide immigration services up to level 2, which included helping with claims to the Home Office but did not include acting on appeals to a tribunal from a negative Home Office decision. As previously stated, the Charity has now been registered at level 3 and is in the course of obtaining a legal aid contract.

In 2023 the Charity provided advice and assistance to over 50 refugees, asylum seekers, would-be asylum seekers and others seeking the legal right to remain in the United Kingdom. It did this by helping them to tell their stories, prepare their cases for the Home Office, find solicitors to act for them on any appeal, and present evidence and other help for solicitors and immigration advisers. It also provided help obtaining payment of sums due to them while being accommodated by the Home Office pending determination of their claims. For those who obtained, or had previously obtained, leave to remain, we helped them settle, in particular by helping them obtain housing, bank accounts and access to benefits.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Charity works with professionals and supports their work with our clients. This is a vital service given the acute shortage of legal aid solicitors for such work and the fact that some of our clients have been unable to secure one without our intervention. By offering what we call 'relaxed time', we try to make sense of stories that are usually complex and frequently confused in their presentation. By writing strong, lucid statements and unearthing supporting evidence, we are often able to persuade solicitors to take on cases that they would otherwise reject because of time constraints. The Trust sometimes funds some of the legal costs of applications for the right to remain where legal aid is not available or is inadequate to cover everything that is needed. In 2023, at least 9 of those helped by the Charity, including spouses and children, obtained the right to remain.

The Heal & Grow Branch

The Charity's Heal and Grow Branch helps to build confidence and resilience (social and emotional wellbeing) through reflection and the sharing of experiences. It meets weekly at a "fellow travellers' group" where clients discuss their difficulties, offer each other advice and encouragement, and enjoy what they describe as a family-like atmosphere in which everyone is treated with respect. These take place on zoom three times a month and over lunch once a month, and are led by Michael Mugishangyezi, a refugee, in accord with our long-term goal of becoming, as far as possible, refugee-led.

The Heal & Grow branch plays a crucial role in helping members to find their voices, overcome shame, isolation and anxiety, make friends and eventually rebuild their lives. Before the Covid lockdown, the group met socially in person once a week, and enjoyed creative workshops like painting, poetry, myth & clay. During lockdown, the weekly meetings shifted to zoom, and one of our asylum seekers led a Conversations Project, in which members shared their stories one-to-one.

These were re-told anonymously and put on the website. This project led to a multimedia exhibition at Toynbee Hall in 2021. We also ran (on zoom) a Men's Workshop led by a psychotherapist and a trustee; an Art and Conversation Workshop led by artist and refugee, Dina Karout; an Art and Feeling workshop, led by museum artist and psychotherapist Nana Zhvitiashvili; a Children's storytelling workshop, led by a trustee; and a Needlework workshop for women, led by textile artist and refugee Varvara Shavrova, the last in collaboration with Migrant Voice. These were all well-attended and alleviated the boredom and isolation of lockdown.

In 2022, the weekly zoom meetings continued to take place on zoom, but most workshops ceased due to resource constraints. In 2022 and 2023, we have held just two art workshops, led by Sussex artist Katie Sollohub. The first was attended by 23 asylum seekers and 5 helpers; the second was attended by 8 asylum seekers and 3 helpers. We also organised in 2022 visits to London Zoo and Kew Gardens, and in 2023 there was a further visit to London Zoo, using low cost tickets that were donated to us. These were attended by 7 adults and 7 children (2023), and - (2022). We are looking for funds to resume and develop these popular learning activities of the Heal & Grow branch.

The Heal & Grow branch has provided a limited number of therapy sessions, when these were urgently needed by our members and charities specialising such help (Freedom from Torture, Helen Bamber, Room to Heal, Nafsiyat, etc.) were over-subscribed. In 2023, we formed a connection with the Camden Psychotherapy Unit, and referred some clients there. We are currently exploring a similar connection with the Clinical Psychology Training Programme at the University of Surrey.

Destitution

The majority of asylum seekers are destitute and, at best, dependent on the paltry asylum support of £45 per week, raised in December 2023 to £49.18 only after the Home Office was ordered to do so being ordered by the High Court. Our clients' difficulties were compounded by the fact that food prices in local shops rose noticeably or were erratic, making it impossible for asylum seekers on the limited government allowances to budget properly.

We were fortunate in 2023 to receive support relieving destitution amongst our clients from the London Churches Refugee Fund (destitution generally) while help from Green Hall Foundation (WiFi) enabled us to provide WiFi to 14 of our clients. In 2023 we have provided Tesco vouchers to 15 adults (including provision for 13 of their children) We also arranged for food parcels from a food bank for 5 adults.

The impact of our work in this area has been significant. In response to a survey we sent members regarding the support they received during March to July 2020, 94% said that this positively affected their wellbeing and 100% of respondents said that our COVID-19 and lockdown support was either 'very important' or 'critical' to their wellbeing and lives.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

"Lockdown - I had nothing. No thought of Tesco's. It came from someone's big effort . Very grateful."

"Thanks for [sending] vouchers toward my family needs during this very challenging time. It has been truly helpful and I have been able to care and buy my children's food and basic essential needs."

BANKING FOR REFUGEES

Following discussions between the Charity and Lloyds Banking Group in 2019, Lloyds Banking Group started a pilot project making it easier for refugees and asylum seekers to open bank accounts. The pilot project was expanded in 2020 and the Charity continued to act as a link between other charities assisting refugees and asylum seekers to open bank accounts and Lloyds Banking Group where problems were encountered.

By late 2021, the project had been extended to all branches of Lloyds Bank, Halifax Bank and the Bank of Scotland, and, with our initial assistance, in late 2021 and 2022, seminars began to be held by the Lloyds Banking Group Customers Vulnerability team which were open to members of the Asylum Support Appeal Network (ASAN). Email contact details have now been provided by the Customer Vulnerability team on the ASAN network so that any member of that network having problems helping a refugee or asylum seeker to obtain a bank account can contact the team for assistance.

In addition, the Charity is asked for and provides support and advice to other ASAN members with regard to obtaining bank accounts for their clients.

The Cotton Tree is proud that its efforts have resulted in this significant development which makes the lives of many asylum seekers and refugees and those helping them significantly easier in an area where there have been serious problems in the past.

Comments from other ASAN members include:

*"Fantastic news indeed
Thank you very much"*

"That's brilliant news; well done and thank you for your hard and tireless work on this!"

"We were really excited to read your email on ASAN last week. I manage the refugee support service at the British Red Cross in London. Our team support refugees and asylum seekers across London and we face ongoing issues with access to bank accounts."

"Thank you very much for helping me in this case. Your advice led to the Chinese lady getting a specific letter from her GP, and now she has her Lloyds Bank debit card! She is really happy and able to move forward with her job applications. So, thanks again."

We estimate that by making it easier for asylum seekers and refugees to obtain bank accounts, we have already helped tens of thousands of people.

Volunteers

During 2023 the Charity had 7 volunteers.

Employees

During 2023 the Charity had an average of 4 employees.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The total donations received during the year amounted to £24,162 (2022 - £20,403). Of this, £Nil (2022 - £Nil) was restricted and £24,162 (2022- £20,403) was unrestricted. This includes donations in kind of £17,900 (2022 - £19,482).

Our total expenditure was £179,735 (2022 - £187,872). Our deficit of income over expenditure during the period was £153,262 (2022 – net deficit of £154,033) and, after other gains / (losses), left us with reserves of £439,386 (2022 - £587,607). Our principal asset at the end of the period was a bank balance of £11,334 (2022 - £27,350), investments worth £432,670 (2022 - £562,522) and debtors (mainly refugees to whom we had made loans) of £2,897 (2022 - £3,809).

Average net interest rates on term deposit accounts in 2023 was about - 4.5%. The longer term investments showed a loss of 0.6% over the course of 2023. The longer term investments were realised in October 2023 and the proceeds were invested in interest bearing bank accounts for terms of up to 12 months at average rates of about 5.25%. The Charity has an Ethical Investment Policy.

There are no known factors affecting the immediate financial position of the Charity going forward, but the combination of future inflation and an increased need for our services means that we are now looking to fundraise and obtain a legal aid contract to secure our long term future.

Principal funding sources

The charity continued to fund its activities from its original start-up funding. Apart from small donations, all new funding received in 2023 was to provide help for its destitute clients.

Investment powers and policy

The trustees have the powers of investment conferred by the Trustee Act 2000 and by their trust deed. They have an ethical investment policy.

Reserves policy

At the close of the period under review we retained over £400,000 unrestricted general funds available or becoming available for day to day expenditure in the course of 2024. The trustees consider this to be a prudent reserve at this stage of the Charity's development, having regard to our current plans re staffing, legal aid funding and other commitments for 2024-25.

As at 31 December 2023 the financial statements showed reserves of £439,386 (2022 - £587,607 of which £659 (2022 - £3,010) were restricted funds and £438,727 (2022 - £584,597) were unrestricted funds. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £436,930 (2022 - £582,683).

Going Concern

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

Plans for future periods

During 2024 we have been reorganising with a view to developing our vision and mission and strengthening our ability to meet the needs of the growing number of refugees and asylum seekers falling foul of the "hostile environment".

Over the course of the year, we hope to get Leave to Remain for at least ten clients. We also hope to support around 70 clients in other ways, as described above: socially, emotionally, practically etc. In the Heal & Grow Branch we have had a further successful trip to London Zoo and are holding further sessions of our weekly discussion group. We are also continuing to develop workshops, and to encourage our members to take advantage of the facilities offered by the Manor Gardens Centre. We continue to monitor the individual wellbeing of our clients and keep in regular contact with those who benefit from one-to-one attention. We will also look to invest in additional therapeutic support as required.

With a new legal aid contract, we plan to expand our immigration advice and representation and use the legal aid funds to cover a substantial and increasing part of our outgoings.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

Governing document

The organisation is a trust registered as a charity with the Charity Commission on 15 March 2017 (Charity no. 1172069). The charity is established under a written Trust Deed dated 22 October 2016 that established the objects and powers of the charity and is also governed under this Trust Deed.

Recruitment and Appointment of Trustees

The board of trustees is responsible for the management of the Charity. None of the trustees has any beneficial interest in the Charity. Trustees are appointed by a resolution of the trustees at a special meeting called in accordance with the provisions of the Trust Deed.

The Board met at roughly monthly intervals throughout 2023.

Allison Cox, CEO appointed on 22 June 2023, was the Charity's most senior staff member. The Charity was without a senior staff member from November 2022 until then, and two trustees, Michael Mark and Ruth Cigman, acted as joint interim unpaid CEO's until then.

Organisation structure

The Charity had 6 trustees for the majority of 2023. Two of those trustees worked actively throughout the year. Three other trustees also worked as volunteers on different aspects of the Charity's affairs. The Charity's staff, apart from the CEO, consisted of a solicitor, two to three staff members dealing with casework admin and comms, and a refugee who ran the weekly Heal & Grow Branch zoom meetings.

Trustee induction and training

New trustees are briefed on their legal obligations under charity law, the content of the Trust Deed, decision-making processes, policies, risk register, annual targets and financial performance. Trustees are also introduced to the Charity's staff and briefed on their areas of work. They are encouraged to attend appropriate training events.

Risk Management

The trustees are committed to a policy of identifying, monitoring and managing the risks that might adversely affect the activities of the Charity. In this context, risk is defined as the potential to fail to achieve the Charity's objectives and for loss, financial and/or reputational. An ongoing process is in place for identifying, evaluating and managing any significant risks faced by the Charity and identified by the trustees or senior management. Appropriate actions have been put in place to mitigate the exposure to and possible consequences of these risks.

Related parties

During the year there were no related party transactions.

The Charity receives occasional pro bono advice from Dentons solicitors as to legal issues.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The trustees' report was approved by the Board of Trustees and signed on its behalf by:

Signed by:

 1714A42CAE5E4B6...

Michael Mark
Trustee

Signed by:

 1E2283383EF8417...

Ruth Cigman
Trustee

12 October 2024

THE COTTON TREE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE COTTON TREE TRUST

I report to the trustees on my examination of the financial statements of The Cotton Tree Trust (the charity) for the year ended 31 December 2023.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed by:



BFA6442682BF4CE...

Samir Shah FCA, ATII

Ramon Lee Ltd
Chartered Accountants
93 Tabernacle Street
London
EC2A 4BA

Dated: 12 October 2024

THE COTTON TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<u>Income from:</u>					
Donations and legacies	3	24,162	-	24,162	20,403
Charitable activities	4	-	1,900	1,900	4,850
Investments	5	411	-	411	8,586
Total income		24,573	1,900	26,473	33,839
<u>Expenditure on:</u>					
Raising funds	6	5,625	-	5,625	5,345
Charitable activities	7	169,859	4,251	174,110	182,527
Total expenditure		175,484	4,251	179,735	187,872
Net income/(expenditure) and net movement in funds before gains and losses on investments					
		(150,911)	(2,351)	(153,262)	(154,033)
Net gains/(losses) on investments	9	5,041	-	5,041	(50,646)
Net movement in funds		(145,870)	(2,351)	(148,221)	(204,679)
Fund balances at 1 January 2023		584,597	3,010	587,607	792,286
Fund balances at 31 December 2023		438,727	659	439,386	587,607

CONTINUING OPERATIONS

None of the charity's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The charity has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 12 to 20 form part of these financial statements.

