

CHARITIES TRUST

England & Wales · Charity number 327489

Details

Status Registered

Legal form Charitable company

Company number [02142757](#)

Registered 1987-07-02

Register [View on the Charity Commission register](#)

Contact

Address Charities Trust
2nd Floor Eleanor Rathbone House
Connect Business Village
24 Derby Road
Liverpool
L5 9PR

Phone 01512865129

Email info@charitiestrust.org

Website www.charitiestrust.org

Activities

Objects: TO ADVANCE ANY CHARITABLE PURPOSE FOR THE BENEFIT OF THE PUBLIC WHERESOEVER IN THE WORLD AS THE COMPANY MAY THINK FIT AND IN SO FAR AS THE SAME ARE ENTIRELY ANCILLARY TO SUCH OBJECT BUT NOT FURTHER OR OTHERWISE: (I) TO ACCEPT AND UNDERTAKE THE ADMINISTRATION AND MANAGEMENT (WHETHER COMPLETELY OR ONLY IN PART) OF CHARITABLE TRUSTS WHETHER AS AGENTS FOR THE TRUSTEES OF SUCH TRUSTS OR OTHERWISE AND TO REQUIRE AND ACCEPT FEES ON ACCOUNT OF SUCH WORK OF ADMINISTRATION AND MANAGEMENT. (II) TO ACT AS AN AGENT FOR THE PURPOSES OF SECTION 713 OF THE INCOME TAX (EARNINGS & PENSIONS) ACT 2003 OR ANY RE-ENACTMENT THEREOF AND TO REQUIRE AND ACCEPT FEES FOR SO ACTING. (III) TO ACT AS A PAYROLLGIVING AGENCY IN ORDER TO RECEIVE DONATIONS FOR APPLICATION TO SUCH CHARITY OR CHARITIES AS THE DONOR MAY SPECIFY AND IF FOR ANY REASON IT BECOMES IMPOSSIBLE FOR THE CHARITY TO PAY ANY SUCH DONATION TO A CHARITY SPECIFIED BY A DONOR THE CHARITIES SHALL SO FAR AS IS PERMITTED BY LAW PAY THAT AMOUNT TO SUCH OTHER CHARITY OR CHARITIES AS IT MAY CONSIDER HAS OBJECTS SIMILAR TO THOSE OF THE CHARITY SPECIFIED BY THE DONOR.

Activities: Charities Trust works with organisations, individuals and other charities to increase charitable giving with particular emphasis on tax effective donations. It does this by providing donation management services including payroll giving, online and offline sponsorship facilities and processing of donations for charity appeals.

Classification

- **How:** Makes Grants To Organisations, Other Charitable Activities
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Canada
- China
- France
- Germany
- Gibraltar
- Hong Kong
- India
- Ireland
- Israel
- Japan
- Lithuania
- Netherlands
- Northern Ireland
- Scotland
- Singapore
- South Africa
- Switzerland
- Taiwan
- United Arab Emirates
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-30	£74,377,771	£93,969,540	£62,487,515	40
2024-04-30	£75,670,823	£84,913,511	£81,579,149	39
2023-04-30	£80,089,500	£78,699,715	£89,170,497	35
2022-04-30	£66,029,585	£80,123,631	£87,536,578	36
2021-04-30	£164,284,183	£133,822,845	£101,645,340	34

Trustees

Name	Role	Appointed
CATHERINE ELIZABETH MARGARET RUSTOMJI		2022-10-06
Jillian Margaret Jones		2025-04-30
Lauran Angela Macare		2025-04-30
Patrick Fietje		2020-07-01
Richard David Mabbott		2025-04-30
Sir Michael James Bibby		2018-08-03

CHARITIES TRUST

England & Wales - Charity number 327489

Accounts

CHARITIES TRUST
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2025

CHARITIES TRUST
2nd FLOOR ELEANOR RATHBONE HOUSE
UNIT 16 CONNECT BUSINESS VILLAGE
24 DERBY ROAD
LIVERPOOL L5 9PR

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025

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CHARITIES TRUST
CHAIR'S FOREWORD

CHAIR'S FOREWORD

We continue to navigate a complex global landscape, marked by geopolitical shifts, climate challenges, growing demands on public services, and economic pressures. In this environment, the role of charities is more vital than ever, and our mission, to ensure donations reach their intended recipients swiftly and efficiently, remains central. It is encouraging to report that we continue to pass on 99p of every £1 donated through Payroll Giving, and that distributions have exceeded collections, reflecting a reversal of previous years' build-up.

