



**THE CINQUEFOIL TRUST**

**TRUSTEES' ANNUAL REPORT AND FINANCE STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2022**

**Dispensation**

The names of the Trustees are withheld from this report in accordance with a formal dispensation given by the Charity Commission for the purposes of regulation 40(4) of the Charities (Accounts and Reports) Regulations 2008.

**Charity registered number**

1182006

**Principal Office**

The Cinquefoil Trust,  
The Secretary  
PO Box 3255  
London  
SW1P 1AE

## **TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements of the Cinquefoil Trust, a Charitable Incorporated Organisation ("the CIO"), for the period 1 April 2021 to 31 March 2022.

### **Structure, governance and management**

#### **Constitution**

The Cinquefoil Trust is a registered Charitable Incorporated Organisation (CIO) charity number 1182006 and was constituted on 20 December 2018. It was granted charitable status and registered with the Charity Commission on 13 February 2019. It is governed by its Constitution document. The Charity previously operated as a Charitable Trust charity number 1157310. All of the Trust's operations, assets and liabilities were transferred to the new CIO with effect from 1 April 2019. The CIO operates from the same principal address.

#### **Trustees**

In accordance with the CIO's Constitution there shall be a minimum of three and a maximum of nine trustees. During the period, the CIO operated with nine Trustees, with a Chair appointed from among them. The names of the Trustees are withheld from this report in accordance with a formal dispensation given by the Charity Commission for the purposes of regulation 40(4) of the Charities (Accounts and Reports) Regulations 2008.

Should the number of Trustees fall below the maximum, the Trustees may appoint additional Trustees up to that maximum at their discretion by resolution at a properly convened meeting of the Trustees.

All Trustees are non-remunerated volunteers. The CIO meets the salary costs of a part-time seconded administrator. Meetings of the Trustees have taken place 7 times in the 12 months under review. At these meetings, Trustees agreed broad strategy and areas of activity for the CIO. Key activities in 2021-22 have been managing a large legacy received in March 2019 and launching further medium and long-term plans for this funding to expand delivery against the objectives of the CIO. The Trustees are supported in the day-to-day running of the CIO by Trustee-led committees made up largely of unpaid volunteers.

New trustees receive an information pack containing the CIOs constitution and key policies, and are required to familiarise themselves with core Charity Commission guidance. Going forward, the new Trustees will also receive externally-provided training on the roles and responsibilities of charitable trustees. All Trustees receive update training on an annual basis.

#### **Risk management**

The Trustees regularly review the risks to which the CIO is exposed and the systems in place to mitigate them. The main risks include loss of invested funds through poor management or an adverse financial environment, loss of funds through administrative fraud or malpractice, and reputational damage through failure to ensure compliance with changes in legislation and regulations.

#### **Objectives and activities**

The objectives of the CIO, as set out in the Constitution, are to apply its income and capital:

- (a) for the provision of grants to registered charities; and**

- (b) for the promotion of the efficiency of the Security Service (MI5) through the relief of need (by reason of health, disability, age, financial hardship or disadvantage) amongst serving and former members, their dependants and those in a family relationship with such members and former members, and through provision of support and assistance to enhance their morale and well-being.**

During the period, the CIO sought to achieve its objectives by making grants and providing interest free loans to relieve the financial hardship and/or enhance the morale and well-being of serving and former members etc. Grants and loans related to financial hardship are typically provided where the beneficiary's financial position has suffered a significant adverse effect, for example by reason of a bereavement or ill health. Assistance has also been provided to enable beneficiaries to meet necessary expenditure, eg on utilities or domestic repairs or renovations. In such cases, in deciding whether to make a grant or interest-free loan, the Trustees consider the applicant's income and expenditure and their assets, along with all other relevant circumstances, in order to determine whether the grant or loan is an appropriate means of achieving the CIO's objectives. During the period the CIO also introduced schemes offering capped grants and loans to eligible applicants, namely one scheme to assist beneficiaries with the additional costs of home schooling during the Covid pandemic, another to enable beneficiaries to access counselling, and another to assist new or recent joiners to meet initial accommodation costs incurred when relocating to take up their employment. The CIO has made two grants to registered charities in the period.

### **Achievements and performance**

Total expenditure for the period was over £300,000 and was in addition to interest-free loans to the value of approximately £94,000, to be repaid over a range of terms between a few months and six years. The CIO made contributions towards the utility bills of beneficiaries in need (up to a total of £2,000 per case) and annual contributions (£1,000) towards educational expenses for some child beneficiaries who have lost a working parent through a bereavement. The CIO has been particularly mindful of the potential impact of the Covid pandemic on the beneficiary community and has sought to provide support, for example through a scheme to assist with the extra costs associated with home schooling. A new initiative for assisting new joiners with initial accommodation costs, where the joiner needs to relocate in order to take up their employment, commenced in the year.