THE COTTON TREE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		1,797		1,914
Current assets					
Debtors	13	2,897		3,809	
Investments	14	432,670		562,522	
Cash at bank and in hand		11,334		27,350	
		<u>446,901</u>		<u>593,681</u>	
Creditors: amounts falling due within one year	15	<u>(9,312)</u>		<u>(7,988)</u>	
Net current assets			437,589		585,693
Total assets less current liabilities			<u>439,386</u>		<u>587,607</u>
Income funds					
Restricted funds	16		659		3,010
Unrestricted funds - general			438,727		584,597
			<u>439,386</u>		<u>587,607</u>

The notes on pages 12 to 20 form part of these financial statements.

The financial statements were approved by the Trustees 12 October 2024 and were signed on its behalf by:

Signed by:

Michael Mark

1714A42CAE5E4B6...

Michael Mark
Trustee

DocuSigned by:

Ruth Cigman

1E2283383EF8417...

Ruth Cigman
Trustee

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing documents, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity's financial statements show net deficit of £148,221 (2022 – net deficit £204,679) and free reserves of £435,930 (2022 - £582,683) as at the year end. The trustees are of the view that these results have secured the immediate future of the charity for the next 12 months and on this basis the charity is a going concern.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably. Investment income is included when receivable.

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grant income

Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets are charged against the restricted fund.

Donations and legacies

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

Investment Income

Investment income is included when receivable.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel and governance costs which support the charity's programmes and activities. All the general support and governance costs have been apportioned to the various charitable activities on the basis consistent with the use of resources.

1.6 Tangible fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following basis:

Office equipment	25% Straight line basis
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1.7 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.

1.8 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 COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.12 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.

1.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

	Unrestricted funds £	Total 2023 £	Total 2022 £
The Cotton Tree Trust Limited	5,000	5,000	-
Donations in kind	17,900	17,900	19,482
Other donations < £500	1,262	1,262	921
	<u>24,162</u>	<u>24,162</u>	<u>20,403</u>
For the year ended 31 December 2022	<u>20,403</u>		<u>20,403</u>

The charity is indebted to solicitors, Dentons, for providing the pro bono professional services and to Cranfield Trust for providing pro bono consultancy support. The income equivalent is recognised within income as donations in kind, and corresponding charges included within expenditure under support costs as legal and professional costs of £17,900 (2022 – £19,482).

4 Charitable activities

	Restricted funds £	Total 2023 £	Total 2022 £
Green Hall Foundation	-	-	3,000
London Churches Grant R30	-	-	1,000
London Churches Grant R31	-	-	850
London Churches grant7-34	1,000	1,000	-
London Churches grant8-35	900	900	-
	<u>1,900</u>	<u>1,900</u>	<u>4,850</u>

5 Investments

	Unrestricted funds £	Total 2023 £	Total 2022 £
Interest on Investments	411	411	8,586
	<u>411</u>	<u>411</u>	<u>8,586</u>
For the year ended 31 December 2022	<u>8,586</u>		<u>8,586</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Raising funds

	Unrestricted funds £	Total 2023 £	Total 2022 £
Staff costs	1,630	1,630	3,616
Monitoring & Evaluation	1,192	1,192	-
Fundraising costs	930	930	-
Share of support costs (see note 8)	1,676	1,676	1,559
Share of Governance costs (see note 8)	197	197	170
	<u>5,625</u>	<u>5,625</u>	<u>5,345</u>
For the year ended 31 December 2022			
Fundraising and publicity	5,345		5,345
	<u>5,345</u>		<u>5,345</u>

7 Charitable activities

	Legal & Casework £	Destitution Support £	Heal & Grow £	Communications £	Total 2023 £	Total 2022 £
Staff costs	47,258	13,465	22,399	4,790	87,912	81,986
Monitoring & Evaluation	2,385	133	-	596	3,114	11,166
Staff Training	5,274	37	37	-	5,348	85
Programme Costs	1,626	563	2,617	-	4,806	18,375
Travel Costs	10	2,567	2,138	-	4,715	3,313
Food Parcels	-	6,003	-	-	6,003	4,030
Communication Costs	-	4,244	-	-	4,244	4,515
	<u>56,553</u>	<u>27,012</u>	<u>27,191</u>	<u>5,386</u>	<u>116,142</u>	<u>123,470</u>
Share of support costs (see note 8)	25,265	12,068	12,147	2,406	51,886	53,235
Share of governance costs (see note 8)	2,962	1,414	1,424	282	6,082	5,822
	<u>84,780</u>	<u>40,494</u>	<u>40,762</u>	<u>8,074</u>	<u>174,110</u>	<u>182,527</u>
Analysis by fund						
Unrestricted funds - general	84,780	36,243	40,762	8,074	169,859	180,687
Restricted funds	-	4,251	-	-	4,251	1,840
	<u>84,780</u>	<u>40,494</u>	<u>40,762</u>	<u>8,074</u>	<u>174,110</u>	<u>182,527</u>
For the year ended 31 December 2022						
Unrestricted funds - general	103,460	44,080	20,869	12,278		180,687
Restricted funds	1,840	-	-	-		1,840
	<u>105,300</u>	<u>44,080</u>	<u>20,869</u>	<u>12,278</u>		<u>182,527</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs

	Support costs	Governance costs	Total 2023	Total 2022
	£	£	£	£
Staff costs	3,000	3,153	6,153	9,887
Depreciation	1,125	-	1,125	873
Premises Costs	13,074	-	13,074	12,794
Communication & IT Costs	1,189	-	1,189	1,038
Legal & Professional Costs	21,704	-	21,704	22,128
Subscriptions	1,361	-	1,361	852
Recruitment Costs	649	-	649	589
Investment Management Fees	7,615	-	7,615	9,369
Sundry expenses	1,808	-	1,808	1,096
Petty Cash Expenditure	2,037	-	2,037	-
Trustees expenses	-	29	29	-
Independent Examiner's Fees	-	3,097	3,097	2,160
	<u>53,562</u>	<u>6,279</u>	<u>59,841</u>	<u>60,786</u>
Analysed between				
Fundraising	1,676	197	1,873	1,729
Charitable activities	51,886	6,082	57,968	59,057
	<u>53,562</u>	<u>6,279</u>	<u>59,841</u>	<u>60,786</u>

Legal & professional costs include pro bono professional services of £17,900 (2022 - £19,482) from solicitors, Dentons and consultancy support from Cranfield Trust.

Petty cash expenditure relates to sums not properly accounted for by a former employee before he left.

9 Net gains/(losses) on investments

	Unrestricted funds	Total 2023	Total 2022
	£	£	£
Realised/unrealised gains/(losses) on investments	5,041	5,041	(50,646)
	<u>5,041</u>	<u>5,041</u>	<u>(50,646)</u>
For the year ended 31 December 2022	<u>(50,646)</u>		<u>(50,646)</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10	Net movement in funds	2023 £	2022 £
	Net movement in funds is stated after charging:		
	Depreciation on tangible fixed assets	1,125	873
	<u>Independent examiner's fees</u>		
	Independent examination	1,440	1,320
	Other services	1,657	840
		3,097	2,160

11 Employees

The average monthly number of staff employed by the charity during the year was as follows:

	2023 Number	2022 Number
Direct charitable work	4.70	4.90
Total	4.70	4.90

The average monthly number of persons employed by the charity during the year was 5 (2022 – 5).

Employment costs	2023 £	2022 £
Wages and salaries	99,408	100,600
National Insurance	3,574	3,924
Pension	1,427	2,131
	104,409	106,655

There were no employees whose annual remuneration was more than £60,000.

Two trustees received reimbursement of expenses during the year £29 (2022 - £nil).

The key management personnel of the charity comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £27,015 (2022 - £40,997).

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Office Equipments £
Cost	
At 1 January 2023	3,490
Additions	1,008
At 31 December 2023	4,498
Depreciation and impairment	
At 1 January 2023	1,576
Depreciation charged in the year	1,125
At 31 December 2023	2,701
Carrying amount	
At 31 December 2023	1,797
At 31 December 2022	1,914

13 Debtors

	2023 £	2022 £
Other debtors	2,398	3,310
Prepayments	499	499
	2,897	3,809

14 Current asset investments

	2023 £	2022 £
Listed investments	100	436,005
Unlisted investments	432,570	126,517
	432,670	562,522

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	4,055	5,592
Trade creditors	2,400	-
Other creditors	-	236
Accruals	2,857	2,160
	9,312	7,988

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 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:

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£	£
London Churches Grant R30	1,000	(1,000)	-	-	-	-
London Churches Grant R31	850	(700)	150	-	(150)	-
Green Hall Foundation	3,000	(140)	2,860	-	(2,860)	-
London Churches grant7-34	-	-	-	1,000	(1,000)	-
London Churches grant8-35	-	-	-	900	(241)	659
	<u>4,850</u>	<u>(1,840)</u>	<u>3,010</u>	<u>1,900</u>	<u>(4,251)</u>	<u>659</u>

Description, nature and purpose of restricted funds:

- **London Churches grant** – Funding to support work for the relief of destitute refugees and asylum seekers in the London area.

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:						
Tangible assets	1,797	-	1,797	1,914	-	1,914
Current assets/(liabilities)	436,930	659	437,589	582,683	3,010	585,693
	<u>438,727</u>	<u>659</u>	<u>439,386</u>	<u>584,597</u>	<u>3,010</u>	<u>587,607</u>

18 PENSION

The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,427 (2022 - £2,131). Contributions totalling £198 (2022 - £236 payable) were receivable from the fund at the year end and are included in other debtors.

19 Related party transactions

During the year, the charity received a donation of £5,000 (2022 - paid a donation of £5,000 to) from The Cotton Tree Trust Limited (registration number 1199748) having common trustees.

THE COTTON TREE TRUST

England & Wales - Charity number 1172069

Accounts

Charity registration number 1172069

THE COTTON TREE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE COTTON TREE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Michael Mark Dr Ruth Cigman George Goldstein Kristine Stave Judith Favour Ahikire Shreya Mugdal Alison Marie Cox	(Resigned 4 November 2022)
	Antoine Esteban Gareth Ross John Beaton	(Appointed 28 January 2023) (Appointed 28 January 2023, Resigned 17 June 2023) (Resigned 4 November 2022) (Appointed 19 March 2022, Resigned 3 November 2022)
Charity number	1172069	
OISC Reference Number	N202000123	
Senior Management	Oky Lee-Morris - Executive Director	(Appointed on 6 June 2022, Resigned 4 November 2022)
	Janet Gilbert - General Manager	(Resigned 5 July 2022)
	Allison Marie Cox CEO	(Appointed 22 June 2023)
Registered office	Manor Gardens Welfare Trust 6-9 Manor Gardens London N7 6LA	
Independent examiner	Samir Shah FCA, ATII Ramon Lee Ltd Chartered Accountants 93 Tabernacle Street London EC2A 4BA	
Bankers	Lloyds Bank Holborn Circus Branch London EC1N 2HP	
Solicitors	Dentons UK and Middle East LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE	

THE COTTON TREE TRUST

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THE COTTON TREE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

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 Trust Deed, the Charities Act 2011 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 VISION

Our vision is an inclusive society that respects the rights and dignity of asylum seekers and refugees, seeking justice and a flourishing life for all.

AIMS

We aim to help a limited number of impoverished refugees, asylum seekers and their families to move on with their lives by providing an excellent, personally sensitive holistic service. We also help the wider community of refugees and asylum seekers by working with banks to make it easier for them to obtain bank accounts.

OBJECTIVES

To help refugees, asylum seekers and their dependants in this country, principally through:

- the provision of legal and other advice
- the alleviation of financial and practical hardships
- the building of resilience through community
- educational and recreational support
- mental and physical health support
- signposting to organisations and individuals providing forms of support that we cannot provide.

Our objectives are set out in full in our Trust Deed and can be found on the Charity Commission website.

Clients are generally referred to us by charities that do not have the resources to help them, for example, the Refugee Council and the Red Cross. They also self-refer as a result of personal recommendations.

STRUCTURE

The Charity has four branches: Legal & Casework, Destitution Support, Heal & Grow and Communications.

SERVICES

Clients seeking asylum or humanitarian protection benefit from one or more of the following integrated services:

- Social and emotional support, enabling them
 - to enjoy our community and make friends
 - to tell and explore their traumatic stories,
 - to hear and learn from others in similar situations, and
 - to endure long waiting times and the indignities of being unable to work, study and make basic life choices.

The community meets regularly on zoom, in workshops, on trips (e.g. to Kew Gardens) etc.

