

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

FOR

KEN DODD CHARITABLE FOUNDATION

KEN DODD CHARITABLE FOUNDATION

**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Reference & Administrative Information	1
Report of the Trustees	2
Statement of Financial Activities	4
Balance Sheet	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Report of the Independent Auditors	11

KEN DODD CHARITABLE FOUNDATION

**REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

Page 1

TRUSTEES: Lady Sybil Anne Dodd – Chair of Trustees
Mr John Stephen Lewis MBE
Mr Peter Vaines

PRINCIPAL OFFICE: Barristers Chambers
3 Field Court
Gray's Inn
London
WC1R 5EP

CHARITY NUMBER: 1179779 (England and Wales)

INDEPENDENT AUDITORS: John Kerr
Statutory Auditors
Chartered Accountants
375 Eaton Road
West Derby
Liverpool
L12 2AH

BANKERS: National Westminster Bank plc
509 Prescott Road
Old Swan
Liverpool
L13 3BZ

INVESTMENT MANAGERS: Investec Wealth & Investment Ltd
The Plaza
100 Old Hall Street
Liverpool
L3 9AB

The trustees present their annual report and financial statements of the Charity for the year ended 31 March 2022. The reference and administrative information set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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) issued in October 2019.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The purposes of the charity are to advance the education of the public in the performing arts, to further the development of the public appreciation and understanding of performing arts by the support and encouragement of the work of young artists, to provide for the relief of poverty of persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social or economic circumstances by providing advice and financial assistance to those in need and to provide financial assistance to any other exclusively charitable organisation. In shaping our aims and objectives, in planning future activities, and setting the grant making policy for the year, the trustees confirm that they have referred to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The charity furthers its charitable purposes for the public benefit through its grant making policy.

The principal activities of the charity in the period under review were the investment of funds and the provision of grants.

ACHIEVEMENTS AND PERFORMANCE

The Charity continues to invest funds to enable future grants to be paid. The Charity is extremely proud of the achievements and progress to date. The trustees continue to review and approve suitable and appropriate grant applications to enable the Charity to continue with its work.

FINANCIAL REVIEW

The results for the year and financial position of the Charity are as shown in the annexed financial statements. The Charity's ability to make further grants is reliant on income and returns from its investments. Grants totaling £466,000 were paid during the year. The value of the investments held increased by £431,509 during the year and income of £452,569 was generated by the investments.

INVESTMENT POLICY

The Charity's investment managers (Investec Wealth & Management Ltd) are instructed to invest to maximize the returns within the constraints of a medium risk profile over the long-term investment time horizon of over 10 years.

RESERVES POLICY AND GOING CONCERN

The trustees aim to maintain free reserves in unrestricted funds at a level which is designed to meet approved grant applications and governance costs. Total reserves at 31 March 2022 amounted to £13,314,263 of which £308,692 were unrestricted.

Given the level of assets held, the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable trust, established on 29 May 2013 and registered as a Charity on 3 September 2018. The trust was established by an initial gift from Sir Kenneth Arthur Dodd OBE in 2013. Since his death, his estate and his beloved wife Lady Sybil Anne Dodd have made substantial gifts to the charity. The Charity is governed by the policies made from time to time by the trustees together with the terms of its Trust Deed which set out the objects and powers of the Charity.

The trustees, who met at regular intervals to formulate policy and decisions during the year, including the arrangements and criteria for consideration and approval of grants, were Lady Sybil Anne Dodd, Mr Peter Vaines and Mr John Stephen Lewis MBE. The procedures for the appointment, retirement and removal of trustees are set out in the Trust Deed.

The trustees seek to ensure that the needs of the grant recipients are appropriately reflected through the diversity of the trustee body and the recruitment of appropriate individuals to the board. The trustees are familiar with the practical work of the Charity and are encouraged to attend regular feedback and update sessions. All trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

RELATED PARTIES

None of the trustees receive remuneration or other financial benefit from their positions as trustees of the Charity and any contractual relationship with a related party must be disclosed to the board of trustees. In the current year, no such related party transactions were reported.

RISK MANAGEMENT & COVID-19

The trustees have a risk management strategy which comprises: an annual review of the principal risks and uncertainties that the Charity faces and the establishment of policies, systems and procedures to mitigate those risks identified in the review.

The principal risks faced by the Charity lie in the performance of investments, ineffective grant making and the capacity of the Charity to make effective grants. The trustees consider variability of investment returns and changes in value to constitute the Charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

The operational risks from ineffective grant awards and the capacity to make effective grants are managed by retaining trustees of sufficient skill and experience to be able to assess and monitor applications and grant awards, so as to retain focus on the public benefit derived from the provision of such grants.

During the year, the continuing COVID-19 pandemic and the Russian invasion of Ukraine have created a major challenge with a high level of uncertainty for many charities. The trustees have taken prompt action to monitor the Charity's position. Whilst the impact of these matters cannot be accurately predicted and it is not possible to assess all possible implications for the Charity, based on assessments carried out, the Charity believes that it has a financial position that will enable it to navigate through these challenges.

