

Company registration number: 10722497

Charity registration number: 1172675

The Brothers Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

The Brothers Trust
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The Brothers Trust

Reference and Administrative Details

Charity Registration Number	1172675
Company Registration Number	10722497
Registered Office	57 Canbury Park Road Kingston KT2 6LQ
Independent Examiner	Shaun Ellis

The Brothers Trust

Strategic Report for the Year Ended 31 March 2023

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2023, in compliance with s414C of the Companies Act 2006.

Financial review

The Charity finished the year with a strong financial position having award grants to a number of partners. None of this could be possible without your continued supports. Once again the trustees give a huge thank you to all the donations provided.

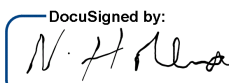
Policy on reserves

The Charity seeks to hold sufficient reserves to cover operating activities in the next six months plus support key charities. At the end of this financial year, the trustees felt this should be £125,000. Current reserves are comfortably above this level.

Principal funding sources

Funding has come from a number of donations, the specific fund raising events and from profits remitted from our trading company.

The strategic report was approved by the trustees of the charity on 28 November 2023 and signed on its behalf by:

DocuSigned by:

.....BCBEB59158FB4E2.....
Nicola Holland
Trustee

The Brothers Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2023.

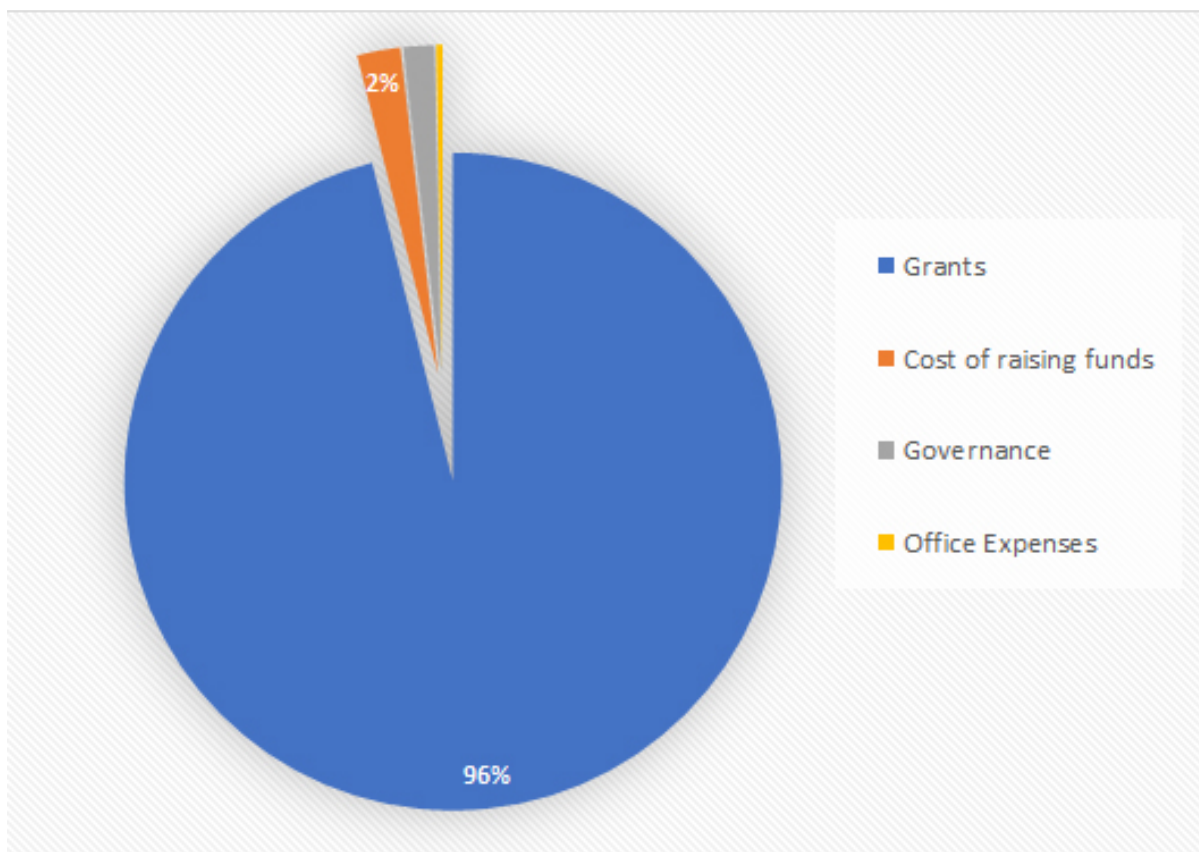
Objectives and activities

Objects and aims

The Brothers Trust (the "Charity") is a charity based and regulated in the United Kingdom with the key objectives:

- to raise funds and award grants to charities around the world. These charities are likely to be small and nimble, often managed by their founders and have a high coefficient of converting funds received to positive and tangible outcomes.
- to create awareness of our selected charities using our own social media platforms.
- to create memorable experiences for vulnerable and sick children from the charities that we support and also charities associated with endeavours like Make a Wish.

The charity aims to "support charities who struggle to be heard". It therefore seeks to give out as much as possible in grants and keep admin expenses as low as possible. As can be seen below, we have again been successful this year with only 2% of costs relating to Governance or Office Expenses, 2% on raising funds (excluding cost of merchandising) with around 96% going as grants. While there have been inevitable increases in costs, the Trustees have worked to ensure these are kept to a minimum and represent good value of money to the Charity.



The Brothers Trust

Trustees' Report (continued)

Grant making policies