We say on our website:

The asylum process is usually long and devastating. Delays can be endless and honest testimonies disbelieved. Expectations of people with traumatic histories—that they should lucidly recall, on cue, everything that has happened to them—are often wildly unrealistic. When all goes well and leave to remain is granted, settling in the UK as a refugee can also be a difficult challenge.

All this can be unbearable if one is lonely and isolated. Our aim in the Heal & Grow branch is to help members to develop resilience through community. We meet informally at social gatherings, and regularly in workshops. Members, staff and volunteers share 'relaxed time' for talking, listening and creativity.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

- **Legal/practical help pre-leave to remain, including**

- help making and pursuing a claim (obtaining crucial evidence, e.g. of home country conditions, physical mental problems etc), preparing statements, discussing the progress of the case etc); and
- finding solicitors to pursue claims and where necessary appeal against adverse decisions.
- ensuring that the Home Office provides the support and accommodation it is legally required to provide;
- providing additional support where needed (ensuring that physical/mental health issues are dealt with appropriately, finding schools for children, providing wifi devices, food vouchers etc).

- **Legal/practical help post-leave to remain, including**

- opening a bank account;
- obtaining universal credit;
- obtaining housing; and
- finding study opportunities and/or work.

Clients are invited to maintain their connections with the Charity indefinitely and to ask for help as required.

FUNDING OBJECTIVES

While the Charity has adequate funds to continue for about another two years to provide services at their current level, further funding will be needed to enable us to maintain and expand our unique holistic assistance to asylum seekers and refugees.

Many organisations offer refugees and asylum seekers legal and practical support, but social and emotional issues are often treated as secondary. Alternatively, they focus on the latter but not the former. From the start, we have been committed to engaging holistically and personally with our clients; one of our original aims was to offer a good service to a few rather than a poor service for many. As far as we are aware, there are no other organisations that aim for all-round quality rather than targeted quantity (e.g. as many successes as possible in gaining leave to remain or finding work). This focus is much more demanding than it sounds. No two asylum seekers or refugees are identical, and it can take time to get to know them and fully assess their needs. This is imperative, we believe, in a system that tends to de-personalise people, and it has enormous benefits (including a high legal success rate). But it brings organisational challenges in terms of staff time and potential burn-out, as well as the responsibility of being fair. Our services are labour intensive as we negotiate the balance of acute and varied individual needs.

WHAT DOES THE HOME OFFICE PROVIDE FOR ASYLUM SEEKERS?

It is important here to distinguish between what the Home Office is supposed to provide and what is provided in reality for destitute asylum seekers. In the broadest terms, in 2022, the Home Office was supposed to provide for most destitute asylum seekers either hotel or hostel accommodation with meals plus £8pw (since raised to £9.58 per week) or self-catering accommodation plus £40.85pw (raised in December 2022 to £45 per week). There are rules as to what should be included in the accommodation (e.g. functional toilets, bathrooms, refrigerators etc.) and a timescale within which breakdowns, plumbing problems etc should be dealt with.

Further, while there used to be a target at the Home Office to determine most asylum claims within 6 months of the claim being made, that target has been abandoned and it can take over a year for the Home Office even to arrange an interview with a claimant.

In practice, there are constant problems

- with the quality of the accommodation and, where provided, the quality and suitability of the food;
- with the appropriateness of the accommodation taking into account the reasonable needs of the asylum seeker;
- with failures by the Home Office to pay the sums it is supposed to pay, at times for over a year, until threatened with litigation;
- with the ability of an asylum seeker to meet their basic needs from the sums paid by the Home Office, needs which, in the case of our clients, the Charity has then to provide for ;
- reaching the Home Office to deal with issues - usually this must be done by phone to a line which is constantly busy or where the caseworker and claimant have to wait several hours, often unsuccessfully, for the call to be answered.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

In 2021, one of our clients wrote this about the weekly allowance, then £39.63

"The financial allowance for people like me is a death sentence. The London living wage is £10.20 per hour, but asylum seekers are expected to live on £5.39 a day.

I accept this allowance in order to sustain my miserable life and communicate my message.

The government of my country is abusing and killing people. It killed my family.

The Cotton Tree is trying to get the Home Office to hear. Will they succeed? When? For how long must I live this way?

There are no special shops for people in my position. I have to go to the same shops as people who earn a proper wage. If I budget carefully, £5.39 will buy me: one loaf of bread, a pack of rice, a tin of beans, a litre of milk, one apple, one orange. This leaves nothing for travel, clothes, cleaning materials or personal hygiene.

On Home Office rations I face daily dilemmas. Shall I fill my stomach today and go hungry tomorrow? What choices should I make to preserve my health, so that I have the best chance of seeing my case through? How can I avoid getting sick? Should I walk or take the bus? What will I do when my boots wear out?

It's torture to see the things I can't buy on the market stalls. It's unbearable to be denied the right to work and give something back to the country that accepted me when I was in crisis.

I am a human being. I have a voice. I am you in another future, another space or time. We need to sustain each other in adversity in order to preserve mankind."

Achievements and performance

Legal & Casework Branch

The Charity was registered with the Office of the Immigration Services Commissioner, registration being completed in January 2021. It is authorised to provide immigration services up to level 2, which includes helping with claims to the Home Office but does not include acting on appeals to a tribunal from a negative Home Office decision. In view of the current serious shortage of solicitors able to conduct such appeals on legal aid, the Charity is currently considering whether to apply to register at a higher level, which would enable it to act on such appeals. It would, however, need additional funding to make this possible.

In 2022 the Charity provided advice and assistance to about 50 refugees, asylum seekers, would-be asylum seekers and others seeking the legal right to remain in the United Kingdom. It did this by helping them to tell their stories, prepare their cases for the Home Office, find solicitors to act for them on any appeal, and present evidence and other help for solicitors and immigration advisers. It also provided help obtaining payment of sums due to them while being accommodated by the Home Office pending determination of their claims. For those who obtained, or had previously obtained, leave to remain, we helped them settle, in particular by helping them obtain housing, bank accounts and access to benefits.

The Charity works with professionals and supports their work with our clients. This is a vital service given the acute shortage of legal aid solicitors for such work and the fact that some of our clients have been unable to secure one without our intervention. By offering what we call 'relaxed time', we try to make sense of stories that are usually complex and frequently confused in their presentation. By writing strong, lucid statements and unearthing supporting evidence, we are often able to persuade solicitors to take on cases that they would otherwise reject because of time constraints. The Trust sometimes funds some of the legal costs of applications for the right to remain where legal aid is not available or is inadequate to cover everything that is needed. In 2022, at least 11 of those helped by the Charity, including spouses and children, obtained the right to remain.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Heal & Grow Branch

The Charity's Heal and Grow Branch helps to build confidence and resilience (social and emotional wellbeing) through reflection and the sharing of experiences. It meets at weekly discussion groups where clients discuss their difficulties, offer each other advice and encouragement, and enjoy what they describe as a family-like atmosphere in which everyone is treated with respect. In 2021, the facilitation of the weekly workshops was passed from Ruth Cigman to one of our founder members, Michael Mugishangyezi, in accord with our long-term goal of becoming, as far as possible, refugee-led.

The Heal & Grow branch plays a crucial role in helping members to find their voices, overcome shame, isolation and anxiety, make friends and eventually rebuild their lives. Before the Covid lockdown, the group met socially in person once a week, and enjoyed creative workshops like painting, poetry, myth & clay. During lockdown, the weekly meetings shifted to zoom, and one of our asylum seekers led a Conversations Project, in which members shared their stories one-to-one. These were re-told anonymously and put on the website. This project led to a multimedia exhibition at Toynbee Hall in 2021. We also ran (on zoom) a Men's workshop, led by a psychotherapist and a trustee; an Art and Conversation workshop, led by artist and refugee Dina Karout; an Art and Feeling workshop, led by museum artist and psychotherapist Nana Zhvitiashvili; a Children's storytelling workshop, led by a trustee; and a Needlework workshop for women, led by textile artist and refugee Varvara Shavrova, in collaboration with Migrant Voice. These were all well-attended and alleviated the boredom and isolation of lockdown.

In 2022, the weekly zoom meetings continue to take place on zoom, but workshops have ceased due to resource constraints. Given adequate funds, we would like to employ people (preferably refugees) to restore the face-to-face services, social and creative, that were provided by the Heal & Grow branch prior to lockdown.

In 2022, the Heal & Grow branch also provided a limited number of therapy sessions, when these were urgently needed by our members and charities specialising in such help (Freedom from Torture, Helen Bamber, Room to Heal, Nafsiyat etc) were over-subscribed.

The Impact of COVID-19

While the COVID-19 pandemic brought obvious challenges, we remained open and active, helping over 50 asylum seekers and refugees during 2021. Although legal restrictions were largely ended by August 2021, the effects of the pandemic continued to be felt by asylum seekers, with many charities that had previously provided help remaining closed until well into 2022 and even after that offering very limited help compared with that offered pre-Covid.

The majority of asylum seekers are destitute and, at best, dependent on the paltry asylum support of £40.83, raised in December 2022 to £45 only after the Home Office was ordered to do so being ordered by the High Court. Our clients' difficulties were compounded by the fact that food prices in local shops rose noticeably or were erratic, making it impossible for asylum seekers on the limited government allowances to budget properly.

We were fortunate in 2022 to receive support relieving destitution amongst our clients from the London Churches Refugee Fund (destitution generally) and Green Hall Foundation (WiFi) which has enabled us to provide WiFi to 14 of our clients. Between 2020 and 2022 we have provided Tesco vouchers to 54 adults (including provision for 12 of their children) We also arranged for food parcels from a food bank for 5 adults.

The impact of our work in this area has been significant. In response to a survey we sent members regarding the support they received during March to July 2020, 94% said that this positively affected their wellbeing and 100% of respondents said that our COVID-19 and lockdown support was either 'very important' or 'critical' to their wellbeing and lives.

"Lockdown - I had nothing. No thought of Tesco's. It came from someone's big effort . Very grateful."

"Thanks for [sending] vouchers toward my family needs during this very challenging time. It has been truly helpful and I have been able to care and buy my children's food and basic essential needs."

Other activities - There were trips to London Zoo and to Kew Gardens (each being for 9 adults and 2 children).

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

BANKING FOR REFUGEES

Following discussions between the Charity and Lloyds Banking Group in 2019, Lloyds Banking Group started a pilot project making it easier for refugees and asylum seekers to open bank accounts. The pilot project was expanded in 2020 and the Charity continued to act as a link between other charities assisting refugees and asylum seekers to open bank accounts and Lloyds Banking Group where problems were encountered.

By late 2021, the project had been extended to all branches of Lloyds Bank, Halifax Bank and the Bank of Scotland, and, with our initial assistance, in late 2021 and 2022, seminars began to be held by the Lloyds Banking Group Customers Vulnerability team which were open to members of the Asylum Support Appeal Network (ASAN). Email contact details have now been provided by the Customer Vulnerability team on the ASAN network so that any member of that network having problems helping a refugee or asylum seeker to obtain a bank account can contact the team for assistance.

In addition, the Charity is asked for and provides support and advice to other ASAN members with regard to obtaining bank accounts for their clients.

The Cotton Tree is proud that its efforts have resulted in this significant development which makes the lives of many asylum seekers and refugees and those helping them significantly easier in an area where there have been serious problems in the past.

Comments from other ASAN members include:

*"Fantastic news indeed
Thank you very much"*

"That's brilliant news; well done and thank you for your hard and tireless work on this!"

"We were really excited to read your email on ASAN last week. I manage the refugee support service at the British Red Cross in London. Our team support refugees and asylum seekers across London and we face ongoing issues with access to bank accounts."

"Thank you very much for helping me in this case. Your advice led to the Chinese lady getting a specific letter from her GP, and now she has her Lloyds Bank debit card! She is really happy and able to move forward with her job applications. So, thanks again."

We estimate that by making it easier for asylum seekers and refugees to obtain bank accounts, we have already helped tens of thousands of people.

Volunteers

During 2022 the Charity had 10 volunteers.

Employees

During 2022 the Charity had an average of 5 employees.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The total donations received during the year amounted to £20,403 (2021 - £16,563). Of this, £Nil (2021 - £11,600) was restricted and £20,403 (2021 - £4,963) was unrestricted. This included a grant from 1 new funder which we hope to be able to work with again in the future. This also includes donations in kind of £19,482 (2021 - £3,280).

Our total expenditure was £187,872 (2021 - £134,699). Fundraising took up about 10% of Janet Gilbert's time and is estimated, including an allowance for other overheads, at £2,500. Our deficit of income over expenditure during the period was £154,033 (2021 - net deficit of £109,647) and, after other gains / (losses), left us with reserves of £587,607 (2021 - £792,286). Our principal asset at the end of the period was a bank balance of £27,350 (2021 - £26,773), investments worth £562,522 (2021 - £767,652) and debtors (mainly refugees to whom we had made loans) of £3,809 (2021 - £4,786).