The work of the CIO has generally involved providing urgent financial support in cases of need where support is not available from other sources.

The CIO received a large legacy of £15 million in March 2019. Other sources of funding have been through fundraising efforts, donations, legacies and investment income. There has been a steady stream of expenditure, through grants and loans, which has lifted people out of hardship or stopped them getting into further hardship. The CIO retains sufficient funds to resource its expected request for its remaining life and is in a healthy financial position.

The CIO has received about £28,000 in loan repayments during the period, repaid in accordance with repayment plans agreed with recipients.

### **Reserves policy**

It is the aim of the Trustees to retain sufficient reserves to meet demands for in-year regular appeals for help, whilst providing a contingency to meet future demands. The large legacy received in March 2019 will enable the Charity to significantly expand its work whilst maintaining a healthy level of reserves to meet any gap between the levels of demand for help and the level of the regular subscriptions from past and serving members of staff, which had hitherto formed the bulk of the CIO's income.

The Trustees review the Charity's reserves in light of Charity Commission guidance and will continue to adopt and develop the Reserves Policy as the Charity develops.

### **Investment policy and performance**

The Charity's Investment Policy sets out the overall investment objectives in the context of the CIO's objectives and is reviewed annually. The CIO has adopted a responsible investment policy which ensures that exposure to certain industries is minimised and consideration of Environmental, Social and Governance (ESG) factors are considered throughout the investment process.

The Charity's investments are held through pooled charity funds with two investment managers. The Trustees are satisfied that appropriate steps have been taken to manage the threat to the CIO's investment portfolio through the diversification of funds, as well as underlying investment assets. They are also satisfied that sufficient measures are in place to prevent financial or administrative fraud or malpractice to ensure compliance with any changes in legislation.

In the year to March 2022, investment assets increased to £18.9m as financial markets continued to recover from the COVID lockdown. The Trustees acknowledge the heightened level of market volatility in the year ahead brought about by the impact of the Ukraine conflict, rising levels of inflation and higher interest rates. Despite the uncertainty, the Trustees remain content that their investments still meet their joint objectives of delivering a recurring level of income to support grant-making activity and sufficient growth to ensure enduring grant-making for future generations.

### **Financial review**

#### **Going Concern**

After making appropriate enquiries, the Trustees are satisfied that the CIO has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the financial statements. The steps taken by the Trustees at the end of previous reporting period, for example enabling home working, were effective in ensuring the Charity could continue to operate throughout the prolonged disruption caused by the Covid pandemic. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

### **Fundraising**

The Charity occasionally receives voluntary funds from individuals and these are included under fundraising events in the accounts. However, the Charity does not actively fund raise. It does not engage external professional fundraisers or commercial participators to carry out fundraising activity, nor does it engage in face to face or telephone fundraising. The Charity has received no complaints about its fundraising activities during the financial year or subsequently.

### **Public Benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their duties.

The help of the CIO is available equally to everyone within its intended beneficiary group. Applications can be made through any of the Trustees and their administrators using any communication tool, and all applications are viewed equally and considered on their merits.

### **Plans for Future Periods**

The Trustees are preparing medium term and long-term plans to expand delivery against the objectives of the CIO. Projects planned to start in 2022-23 are:

- A pilot scheme, previously planned to launch 2021-22 but delayed due to Covid, to provide financial assistance to enable beneficiaries who are carers or being cared for to take advantage of opportunities for respite care.
- Consideration of means by which the CIO, may be able to assist beneficiaries who are struggling to manage cost of living increases.

### **Trustees' responsibilities statement**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom account 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 CIO and of the incoming resources and application of resources of the CIO 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CIO will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO 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 Constitution. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Declaration**

The Chair of the Trustees declares that the Trustees approved this report on 20 January 2023

Signed by the Chair (name held by Charity Commission)

Dated: 20 January 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CINQUEFOIL TRUST**

### **Opinion**

We have audited the financial statements of The Cinquefoil Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, 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 Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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**

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.



- We obtained an understanding of how the charity complies with these requirements by discussions with management.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Date: 12 January 2023

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Total Funds 2021-22 £	Total Funds 2020-21 £
<b>Income</b>			
Donations and legacies	2	192,933	13,470
Fundraising events		-	-
Investment income	3	19,818	117,756
<b>Total income</b>		<b>212,751</b>	<b>131,226</b>
<b>Expenditure</b>			
Charitable activities		320,162	202,789
<b>Total expenditure</b>	6	<b>320,162</b>	<b>202,789</b>
<b>Net expenditure before investment gains</b>		<b>(107,411)</b>	<b>(71,563)</b>
Net gains on investments	8	1,451,962	2,063,879
<b>Net income before other recognised gains</b>		<b>1,344,551</b>	<b>1,992,316</b>
<b>Net Movement in Funds</b>		<b>1,344,551</b>	<b>1,992,316</b>
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>		<b>18,012,506</b>	<b>16,020,190</b>
<b>Total funds carried forward</b>		<b>19,357,057</b>	<b>18,012,506</b>