It is important to The Brothers Trust to identify charities without expensive administrative running costs and are efficiently run. The Trust generally discourages the notion of beneficiaries becoming reliant on TBT for continued support. Instead, TBT encourages the charities it supports to continue fundraising efforts and to seek financial support elsewhere to avoid dependency on our Trust.

The Charity regularly evaluates the effectiveness of its grants, asking for regular feedback and progress reports from beneficiaries. This progress is fully reported on TBT website so our supporters can see the positive impact of their support.

Use of volunteers

The Charity could not function without the help and assistance of its volunteer trustees who give so much time to the running of the charity.

Objectives, strategies and activities

In the past financial year, TBT has made several key grants to specifically identified charities in line with the remit already explained. The outcomes of all our grants are strictly assessed for their effectiveness and informs future decisions on further grants. Grants are made for specific and agreed purposes which TBT have selected from options that identified charities have presented to us.

These include the following grants:

Alex's Wish - £75,000

TBT continues to help fund research into establishing treatments for Duchenne, an aggressive form of Muscular Dystrophy which affects 1 in every 3,500 boys. With Duchenne, all muscles are destroyed due to lacking a specific protein and this includes major organs like the heart and lungs. Typically, sufferers do not live beyond their late twenties. Currently, there are no treatments or cures for Duchenne but there are many medical initiatives and trials taking place which TBT is supportive of.

The largest part of the grant has been given to two projects:

- £5,000 is helping to build the DREAM Wheelchair - a high-tech powered chair specifically designed by boys with Duchenne.
- £50,000 towards prototypes for a robotic suit that can be worn discreetly and comfortably, to aid arm and upper body function. DUK has partnered with Spinal Muscular Atrophy UK (SMA UK) to ensure that the suit has benefits beyond DMD.

The remainder of our grant is being spent on general gene therapy research.

Alex's Wish is an excellent example of the sort of charity that TBT enjoys supporting. It is founder led by a mother whose son has Duchenne and is run predominantly by volunteers. The team at Alex's Wish bring all their energy to bear in fundraising whilst ensuring that they minimise costs, enabling maximum proceeds to reach the various causes fighting the disease

Debra - £80,000

Debra is a charity supporting people living with EB, a genetic group of conditions which cause the skin to blister and tear at the slightest touch. It is a particularly debilitating, life-limiting condition and the families as well as the patients are in great need of support and respite.

