

Charity registration number 1200657

THE EQUILIBRIUM CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

THE EQUILIBRIUM CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|----------|------------------|-----------------------------|
| Trustees | C A Lawson | (Appointed 12 October 2022) |
| | M Milton-Edwards | (Appointed 12 October 2022) |
| | D Shah | (Appointed 12 October 2022) |
| | S E Warburton | (Appointed 12 October 2022) |
| | A R Evans | (Appointed 12 October 2022) |

| | |
|-------|-----------|
| Chair | A R Evans |
|-------|-----------|

| | |
|----------------|---------|
| Charity number | 1200657 |
|----------------|---------|

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|----------------------|----------------------|
| Independent examiner | Azets Audit Services |
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THE EQUILIBRIUM CHARITABLE TRUST

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THE EQUILIBRIUM CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the period ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Our donor advised fund (DAF), The Equilibrium Charitable Trust, was created in 2022 to provide clients with a friction-free route into philanthropy. As well as offering financial planning benefits, charitable giving offers enormous potential to make a difference, engage with future generations and the ability to leave a lasting legacy.

A DAF is the UK's fastest growing philanthropic vehicle as it is an attractive alternative to donating directly or setting up an individual charitable foundation. They provide a smart and effective solution to make a philanthropic impact in a simple, flexible and cost-effective manner.

Donor advised funds are well-established in the US and are becoming increasingly used in the UK to support donors with their charitable endeavours. In line with their purpose of making people's lives better, Equilibrium Financial Planning LLP sought to launch The Equilibrium Charitable Trust and offer as part of their financial planning proposition in order to build on the growing importance of philanthropy amongst their client bank.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The objects of the CIO are such exclusively charitable purposes for the public benefit as the charity trustees may from time to time see fit.

Grants to specific organisations have not yet been made but will be determined by the wishes of the donors and subject to due diligence prior to the trustees agreement to support such causes.

Grants will be made to charitable organistaions in line with the stated wishes of the donor (subject to approval from the trustees following appropriate due dilligence)

Volunteers manage the day to day running of and help promote the CIO.

Achievements and performance

During it's first full year of operation, the CIO has secured donations totalling £269,619 of which £135,000 is eligible for gift aid. The donors have specified a number of charities for the trustees to consider which support health, children, social issues and the environment but wish for their donations to grow before any grants are made.

Conversations with clients of Equilibrium Financial Planning LLP (EFP) who have an interest in philanthropy, and who see this as part of their future financial planning arrangements, continue to take place. A high level of engagement has already been shown and we anticipate a hard launch of this service during 2025.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

THE EQUILIBRIUM CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

Investment policy

EFP has recommended that Equilibrium Investment Management (EIM) be appointed by the trustees. They will be provided with an investment mandate which can be used to manage the CIOs funds and provide a framework for the fund selection based on the objectives of each donor.

Principal risks and uncertainties

The principal risks are the impact of the economic environment on the financial markets and subsequent investment performance, and also the appetite of clients to make donations.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees who served during the period and up to the date of signature of the financial statements were:

| | |
|------------------|-----------------------------|
| C A Lawson | (Appointed 12 October 2022) |
| M Milton-Edwards | (Appointed 12 October 2022) |
| D Shah | (Appointed 12 October 2022) |
| S E Warburton | (Appointed 12 October 2022) |
| A R Evans | (Appointed 12 October 2022) |

In selecting individuals for appointment, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. No fewer than a third of the charity trustees shall be appointed by EFP and need not be a member or employee of EFP. Any person retiring as a charity trustee is eligible for reappointment.

The charity trustees shall manage the affairs of the CIO. There must be at least three charity trustees and the maximum number that may be appointed is seven. The first charity trustees are five in number.

Equilibrium Financial Planning (EFP) provides investment and financial planning advice to individuals in the course of its day to day business. Clients of EFP are offered the opportunity to create a fund within the CIO (to operate as a donor advised fund) in order to facilitate their charitable giving.

