

CHERRYTREE
UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CHERRYTREE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Steve Walker (Chair)
Alan Brown
Jon Dunn
John Fuller
Janice Hoole
Liz Murray
Jon Smith
Lynne Urpeth

Charity number

232351

Independent examiner

Sutton McGrath Hartley
5 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

Bankers

Royal Bank of Scotland plc
5 Church Street
Sheffield
S1 1HE

Investment advisors

Investec Wealth & Investment (UK)
Beech House
61 Napier Street
Sheffield
S11 8HA

CHERRYTREE

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CHERRYTREE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Trustees present their report and accounts for the year ended 31 December 2023. The accounts 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) (effective 1 January 2015)."

Objectives and activities

The objectives of Cherrytree are to provide accommodation and support to homeless young people between the ages of 16 and 21, with the intention of enabling them to re-establish their lives and acquire their own accommodation with the skills and confidence to maintain it.

The charity achieves these objectives by supporting the work of Cherrytree Support Services Limited (CSS) through the provision of the home, land and offices on Mickley Lane and financial support. The Trustees are satisfied that CSS has achieved its objectives for the year, and that the grants paid have been used exclusively for promoting the charitable objects of Cherrytree. In particular, the charity extended its funding of the Home & Health Worker employed by CSS, continuing to 31 March 2026.

The Trustees recognise their responsibility in ensuring that the organisation continues to provide a service of public benefit and to this end refer to Charity Commission guidelines on this matter.

Achievements and performance

The charity made grants of £64,981 to CSS during the year, including contributions towards the cost of a project worker, a counsellor, residents' entertainment and the home & health worker. The charity also paid CSS £50,000 during the year to help overcome cash flow difficulties.

During the year, there was a decrease of £45,222 in the value of investments held by the charity. This comprised net gains of £14,778 less sales of £60,000 to facilitate the support given to CSS. The investments are subject to ongoing review to make sure that the portfolio remains suitable, resulting in maintenance of the long-term investment time horizon of over ten years and the medium risk profile. The Trustees believe that the balanced investment objective suits the charity's circumstances based on its cash flow requirements and investment goals.

Financial review

The statement of financial activities shows a deficit for the year of £62,228, comprising income of £55,592 less expenditure of £132,598 plus gains of £14,778 on investments. As at 31 December 2023, the charity had general unrestricted funds of £444,494 and designated funds of £1,133,335. In accordance with Charity Commission recommendations, the designated funds are allocated to a separate reserve account, comprising the income support reserve.

The charity's policy is that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to three months' expenditure. The Trustees consider that this policy 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 year.

The charity's main funding source is investment income. This income of £42,270 was sufficient to meet the charity's obligations on a fund-by-fund basis.

CHERRYTREE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Future plans

The charity extended the funding arrangement for the Home & Health Worker employed by CSS by two years, continuing to 31 March 2026. Further funding requests from CSS will be considered as they arise. To date, the charity has agreed to cover the cost of fire door upgrades at Mickley Lane and the establishment of a fund to assist young people after they have moved on from CSS.

Structure, governance and management

The Cherrytree Orphanage was founded in 1862. The Cherrytree charity (Charity registration number: 232351) was established in 1966 and is governed by a Charity Commission approved scheme. All powers are vested in the Trustees. The charity is an unincorporated organisation.

The Trustees who served during the year were:

Steve Walker (Chair)
Alan Brown
Jon Dunn
John Fuller
Janice Hoole
Liz Murray
Jon Smith
Lynne Urpeth

Trustees are members who are elected at the Annual General Meeting or co-opted by existing Trustees to hold office until the following AGM. Induction and training of new Trustees is undertaken by the Clerk to the Trustees and existing Trustees. Trustees are required to retire at the Annual General Meeting but may offer themselves for re-election.

The Trustees meet on a quarterly basis to consider and formulate policy. They are also responsible for the management of the charity including the appointment and discharge of staff, the making and altering of rules and the authorisation of expenditure.

The charity's investment policy is to achieve a balanced return of income and capital growth through moderate risk investments. The portfolio is managed by Investec Wealth and Investment Limited and the Trustees are advised by stockbrokers.