Average net interest rates on term deposit accounts in 2022 was about 1.3%. The longer term investments showed a loss of 10.7% over the course of 2022. The Charity has an Ethical Investment Policy.

There are no known factors affecting the immediate financial position of the Charity going forward, but the combination of future inflation and an increased need for our services means that we are now looking to fundraise to secure our long term future.

Principal funding sources

The charity continued to fund its activities from its original start-up funding. Apart from small donations, all new funding received in 2022 was to provide help for its destitute clients.

Investment powers and policy

The trustees have the powers of investment conferred by the Trustee Act 2000. They have an ethical investment policy.

Reserves policy

At the close of the period under review we retained over £584,597 unrestricted general funds available or becoming available for day to day expenditure in the course of 2022. The trustees consider this to be a prudent reserve at this stage of the Charity's development, having regard to our current plans re staffing and other commitments for 2023-24.

As at 31 December 2022 the financial statements showed reserves of £587,607 (2021 - £792,286) of which £3,010 (2021 - £Nil) were restricted funds and £584,597 (2021 - £792,286) were unrestricted funds. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £582,683 (2021 - £791,297).

Going Concern

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

Plans for future periods

During 2023 we have been reorganising with a view to developing our vision and mission and strengthening our ability to meet the needs of the growing number of refugees and asylum seekers falling foul of the "hostile environment".

Over the course of the year, we hope to get Leave to Remain for at least eight clients. We also hope to support around 50 clients in other ways, as described above: socially, emotionally, practically etc. In the Heal & Grow Branch we have had a further successful trip to London Zoo and are holding further sessions of our weekly discussion group. We are also planning to reintroduce workshops, which we had had to suspend because of Covid. We continue to monitor the individual wellbeing of our clients and keep in regular contact with those who benefit from one-to-one attention. We will also look to invest in additional therapeutic support as required.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

Governing document

The organisation is a trust registered as a charity with the Charity Commission on 15 March 2017 (Charity no. 1172069). The charity is established under a written Trust Deed dated 22 October 2016 that established the objects and powers of the charity and is also governed under this Trust Deed.

Recruitment and Appointment of Trustees

The board of trustees is responsible for the management of the Charity. None of the trustees has any beneficial interest in the Charity. Trustees are appointed by a resolution of the trustees at a special meeting called in accordance with the provisions of the Trust Deed.

The Board met at roughly monthly intervals throughout 2022.

Janet Gilbert, General Manager, appointed on 1 February 2020, was the Charity's most senior staff member until June 2022, when Oky Lee Morris was appointed executive director.

Trustee induction and training

New trustees are briefed on their legal obligations under charity law, the content of the Trust Deed, decision-making processes, policies, risk register, annual targets and financial performance. Trustees are also introduced to the Charity's staff and briefed on their areas of work. They are encouraged to attend appropriate training events.

Organisation structure

The Charity had 7 trustees for the majority of 2022. Two of those trustees worked actively throughout the year with the general manager and executive director, who had day to day responsibility for the running of the office and the management of the Charity's activities and its staff. Two other trustees also worked as volunteers on different aspects of the Charity's affairs. The Charity's staff, apart from the general manager and executive director, consisted of an immigration adviser, a caseworker, an administrative assistant (latterly with responsibility for developing the website and social media) and a refugee who ran the weekly Heal & Grow Branch zoom meetings.

Risk Management

The trustees are committed to a policy of identifying, monitoring and managing the risks that might adversely affect the activities of the Charity. In this context, risk is defined as the potential to fail to achieve the Charity's objectives and for loss, financial and/or reputational. An ongoing process is in place for identifying, evaluating and managing any significant risks faced by the Charity and identified by the trustees or senior management. Appropriate actions have been put in place to mitigate the exposure to and possible consequences of these risks.

Related parties

During the year there were no related party transactions.

The Charity receives occasional pro bono advice from Dentons solicitors as to legal issues.

THE COTTON TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The trustees' report was approved by the Board of Trustees and signed on its behalf by:

DocuSigned by:

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Michael Mark
Trustee

DocuSigned by:

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Ruth Cigman
Trustee

6 October 2023

THE COTTON TREE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE COTTON TREE TRUST

I report to the trustees on my examination of the financial statements of The Cotton Tree Trust (the charity) for the year ended 31 December 2022.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

DocuSigned by:



Samir Shah FCA, ATII

Ramon Lee Ltd
Chartered Accountants
93 Tabernacle Street
London
EC2A 4BA

Dated: 6 October 2023

THE COTTON TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income from:</u>					
Donations and legacies	3	20,403	-	20,403	16,563
Charitable activities	4	-	4,850	4,850	-
Investments	5	8,586	-	8,586	8,489
Total income		28,989	4,850	33,839	25,052
<u>Expenditure on:</u>					
Raising funds	6	5,345	-	5,345	3,106
Charitable activities	7	180,687	1,840	182,527	131,593
Total expenditure		186,032	1,840	187,872	134,699
Net income/(expenditure) and net movement in funds before gains and losses on investments					
		(157,043)	3,010	(154,033)	(109,647)
Net gains/(losses) on investments	9	(50,646)	-	(50,646)	39,733
Net movement in funds		(207,689)	3,010	(204,679)	(69,914)
Fund balances at 1 January 2022		792,286	-	792,286	862,200
Fund balances at 31 December 2022		584,597	3,010	587,607	792,286

CONTINUING OPERATIONS

None of the charity's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The charity has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 12 to 21 form part of these financial statements.

THE COTTON TREE TRUST

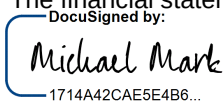
BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		1,914		989
Current assets					
Debtors	13	3,809		4,786	
Investments	14	562,522		767,652	
Cash at bank and in hand		27,350		26,773	
		593,681		799,211	
Creditors: amounts falling due within one year	15	(7,988)		(7,914)	
Net current assets			585,693		791,297
Total assets less current liabilities			587,607		792,286
Income funds					
Restricted funds	16	3,010		-	
Unrestricted funds - general		584,597		792,286	
		587,607		792,286	

The notes on pages 12 to 21 form part of these financial statements.

The financial statements were approved by the Trustees 6 October 2023 and were signed on its behalf by:

DocuSigned by:

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Michael Mark
Trustee

DocuSigned by:

 1E2283383EF8417...

Ruth Cigman
Trustee

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing documents, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity's financial statements show net deficit of £204,679 (2021 – net deficit £69,914) and free reserves of £582,683 (2021 - £791,297) as at the year end. The trustees are of the view that these results have secured the immediate future of the charity for the next 12 months and on this basis the charity is a going concern.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably. Investment income is included when receivable.

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grant income

Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets are charged against the restricted fund.

Donations and legacies

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

Investment Income

Investment income is included when receivable.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel and governance costs which support the charity's programmes and activities. All the general support and governance costs have been apportioned to the various charitable activities on the basis consistent with the use of resources.

1.6 Tangible fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following basis:

Office equipment	25% Straight line basis
------------------	-------------------------

1.7 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.

1.8 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 COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.12 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.

1.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
London Churches Grant R30	-	-	-	900
London Churches Grant R31	-	-	-	1,000
Local Connect Fund	-	-	-	1,400
The London Community Foundation	-	-	-	8,200
The Barrow Cadbury grant	-	-	-	100
Other donations < £500	921	-	921	1,683
Donations in kind	19,482	-	19,482	3,280
	<u>20,403</u>	<u>-</u>	<u>20,403</u>	<u>16,563</u>
For the year ended 31 December 2021	<u>4,963</u>	<u>11,600</u>		<u>16,563</u>

The charity is indebted to solicitors, Dentons, for providing the pro bono professional services. The income equivalent is recognised within income as donations in kind, and corresponding charges included within expenditure under support costs as legal and professional costs of £19,482 (2022 – £3,180). Donations in kind include £Nil (2021 – 100) towards pro bono services provided by trustees towards communication costs.

4 Charitable activities

	Restricted funds	Total 2022	Total 2021
	£	£	£
Green Hall Foundation	3,000	3,000	-
London Churches Grant R30	1,000	1,000	-
London Churches Grant R31	850	850	-
	<u>4,850</u>	<u>4,850</u>	<u>-</u>

5 Investments

	Unrestricted funds	Total 2022	Total 2021
	£	£	£
Interest on Investments	8,586	8,586	8,489
	<u>8,586</u>	<u>8,586</u>	<u>8,489</u>
For the year ended 31 December 2021	<u>8,489</u>		<u>8,489</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Raising funds

	Unrestricted funds	Total 2022	Total 2021
	£	£	£
Staff costs	3,616	3,616	2,311
Fundraising costs	-	-	6
Support costs	1,559	1,559	711
Governance costs	170	170	78
	<u>5,345</u>	<u>5,345</u>	<u>3,106</u>
For the year ended 31 December 2021			
Fundraising and publicity	3,106		3,106
	<u>3,106</u>		<u>3,106</u>

7 Charitable activities

	Legal & Casework	Destitution Support	Heal & Grow	Communications	Total 2022	Total 2021
	£	£	£	£	£	£
Staff costs	59,233	7,738	8,121	6,894	81,986	54,195
Monitoring & Evaluation	4,270	3,775	1,808	1,313	11,166	4,158
Staff Training	85	-	-	-	85	760
Programme Costs	7,526	6,662	4,187	-	18,375	21,360
Travel Costs	117	3,196	-	-	3,313	335
Food Parcels	-	4,030	-	-	4,030	13,790
Communication Costs	-	4,417	-	98	4,515	3,586
	<u>71,231</u>	<u>29,818</u>	<u>14,116</u>	<u>8,305</u>	<u>123,470</u>	<u>98,184</u>
Share of support costs (see note 8)	30,711	12,856	6,087	3,581	53,235	30,102
Share of governance costs (see note 8)	3,358	1,406	666	392	5,822	3,307
	<u>105,300</u>	<u>44,080</u>	<u>20,869</u>	<u>12,278</u>	<u>182,527</u>	<u>131,593</u>
Analysis by fund						
Unrestricted funds - general	103,460	44,080	20,869	12,278	180,687	108,539
Restricted funds	1,840	-	-	-	1,840	23,054
	<u>105,300</u>	<u>44,080</u>	<u>20,869</u>	<u>12,278</u>	<u>182,527</u>	<u>131,593</u>
For the year ended 31 December 2021						
Unrestricted funds - general	40,601	38,202	29,736	-		108,539
Restricted funds	23,054	-	-	-		23,054
	<u>63,655</u>	<u>38,202</u>	<u>29,736</u>	<u>-</u>		<u>131,593</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs	Governance costs	Total 2022	Total 2021
	£	£	£	£
Staff costs	6,055	3,832	9,887	5,410
Depreciation	873	-	873	423
Monitoring & Evaluation	-	-	-	462
Premises Costs	12,794	-	12,794	13,682
Communication & IT Costs	1,038	-	1,038	1,903
Legal & Professional Costs	22,128	-	22,128	6,896
Subscriptions	852	-	852	523
Recruitment Costs	589	-	589	491
Investment Management Fees	9,369	-	9,369	1,628
Sundry expenses	1,096	-	1,096	800
Independent Examiner's Fees	-	2,160	2,160	1,980
	<u>54,794</u>	<u>5,992</u>	<u>60,786</u>	<u>34,198</u>
Analysed between				
Fundraising	1,559	170	1,729	789
Charitable activities	<u>53,235</u>	<u>5,822</u>	<u>59,057</u>	<u>33,409</u>
	<u>54,794</u>	<u>5,992</u>	<u>60,786</u>	<u>34,198</u>

Legal & professional costs include pro bono professional services of £19,482 (2021 - £3,180) from solicitors, Dentons. Communication costs include £Nil (2021 - £100) towards pro bono services provided by trustees.

9 Net gains/(losses) on investments

	Unrestricted funds	Total 2022	Total 2021
	£	£	£
Realised/unrealised gains/(losses) on investments	(50,646)	(50,646)	39,733
	<u>(50,646)</u>	<u>(50,646)</u>	<u>39,733</u>
For the year ended 31 December 2021	<u>39,733</u>		<u>39,733</u>

10 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging:		
Depreciation on tangible fixed assets	<u>873</u>	<u>423</u>
Independent examiner's fees		
Independent examination	1,320	1,200
Other services	<u>840</u>	<u>780</u>
	<u>2,160</u>	<u>1,980</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

The average monthly number of staff employed by the charity during the year was as follows:

	2022 Number	2021 Number
Direct charitable work	4.90	3.50
Total	4.90	3.50

The average monthly number of persons employed by the charity during the year was 5 (2021 – 3.5).

Employment costs	2022 £	2021 £
Wages and salaries	100,600	64,191
National Insurance	3,924	977
Pension	2,131	1,368
	106,655	66,536

There were no employees whose annual remuneration was more than £60,000.

No trustee received reimbursed expenses during the year (2021 - £nil).