EFP will forgo fees on planning advice to client on the element of their funds which give to the CIO. It also provides significant administrative support to the CIO, including free provision of meeting rooms for trustee and other meetings, IT services and minute-taking in order to the minimise administrative costs of the CIO.

In addition, EIM has been appointed as the investment manager who run a range of their own funds with varying degrees of risk in which it is likely that donors will invest in. The annual management charge of such funds is competitive relative to the wider market.

One of the first charity trustees is also a majority equity partner in both EFP and EIM.

The trustees' report was approved by the Board of Trustees.



.....
C A Lawson
Trustee

Date:

THE EQUILIBRIUM CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2024

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

THE EQUILIBRIUM CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE EQUILIBRIUM CHARITABLE TRUST

I report to the trustees on my examination of the financial statements of The Equilibrium Charitable Trust (the charity) for the period ended 31 March 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity'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 ICAEW, which is one of the listed bodies.

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

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

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

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

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

Azets Audit Services

Azets Audit Services

Susanna Cassey FCA

Dated: *29 Jan '25*

THE EQUILIBRIUM CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2024

| | Notes | Unrestricted funds 2024 £ |
|---------------------------------------|-------|------------------------------------|
| <u>Income from:</u> | | |
| Donations and legacies | 2 | 303,369 |
| Investments | 3 | 52 |
| Total income | | 303,421 |
| <u>Expenditure on:</u> | | |
| Other | 6 | 2,859 |
| Total expenditure | | 2,859 |
| Net gains/(losses) on investments | 7 | 2,754 |
| Net movement in funds | | 303,316 |
| Fund balances at 12 October 2022 | | - |
| Fund balances at 31 March 2024 | | 303,316 |

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

All income and expenditure derive from continuing activities.

THE EQUILIBRIUM CHARITABLE TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

| | Notes | 2024 £ | £ |
|---|-------|-----------|---------|
| Fixed assets | | | |
| Investments | 9 | | 272,401 |
| Current assets | | | |
| Debtors | 10 | 33,750 | |
| Creditors: amounts falling due within one year | 11 | (2,835) | |
| Net current assets | | | 30,915 |
| Total assets less current liabilities | | | 303,316 |
| Income funds | | | |
| Unrestricted funds | | | 303,316 |
| | | | 303,316 |

The financial statements were approved by the Trustees on


.....
C A Lawson
Trustee

THE EQUILIBRIUM CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Equilibrium Charitable Trust is a Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE EQUILIBRIUM CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

THE EQUILIBRIUM CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

Unrestricted
funds

2024
£

Donations and gifts

303,369

3 Investments

Unrestricted
funds

2024
£

Interest receivable

52

4 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

5 Employees

The average monthly number of employees during the period was:

2024
Number

Total

-

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

THE EQUILIBRIUM CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2024

6 Other

| | Unrestricted funds |
|------------------|-----------------------|
| | 2024 £ |
| Governance costs | 2,835 |
| Financing costs | 24 |
| | <u>2,859</u> |

It is intended for the governance costs of the trust to be offset by donations into the trust by Equilibrium Financial Planning LLP. The donations will be made post year end.

7 Net gains/(losses) on investments

| | Unrestricted funds |
|----------------------------|-----------------------|
| | 2024 £ |
| Revaluation of investments | <u>2,754</u> |

8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE EQUILIBRIUM CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2024

9 Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 12 October 2022 | - |
| Additions | 269,619 |
| Valuation changes | 2,782 |
| At 31 March 2024 | 272,401 |
| Carrying amount | |
| At 31 March 2024 | 272,401 |
| At 12 October 2022 | - |

10 Debtors

| | 2024 £ |
|---|-----------|
| Amounts falling due within one year: | |
| Other debtors | 33,750 |

11 Creditors: amounts falling due within one year

| | 2024 £ |
|------------------------------|-----------|
| Accruals and deferred income | 2,835 |

12 Unrestricted funds

It is intended for the operational costs of the trust to be offset by donations into trust by Equilibrium Financial Planning LLP. The donations will be made post year end.

13 Related party transactions

There were no disclosable related party transactions during the period.