This Brothers Trust grant will specifically enable a project known as GEBULO. This is a 20-Week Multi-centre, Open Study Assessing the Efficacy and Safety of Apremilast (Otezla®) in Patients > 6 years of age with EB simplex generalized. This is a re-purposing initiative - taking a drug that is already approved for use and attempting to adapt its use for other conditions. Apremilast, is an anti-inflammatory drug used for psoriasis and Becet's disease, and this initiative will try to establish its effectiveness in treating patients (over 6 years old) with EB Simplex. There are an estimated 4,000 people in the UK living with EB Simplex.

The Brothers Trust

Trustees' Report (continued)

EB Research Partnership – £125,433

Creating a Brothers Trust Cure Innovation Award making funding available to challenge the research, scientific, and medical communities to come up with the most innovative ideas to advance treatments and cures for EB. The typical project funded by EBRP ranges from \$50,000 to upwards of \$1,000,000, therefore the award size could vary based on the commitment of the Brothers Trust. The bigger the award the bigger the idea. As research has moved towards human clinical trials, the amounts needed are closer to seven figures for each award. Research proposals are reviewed by our world renowned Scientific Advisory Board and selected from around the world. EBRP has funded over 100 projects in 20 countries and has built a community of the most brilliant minds focused on curing EB.

John Foundation - £38,180

The John Foundation works with vulnerable children and young adults in India who are preyed upon and trafficked by organised crime. John Foundation provides, housing, education, medical care, training, and employable skills to create independent futures. This current grant has gone towards buying bicycles for the rescue team to reach vulnerable people quickly. Also, it supports 70 young men and women in setting up their own micro businesses, providing necessary equipment. John Foundation has also secured a third campus three times bigger than their present campus and The Brothers Trust has granted \$35,000 to build a safe home for vulnerable children within this new campus.

stem4 - £50,000

Stem4 is a charity challenging the mental health crises affecting young people via their series of clever apps. In addition, Stem4 provides know-how and support to professionals in this field, including their families and carers, education professionals, school nurses and GPs through the provision of mental health education, resilience strategies and early intervention. This grant assists with updates to their Head Ed Apps and Combined Minds programmes.

Artists for Africa £27,414

This grant gives Kenyan children a chance to escape from living in slum conditions to live in a safe home with heat and running water and to receive an education and a chance to specifically develop artistic skills. Our grant contributes a large proportion of the annual rent and running costs of this property.

Kares 4 Kids £33,753

Supporting **FODAC - Friends of Disabled Adults and Children** TBT has covered the cost of approximately 45 paediatric wheelchairs and adaptive mobility equipment for children whose parents could not otherwise afford them. We are also sponsoring 4 more Joyristas for **Java Joy** and contributing towards the cost of a vehicle for the The Young Adults Learning Life Skills (**YALLS**) Program. This program supports young adults with special educational needs who have exceeded the age where traditional education is provides, but their needs continue and they should continue to receive necessary support to becoming functioning and independent adults.

The Lunchbowl Network - £29,000

The Lunchbowl Network educates and feeds over 400 of the most vulnerable and disadvantaged children in the Kibera slum, Nairobi, Kenya. This year we are funding the annual costs of the Unit for the hearing impaired. This unit is provides the best available care for the hearing impaired in Kenya. As a result of this unit, 15 deaf children, aged between 3 and 7 years, have access to the Kenyan syllabus by using Kenyan Sign Language. These children are now able to converse and integrate making isolation less likely and vastly improving their life chances.

TBT is also funding a vital replacement kitchen for the Saturday Feeding Programme, science facilities in their secondary school and assisting with emergency supplies helping to re-home over 300 families whose homes were impacted by a serious fire.

The Brothers Trust

Trustees' Report (continued)

Mama Biashara £20,000

This small charity is highly effective at identifying and helping to support women and children leaving abusive relationships in Kenya and furthermore by providing training and employment. Each £10K grant will rescue 700-800 women with an average of 2 children (so, 700/800 children) from an environment of violence (tribal/domestic/sexual and/or extreme physical) and fear.