The key management personnel of the charity comprise the General Manager and the Executive Director. The total employee benefits of the key management personnel of the charity were £40,997 (2021 - £25,575).

12 Tangible fixed assets

	Office Equipments £
Cost	
At 1 January 2022	1,692
Additions	1,798
At 31 December 2022	3,490
Depreciation and impairment	
At 1 January 2022	703
Depreciation charged in the year	873
At 31 December 2022	1,576
Carrying amount	
At 31 December 2022	1,914
At 31 December 2021	989

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Debtors

	2022	2021
	£	£
Other debtors	3,310	3,610
Prepayments	499	1,176
	<u>3,809</u>	<u>4,786</u>

14 Current asset investments

	2022	2021
	£	£
Listed investments	436,005	448,306
Unlisted investments	126,517	319,346
	<u>562,522</u>	<u>767,652</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	5,592	3,951
Other creditors	236	383
Accruals	2,160	3,580
	<u>7,988</u>	<u>7,914</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 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:

	Movement in funds			Movement in funds			
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
Martin Lewis Grant	518	-	(518)	-	-	-	-
Local Connect Fund	-	1,400	(1,400)	-	-	-	-
The London Community Foundation	-	8,200	(8,200)	-	-	-	-
The Barrow Cadbury grant	10,086	100	(10,186)	-	-	-	-
London Churches Grant R29	850	-	(850)	-	-	-	-
London Churches Grant R30	-	900	(900)	-	1,000	(1,000)	-
London Churches Grant R31	-	1,000	(1,000)	-	850	(700)	150
Green Hall Foundation	-	-	-	-	3,000	(140)	2,860
	<u>11,454</u>	<u>11,600</u>	<u>(23,054)</u>	<u>-</u>	<u>4,850</u>	<u>(1,840)</u>	<u>3,010</u>

Description, nature and purpose of restricted funds:

- **Green Hall Foundation** – Funding towards internet access project.
- **London Churches grant** – Funding to support work for the relief of destitute refugees and asylum seekers in the London area.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	1,914	-	1,914	989	-	989
Current assets/(liabilities)	582,683	3,010	585,693	791,297	-	791,297
	<u>584,597</u>	<u>3,010</u>	<u>587,607</u>	<u>792,286</u>	<u>-</u>	<u>792,286</u>

18 PENSION

The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,131 (2021 - £1,368). Contributions totalling £236 (2021 - £365) were payable to the fund at the year end and are included in other creditors.

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

THE COTTON TREE TRUST

England & Wales - Charity number 1172069

Accounts

THE COTTON TREE TRUST

**TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

Charity No: 1172069

THE COTTON TREE TRUST

REPORT AND FINANCIAL STATEMENTS

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THE COTTON TREE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2021.

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 Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

THE CHARITY'S VISION

Our vision is an inclusive society that respects the rights and dignity of asylum seekers and refugees, seeking justice and a flourishing life for all.

AIMS

We aim to help a limited number of impoverished refugees, asylum seekers and their families to move on with their lives by providing an excellent, personally sensitive holistic service. We also help the wider community of refugees and asylum seekers by working with banks to make it easier for them to obtain bank accounts.

OBJECTIVES

To help refugees, asylum seekers and their dependants in this country, principally through:

1. the provision of legal and other advice
2. the alleviation of financial and practical hardships
3. the building of resilience through community
4. educational and recreational support
5. mental and physical health support
6. signposting to organisations and individuals providing forms of support that we cannot provide.

Our objectives are set out in full in our Trust Deed and can be found on the Charity Commission website.

Clients are generally referred to us by charities that do not have the resources to help them, for example, the Refugee Council and the Red Cross. They sometimes come from personal recommendations.

STRUCTURE

The Charity has two branches: Legal & Casework and Heal & Grow.

SERVICES

Clients seeking asylum or humanitarian protection may need one or more of the following four services:

1. **Social and emotional support from our Heal & Grow branch**, enabling them
 - a) to tell and explore their traumatic stories,
 - b) to hear and learn from others in similar situations, and
 - c) to endure long waiting times and the indignities of being unable to work, study and make basic life choices.

The community meets regularly on zoom, in workshops, on trips (e.g. to Kew Gardens) etc.

We say on our website:

The asylum process is usually long and devastating. Delays can be endless and honest testimonies disbelieved. Expectations of people with traumatic histories—that they should lucidly recall, on cue, everything that has happened to them—are often wildly unrealistic. When all goes well and leave to remain is granted, settling in the UK as a refugee can also be a difficult challenge.

All this can be unbearable if one is lonely and isolated. Our aim in the Heal & Grow branch is to help members to develop resilience through community. We meet informally at social gatherings, and regularly in workshops. Members, staff and volunteers share 'relaxed time' for talking, listening and creativity.

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

2. Legal support pre-leave to remain, including

- a) help making and pursuing a claim (obtaining crucial evidence, e.g. of home country conditions, physical /mental problems etc), preparing statements, discussing the progress of the case etc); and
- b) finding solicitors to pursue claims and where necessary appeal against adverse decisions.

3. Legal/practical help pre-leave to remain, including

- a) ensuring that the Home Office provides the support and accommodation it is legally required to provide;
- b) providing additional support where needed (ensuring that physical/mental health issues are dealt with appropriately, finding schools for children, providing wifi devices, food vouchers etc).

4. Legal/practical help post-leave to remain, including

- a) opening a bank account;
- b) obtaining universal credit;
- c) obtaining housing; and
- d) finding study opportunities and/or work.

Clients are invited to maintain their connections with the Charity indefinitely and to ask for help as required.

FUNDING OBJECTIVES

While the Charity has adequate funds to continue for about another three years to provide services at their current level, further funding will be needed to enable us to maintain and expand our unique holistic assistance to asylum seekers and refugees.

Many organisations offer refugees and asylum seekers legal and practical support, but social and emotional issues are often treated as secondary. Alternatively, they focus on the latter but not the former. From the start, we have been committed to engaging holistically and personally with our clients; one of our original aims was to offer a good service to a few rather than a poor service for many. As far as we are aware, there are no other organisations that aim for all-round quality rather than targeted quantity (e.g. as many successes as possible in gaining leave to remain or finding work). This focus is much more demanding than it sounds. No two asylum seekers or refugees are identical, and it can take time to get to know them and fully assess their needs. This is imperative, we believe, in a system that tends to de-personalise people, and it has enormous benefits (including a high legal success rate). But it brings organisational challenges in terms of staff time and potential burn-out, as well as the responsibility of being fair. Our services are labour intensive as we negotiate the balance of acute and varied individual needs.

WHAT DOES THE HOME OFFICE PROVIDE FOR ASYLUM SEEKERS?

It is important here to distinguish between what the Home Office is supposed to provide and what is provided in reality for destitute asylum seekers. In the broadest terms, the Home Office is supposed to provide for most destitute asylum seekers either hotel or hostel accommodation with meals plus £8pw or self-catering accommodation plus £40.85pw. There are rules as to what should be included in the accommodation (e.g. functional toilets, bathrooms, refrigerators etc.) and a timescale within which breakdowns, plumbing problems etc should be dealt with.

Further, while there used to be a target at the Home Office to determine most asylum claims within 6 months of the claim being made, that target has been abandoned and it can take over a year for the Home Office even to arrange an interview with a claimant.

In practice, there are constant problems

- a) with the quality of the accommodation and, where provided, of the food which we help our clients address;
- b) with the appropriateness of the accommodation taking into account the reasonable needs of the asylum seeker;
- c) with failures by the Home Office to pay the sums it is supposed to pay, at times for over a year, until threatened with litigation;
- d) with the ability of an asylum seeker to meet their basic needs from the sums paid by the Home Office, needs which, in the case of our clients, the Charity has then to provide for ;
- e) pursuing the Home Office to deal with issues - usually this must be done by phone to a line which is constantly busy or where the caseworker and claimant have to wait several hours, often unsuccessfully, for the call to be answered.

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

In 2021, one of our clients wrote this about the weekly allowance, then £39.63

"The financial allowance for people like me is a death sentence. The London living wage is £10.20 per hour, but asylum seekers are expected to live on £5.39 a day.

I accept this allowance in order to sustain my miserable life and communicate my message.

The government of my country is abusing and killing people. It killed my family.

The Cotton Tree is trying to get the Home Office to hear. Will they succeed? When? For how long must I live this way?

There are no special shops for people in my position. I have to go to the same shops as people who earn a proper wage. If I budget carefully, £5.39 will buy me: one loaf of bread, a pack of rice, a tin of beans, a litre of milk, one apple, one orange. This leaves nothing for travel, clothes, cleaning materials or personal hygiene.

On Home Office rations I face daily dilemmas. Shall I fill my stomach today and go hungry tomorrow? What choices should I make to preserve my health, so that I have the best chance of seeing my case through? How can I avoid getting sick? Should I walk or take the bus? What will I do when my boots wear out?

It's torture to see the things I can't buy on the market stalls. It's unbearable to be denied the right to work and give something back to the country that accepted me when I was in crisis.

I am a human being. I have a voice. I am you in another future, another space or time. We need to sustain each other in adversity in order to preserve mankind."

ACHIEVEMENTS AND PERFORMANCE

Legal & Casework Branch

The Charity was registered with the Office of the Immigration Services Commissioner, registration being completed in January 2021. It is authorised to provide immigration services up to level 2, which includes helping with claims to the Home Office but does not include acting on appeals to a tribunal from a negative Home Office decision. In view of the current serious shortage of solicitors able to conduct such appeals on legal aid, the Charity is currently considering whether to apply to register at a higher level, which would enable it to act on such appeals. It would, however, need additional funding to make this possible.

In 2021 the Charity provided advice and assistance to about 50 asylum seekers and would be asylum seekers and others seeking the legal right to remain in the United Kingdom. It did this by helping them to tell their stories and present evidence for solicitors and immigration advisers, when they lacked the funds and skills to do this adequately themselves.

The Charity works with these professionals and supports their work with our clients. This is a vital service given the acute shortage of legal aid solicitors for such work and the fact that some of our clients have been unable to secure one without our intervention. By offering what we call 'relaxed time', we try to make sense of stories that are usually complex and frequently confused in their presentation. By writing strong, lucid statements and unearthing supporting evidence, we are often able to persuade solicitors to take on cases that they would otherwise reject because of time constraints. The Trust sometimes funds some of the legal costs of applications for the right to remain where legal aid is not available or is inadequate to cover everything that is needed. In 2021, at least 7 of those helped by the Charity obtained the right to remain. One of these was then able to bring his wife and children to join him here.

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Heal & Grow Branch

The Charity's Heal and Grow Branch is currently led by a trustee, Ruth Cigman. It aims to help build confidence and resilience (social and emotional wellbeing) through reflection and the sharing of experiences. It meets at weekly discussion groups where clients discuss their difficulties, offer each other advice and encouragement, and enjoy what they describe as a family-like atmosphere in which everyone is treated with respect. In 2021, the facilitation of the weekly workshops was passed from Ruth Cigman to one of our founder members, Michael Mugishangyezi, in accord with our long-term goal of becoming, as far as possible, refugee-led.

The Heal & Grow branch plays a crucial role in helping members to find their voices, overcome shame, isolation and anxiety, make friends and eventually rebuild their lives. Before the Covid lockdown, the group met socially in person once a week, and enjoyed creative workshops like painting, poetry, myth & clay. During lockdown, the weekly meetings shifted to zoom, and one of our asylum seekers led a Conversations Project, in which members shared their stories one-to-one, and these were re-told anonymously and put on the website. This project led to a multimedia exhibition at Toynbee Hall in 2021. We also ran (on zoom) a Men's workshop, led by a psychotherapist and a trustee; an Art and Conversation workshop, led by artist and refugee Dina Karout; an Art and Feeling workshop, led by museum artist and psychotherapist Nana Zhvitiashvili; a Children's storytelling workshop, led by a trustee; and a Needlework workshop for women, led by textile artist and refugee Varvara Shavrova, in collaboration with Migrant Voice. These were all well-attended and alleviated the boredom and isolation of lockdown.

In 2022, the weekly zoom meetings continue to take place on zoom, but workshops have ceased due to resource constraints. Given adequate funds, we would like to employ people (preferably refugees) to restore the face-to-face services, social and creative, that were provided by the Heal & Grow branch prior to lockdown.

In 2021, the Heal & Grow branch also provided a limited number of therapy sessions, when these were urgently needed by our members and charities specialising in such help (Freedom from Torture, Helen Bamber, Room to Heal, Nafsiyat etc) were over-subscribed.

The Impact of COVID-19

While the COVID-19 pandemic brought obvious challenges, we remained open and active, helping over 50 asylum seekers and refugees during 2021.

The majority of asylum seekers are destitute and, at best, dependent on the paltry asylum support of £39.63 a week (increased in mid-2021 to £40.83 where it remains today despite high inflation over the last year). At the end of March 2020, charities providing food and clothing to destitute people closed their doors overnight, and even now many have not re-opened. Our clients' difficulties were compounded by the fact that food prices in local shops rose noticeably or were erratic, making it impossible for asylum seekers on the limited government allowances to budget properly. Those who were street homeless or in homeless shelters or dormitories were generally placed in hotel rooms, but the food was often cold, unhygienic, and lacking in basic nutrition.