From an internal perspective, the year ending 30 April 2025 presented challenges, and may be described as a lost year in terms of system development and our ability to progress our growth ambitions. While donation levels remained steady at approximately £120 million, the original plans to transform our IT systems did not work and it was only around the year end that we were confident that the right IT capabilities were in place to significantly reposition the charity. We now believe we have the right team, resources, and strategy in place to deliver a scalable core platform. This will enhance customer service, improve operational efficiency, enable deeper data insights, and accelerate processing times.

We have been fortunate that our revised investment strategy that introduced a measured allocation to equities and higher-yield assets has delivered strong returns over the past two years. This has enabled us to build reserves while funding the transformation initiative. Looking ahead, we plan to elevate our brand profile and develop a robust sales capability to grow our donor base, positioning ourselves as the leading provider of Donor Advised Funds. This will support a return to covering ongoing costs through regular fee income.

These financial accounts reflect stable donation levels, strong investment performance (including cash holdings), a solid balance sheet, and increased costs associated with the write-off of legacy IT expenditure and continued investment in innovation.

Our purpose, values, and commitment to supporting the communities we serve remain unwavering. As our focus begins to shift from delivering the IT transformation to strengthening relationships with current and future clients, we are optimistic about the opportunities ahead.

On behalf of the Board, we extend our heartfelt thanks to our clients, donors, and staff for their ongoing support and dedication. Your contributions are essential to our mission and help us make a meaningful impact on thousands of charities and the communities they serve.

Sir Michael Bibby Bt.,DL
Chair

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD

The Trustees present their Strategic Report on Charities Trust (“the Charity”) for the year ended 30 April 2025.

Principal Activities

The Charity offers a wide range of charitable giving and donation services to the corporate sector in the UK. Clients continue to be attracted to the wide range of options available through the Charity to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Event fundraising including organisation monitoring and reporting (“Sponsor Me”);
- Charity accounts (“My Giving Account”);
- Corporate Charitable Foundation management;
- Newspaper appeals;
- Disaster appeals;
- Grant application processing and payment;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international);
- Sanctions screening and PEPs and adverse media screening;

We are pleased to see Payroll Giving donations processed at £49m for the year (2024: £52m). We achieved donations of £72m (2024: £68m) from all other services. Total donations received for the year came to £121m (2024: £120m) of which £71m (2024: £72m) is shown on the Statement of Financial Activities and £50m (2024: £48m) is shown in note 16 under funds held as agent.

During the year the value of donations processed per member of staff was £3m (2024: £3.1m).

Key Performance Indicators

Success for the Charity is measured by the value of charitable donations received and distributed, particularly the proportion of those which are ‘new giving’. As a not-for-profit organisation however, we only seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems, security and process improvements in an ever-changing digital age.

Achievements & Performance

Total donations received during the year of £120,839,770 (2024: £120,112,058) represents an increase of 1% on the previous year. We made donations to 18,300 charities in the year (2024: 17,554).

Total donations received from Corporates of £49,209,957 (2024: £44,446,461) represents an increase of 11%. Receipts for Charity Fund Accounts totalled £6,413,093 (2024: £10,108,556), representing a decrease of 37%. Donations paid on behalf of Corporates exceeded receipts by £11,750,467 in the year (2024: £11,877,672) and

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance (Continued)

donations paid from Charity Fund Accounts exceeded receipts by £7,065,189 (2024: receipts exceeded donations paid by £12,271). Receipts from and donations paid on behalf of Corporates fluctuate each year depending on Clients' donation plans and their charity support programmes.

During the year we processed 2.6 million individual Payroll Giving donations on behalf of 1,234 active client organisations (2024: 2.5 million on behalf of 1,172 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2024: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We were pleased to see donations from partners increase to £9,566,937 in the year (2024: £6,145,173). We are increasingly the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including a number of international providers.

Income in the year includes income from Charitable Activities of £1,630,836 (2024: £1,608,827). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. The most significant fees generated in the year were:

- Corporate Charity Accounts £618,368 (2024: £576,992).