Kingston Carer's Network - £4,500

This charity recognises the importance of the work conducted by 'carers' in the local area of Kingston upon Thames. This network particularly supports carers who can be as young as 5 and up to 18 who might be responsible for infirm parents or siblings. The Network recognises that these young carers themselves require help and support. This can be advice for services they are entitled to. How to apply for such services and counselling and specific support services they can draw on.

TBT were delighted that a broad range of young carers were able to attend our screening of *Uncharted* at an upmarket London cinema and had the chance to meet Tom.

Cash for Kids - £3,000

Providing Christmas presents for disadvantaged children in the UK.

Anthony Nolan - £1,020

This grant is from the proceeds of sales of the novel, *Open Links* which TBT publishes and sells on behalf of Anthony Nolan, the charity which curates the world's largest bone marrow donor register.

Sparks Book Award - £3,075

Founded by a retired local headmaster and running this venture on a voluntary basis, the Sparks Award is a reading initiative aimed at youngsters from disadvantaged backgrounds with poor literacy skills. TBT was pleased to be able to fund a year's running of this reading programme and including the purchase of all necessary books.

Mind Step Foundation - £3,001

This small charity supports mental health and suicide prevention research, awareness and support. The charity was founded by the family of Max Davies, who died by suicide in 2018 at 22 years old, following a short period of severe depression. In an attempt to understand Max's demise and to help others, the charity partnered with the Suicide Behaviour Research Laboratory at the University of Glasgow to fund postgraduate research into the causes of suicide. The charity has since extended its activities to also deliver Applied Suicide Intervention Skills Training (ASIST), provide financial support to those unable to afford counselling, and is now training its own counsellors to deliver subsidised therapy. This grant funds the 1st year of a diploma course for a new counsellor.

Story Book Dads £25,500

Allows families to stay connected through the magic of storytelling. Story Book Dads enables a parent in jail (a mum or a dad) to record bedtime stories and messages for their children on CD or DVD. This grant is supporting their core funding as well as 2 new initiatives. Assisting illiterate prisoners to participate in this scheme, and also to provide children with the necessary content which allows them to 'read along' with their parent who is incarcerated. TBT is also contributing to their core funding, providing essential equipment for their new premises and to help 4 'home editors' which allows ex-offenders to continue editing files after their release. Having such a purpose is essential for self-esteem and TBT is highly encouraged by the statistic that fathers who maintain a connection with their children are up to six times less likely to re-offend.

Warmheart - £8,118

Helping elderly people living in remote areas of Thailand.

The Brothers Trust

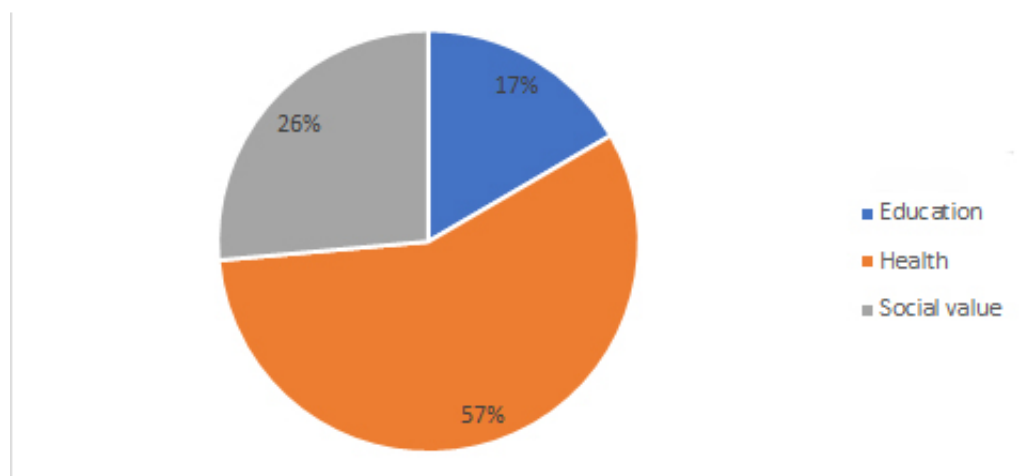
Trustees' Report (continued)

The Empowerment Plan - £40,216

A charity manufacturing coats and sleeping bags for homeless people across America and beyond and in this process providing training and jobs for homeless people creating a very virtuous circle. As well as providing core funding for the manufacturing process, TBT support specific training programmes for employees to gain the necessary skills to find work beyond the programme and to enjoy more secure and productive lives for them and their children.