Cherrytree is connected to CSS (Registered charity number: 1096822 and Company registration number: 04625597). CSS is a company limited by guarantee of which Cherrytree is the sole member.

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risk.

CHERRYTREE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reference and administrative details

The charity's principal office is Cherrytree, Mickley Lane, Totley, Sheffield, S17 4HE.

Details of the Trustees serving during the year are provided under the heading 'Structure, governance and management' above.

Asset cover for funds

Note 18 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the accounts 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 accounts 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 year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- 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 accounts; and
- prepare the accounts 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 accounts 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 Trustees' Report was approved by the Board of Trustees.



Steve Walker (Chairman)

Date: 1/7/24

CHERRYTREE

INDEPENDENT EXAMINER'S REPORT TO THE MEMEBERS OF CHERRYTREE FOR THE YEAR ENDED 31 DECEMBER 2023

2I report on the accounts of the charity for the year ended 31 December 2023, which are set out on pages 5-6.

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.

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 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.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. the accounting records were not kept in accordance with section 130 of the Act; or
2. the accounts did not accord with the accounting records; or
3. the accounts did not comply with the applicable requirements concerning the form and contents 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
4. that there is further information needed for a proper understanding of the accounts.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.

Jonathon Dickens FCA
Sutton McGrath Hartley
5 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

Date:

CHERRYTREE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2023 £	Total 2022 £
<u>Income from:</u>						
Donations and legacies	3	1,322	0	0	1,322	1,872
Charitable activities	4	12,000	0	0	12,000	13,500
Investments	5	42,270	0	0	42,270	43,516
Total income		55,592	0	0	55,592	58,888
<u>Expenditure on:</u>						
Charitable activities	6	132,598	0	0	132,598	84,105
Total resources expended		132,598	0	0	132,598	84,105
Net gains / (losses) on investments	11	0	14,778	0	14,778	(159,393)
Net gain on revaluation	12	0	0	0	0	0
Net incoming (outgoing) resources before transfers		(77,006)	14,778	0	(62,228)	(184,610)
Gross transfers between funds		60,000	(60,000)	0	0	0
Net movement in funds		(17,006)	(45,222)	0	(62,228)	(184,610)
Fund balances at 1 January 2023		461,500	1,178,557	0	1,640,057	1,824,667
Fund balances at 31 December 2023		444,494	1,133,335	0	1,577,829	1,640,057

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

All income and expenditure is derived from continuing activities.

CHERRYTREE

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		438,750		453,750
Investments	13		1,133,335		1,178,557
			<u>1,572,085</u>		<u>1,632,307</u>
Current assets					
Debtors	15	5,513		3,396	
Cash at bank and in hand		<u>7,044</u>		<u>12,082</u>	
		12,557		15,478	
Creditors: amounts falling due within one year	16	<u>(6,813)</u>		<u>(7,728)</u>	
Net current assets			<u>5,744</u>		<u>7,750</u>
Total assets less current liabilities			<u><u>1,577,829</u></u>		<u><u>1,640,057</u></u>
Income funds					
Unrestricted funds:					
Designated funds	17	1,133,335		1,178,557	
General unrestricted funds		<u>444,494</u>		<u>461,500</u>	
			<u>1,577,829</u>		<u>1,640,057</u>
			<u><u>1,577,829</u></u>		<u><u>1,640,057</u></u>

These accounts were approved by the Trustees on 1 July 2024.

SP Walker

Steve Walker (Chairman)

Date: 1/7/24

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The charity's registered office is Cherrytree, Mickley Lane, Totley, Sheffield, S17 4HE. Cherrytree is a public benefit entity as defined by FRS 102.

1.1 Accounting convention

The accounts have been prepared in accordance 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)" (as amended for accounting periods commencing from 1 January 2016).

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, 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 accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

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 accounts.

1.4 Incoming resources

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.

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.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Incoming resources (continued)

Investment income is credited to income on an accruals basis, using dates of payments for dividends and daily accruals for interest.

Interest on funds held on deposit is included when receivable and this is normally upon notification of the interest paid or payable by the bank.

Subscriptions are credited to income when receivable.

No income is shown net of expenditure.

1.5 Resources expended

All expenditure is accounted for on an accruals basis.