Income for the Charity also includes unrestricted Donations Received and Bank Deposit Income.

Investment income for the Charity includes income from short-term deposits of monies prior to distribution to charities of £1,687,339 (2024: £2,298,354). This helps the Charity to keep administration charges as low as possible.

The Charity has engaged Evelyn Partners to provide investment management services and investment portfolios have been established to improve the return on unrestricted reserves and on restricted funds prior to distribution. Unrestricted income and capital gains from these investments came to £801,369 in 2025 (2024: £1,806,923).

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted funds for the Charity (i.e. its own reserves) increased by £547,423 for the year (2024: £2,818,829). This included a transfer of £704,180 from restricted funds to unrestricted funds in the year (2024: £611,182) in relation to dormant My Giving Account balances. See Note 14 for more details.

Unrestricted funds held in the Balance Sheet were £9,086,470 (2024: £8,539,047).

The net movement in all funds for the year was a decrease of £19,091,634 (2024: a decrease of £7,591,348). The net outflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting

The Board of Trustees consider that through their strategic planning and decision making in the year ended 30 April 2025, they have acted in a way that is most likely to promote the success of the Charity for the benefit of its stakeholders. This year's strategic planning process undertaken in February 2025 focused on the Charity's five-year strategic plan which includes our ongoing investment in digital transformation to improve our client and donor experience as well as promoting the growth of charitable giving through the provision of new and improved products and systems.

Employees: Our employees are central to effective service delivery for our clients and it is important that all employees feel valued and fully engaged in the work of the Charity. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions.

Clients: Our mission is to grow charitable giving and we recognise that working in partnership with our clients is fundamental to this. We undertake a continuous programme of client engagement to ensure that our current service delivery meets their requirements and to support them to explore opportunities to develop and grow their charitable giving activities.

Suppliers: We view our suppliers as key partners in the delivery of our services and we engage regularly with our banking and technology suppliers to review performance, plan developments and stay abreast of progress and innovation in their areas of expertise. Our ongoing systems and infrastructure development is very much in collaboration with our suppliers whose contribution is highly valued. In addition to this, we place expectations on our key suppliers that they undertake business in a transparent manner and have in place policies such as a Modern Slavery Policy and Statement which demonstrate their commitment to this important aspect of ethical and responsible business practice.

Community & Environment: The Charity contributes to the public benefit by adding value to the charitable sector at minimal cost. It enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surpluses generated are re-invested in the Charity to further this work. In terms of the environment, we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport, and we operate hybrid working arrangements to help reduce the environmental impact of staff commuting.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

Business Conduct & Fair Practice: The Charity takes its obligations to stakeholders very seriously and endeavours to conduct its business to consistently high standards while treating all stakeholders fairly. The Charity supports this via a skilled, experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

While the Charity is not a fundraising charity and therefore not regulated by the Fundraising Regulator, it has an affiliation via the Association of Payroll Giving Organisations (APGO) which provides access to best practice and legislative updates. The Charity was regulated by the Gambling Commission while promoting lotteries. The final two lotteries being promoted by the Charity were closed in the year and the related Gambling Commission licences have since been surrendered.

Business Relationships

As detailed in the s172(1) statement above, the Charity recognises the critical importance of its stakeholder relationships and the role that clients, employees and suppliers play in enabling the Charity to deliver its objectives for the wider public and community benefit. These relationships are highly valued, and we continue to work to enhance them through ongoing effective engagement.

Financial Review

The total funds held as at the 30 April 2025 were £62,487,515 (2024: £81,579,149). The total restricted funds held were £53,401,045 (2024: £73,040,102) and the total unrestricted funds held were £9,086,470 (2024: £8,539,047). The net asset position has decreased from £81,579,149 to £62,487,515 due to a decrease in restricted funds held which relates to the timing difference between receipt of funds and distribution to good causes.

a. Reserves Policy

The policy of the Board is to hold at least unrestricted liquid reserves sufficient to fund:

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (Continued)

Unrestricted Liquid Reserves (unrestricted income funds less tangible and intangible fixed assets) have increased to £8,716,370 (2024: £7,294,352) following positive financial performance in the year, the transfer of £704,180 (2024: £611,182) from restricted funds to unrestricted funds and incorporating capital investment in infrastructure of £46,589 (2024: £1,115,866). This level will allow us to continue the planned investment in our fundraising systems and infrastructure over the next year.