Public benefit

The Brothers Trust aims to help small charities either financially or through publicity. The charities supported cover a range of areas broadly split into education, health and social benefit. The split between each sector can be seen below.



The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Going concern

The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis. There are sufficient reserves in the charity to continue to operate, and the fundraising plans continue to be successful, alongside its merchandising.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Structure, governance and management

Nature of governing document

The Charity operates under its memorandum and articles of incorporation as a private company limited by guarantee. These documents were created 12th April 2017 and have not been updated.

Recruitment and appointment of trustees

The Trustees are recruited based on the needs of the Charity. In the past year, the board has been strengthened considerably through reviewing missing skills and seeking to fill these gaps. This has included legal, financial, and governance.

The Brothers Trust

Trustees' Report (continued)

Arrangements for setting key management personnel remuneration

None of the Trustees receive remuneration.

Organisational structure

The Charity operates with a very small staff comprised of some paid contractors and volunteers. They work together making collective day-to-day decisions. The Trustees then meet at least 6 times per year to discuss strategic aims and objectives.

As noted elsewhere, the sale of Brothers Trust merchandising has moved to its wholly owned subsidiary, The Brothers Trust (Trading) Ltd. This gives all of its profits in cash each year to the Charity, and the same team are responsible for running this company.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. Generally, the charity does not need to use these contracts but may do if required. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

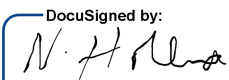
The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 28 November 2023 and signed on its behalf by:

DocuSigned by:

.....BCBEB59158FB4E2.....
Nicola Holland
Trustee

The Brothers Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Brothers Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

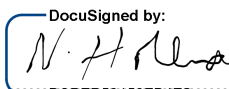
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 28 November 2023 and signed on its behalf by:

DocuSigned by:

BCBEB59158FB4E2.....
Nicola Holland
Trustee

The Brothers Trust

Independent Examiner's Report to the trustees of The Brothers Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.


Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of The Brothers Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts 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 accounts to be reached.

DocuSigned by:

8342B52307E54F8.....
Shaun Ellis
ACCA

28 November 2023

The Brothers Trust

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	3	353,775	353,775
Other trading activities	4	414,215	414,215
Total income		<u>767,990</u>	<u>767,990</u>
Expenditure on:			
Raising funds	5	(93,274)	(93,274)
Charitable activities	6	(593,612)	(593,612)
Total expenditure		<u>(686,886)</u>	<u>(686,886)</u>
Net income		<u>81,104</u>	<u>81,104</u>
Net movement in funds		81,104	81,104
Reconciliation of funds			
Total funds brought forward		<u>172,807</u>	<u>172,807</u>
Total funds carried forward	15	<u>253,911</u>	<u>253,911</u>
	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	3	317,711	317,711
Other trading activities	4	414,558	414,558
Total income		<u>732,269</u>	<u>732,269</u>
Expenditure on:			
Raising funds	5	(50,205)	(50,205)
Charitable activities	6	(619,894)	(619,894)
Total expenditure		<u>(670,099)</u>	<u>(670,099)</u>
Net income		<u>62,170</u>	<u>62,170</u>
Net movement in funds		62,170	62,170
Reconciliation of funds			
Total funds brought forward		<u>117,367</u>	<u>117,367</u>
Total funds carried forward	15	<u>179,537</u>	<u>179,537</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 15.

The notes on pages 13 to 24 form an integral part of these financial statements.