The notes on pages 12 to 19 form part of these financial statements

**BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2021-22	2020-21
<b>Fixed Assets</b>			
Investments	8	18,886,262	17,414,483
<b>Total fixed assets</b>		<b>18,886,262</b>	<b>17,414,483</b>
<b>Current assets</b>			
Debtors	9	156,583	79,856
Cash at bank and in hand	12	347,316	540,143
<b>Total current assets</b>		<b>503,899</b>	<b>619,999</b>
<b>Liabilities</b>			
<b>Creditors: amounts falling due within one year</b>	10	(33,104)	(21,976)
<b>Net current assets</b>		<b>470,795</b>	<b>598,023</b>
<b>Total net assets</b>		<b>19,357,057</b>	<b>18,012,506</b>
<b>Funds of the Charity</b>			
<b>Unrestricted funds</b>		19,357,057	18,012,506
<b>Total funds</b>		<b>19,357,057</b>	<b>18,012,506</b>

The notes on pages 12 to 19 form part of these accounts.

Approved by the Trustees and signed on their  
behalf 20 January 2023

Name Held by Charity Commission

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2021-22 £	2020-21 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	<b>11</b>	(192,828)	(77,878)
<b>Cash flows from investing activities</b>			
Investment income		19,818	117,756
Purchase of investments		(15,432)	(16,320,136)
Disposal proceeds		-	16,574,432
<b>Net cash provided by investing activities</b>		<u><b>4,386</b></u>	<u><b>372,052</b></u>
<b>Change in cash and cash equivalents in the year</b>		<b>(188,442)</b>	<b>294,174</b>
Cash and cash equivalents brought forward		<u>540,143</u>	<u>245,969</u>
<b>Cash and cash equivalents carried forward</b>	<b>12</b>	<u><u><b>351,701</b></u></u>	<u><u><b>540,143</b></u></u>

The notes on pages 12 to 19 form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

### **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) 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 on the basis of historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. They 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 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The financial statements are prepared in sterling which is the functional currency of the Charity. Monetary amounts are rounded to the nearest pound. The Cinquefoil Trust constitutes a public benefit entity as defined by FRS 102.

#### **1.2 Income**

All incoming resources are recognised once the Charity becomes entitled to the resources, it is virtually certain that the resources will be received and the monetary value can be measured with sufficient reliability.

For legacies, entitlement is taken as the earlier of the date on which either: the CIO is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the CIO has been notified of the executor's intention to make distribution. Where legacies have been notified to the CIO, or the CIO is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the CIO 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 CIO of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised.

#### **1.3 Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that the expenditure will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all related costs.

Support costs are those incurred directly in support of expenditure on the objectives of the Charity. Governance costs are those incurred in connection with the administration of the CIO and compliance with constitutional and statutory requirements.

Grants payable are taken into account when the commitment to pay has been made. Where income has related expenditure, the income and related expenditure are reported gross in the Statement of Financial Activity.

#### **1.4 Investments**

Fixed asset investments are a form of financial instrument. They are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless a fair value cannot be measured reliably, in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains / (losses) on investments' in the Statement of Financial Activities.

#### **1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably. 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 the 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 CIO 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.

#### **1.9 Financial instruments**

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under Section 11 of FRS 102. Financial instruments are recognised in the CIO's balance sheet when the CIO 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 the liability simultaneously.

### 1.10 Fund Accounting

Unrestricted funds are general funds that are available for use at the Trustees' discretion for the furtherance of any of the objectives of the Charity. Restricted funds are those donated for use for specific purposes, the use of which is restricted to that purpose and the restriction means that the funds can only be used for specific projects or activities.

### 1.11 Going Concern

The Trustees are satisfied that the CIO has adequate resources to continue in operational existence for the foreseeable future, having considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern, including the Covid19 pandemic. They are satisfied that the substantial reserves and liquid assets held by the Charity justify their belief that there are no material uncertainties that pose a significant threat to its ability to continue as a going concern.

### 1.12 Critical accounting estimates and areas of judgement

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The Trustees consider the estimates involved in the valuation of investments to have the most significant effect on amounts recognised in the financial statements. These are taken directly from the investment managers' reports.

## 2 Income from donations and legacies

	<b>Total funds 2021-22 £</b>	<b>Total funds 2020-21 £</b>
Donations and legacies	192,933	13,470
	<b>192,933</b>	<b>13,470</b>

All donations in 2020-21 and 2021-22 were unrestricted.