We were fortunate to receive support from a number of funders for our work in response to the COVID-19 pandemic, including in the first half of 2021 the London Community Foundation, London Churches Refugee Fund and the Local Connect Fund. This allowed us to pivot our focus to be able to meet our clients' most basic needs: food and internet connectivity.

We provided grocery shopping vouchers and delivered food ourselves where needed; helping feed members and their families during the height of the pandemic. We have also continued to provide mobile phone top-ups for some and the loan of Wi-Fi devices to others.

The impact of our work in this area has been significant. In response to a survey we sent members regarding the support they received during March to July 2020, 94% said that this positively affected their wellbeing and 100% of respondents said that our COVID-19 and lockdown support was either 'very important' or 'critical' to their wellbeing and lives.

"Lockdown - I had nothing. No thought of Tesco's. It came from someone's big effort . Very grateful."

"Thanks for [sending] vouchers toward my family needs during this very challenging time. It has been truly helpful and I have been able to care and buy my children's food and basic essential needs."

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

BANKING FOR REFUGEES

Following discussions between the Charity and Lloyds Banking Group in 2019, Lloyds Banking Group started a pilot project making it easier for refugees to open bank accounts. The pilot project was expanded in 2020 and the Charity continued to act as a link between other charities assisting refugees to open bank accounts and Lloyds Banking Group where problems were encountered.

By late 2021, the project had been extended to all branches of Lloyds Bank, Halifax Bank and the Bank of Scotland, and, with our initial assistance, seminars began to be held by the Lloyds Banking Group Customers Vulnerability team which were open to members of the Asylum Support Appeal Network (ASAN). Email contact details have now been provided by the Customer Vulnerability team on the ASAN network so that any member of that network having problems helping a refugee or asylum seeker to obtain a bank account can contact the team for assistance.

In addition, the Charity is regularly asked for and provides support and advice to other ASAN members with regard to obtaining bank accounts for their clients.

The Cotton Tree is proud that its efforts have resulted in this significant development which makes the lives of many asylum seekers and refugees and those helping them significantly easier in an area where there have been serious problems in the past.

Comments from other ASAN members include:

*"Fantastic news indeed
Thank you very much"*

"That's brilliant news; well done and thank you for your hard and tireless work on this!"

"We were really excited to read your email on ASAN last week. I manage the refugee support service at the British Red Cross in London. Our team support refugees and asylum seekers across London and we face ongoing issues with access to bank accounts."

"Thank you very much for helping me in this case. Your advice led to the Chinese lady getting a specific letter from her GP, and now she has her Lloyds Bank debit card! She is really happy and able to move forward with her job applications. So, thanks again."

We estimate that by making it easier for asylum seekers and refugees to obtain bank accounts, we have already helped tens of thousands of people.

Volunteers

During 2021 the Charity had 7 volunteers.

Employees

During 2021 the Charity had 5 employees.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

The total donations we received during the period amounted to £16,563 (2020 - £25,771). Of this, £11,600 (2020 - £23,830) was restricted and the balance was unrestricted. This included grants from 2 new funders which we hope to be able to work with again in the future. This also includes donations in kind of £3,280 (2020 - £Nil).

Our total expenditure was £134,699 (2020 - £92,320). Fundraising took up about 10% of Janet Gilbert's time and is estimated, including an allowance for other overheads, at £2,500. Our deficit of income over expenditure during the period was £109,647 (2020 – net deficit of £63,286) and, after other gains, left us with reserves of £792,286 (2020 - £862,200). Our principal asset at the end of the period was a bank balance of £26,773 (2020 - £31,027), investments worth £767,652 (2020 - £829,309) and debtors (mainly refugees to whom we had made loans) of £4,786 (2020 - £3,998).

Average net interest rates on term deposit accounts in 2021 was about 1.3%. The longer term investments showed gains of 8.9% over the course of 2021. The Charity has an Ethical Investment Policy.

There are no known factors affecting the immediate financial position of the Charity going forward, but the combination of future inflation and an increased need for our services means that we are now looking to fundraise to secure our long term future. With that in mind we appointed Antoine Esteban as an additional trustee with expertise in fundraising in November 2021.

Principal funding sources

The charity continued to fund its activities from its original start-up funding. Apart from small donations, all new funding received in 2021 was to provide additional help to its clients during the Covid pandemic.

Investment powers and policy

The trustees have the powers of investment conferred by the Trustee Act 2000. They have an ethical investment policy.

Reserves policy

At the close of the period under review we retained over £150,000 unrestricted general funds available or becoming available for day to day expenditure in the course of 2022. The trustees consider this to be a prudent reserve at this stage of the Charity's development, having regard to our current plans re staffing and other commitments for 2022.

As at 31 December 2021 the financial statements showed reserves of £792,286 (2020 - £862,200) of which £Nil (2020 - £11,454) were restricted funds and £792,286 (2020 - £850,746) were unrestricted funds. The unrestricted funds not designated or invested in tangible fixed assets held by the charity are £791,297 (2020 - £849,907).

Going Concern

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

PLANS FOR THE COMING YEAR

During 2022 we will be launching a new three year strategic plan setting out our aims and expectations for the period 2021-24. We will develop our vision and mission with a view to strengthening our ability to meet the needs of the growing number of refugees and asylum seekers falling foul of the "hostile environment"

Over the course of 2022 we hope to get Leave to Remain for at least five clients. We also hope to support around 50 clients in other ways, as described above: socially, emotionally, practically etc. . In the Heal & Grow Branch we are looking to set up further sessions of our weekly discussion group as well as workshops, trips etc. We continue to monitor their individual wellbeing and keep in regular contact with those who benefit from one-to-one attention. We will also look to invest in additional therapeutic support as required.

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a trust registered as a charity with the Charity Commission on 15 March 2017 (Charity no. 1172069). The charity is established under a written Trust Deed dated 22 October 2016 that established the objects and powers of the charity and is also governed under this Trust Deed.

Recruitment and Appointment of Trustees

The board of trustees is responsible for the management of the Charity. None of the trustees has any beneficial interest in the Charity. Trustees are appointed by a resolution of the trustees at a special meeting called in accordance with the provisions of the Trust Deed.

The Board met at monthly intervals throughout 2021. During the COVID-19 pandemic, the majority of meetings were held on zoom.

Janet Gilbert, General Manager, appointed on 1 February 2020, was the Charity's most senior staff member in 2021.

Trustee induction and training

New trustees are briefed on their legal obligations under charity law, the content of the Trust Deed, decision-making processes, policies, risk register, annual targets and financial performance. Trustees are also introduced to the Charity's staff and briefed on their areas of work. They are encouraged to attend appropriate training events.

Organisation structure

The Charity had 5 trustees for the majority of 2021. Two of those trustees worked actively throughout the year with the general manager, who had day to day responsibility for the running of the office and the management of the Charity's activities and its staff. Two other trustees also worked as volunteers on different aspects of the Charity's affairs. The Charity's staff, apart from the general manager, consisted of an immigration adviser, a caseworker, an administrative assistant (latterly with responsibility for developing the website and social media) and, from the latter part of 2021, a refugee who ran the weekly Heal & Grow Branch zoom meetings.

Risk Management

The trustees are committed to a policy of identifying, monitoring and managing the risks that might adversely affect the activities of the Charity. In this context, risk is defined as the potential to fail to achieve the Charity's objectives and for loss, financial and/or reputational. An ongoing process is in place for identifying, evaluating and managing any significant risks faced by the Charity and identified by the trustees or senior management. Appropriate actions have been put in place to mitigate the exposure to and possible consequences of these risks.

Related parties

During the year there were no related party transactions.

The Charity receives occasional pro bono advice from Dentons solicitors as to legal issues.

THE COTTON TREE TRUST

TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	1172069
Trustees:	Michael Mark Dr Ruth Cigman George Goldstein Kristine Stave Judith Favour Ahikire Antoine Esteban (Appointed 11 December 2021) Gareth Ross John Beaton (Appointed 19 March 2022)
Senior Management:	Janet Gilbert - General Manager (Retired on 5 July 2022) Oky Lee-Morris - Executive Director (Appointed on 6 June 2022)
Registered Office:	Dame Geraldine Aves Hall, 6-9 Manor Gardens, London N7 6LA
Independent Examiner:	S Shah, Ramon Lee Ltd, 93 Tabernacle Street, London EC2A 4BA
Solicitors:	Dentons UK and Middle East LLP The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, MK9 1FE
Bankers:	Lloyds Bank, Holborn Circus Branch London EC1N 2HP

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

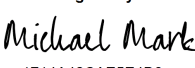
The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charity's SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report was approved by the trustees on 10 October 2022 and signed on its behalf:

DocuSigned by:

1714A42CAE5E4B6...

.....
Michael Mark
Trustee

DocuSigned by:

1E2283383EF8417...

.....
Ruth Cigman
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE COTTON TREE TRUST

I report on the financial statements of the charity for the year ended 31 December 2021, which are set out on pages 11 to 22.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the financial statements did not accord with the accounting records; or
- the financial statements did not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

DocuSigned by:

BFA6442682BF4CE...

Samir Shah – Chartered Accountant
RAMON LEE LTD
93 TABERNACLE STREET
LONDON EC2A 4BA

10 October 2022

THE COTTON TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Income					
Donations and legacies	2	4,963	11,600	16,563	25,771
Investment income	3	8,489	-	8,489	3,264
Total income		<u>13,452</u>	<u>11,600</u>	<u>25,052</u>	<u>29,035</u>
Expenditure					
Cost of raising funds	4	3,106	-	3,106	-
Expenditure on charitable activities	4	108,539	23,054	131,593	92,320
Total expenditure		<u>111,645</u>	<u>23,054</u>	<u>134,699</u>	<u>92,320</u>
Net income/(expenditure) and net movement in funds before gains and losses on investments		(98,193)	(11,454)	(109,647)	(63,286)
Net gains/(losses) on investments	6	39,733	-	39,733	39,855
Net movement in funds		<u>(58,460)</u>	<u>(11,454)</u>	<u>(69,914)</u>	<u>(23,431)</u>
<i>Reconciliation of funds</i>					
Total funds, brought forward		850,746	11,454	862,200	885,630
Total funds, carried forward		<u><u>792,286</u></u>	<u><u>-</u></u>	<u><u>792,286</u></u>	<u><u>862,200</u></u>

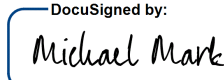
The notes on pages 13 to 22 form part of these financial statements

THE COTTON TREE TRUST

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible fixed assets	10		989		839
Current assets					
Debtors	11	4,786		3,998	
Investments	12	767,652		829,309	
Cash at bank and in hand		26,773		31,027	
		<u>799,211</u>		<u>864,334</u>	
Liabilities					
Creditors falling due with in one year	13	(7,914)		(2,973)	
		<u></u>		<u></u>	
Net current assets			791,297		861,361
Net assets			<u>792,286</u>		<u>862,200</u>
The funds of the charity					
Unrestricted funds	14		792,286		850,746
Restricted funds	14		-		11,454
Total charity funds			<u>792,286</u>		<u>862,200</u>

These financial statements were approved by the trustees on 10 October 2022 and were signed on its behalf by:

DocuSigned by:

 1714A42CAE5E4B6...
 Michael Mark
 Trustee

DocuSigned by:

 1E2283383EF8417...
 Ruth Cigman
 Trustee

Charity Number: 1172069

The notes on pages 13 to 22 form part of these financial statements

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

1.2 Preparation of financial statements on a going concern basis

The charity's financial statements show net deficit of £69,914 (2020 – net deficit £23,431) and free reserves of £791,297 (2020 - £849,907) as at the year end. The trustees are of the view that these results have secured the immediate future of the charity for the next 12 months and on this basis the charity is a going concern.

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably. Investment income is included when receivable.

All income is included in the SOFA when the charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability.

Grant income

Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets are charged against the restricted fund.

Donations and legacies

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

Investment Income

Investment income is included when receivable.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.4 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure recognition 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:

- (a) Cost of raising funds consists of staff time used to raise funds and their associated support costs.
- (b) Expenditure on charitable activities comprises the direct costs and the associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 5.

1.7 Fund accounting

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

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

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following basis:

Office equipment – 25% straight line basis

1.9 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.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.10 Cash at bank and in hand

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

1.11 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.

