

THE PORTO CHARITABLE TRUST

Trustees' Report **and Unaudited Financial Statements** for the year ended 16 March 2021

Registered Charity Number 1189244

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

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THE PORTO CHARITABLE TRUST

UNAUDIED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

CHARITY INFORMATION

Trustees

Dawn Malone (Settlor)
Stephen Malone (Settlor)
Coutts & Co *to 05 July 2021*
Ludlow Trust Company Limited *from 05 July 2021*

Principal office

Ludlow Trust Company Limited
Trustee Department
1st Floor
Tower Wharf
Cheese Lane
Bristol
BS2 0JJ

Registered charity number

1189244

Independent Examiner

Geoffrey Frost
Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers and investment managers

Coutts & Co
440 The Strand
London
WC2R 0QS

Solicitors

TLT LLP
One Redcliffe Street
Bristol
BS1 1TP

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

TRUSTEES' REPORT

The trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the year ended 16 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT

The Porto Charitable Trust is a registered charity constituted under a trust deed dated 16 March 2020 and registered as a charity 28 April 2020.

The trust is controlled by the trustees (list provided on page 1). Trustees are appointed by the settlors during their lifetime and subject to that the trustees.

On agreeing to become a trustee of the charity, the trustees are thoroughly briefed by the existing co-trustees on the history of the trust, the day-to-day management, responsibilities of the trustees, the current objectives and future plans.

The charity is managed by the trustees, with all decisions taken by the trustees.

The trustees have assessed the major risks to which the charity is exposed. The trustees believe that by ensuring controls exist over key financial systems incorporating Coutts & Co's systems and controls they have established effective systems to mitigate those risks.

OBJECTIVES AND ACTIVITIES

The charity's objects are to apply the income, and all or such part or parts of the capital, at such time or times and in such manner to, or for the benefit of such charities or such exclusively charitable purposes according to the law of England and Wales in any part of the world as the trustees may in their discretion think fit.

In order to further the charity's objects the Trustees make grants to charitable organisations for the public benefit. These grants are made to organisations whose core purposes meet the charity's objects and the trustees consider in making these grants the charity is fulfilling its aims.

In determining how the charity should pursue its objects, the trustees have had regard to the Charity Commission's guidance on public benefit.

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

During the year under review the charity made grants in furtherance of the objects amounting to £394,696.

During the year under review the charity received donations amounting to £780,705 and gift aid of £194,124 which has been added to the capital fund.

At 16 March 2021 the charity's total funds amounted to £570,468 with reserves of £nil. Given the availability of the expendable endowment fund the trustees do not consider that the charity needs to maintain any significant free reserves although they recognise that such reserves will arise from time to time.

The trustees have continued their investment policy of holding funds in a mix of fixed interest securities and equities to provide income and maintain capital.

FUNDRAISING STANDARDS

The charity does carry out any fundraising activities from the public with grants made from income derived from capital and capital withdrawals.

THE PORTO CHARITABLE TRUST

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TRUSTEES' REPORT

PLANS FOR FUTURE PERIODS

The trustees intend to continue the charity's grant-making activity in furtherance of the charity's objects.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPOINTMENT OF INDEPENDENT EXAMINER

During the year under review the charity was below the threshold for audit and appointed Geoffrey Frost of Blue Spire Limited as examiner to the charity. Geoffrey Frost has expressed his willingness to continue as examiner to the charity for subsequent financial years where the charity remains below the audit threshold.

Approved by the trustees and signed on their behalf.



James Sansum on behalf of Ludlow Trust Company Limited
Trustee

Date²⁴ January 2022

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the Trustees of The Porto Charitable Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 16 March 2021 which are set out on pages 5 to 14.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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

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



Geoffrey Frost BSc(Hons) FCA
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Date 24 January 2022

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	1	-	974,829	974,829
Investments	2	-	-	-
Total		<u>-</u>	<u>974,829</u>	<u>974,829</u>
EXPENDITURE ON:				
Raising funds - Investment management fees	3	-	9,665	9,665
Charitable activities	4	394,696	-	394,696
Total		<u>394,696</u>	<u>9,665</u>	<u>404,361</u>
Net income/(expenditure)		(394,696)	965,164	570,468
Transfers between funds	11	<u>394,696</u>	<u>(394,696)</u>	<u>-</u>
Net movement in funds		-	570,468	570,468
RECONCILIATION OF FUNDS				
Total funds brought forward	11	-	-	-
Total funds carried forward	11	<u><u>-</u></u>	<u><u>570,468</u></u>	<u><u>570,468</u></u>

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

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

BALANCE SHEET AS AT 16 MARCH 2021

	Note	2021 £	£
CURRENT ASSETS			
Cash at hand and in bank		571,632	
Total current assets		<u>571,632</u>	
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	9	<u>1,164</u>	
Net current assets/(liabilities)			570,468
Total assets less current liabilities			<u>570,468</u>
Creditors: amounts falling due after more than one year - grants payable			-
Total assets/(liabilities)			<u><u>570,468</u></u>
THE FUNDS OF THE CHARITY			
Expendable endowment funds	11		570,468
Unrestricted funds	11		-
Total charity funds			<u><u>570,468</u></u>

The notes on pages 9 to 11 form part of the financial statements.