Costs relating directly to the objects of the charity are treated as costs in the furtherance of the charity's objects.

Governance costs include expenditure for compliance and management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Freehold land is not depreciated and freehold buildings are depreciated on a straight-line basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 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 the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1.8 Impairment of fixed assets (continued)

The recoverable amount is the higher of fair value less selling costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

1.10 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.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1.10 Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

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

1.11 Leases

Rentals receivable under operating leases, including any lease incentives given, are recognised as income on a straight-line basis over the term of the lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

	2023 £	2022 £
Donations and gifts	1,200	1,750
Annual subscriptions	122	122
	<u>1,322</u>	<u>1,872</u>

In 2022, all donations and legacies income received related to unrestricted funds.

4 Charitable activities

	2023 £	2022 £
Rent	<u>12,000</u>	<u>13,500</u>

In 2022, all charitable activities income received related to unrestricted funds.

5 Investments

	2023 £	2022 £
Income from listed investments - dividends	41,279	42,806
Income from listed investments - interest	876	687
Interest receivable	115	23
	<u>42,270</u>	<u>43,516</u>

In 2022, all investment income received related to unrestricted funds.

Income from listed investments is derived from investments on the UK Stock Exchange.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Charitable activities

	Grants payable £	Direct charitable expenditure £	Total 2023 £	Total 2022 £
Depreciation and impairment	0	15,000	15,000	15,000
Miscellaneous expenditure on behalf of Cherrytree Support Services Limited	0	200	200	200
Payments to Cherrytree Support Services Limited to help cash flow	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
	0	65,200	65,200	15,200
Grant funding of activities (see note 7)	64,981	0	64,981	66,618
Share of governance costs (see note 8)	<u>0</u>	<u>2,417</u>	<u>2,417</u>	<u>2,287</u>
	<u>64,981</u>	<u>67,617</u>	<u>132,598</u>	<u>84,105</u>

As in 2022, no charitable activities expenditure was included within restricted funds during the year.

7 Grants payable

	2023 £	2022 £
Grants to institutions:		
Cherrytree Support Services Limited	<u>64,981</u>	<u>66,618</u>

The amount paid in grants to Cherrytree Support Services Limited was to help meet its charitable objectives to provide accommodation and support to homeless young people between the ages of 16 and 21.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs

	Support costs £	Governance costs £	2023 £	2022 £	Basis of allocation
Independent examiner	0	2,160	2,160	1,920	Governance
General expenses	0	257	257	367	Governance
	<u>0</u>	<u>2,417</u>	<u>2,417</u>	<u>2,287</u>	
Analysed between charitable activities	<u>0</u>	<u>2,417</u>	<u>2,417</u>	<u>2,287</u>	

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. In addition, no expenses were paid to any of the Trustees or any other person connected with them.

Trustee indemnity insurance cover is included in the overall insurance premiums paid.

10 Employees

There were no employees during the year.

11 Net gains / (losses) on investments

	2023 £	2022 £
Revaluation of investments	<u>14,778</u>	<u>(159,393)</u>

The charity owns listed investments on the UK Stock Exchange. The net gains relate to the change in fair value of these investments and are included within designated funds.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Land & buildings £
Cost	
At 1 January 2023	689,141
Revaluation	<u>0</u>
At 31 December 2023	<u>689,141</u>
Depreciation and impairment	
At 1 January 2023	235,391
Depreciation charged in the year	<u>15,000</u>
At 31 December 2023	<u>250,391</u>
Carrying amount	
At 31 December 2023	<u>438,750</u>
At 31 December 2022	<u>453,750</u>

Tangible fixed assets comprise the Mickley Lane site owned by the charity. In November 2019, the property was revalued at £125,000 for land and £375,000 for buildings. The buildings are being depreciated from 1 December 2019 over their estimated remaining life of 25 years.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Fixed asset investments