The Brothers Trust
(Registration number: 10722497)
Balance Sheet as at 31 March 2023

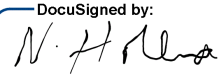
	Note	2023 £	2022 £
Current assets			
Debtors	11	240,501	56,761
Investments	12	1	1
Cash at bank and in hand	13	<u>73,763</u>	<u>129,527</u>
		314,265	186,289
Creditors: Amounts falling due within one year	14	<u>(69,714)</u>	<u>(13,482)</u>
Net assets		<u>244,551</u>	<u>172,807</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>244,551</u>	<u>172,807</u>
Total funds	15	<u>244,551</u>	<u>172,807</u>

For the financial year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 11 to 24 were approved by the trustees, and authorised for issue on 28 November 2023 and signed on their behalf by:

DocuSigned by:

 BCBEB59158FB4E2...
 Nicola Holland
 Trustee

The notes on pages 13 to 24 form an integral part of these financial statements.

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
57 Canbury Park Road
Kingston
KT2 6LQ

These financial statements were authorised for issue by the trustees on 28 November 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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 the income receivable can be measured reliably.

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Donated services and facilities

These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

Gift aid

Income from tax reclaims is included at the same time as the gift/donation to which it relates.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Current asset investments

Current asset investments are included at the lower of cost and net realisable value / market value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

(continued)

2 Accounting policies (continued)

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The Brothers Trust
Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)

2 Accounting policies (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from companies, trusts and similar proceeds	138,087	138,087
Donations from individuals	215,688	215,688
Total for 2023	<u>353,775</u>	<u>353,775</u>
Total for 2022	<u>317,711</u>	<u>317,711</u>

4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Events income;		
Other events income	414,215	414,215
Total for 2023	<u>414,215</u>	<u>414,215</u>
Total for 2022	<u>414,558</u>	<u>414,558</u>

The Brothers Trust
Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Total funds £
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b) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		1,918	1,918
Total for 2023		<u>1,918</u>	<u>1,918</u>
Total for 2022		<u>39,025</u>	<u>39,025</u>

c) Investment management costs

	Note	Unrestricted funds General £	Total funds £
Allocated support costs	7	13,668	13,668
Total for 2023		<u>13,668</u>	<u>13,668</u>
Total for 2022		<u>7,554</u>	<u>7,554</u>
			Total costs £

6 Expenditure on charitable activities

The Brothers Trust
Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)

6 Expenditure on charitable activities (continued)

		Unrestricted funds	Total
	Note	General £	funds £
Grant funding of activities		587,211	587,211
Governance costs	7	6,401	6,401
Total for 2023		<u>593,612</u>	<u>593,612</u>
Total for 2022		<u>619,894</u>	<u>619,894</u>
			Total expenditure £

In addition to the expenditure analysed above, there are also governance costs of £6,401 (2022 - £7,036) which relate directly to charitable activities. See note 7 for further details.

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total
	General £	2023 £
Marketing and publicity	5,450	5,450
Other governance costs	951	951
	<u>6,401</u>	<u>6,401</u>
	Unrestricted funds	Total
	General £	2022 £
Marketing and publicity	5,005	5,005
Other governance costs	2,031	2,031
	<u>7,036</u>	<u>7,036</u>

The Brothers Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

8 Grant-making

Analysis of grants

	Grants to institutions	
	2023	2022
	£	£
Analysis		
Charitable Grants	587,211	612,858

The support costs associated with grant-making are £Nil (31 March 2022 - £Nil).

Below are details of material grants made to institutions

Name of institution	Activity	2023	2022
		£	£
EB Research Partnership		125,433	74,109
Debra		80,000	75,000
Alex Wish		75,000	26,910
Stem 4		50,000	27,501
The Empowerment Plan		40,217	70,819
John Foundation		38,180	46,854
Kare's4Kids Inc		33,753	18,952
Lunch Bowl		29,000	100,310
Artists for Africa		27,414	26,166
Storybook Dads		25,500	13,000
A Band of Brothers		20,000	-
Mama Biashara		20,000	10,000
Warm Heart		8,118	7,619
Kingston Carer's Network		4,500	-
Spark School Book Grant		3,075	1,500
Mind Step Foundation		3,001	3,799
Momentum		-	110,318
Cash for Kids		3,000	-
Anthony Nolan		1,020	-
		587,211	612,857