1.12 Financial instruments

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

1.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.14 Judgement and key sources of estimation uncertainty

In the application of the charity's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

2. GRANTS AND DONATIONS

	Unrestricted Funds £	Restricted Funds	Total 2021 £	Total 2020 £
City Bridge Trust	-	-	-	4,980
Martin Lewis Grant	-	-	-	6,300
London Churches Grant R28	-	-	-	800
London Churches Grant R29	-	-	-	850
London Churches Grant R30	-	900	900	-
London Churches Grant R31	-	1,000	1,000	-
Local Connect Fund	-	1,400	1,400	-
The London Community Foundation	-	8,200	8,200	-
The Barrow Cadbury grant	-	100	100	10,900
Other donations < £500	1,683	-	1,683	1,941
Donations in kind	3,280	-	3,280	-
	<u>4,963</u>	<u>11,600</u>	<u>16,563</u>	<u>25,771</u>

Donation income in 2020 totalling £25,771 was attributed to restricted funds of £23,830 and unrestricted funds of £1,941.

The charity is indebted to solicitors, Dentons, for providing the pro bono professional services. The income equivalent is recognised within income as donations in kind, and corresponding charges included within expenditure under support costs as legal and professional costs of £3,180 (2020 – Nil). Donations in kind include £100 (2020 – Nil) towards pro bono services provided by trustees towards communication costs.

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Interest on Investments	8,489	-	8,489	3,228
Bank Interest	-	-	-	36
	<u>8,489</u>	<u>-</u>	<u>8,489</u>	<u>3,264</u>

Investment income in 2020 totalling £3,264 was all attributed to unrestricted funds.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. ANALYSIS OF EXPENDITURE

	Raising Funds £	Legal & Casework £	Destitution Support £	Heal & Grow £	Total 2021 £	Total 2020 £
Staff Costs	2,311	43,946	3,465	6,784	56,506	37,145
Monitoring & Evaluation	-	1,848	1,155	1,155	4,158	-
Staff Training	-	84	93	583	760	-
Programme Costs	-	1,616	6,079	13,665	21,360	23,109
Travel Costs	-	-	335	-	335	-
Food Parcels	-	-	13,790	-	13,790	9,000
Communication Costs	-	-	3,586	-	3,586	-
Fundraising Costs	6	-	-	-	6	-
Support costs (Note 5)	711	14,561	8,739	6,802	30,813	21,211
Governance costs (Note 5)	78	1,600	960	747	3,385	1,855
	<u>3,106</u>	<u>63,655</u>	<u>38,202</u>	<u>29,736</u>	<u>134,699</u>	<u>92,320</u>

Of the £134,699 expenditure in 2021 (2020 - £92,320), £111,645 was charged to unrestricted funds (2020 - £79,944) and £23,054 to restricted funds (2020 - £12,376).

5. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's key activity undertaken (see note 4) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

	General Support £	Governance Function £	Total 2021 £	Total 2020 £
Staff Costs	4,005	1,405	5,410	2,724
Monitoring & Evaluation	462	-	462	-
Premises Costs	13,682	-	13,682	10,443
Communication & IT Costs	1,903	-	1,903	2,513
Legal & Professional Costs	6,896	-	6,896	3,333
Subscriptions	523	-	523	383
Depreciation	423	-	423	280
Recruitment Costs	491	-	491	187
Investment Management Fees	1,628	-	1,628	1,047
Trustee Expenses	-	-	-	59
Sundry expenses	800	-	800	897
Independent Examiner's Fees	-	1,980	1,980	1,200
	<u>30,813</u>	<u>3,385</u>	<u>34,198</u>	<u>23,066</u>

Legal & professional costs include pro bono professional services of £3,180 (2020 - £Nil) from solicitors, Dentons. Communication costs include £100 (2020 - Nil) towards pro bono services provided by trustees.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. GAINS / (LOSSES) ON INVESTMENT ASSETS

	2021 £	2020 £
Realised/unrealised gains/(losses) on investments	39,733	39,855
	<u>39,733</u>	<u>39,855</u>

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
Net movement in funds is shown after charging:		
Independent examiner's fees	1,980	1,200
Depreciation on tangible fixed assets	<u>423</u>	<u>280</u>

8. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
Salaries	64,191	37,290
National Insurance	977	-
Pension	1,368	781
	<u>66,536</u>	<u>38,071</u>

No employee had employee benefits in excess of £60,000 (2020 - £nil).

No trustee received reimbursed expenses during the year (2020 - £59).

The key management personnel of the charity comprise the general manager. The total employee benefits of the key management personnel of the charity were £25,575 (2020 - £20,045).

9. STAFF NUMBERS

The average monthly number of staff employed by the charity during the year was as follows:

	2021	2020
Direct charitable work	3.5	2

The average monthly number of persons employed by the charity during the year was 3.5 (2020 – 2).

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

10. TANGIBLE FIXED ASSETS

	2021	2020
	£	£
Net book value:		
Office Equipments	989	839
	<u>989</u>	<u>839</u>

Movements in the period:

Cost:	Opening Balances	Additions	Disposals	Closing Balances
	£	£	£	£
Office Equipments	1,119	573	-	1,692
	<u>1,119</u>	<u>573</u>	<u>-</u>	<u>1,692</u>

Depreciation:	Opening Balances	Charge For Period	Disposals	Closing Balances
	£	£	£	£
Office Equipments	280	423	-	703
	<u>280</u>	<u>423</u>	<u>-</u>	<u>703</u>

11. DEBTORS

	2021	2020
	£	£
Other debtors	3,610	3,998
Prepayments	1,176	-
	<u>4,786</u>	<u>3,998</u>

12. INVESTMENTS

	2021	2020
	£	£
Listed investments	448,306	408,451
Unlisted investments	319,346	420,858
	<u>767,652</u>	<u>829,309</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

13. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	3,951	1,281
Other Creditors	383	492
Accruals	3,580	1,200
	<u>7,914</u>	<u>2,973</u>

14. MOVEMENT IN FUNDS

	Balance at 01.01.21 £	Income £	Expenditure £	Gains/ (losses)	Balance at 31.12.21 £
Restricted funds:					
Martin Lewis Grant	518	-	518	-	-
London Churches Grant R29	850	-	850	-	-
London Churches Grant R30	-	900	900	-	-
London Churches Grant R31	-	1,000	1,000	-	-
The Barrow Cadbury grant	10,086	100	10,186	-	-
Local Connect Fund	-	1,400	1,400	-	-
The London Community Foundation	-	8,200	8,200	-	-
	<u>11,454</u>	<u>11,600</u>	<u>23,054</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	850,746	13,452	111,645	39,733	792,286
	<u>850,746</u>	<u>13,452</u>	<u>111,645</u>	<u>39,733</u>	<u>792,286</u>
Total funds	<u>862,200</u>	<u>25,052</u>	<u>134,699</u>	<u>39,733</u>	<u>792,286</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

14. MOVEMENT IN FUNDS (Cont/d)

Movement in funds – previous year

	Balance at 01.01.20	Income	Expenditure	Gains/ (losses)	Balance at 31.12.20
	£	£	£	£	£
Restricted funds:					
City Bridge Trust	-	4,980	4,980	-	-
Martin Lewis Grant	-	6,300	5,782	-	518
London Churches Grant R28	-	800	800	-	-
London Churches Grant R29	-	850	-	-	850
The Barrow Cadbury grant	-	10,900	814	-	10,086
	-	23,830	12,376	-	11,454
Unrestricted funds					
General funds	885,630	5,205	79,944	39,855	850,746
	885,630	5,205	79,944	39,855	850,746
Total funds	885,630	29,035	92,320	39,855	862,200

Description, nature and purpose of restricted funds:

- **Martin Lewis grant** – Funding towards our work in response to the COVID-19 pandemic.
- **London Churches grant** – Funding to support work for the relief of destitute refugees and asylum seekers in the London area.
- **The Barrow Cadbury grant** – Funding to provide essentials of life, mental health support and activities
- **Local Connect Fund** – Funding towards project A.R.T. - Asylum seekers & Refugees Together.
- **The London Community Foundation** – Funding awarded from Covid-19: London Communities Coronavirus Appeal, towards regular essential food packages for members; internet access so isolated members can join support groups; staff to run new workshops in poetry, art and music.
- **City Bridge Trust** – Funding towards our work in response to the COVID-19 pandemic.

Description, nature and purpose of unrestricted funds:

General funds: General fund represents funds available to spend at the discretion of the trustees.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2021

15. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	Unrestricted Funds	Restricted Funds £	Total 2021 £
Fixed assets	989	-	989
Net Current assets	791,297	-	791,297
	<u>792,286</u>	<u>-</u>	<u>792,286</u>

ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS – previous year

	Unrestricted Funds	Restricted Funds £	Total 2020 £
Fixed assets	839	-	839
Net Current assets	849,907	11,454	861,361
	<u>850,746</u>	<u>11,454</u>	<u>862,200</u>

16. PENSION

The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,288 (2020 - £781). Contributions totalling £365 (2020 - £127) were payable to the fund at the year end and are included in creditors.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions during the year (2020 – None)

THE COTTON TREE TRUST

England & Wales - Charity number 1172069

Accounts

Charity Number 1172069

THE COTTON TREE TRUST

INDEPENDENTLY EXAMINED

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

BAGINSKY COHEN

CHARTERED ACCOUNTANTS

THE COTTON TREE TRUST

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THE COTTON TREE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Michael Mark – Trustee
Dr Ruth Cigman – Trustee
George Goldstein
Kristine Stave
Judith Favour Ahikire (appointed 8 February 2020)

Charity Registered Number

1172069

Principal Office

Dame Geraldine Aves Hall
6-9 Manor Gardens
London
N7 6LA

Accountants

Baginsky Cohen
930 High Road
London
N12 9RT

THE COTTON TREE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, submit their annual report and the independently examined financial statements of the Charity for the period 1 January to 31 December 2020.

The Trustees confirm that the annual report and financial statements of the Charity have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Trust Deed and the Charity Commission's Statement of Recommended Practice (SORP) issued in March 2005.

The information on Page 2 regarding the Charity, its Trustees, Legal and Administrative information forms part of this report.

STRUCTURE, GOVERNANCE & MANAGEMENT

Management of the Charity

The Board of Trustees is the body responsible for the management of the Charity. The Board met at monthly intervals throughout the year. As a result of the COVID-19 pandemic, the majority of meetings had to be held via video conference during 2020.

Janet Gilbert, General Manager, appointed on 1 February 2020 is the Charity's most senior staff member.

Governing Document

The governing document of the Charity is the Trust Deed dated 26 October 2016.

Trustees and Induction

None of the Trustees has any beneficial interest in the Charity. The Trustees who served during the year were:

Michael Mark
Dr Ruth Cigman
George Goldstein
Kristine Stave
Judith Favour Ahikire (appointed 8 February 2020)

New Trustees undergo an orientation to brief them on their legal obligations under charity law, the content of the Trust Deed, the decision making process within the Charity, risk register, annual targets and financial performance. Trustees are also introduced to the Charity's staff and briefed on their areas of work. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Risk Management

The Trustees are committed to a policy of identifying, monitoring and managing the risks that might adversely affect the activities of the Charity. In this context, risk is defined as the potential to fail to achieve the charity's objectives and for loss, financial and/or reputational. An ongoing process is in place for identifying, evaluating and managing any significant risks faced by the Charity and identified by the Trustees or senior management. Appropriate actions have been put in place to mitigate the exposure to and possible consequences of these risks.

Employees

During 2020 the Charity had 3 employees.

Volunteers

During 2020 the Charity had 5 volunteers.

THE COTTON TREE TRUST

Offices

In October 2020 the Charity moved to new offices at Dame Geraldine Aves Hall, 6-9 Manor Gardens, London N7 6LA.

CHARITABLE OBJECTIVES AND ACTIVITIES

The Charity's objectives are to help impoverished refugees, asylum seekers and their families by assisting them to assert their legal rights, to obtain education and medical and therapeutic help, and otherwise as set out in the objects clause of the Trust Deed as recorded on the Charity Commission website. The policy of the Charity is to provide a full and comprehensive service for a limited number of asylum seekers and refugees. The Charity has a dual focus: a Legal Branch offering legal and other related support, and a Heal & Grow Branch which is responsible for therapeutic activities, for workshops and for organising school talks.

Legal Branch

In 2020 the Charity provided advice and assistance to asylum seekers and would be asylum seekers and others seeking the legal right to remain in the United Kingdom. It did this by supporting them to gather and present evidence for solicitors and immigration advisers where they lacked the funds and skills to do this adequately themselves. The Charity works both with the solicitors and advisers and, where a client does not yet have a solicitor or adviser, helps prepare a case to the extent that a solicitor or adviser would feel better able to take the case on. It may also fund part of the legal costs of such applications for the right to remain where legal aid is not available or is inadequate to cover everything that is needed. In 2020, five of those helped by the Charity obtained the right to remain.

The Charity also assisted asylum seekers with a range of practical problems, including issues with their Home Office accommodation, with access to medical help and with the needs of their children. Once members obtained the right to remain the Charity helped them to get bank accounts, welfare benefits and housing and to find jobs.

The Charity receives occasional pro bono advice from Dentons solicitors as to legal issues.