24 January 2022

The financial statements on pages 5 to 11 we approved and authorised for issue by the trustee on and signed on its behalf by:

James Sansum

James Sansum on behalf of Ludlow Trust Company Limited
Trustee

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

The Porto Charitable Trust is an unincorporated association constituted under a trust deed. The address of the principal office is given in the reference and administrative details section and the nature of the charity's operations and principal activities are given in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following expenditure headings:

- Raising funds; these include investment management fees charged by the charity's investment managers
- Charitable activities; these include grants to third parties and the costs of administering the charity inclusive of governance costs

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support and governance costs are those that assist the work of the charity but do not directly represent charitable activities. They are incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in the governance of the charity and primarily associated with the constitution and statutory requirements.

VAT

The charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SOFA.

Taxation

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

ACCOUNTING POLICIES

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Where investments are denominated in currencies other than Sterling, transactions are translated at the rate prevailing at the date of the transaction and year end values are calculated using the exchange rate prevailing at the year end.

Investments held in foreign currencies

Where investment assets are held in a foreign currency they are translated at the prevailing rate at the balance sheet date and any gain/loss on exchange rate movements is included in the statement of financial activities in the other recognised gains and losses section.

Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Fund accounting

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

Expendable endowment funds are those which are required to be invested to produce income but which may be transferred to unrestricted funds at the discretion of the trustees in order that they may be expended in furtherance of the charity's objectives.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

THE PORTO CHARITABLE TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Donations	-	780,705	780,705
Gift aid	-	194,124	194,124
	<u>-</u>	<u>974,829</u>	<u>974,829</u>

2. Investment income

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Income from investments	-	-	-
Interest on cash deposits	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

3. Raising funds - investment management charges

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Fees paid to investment managers	-	9,665	9,665
	<u>-</u>	<u>9,665</u>	<u>9,665</u>

4. Charitable activities

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Grants (see note 5)	394,696	-	394,696
Governance costs (see note 6)	-	-	-
	<u>394,696</u>	<u>-</u>	<u>394,696</u>

5. Grants - to institutions (1 grant unless annotated)

	2021 Unrestricted Funds £
Cheshire Connect	25,000
East Cheshire Hospice	150,000
Hargreaves Charitable Trust	8,000
Macclesfield Family Church - Silklife Foodbank	5,000
Manchester Youth Zone - East	200,000
Wilmslow High School PTA	6,696
	<u>394,696</u>

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NOTES TO THE FINANCIAL STATEMENTS

6. Governance Costs

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Legal fees	-	-	-
Independent examiner's fees	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

7. Examiner's remuneration

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Examiner's fees - examination	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

8. Related party transactions

Fees payable to Coutts & Co, which was a trustee of the charity, are included under raising funds and governance costs and are authorised under section 6 of the trust deed. At the balance sheet date £1,164 was accrued in respect of these fees.

The charity has no employees, with all administration being carried out by the trustees.
No trustees received remuneration nor expenses in the year under review or the comparative year.

9. Creditors: amounts falling due within one year

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Accruals - Professional fees	-	-	-
Accruals - management fees	-	1,164	1,164
	<u>-</u>	<u>1,164</u>	<u>1,164</u>

10. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Current assets	-	571,632	571,632
Current liabilities	-	(1,164)	(1,164)
	<u>-</u>	<u>570,468</u>	<u>570,468</u>

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UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 16 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

11. Analysis of net movements in funds

	Unrestricted Funds £	Endowment Funds £	2021 Total Funds £
Total funds brought forward	-	-	-
Total incoming resources	-	974,829	974,829
Total resources expended	(394,696)	(9,665)	(404,361)
Transfers between funds	394,696	(394,696)	-
Total funds carried forward	<u>-</u>	<u>570,468</u>	<u>570,468</u>

The transfer of funds from the expendable endowment fund to unrestricted general fund was implemented by the trustees in order to provide resources for grant awards in furtherance of the charity's objectives as authorised by clause 2.3 of the trust deed.