Current financial year	Listed investments £	
Cost or valuation		
At 1 January 2023		1,178,557
Additions		104,229
Valuation changes		14,778
Disposals		(164,229)
		<u>1,133,335</u>
At 31 December 2023		
Carrying amount		
At 31 December 2023		<u>1,133,335</u>
At 31 December 2022		<u>1,178,557</u>
Prior financial year		
Cost or valuation		
At 1 January 2022		1,347,950
Additions		293,365
Valuation changes		(159,393)
Disposals		(303,365)
		<u>1,178,557</u>
At 31 December 2022		
Carrying amount		
At 31 December 2022		<u>1,178,557</u>
At 31 December 2021		<u>1,347,950</u>
	2023	2022
	£	£
Investments at fair value comprise:		
UK	622,458	762,717
Foreign	510,877	415,840
	<u>1,133,335</u>	<u>1,178,557</u>

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Fixed asset investments (continued)

Listed investments are measured at fair value based on mid-market prices from the appropriate Stock Exchange or the relevant fund manager.

If investments were stated on a historical cost basis rather than a fair value basis, the total amounts included would have been £974,001 (2022 - £983,325).

There were two holdings in excess of 5% of the total portfolio market value.

The Trustees' investment policy is to maintain a diversified portfolio to give a balanced return between income and capital growth, with an overall moderate risk profile. The exposure to equity markets is provided in the main through investment in a combination of blue-chip UK equities and overseas equity market collectives. Allowing for the capital that was drawn down from it during the course of the year, the investment portfolio recorded a gain of 5.3% in terms of its net total return. This performance lagged behind that of the MSCI WMI Balanced Portfolio Index, which registered a gain of 10.1% during the year.

The valuation increase was £14,778 (2022 - £159,313 decrease) and includes fees totalling £10,865 (2022 - £11,932) for management of the portfolio.

14 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,513	3,396
Equity instruments measured at fair value	1,133,335	1,178,557
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	6,813	7,728
	<u> </u>	<u> </u>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	5,513	3,396
	<u> </u>	<u> </u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to Cherrytree Support Services Limited	4,653	5,568
Accruals and deferred income	2,160	2,160
	<u> </u>	<u> </u>
	6,813	7,728
	<u> </u>	<u> </u>

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Designated funds

Designated funds have been set aside out of unrestricted funds for specific purposes:

	Movement in funds					Balance at 31 December 2023
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Gains	
	£	£	£	£	£	£
Income support reserve	1,178,557	0	0	(60,000)	14,778	1,133,335

	Movement in funds - previous year					Balance at 31 December 2022
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Losses	
	£	£	£	£	£	£
Income support reserve	1,347,950	0	0	(10,000)	(159,313)	1,178,557

The income support fund is designed to provide income for charitable grants and is represented by fixed asset investments.

The transfers from designated to unrestricted funds represent investments sold to provide financial support to Cherrytree Support Services Limited.

In order to continue to achieve the objectives set out on page 1 of this report, the Trustees seek to ensure that this designated fund is adequate to provide the income which will meet the future planned grants to Cherrytree Support Services Limited.

CHERRYTREE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Analysis of net assets between funds

	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	438,750	0	0	438,750
Investments	0	1,133,335	0	1,133,335
Net current assets	5,744	0	0	5,744
	444,494	1,133,335	0	1,577,829

This includes unrealised gains of £159,334 relating to listed investments.

	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	453,750	0	0	453,750
Investments	0	1,178,557	0	1,178,557
Net current assets	7,750	0	0	7,750
	461,500	1,178,557	0	1,640,057

This includes unrealised gains of £195,232 relating to listed investments.

19 Related party transactions

Included in creditors is £4,653 (2022: £5,568) owed to Cherrytree Support Services Limited (CSS), a company limited by guarantee, of which Cherrytree is the sole member. If the company is dissolved Cherrytree promises to pay £1 towards the cost of dissolution and the liabilities incurred by the company while Cherrytree is a member.

During the year Cherrytree made grants of £64,981 (2022: £66,618) to CSS as a contribution towards its charitable expenditure costs. Cherrytree also paid CSS £50,000 during the year to help overcome cash flow difficulties. CSS indirectly pays Cherrytree rent for property through a third party, which in the year amounted to £12,000 (2022: £13,500). £200 was paid by the charity on behalf of CSS during the year (2022: £200).

Consolidated accounts have not been prepared as the Trustees of Cherrytree do not believe they direct the operations of the company. The registered office for CSS is Mickley Lane, Totley, Sheffield, S17 4HE.