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The Brothers Trust
Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)

11 Debtors

	2023 £	2022 £
Trade debtors	95,653	-
Due from group undertakings	144,811	56,724
Other debtors	37	37
	<u>240,501</u>	<u>56,761</u>

12 Current asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

13 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>73,763</u>	<u>129,527</u>

The Brothers Trust
Notes to the Financial Statements for the Year Ended 31 March 2023
(continued)

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,381	144
Other creditors	68,333	13,088
Accruals	-	250
	<u>69,714</u>	<u>13,482</u>

15 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General	<u>172,807</u>	<u>767,990</u>	<u>(696,246)</u>	<u>244,551</u>

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General	<u>117,367</u>	<u>732,269</u>	<u>(676,829)</u>	<u>172,807</u>

16 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2023 £
Current assets	314,265	314,265
Current liabilities	<u>(69,714)</u>	<u>(69,714)</u>
Total net assets	<u>244,551</u>	<u>244,551</u>

	Unrestricted funds General £	Total funds at 31 March 2022 £
Current assets	186,289	186,289
Current liabilities	<u>(13,482)</u>	<u>(13,482)</u>
Total net assets	<u>172,807</u>	<u>172,807</u>

The Brothers Trust

Statement of Financial Activities by fund for the Year Ended 31 March 2023

Unrestricted Funds

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Income and Endowments from:		
Donations and legacies	353,775	317,711
Other trading activities	<u>414,215</u>	<u>414,558</u>
Total income	<u>767,990</u>	<u>732,269</u>
Expenditure on:		
Raising funds	(93,274)	(50,205)
Charitable activities	<u>(593,612)</u>	<u>(619,894)</u>
Total expenditure	<u>(686,886)</u>	<u>(670,099)</u>
Net income	<u>81,104</u>	<u>62,170</u>
Net movement in funds	81,104	62,170
Reconciliation of funds		
Total funds brought forward	<u>172,807</u>	<u>117,367</u>
Total funds carried forward	<u><u>253,911</u></u>	<u><u>179,537</u></u>

The Brothers Trust

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	Total 2023 £	Total 2022 £
Income and Endowments from:		
Donations and legacies (analysed below)	353,775	317,711
Other trading activities (analysed below)	<u>414,215</u>	<u>414,558</u>
Total income	<u>767,990</u>	<u>732,269</u>
Expenditure on:		
Raising funds (analysed below)	(93,274)	(50,205)
Charitable activities (analysed below)	<u>(593,612)</u>	<u>(619,894)</u>
Total expenditure	<u>(686,886)</u>	<u>(670,099)</u>
Net income	<u>81,104</u>	<u>62,170</u>
Net movement in funds	81,104	62,170
Reconciliation of funds		
Total funds brought forward	<u>172,807</u>	<u>117,367</u>
Total funds carried forward	<u><u>253,911</u></u>	<u><u>179,537</u></u>

The Brothers Trust

Detailed Statement of Financial Activities for the Year Ended 31 March 2023 (continued)

	Total 2023 £	Total 2022 £
<i>Donations and legacies</i>		
Appeals and donations	215,688	128,292
Appeals and donations - companies	138,087	189,419
	<u>353,775</u>	<u>317,711</u>
<i>Other trading activities</i>		
Sales of purchased goods	-	58,454
Jumble sales	414,215	356,104
	<u>414,215</u>	<u>414,558</u>
<i>Raising funds</i>		
Fundraising costs	(77,688)	(3,626)
Purchases	(1,918)	(39,025)
Casual wages	(12,544)	(7,491)
Office expenses	(1,124)	(63)
	<u>(93,274)</u>	<u>(50,205)</u>
<i>Charitable activities</i>		
Grants payable - institutions	(587,211)	(612,858)
Office expenses	(135)	-
Travel and subsistence	(447)	-
Advertising	(5,450)	(5,005)
Bank charges	(369)	(643)
Foreign currency (gains)/losses	-	(1,388)
	<u>(593,612)</u>	<u>(619,894)</u>