### 3 Investment Income

	<b>Total funds 2021-22 £</b>	<b>Total funds 2020-21 £</b>
Investment income - distributions	19,815	111,799
Investment income - interest	3	5,957
	<b>19,818</b>	<b>117,756</b>

All investment income in 2020-21 and 2021-22 was unrestricted.

### 4 Support Costs

	<b>Total 2021-22 £</b>	<b>Total 2020-21 £</b>
Beneficiary organisation charge	24,740	24,471
	<b>24,740</b>	<b>24,471</b>

The CIO does not directly employ any paid member of staff, but, under an agreement with the beneficiary organisation, receives the services of a member of the latter's staff on a part time basis , for which the CIO reimburses the beneficiary organisation. The latter is responsible for the PAYE, NI and pension of the staff member.

### 5 Governance Costs

	<b>Total 2021-22 £</b>	<b>Total 2020-21 £</b>
Audit fee	18,500	17,940
Other expenditure	6,693	2,955
	<b>25,193</b>	<b>20,895</b>



## 6 Expenditure

	<b>Total 2021-22 £</b>	<b>Total 2020-21 £</b>
<b>Charitable activities</b>		
Direct charitable activities	270,229	157,423
Support costs (see note 4)	24,740	24,471
Governance costs (see note 5)	25,193	20,895
	<b><u>320,162</u></b>	<b><u>202,789</u></b>

Included in direct charitable activities above is £202,257 (2020-21: £142,752) spent on hardship grants, all to individuals.

## 7 Related party transactions and key management personnel

	<b>Total funds 2021-22 £</b>	<b>Total funds 2020-21 £</b>
Trustee expenses to 0 trustees (0 in 2020-21)	<u>-</u>	<u>-</u>

During the year there were no related party transactions (2020-21 - nil).  
The Trustees are considered to be the key management personnel of the charity.  
During the year no Trustees received any remunerations (2020-21 - nil).  
During the year no Trustees received any benefits in kind (2020-21 - nil).

**Fixed asset investments**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Brought forward	17,414,483	8,104,900
Purchases	12,080	16,281,803
Cash invested	-	7,500,000
Dividends reinvested	3,352	38,333
	<b>17,429,915</b>	<b>31,925,036</b>
Disposal proceeds	-	(16,574,432)
Realised gains on investments	-	681,199
Unrealised gains on investments	1,451,962	1,382,680
<b>Total net gain on investments</b>	<b>1,451,962</b>	<b>2,063,879</b>
Carried forward investment values (shares value at 31 March 2022)	18,881,877	17,414,483
Cash investment at 31 March 2022	4,385	-
<b>Carried forward total investments</b>	<b>18,886,262</b>	<b>17,414,483</b>
<b>Historical cost at 31 March</b>	<b>17,414,483</b>	<b>15,500,000</b>
<b>Investments at market value comprise:</b>	<b>2021-22</b>	<b>2020-21</b>
Fixed investments	18,881,877	17,414,483
Cash	4,385	-
	<b>18,886,262</b>	<b>17,414,483</b>

All the fixed asset investments are held in the UK.

**Material investments**

The CIO's fund investments are invested evenly between Sarasin and CCLA which at the year end had balances of:

- Sarasin Endowments Fund Class A Acc; and	4,479,001
- Sarasin Endowments Fund Class A Inc; and	4,478,311
- CCLA COIF Charity Funds	9,924,565
	<b>18,881,877</b>

**9 Debtors**

**Amounts falling due within one year**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Loans	42,975	23,154
Other debtors	23,100	13,163
	<hr/> 66,075	<hr/> 36,317

**Amounts falling due after more than one year**

Loans	90,508	43,539
	<hr/> 90,508	<hr/> 43,539
<b>Total Debtors</b>	<hr/> <b>156,583</b> <hr/>	<hr/> <b>79,856</b> <hr/>

**10 Creditors and accruals**

**Amounts falling due within one year**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Other creditors	6,914	566
Accruals	26,190	21,410
<b>Total Creditors</b>	<hr/> <b>33,104</b> <hr/>	<hr/> <b>21,976</b> <hr/>

**11 Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Net income for the year (as per Statement of Financial Activities)	1,344,551	1,992,316
<b>Adjustment for:</b>		
(Gains) / Losses on investments	(1,451,962)	(2,063,879)
Investment income	(19,818)	(117,756)
(Increase) / decrease in debtors	(76,727)	112,189
Increase / (decrease) in creditors	11,128	(748)
<b>Net cash provided by operating activities</b>	<b>(192,828)</b>	<b>(77,878)</b>

**12 Analysis of cash and cash equivalents**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Cash in hand	347,316	540,143
Cash held in investments	4,385	-
<b>Total</b>	<b>351,701</b>	<b>540,143</b>