PLANS FOR THE FUTURE

Ken Dodd Charitable Foundation is a lasting testimony to the generosity and charitable concerns of the late Sir Kenneth Arthur Dodd OBE and his wife Lady Sybil Anne Dodd. The trustees anticipate continuing to make charitable grants that meet the objectives for which the Charity was established.

RESPONSIBILITIES OF THE TRUSTEES IN RELATION TO THE FINANCIAL STATEMENTS

The Charity trustees are responsible for preparing a trustees' annual report and 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 Charity trustees to prepare financial statements for each 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 period. In preparing the financial statements the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 29 November 2022 and signed on their behalf by:

Lady Sybil Anne Dodd – Chair of Trustees

KEN DODD CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

Page 4

	31.03.2022			31.03.2021
	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments:				
Donations	104,197	1,000,000	1,104,197	51,466
Investment income	-	452,569	452,569	408,079
Transfer to income	452,569	(452,569)	-	-
Total income	556,766	1,000,000	1,556,766	,459,545
Expenditure:				
Cost of raising funds:				
Investment management costs	-	57,399	57,399	52,199
Charitable activities – grants paid (note 2)	466,000	-	466,000	515,250
Governance costs – auditors' remuneration	3,360	-	3,360	3,360
Bank charges	1	-	1	-
Total expenditure	469,361	57,399	526,760	570,809
Net income/ (expenditure) and movement in funds before gains and losses on investments	87,405	942,601	1,030,006	(111,264)
Net gains on investments	-	431,509	431,509	1,725,751
Net movement in funds	87,405	1,374,110	1,461,515	1,614,487
Reconciliation of funds:				
Total funds brought forward	221,287	11,631,461	11,852,748	10,238,261
Total funds carried forward	308,692	13,005,571	13,314,263	11,852,748

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

All income and expenditure derive from continuing activities.

KEN DODD CHARITABLE FOUNDATION

BALANCE SHEET
31 MARCH 2022

Page 5

	Notes	31.03.22 £	£	31.03.21 £	£
FIXED ASSETS					
Investments	3		12,487,352		11,497,797
CURRENT ASSETS					
Debtors	4	19,456		23,895	
Cash at bank and in hand		<u>810,815</u>		<u>334,416</u>	
TOTAL CURRENT ASSETS		830,271		358,311	
LIABILITIES					
Creditors falling due within one year	5	<u>3,360</u>		<u>3,360</u>	
NET CURRENT ASSETS			<u>826,911</u>		<u>354,951</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,314,263</u>		<u>11,852,748</u>
THE FUNDS OF THE CHARITY	6				
Unrestricted income funds			308,692		221,287
Endowment funds			<u>13,005,571</u>		<u>11,631,461</u>
TOTAL CHARITY FUNDS	7		<u>13,314,263</u>		<u>11,852,748</u>

The financial statements were approved by the trustees and authorised for issue on 29 November 2022 and were signed on their behalf by:

Lady Sybil Anne Dodd – Chair of Trustees

KEN DODD CHARITABLE FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

Page 6

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from/ (used by) operations	11	<u>577,437</u>	<u>(519,343)</u>
Net cash from/ (used by) operating activities		<u>577,437</u>	<u>(519,343)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(1,498,296)	(1,516,438)
Proceeds from sale of fixed asset investments		940,250	1,437,913
Interest and dividends received		<u>457,008</u>	<u>418,304</u>
Net cash (used by)/ from investing activities		<u>(101,038)</u>	<u>339,779</u>
Change in cash in the year		<u>476,399</u>	<u>(179,564)</u>
Cash and cash equivalents at beginning of year	12	<u>334,416</u>	<u>513,980</u>
Cash and cash equivalents at end of year	12	<u><u>810,815</u></u>	<u><u>334,416</u></u>

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Ken Dodd Charitable Foundation constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Charity has an expendable endowment fund, and the income is used to provide grants in accordance with the purposes of the Charity. Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Preparation of the accounts on a going concern basis

In preparing the accounts, the trustees have taken account of the financial resources available to the Charity and consider that the Charity should be able to continue operations for the foreseeable future.

Income recognition

Items of income are recognised and included when all of the following criteria are met: the Charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met or are fully within the control of the Charity; there is sufficient certainty that receipt of the income is considered probable; and the amount can be measured reliably.

The value of services provided by volunteers has not been included in these accounts.

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.

Charitable expenditure includes grants made and comprises those costs incurred by the Charity in the delivery of its activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity.