In October 2020 the Charity recruited an immigration adviser to join the existing team, which is led by a trustee, Michael Mark. It then applied to register with the Office of the Immigration Services Commissioner, registration being completed in January 2021.

The Heal & Grow Branch

The Charity's Heal & Grow branch offering is led by a trustee Ruth Cigman and is designed to help build confidence and wellbeing in our members. Our aim is to help our members through reflection and sympathetic listening. We meet at weekly discussion groups where our members discuss their experiences and problems, tell stories (personal, traditional, myths and legends etc) and share the gamut of emotions from anguish to joy. The atmosphere is one of mutual learning in which confidence is built, cultural differences are explored and bonds are formed. Our activities build trust and nurture hope, enabling group members to find their voice and tell their own stories, prepare their statements and grow in strength to move on in their lives in the UK.

The weekly discussion groups have been online since late March 2020. They provide our members with a friendship group to help them face a hostile immigration system and the isolation brought on by the impact of COVID-19. Heal & Grow also provided opportunities for members to tell their stories creatively, through words or art and conversation. An example of this was the 'Conversations in Lockdown' project delivered by artist and filmmaker Umama Hamido where members discussed their stories with Umama. This project led to a multimedia exhibition at Toynbee Hall in 2021. Another example was a creative workshop hosted by artist Katie Sollohub just before the March 2020 lockdown around colours and the art of painting.

A limited number of therapy sessions were also provided for those most in need where other charities specialising in such help were too full and unable to help.

The Charity also organised talks in schools about life as a refugee, though these stopped during lockdown and have only recently been able to restart.

THE COTTON TREE TRUST

The Impact of COVID-19

While the COVID-19 pandemic brought particular challenges in terms of how we work such as not being able to meet face to face. We very much remained open and were able to help about 50 asylum seekers and refugees during 2020, as described above.

The majority of our members who are still seeking asylum are destitute and, at best, dependent on the wholly inadequate Home Office asylum support of £39.63 a week. At the end of March 2020, the network of charity food and clothing services and drop ins where they could get a free meal or a food voucher were forced to close their doors overnight. Their difficulties were compounded by the fact that food prices in local shops rose noticeably or were erratic, which made it impossible to budget properly on the limited government allowance for asylum seekers. Those who were street homeless or in homeless shelters or dormitories were generally placed in hotel rooms, but the food was often inadequate.

We were fortunate to receive support from a number of funders for our work in response to the COVID-19 pandemic, including City Bridge Trust, Barrow Cadbury Trust and the Martin Lewis Emergency Fund. London Churches Refugee Fund also supported our efforts to combat destitution among our members. This allowed us to pivot our focus to be able to meet our members' most basic needs: food and internet connectivity.

We provided grocery shopping vouchers and delivered food ourselves where needed; helping feed members and their families during the height of the pandemic. We also conducted a survey of our members' data needs and used the outcomes to guide our purchase of internet data, in the form of mobile phone top-ups for some and through the loan of Wi-Fi devices to others.

The impact of our work in this area has been significant. In response to a survey we sent members regarding the support they received during March to July, 94% said that this positively affected their wellbeing and 100% of respondents said that our COVID-19 and lockdown support was either 'very important' or 'critical' to their wellbeing and lives.

"Lockdown – I had nothing. No thought of Tesco's. It came from someone's big effort. Very grateful."

"Thanks for [sending] vouchers toward my family needs during this very challenging time. It has been truly helpful and I have been able to care and buy my children's food and basic essential needs."

Other Supporting Activities

Following discussions between the Charity and Lloyds Banking Group in 2019, Lloyds Banking Group started a pilot project making it easier for refugees to open bank accounts. The pilot project was expanded in 2020 and the Charity continued to act as a link between other charities assisting refugees to open bank accounts and Lloyds Banking Group where problems were encountered.

The Charity's website was updated during Spring 2020 to act as a support hub for members during the pandemic. This facilitated the sharing of resources during this extremely challenging period and was supported by a renewed emphasis on signposting and sharing information on our various social media channels such as Twitter.

The Trustees have paid due regard to the guidance on public benefit issued by the Charity Commission in deciding what activities the Charity should undertake and believe that, in reading the Trustees' Report in totality, any reader would be satisfied that the objectives of the Charity have been achieved through the activities completed during this year.

FINANCIAL REVIEW

The total donations we received during the period amounted to £25,771. Of this, £23,830 was restricted and the balance was unrestricted. This included grants from a number of new funders which we hope to be able to work with again in the future.

Our total expenditure was £92,320. Fundraising took up about 10% of Janet Gilbert's time and is estimated, including an allowance for other overheads, at £2,500. Our deficit of income over expenditure during the period was £63,285 and, after other gains, left us with reserves of £885,630. Our principal asset at the end of the period was a bank balance of £31,027, investments worth £829,309 and debtors (mainly refugees to whom we had made loans) of £3,998.

THE COTTON TREE TRUST

Average net interest rates on term deposit accounts in 2020 was about 1.3%. The longer term investments showed gains until the market collapsed in March 2020 but recovered from that collapse to show a gain of 9.8% in 2020. The Charity has an Ethical Investment Policy.

There are no known factors affecting the financial position of the Charity going forward.

Reserves Policy

At the close of the period under review we retained over £150,000 unrestricted general funds available or becoming available for day to day expenditure in the course of 2021. The Trustees consider this to be a prudent reserve at this stage of the Charity's development, having regard to our current plans re staffing and other commitments for 2021.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Charity's Ethical Investment Policy.

PLANS FOR THE COMING YEAR

During 2021 we will be launching a new three year strategic plan setting out our aims and expectations for the period 2021-24. We will work to further clarify our vision and our mission and aim to strengthen our ability to meet the needs of the growing number of refugees and asylum seekers falling foul of the 'hostile environment'.

Over the course of 2021 we aim to support a further five members to gain Leave to Remain. We also aim to support a further 40-45 members in the ways described above and by giving immigration advice through our OISC adviser.

In the Heal & Grow Branch we are looking to set up a further session of our weekly discussion group, helping our members through reflection and sympathetic listening. We will also look to invest in additional therapeutic support for members who would benefit from this.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). At the date of this report, the Trustees remain Dr Ruth Cigman, Michael Mark, George Goldstein, Kristine Stave and Judith Favour Ahikire.

This report was approved by the Trustees on 16 December 2021 and signed on their behalf by:

Michael Mark

Michael Mark (Dec 16, 2021, 11:56am)
Michael Mark
Trustee

THE COTTON TREE TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE COTTON TREE TRUST (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2020.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

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

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jerry Michael

Jerry Michael (Dec 16, 2021, 12:04pm)
Jerry Michael FCA FCCA
Baginsky Cohen
930 High Road
London
N12 9RT

16 December 2021

THE COTTON TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	2	1,941	23,830	25,771	1,949
Investments	3	<u>3,264</u>	<u>-</u>	<u>3,264</u>	<u>12,657</u>
TOTAL INCOME		<u>5,205</u>	<u>23,830</u>	<u>29,035</u>	<u>14,606</u>
EXPENDITURE ON:					
Charitable activities	4	<u>79,944</u>	<u>12,376</u>	<u>92,320</u>	<u>79,738</u>
TOTAL EXPENDITURE		<u>79,944</u>	<u>12,376</u>	<u>92,320</u>	<u>79,738</u>
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS					
Net gains on investments		<u>39,855</u>	<u>-</u>	<u>39,855</u>	<u>-</u>
NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		<u>(34,884)</u>	<u>11,454</u>	<u>(23,430)</u>	<u>(65,132)</u>
NET MOVEMENT IN FUNDS		<u>(34,884)</u>	<u>11,454</u>	<u>(23,430)</u>	<u>(65,132)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>885,630</u>	<u>-</u>	<u>885,630</u>	<u>950,762</u>
TOTAL FUNDS CARRIED FORWARD		<u>850,746</u>	<u>11,454</u>	<u>862,200</u>	<u>885,630</u>

The notes on Pages 9 to 13 form part of these financial statements.

THE COTTON TREE TRUST

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	6	839	-
CURRENT ASSETS			
Debtors	7	3,998	4,000
Investments	8	829,309	835,092
Cash at bank and in hand		<u>31,027</u>	<u>48,990</u>
		864,334	888,082
CREDITORS: amounts falling due within one year	9	<u>(2,973)</u>	<u>(2,452)</u>
NET CURRENT ASSETS		<u>861,361</u>	<u>885,630</u>
NET ASSETS		<u>862,200</u>	<u>885,630</u>
CHARITY FUNDS			
Restricted funds	10	11,454	-
Unrestricted funds	10	<u>850,746</u>	<u>885,630</u>
TOTAL FUNDS		<u>862,200</u>	<u>885,630</u>

The financial statements were approved by the Trustees on 16 December 2021 and signed on their behalf by:

Michael Mark

Michael Mark (Dec 16, 2021, 11:56am)
Michael Mark

The notes on Pages 9 to 13 form part of these financial statements.

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Cotton Tree Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Income

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

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment – 25% SL

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

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

1.10 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.11 Fund accounting

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

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

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	<u>1,941</u>	<u>23,830</u>	<u>25,771</u>	<u>1,949</u>

3. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income – interest	<u>3,264</u>	<u>-</u>	<u>3,264</u>	<u>12,657</u>

4. CHARITABLE ACTIVITIES

	Activities 2020 £	Governance cost 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Accountancy fees	330	870	1,200	-	1,200	870
Administration services	1,200	-	1,200	-	1,200	-
Advertising and promotion	125	-	125	-	125	-
Charitable activities	-	-	-	-	-	250
Conversation project	2,000	-	2,000	-	2,000	-
Depreciation expense	280	-	280	-	280	-
Destitution fund	8,372	-	8,372	-	8,372	8,393
Food parcels	-	-	-	9,000	9,000	-
Insurances	845	-	845	-	845	641
Investment management fees	1,047	-	1,047	-	1,047	6,035
Legal and professional fees	3,333	-	3,333	-	3,333	10,269
Office expenses	-	-	-	-	-	482
Phone costs	114	-	114	-	114	67
Phone and wi-fi costs	-	-	-	1,762	1,762	-
Printing, postage and stationery	241	-	241	-	241	150
Programme costs	-	-	-	1,614	1,614	-
Recruitment	187	-	187	-	187	-
Rental	9,598	-	9,598	-	9,598	10,445
Retreat	-	-	-	-	-	1,918
School talks	-	-	-	-	-	300
Subscriptions	383	-	383	-	383	119
Sundry	897	-	897	-	956	1,293
Travel expenses	1,798	-	1,798	-	1,798	275
Trustee expenses	-	59	59	-	-	-
Website	9,923	-	9,923	-	9,923	3,168
Wages, salaries and pension (note 5)	37,145	926	38,071	-	38,071	33,872
Workshop supplies	<u>271</u>	<u>-</u>	<u>271</u>	<u>-</u>	<u>271</u>	<u>1,191</u>
	<u>78,089</u>	<u>1,855</u>	<u>79,944</u>	<u>12,376</u>	<u>92,320</u>	<u>79,738</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries (Note 4)	38,071	33,872
	<u>38,071</u>	<u>33,872</u>

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

	2020 No.	2019 No.
	2	2

No employee received remuneration amounting to more than £60,000 in either year.

6. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2020	-
Additions	<u>1,119</u>
At 31 December 2020	<u>1,119</u>
Depreciation	
At 1 January 2020	-
Charge for the year	<u>280</u>
At 31 December 2020	<u>280</u>
Net book value	
At 31 December 2020	<u>839</u>
At 31 December 2019	<u>-</u>

7. DEBTORS

	2020 £	2019 £
Other debtors	<u>3,998</u>	<u>4,000</u>
	<u>3,998</u>	<u>4,000</u>

THE COTTON TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Listed investments	408,451	408,451
Unlisted investments	420,857	426,640
	<u>829,308</u>	<u>835,091</u>

Listed investments

The market value of the listed investments at 31 December 2020 was £408,451).

9. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other taxation and social security	1,281	752
Other creditors	492	-
Accruals and deferred income	1,200	1,700
	<u>2,973</u>	<u>2,452</u>

10. STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	885,630	5,205	(79,944)	39,855	850,746
Restricted funds	-	23,830	(12,376)	-	11,454
	<u>885,630</u>	<u>29,035</u>	<u>(92,320)</u>	<u>39,855</u>	<u>862,200</u>

11. RESTRICTED FUNDS

	Balance b/f £	Income £	Expenditure £	Balance c/f £
London Churches Fund R28	-	800	800	-
London Churches Funds R29	-	850	-	850
Barrow Cadbury	-	10,900	814	10,086
City Bridge Trust	-	4,980	4,980	-
Martin Lewis Grant	<u>-</u>	<u>6,300</u>	<u>5,782</u>	<u>518</u>
Total	<u>-</u>	<u>23,830</u>	<u>12,376</u>	<u>11,454</u>



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Thu, 16th Dec 2021 12:04:37 UTC	Janet Gilbert - Copied In (9c0a9bc3b01ca44a062771096def3e45)

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