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

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

KEN DODD CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED 31 MARCH 2022

Page 8

2. GRANTS PAID

	31.03.22	31.03.21
	£	£
St John the Evangelist Church, Knotty Ash	120,000	335,000
Christ Church Parochial Church Council	-	50,000
Alder Hey Children's Hospital League of Friends	-	50,000
Royal Court Liverpool Theatre Trust Limited	-	20,000
The Parish Church of Saint Anne, Stanley – Organ	-	20,000
The Salvation Army	20,000	10,000
Overseas Plastic Surgery Appeal	-	10,000
Rice Lane Community Association Limited – City Farm	5,000	5,000
Morecambe Winter Gardens Preservation Trust Limited	-	5,000
The Friends of the Grand – Blackpool Grand Theatre	-	5,000
Phoenix Foundation – Homelessness	-	3,000
Age Concern Mid Mersey	-	1,000
British Music Hall Society	-	1,000
Multiple Sclerosis Society	-	250
Worcester Operatic and Dramatic Society	1,000	-
Halton Speak Out CIO	10,000	-
Liverpool and Merseyside Theatres Trust Limited	20,000	-
Shakespeare North Playhouse Trust	250,000	-
Whitechapel Centre	10,000	-
The Hammond School Limited	5,000	-
Nextup Comedy Ltd	25,000	-
	<u>466,000</u>	<u>515,250</u>

3. FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments	£
Market value as at 1 April 2021	11,497,797
Additions to investments at cost	1,498,296
Disposals at carrying value	(940,250)
Net gain on revaluation	<u>431,509</u>
Market value as at 31 March 2022	<u>12,487,352</u>
Investments at fair value comprised:	
Equities	10,019,267
Fixed interest securities	<u>2,468,085</u>
Total	<u>12,487,352</u>

All investments are carried at their fair value. The investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been lower than anticipated. The Charity relies on dividend yield in part to finance its ability to make grants and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are in traded markets with good liquidity and high trading volumes and the Charity has no investment holdings in markets subject to exchange controls or trading restrictions. The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within asset classes that are quoted on recognised stock exchanges.

KEN DODD CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED 31 MARCH 2022

Page 9

4. DEBTORS

	31.03.22 £	31.03.21 £
Accrued income on endowment funds	<u>19,456</u>	<u>23,895</u>

5. CREDITORS FALLING DUE WITHIN ONE YEAR

	31.03.22 £	31.03.21 £
Accruals	<u>3,360</u>	<u>3,360</u>

6. ANALYSIS OF MOVEMENTS IN CHARITABLE FUNDS

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Gains & losses £	At 31 March 2022 £
Endowment funds:						
Expendable	11,631,461	1,452,569	(57,399)	(452,569)	431,509	13,005,571
Unrestricted funds:						
General funds	221,287	104,197	(469,361)	452,569	-	308,692
Totals funds:	11,852,748	1,556,766	(526,760)	-	431,509	13,314,263

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	Gains & losses £	At 31 March 2021 £
Endowment funds:						
Expendable 9,957,909	9,957,909	408,079	(52,199)	(408,079)	1,725,751	11,631,461
Unrestricted funds:						
General funds	280,352	51,466	(518,610)	408,079	-	221,287
Totals funds:	10,238,261	459,545	(570,809)	-	1,725,751	11,852,748

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Funds	Unrestricted Funds	Total Funds
Investment assets	12,487,352	-	12,487,352
Current assets	518,219	312,052	830,271
Creditors	-	(3,360)	(3,360)
Net assets at year end	13,005,571	308,692	13,314,263

KEN DODD CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED 31 MARCH 2022

Page 10

8. TRUSTEES' EXPENSES AND REMUNERATION

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £nil). No expenses were paid to the trustees in the year (2021: £nil).

9. TAX

The Charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

10. LEGAL STATUS OF THE CHARITY

Ken Dodd Charitable Foundation is an unincorporated trust, registered as a charity in England and Wales. The Charity's registered number and principal address can be found on page 1.

11. RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22 £	31.3.21 £
Net movement in funds	1,461,515	1,614,487
Gains on revaluation of fixed asset investments	(431,509)	(1,725,751)
Investment income	<u>(452,569)</u>	<u>(408,079)</u>
	577,437	(519,343)
Increase in creditors	<u>-</u>	<u>-</u>
Net cash generated from (used by) operating activities	<u>577,437</u>	<u>(519,343)</u>

12. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22 £	1.4.21 £
Cash and cash equivalents	<u>810,815</u>	<u>334,416</u>

Year ended 31 March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>334,416</u>	<u>513,980</u>

Opinion

We have audited the financial statements of Ken Dodd Charitable Foundation (the 'Charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
 - the financial statements are not in agreement with the accounting records; or
 - we have not obtained all the information and explanations necessary for the purposes of our audit.
-

Responsibilities of the trustees

As explained more fully in the responsibilities of the trustees in relation to the financial statements set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to wind up the Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations was as follows:

we ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

we identified the laws and regulations applicable to the Charity through discussions with trustees;

we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity;

we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and reviewing supporting documentation; and

identified laws and regulations were communicated within the audit team regularly and the team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

making enquiries of the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In addition to the above, our procedures to respond to identified risks included reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that auditors would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

John Kerr
Statutory Auditors
Chartered Accountants
375 Eaton Road
West Derby
Liverpool
Merseyside
L12 2AH

29 November 2022