The unrestricted liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2025 unrestricted liquid reserves of £8,716,370 is sufficient to meet the organisations requirements.

Principal funding sources continue to be fees derived from the processing of donations received and investment income. Expenditure in the year is the cost of processing and distributing these funds to charitable organisations which is our primary purpose. Unrestricted charitable activities expenditure increased by 20% in the year to £4,188,490 (2024: £3,496,924). This increase was due to an impairment charge of £751,193 (2024: £98,988) relating to our Digital Transformation investment which is detailed below.

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 16 to the financial statements. These comprise Payroll Giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where the Charity is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as 'Cash held on behalf of third parties as intermediary charity', 'Investments held on behalf of third parties as intermediary charity' or Investments. Details are disclosed in Note 14 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investments Overview

The Charity's investments consist of an investment portfolio under the management of Evelyn Partners and Trust Account investments under the management of Canaccord Genuity.

Evelyn Partners is an investment management firm authorised and regulated by The Financial Conduct Authority and the portfolio under management comprises a mix of shares, bonds, cash instruments and alternative investments. The objective of this portfolio is to generate an average return of CPI plus 2% over the long term, thereby exceeding the return achievable from term deposit bank accounts.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

The portfolio consists of a mix of restricted and unrestricted funds which are not required for the Charity's operations over the medium to long term. The value attributed to this portfolio as at the 30 April 2025 was £19,620,025 (2024: £21,806,467) (see note 6).

The Trust Account operates as a Donor Advised Fund Account, generating dividends and interest for charitable donation. The investments are managed by Canaccord Genuity, professional investment advisors authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £436,959 (2024: £447,370) (see note 6).

The Charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. There were no payments to the Big Issue Invest Social Enterprise Investment Fund II L.P. in 2025 (2024: £nil).

These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes. All Social Investment assets are held in support of restricted funds.

Restricted cash is held in instant access and term deposit accounts with UK banking institutions. This is represented on the Balance Sheet as bank balances, money market and investments held on behalf of third parties as intermediary charity. The holding value as at the 30 April 2025 was £38,955,802 (2024: £55,723,806). The contractual terms and conditions in place with the majority of donors provide for interest earned on a substantial proportion of these funds to be applied to unrestricted income. In 2025 £1,687,339 was applied to unrestricted income (2024: £2,298,354). This income helps to keep the Charity's administration charges as low as possible. The Charity's treasury policy requires these cash funds to be held in a range of banking institutions, in accounts with a spread of maturity, including instant access funds. This is managed to ensure that sufficient funds are available at all times to meet donor instruction.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions. The holding value as at the 30 April 2025 was £2,673,416 (2024: £2,061,081).

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

d. Grant Making

A database of recipient charities is maintained and continuously developed by the Charity. New charities are added to the database when requested by donors. A charity vetting process is undertaken when adding new charities which varies depending on the value of charitable donation being made and on whether the charity is UK based or overseas. When a donation cannot be made to the intended beneficiary an alternative instruction is sought from the donor. When an alternative instruction cannot be sourced from the donor, the Trustees use their discretion to donate to a charity of similar purpose to that of the original intended beneficiary.

e. Digital Transformation Investment

The Charity continued to invest in its Digital Transformation programme with £32,858 of capitalised expenditure (2024: £1,103,209) and £584,099 of operational expenditure (2024: £459,673). The operational expenditure related to consultancy, support services and direct development expenditure which were not deemed to constitute an asset and therefore charged to the Statement of Financial Activities in the year. An impairment charge of £751,193 (2024: £98,988) was made in relation to new system development costs which were deemed to be impaired due to design and development weaknesses which were found to limit future scalability. The system development strategy has now been updated and revised to ensure that the Charity's Digital Transformation programme is delivered successfully over the coming year.

Plans for Future Periods

The Charity will continue to focus on its Digital Transformation that will not only modernise the technology but will seek to make use of new digital features that will enhance the donation journey of our donors and help us scale up our offer to existing and new clients. We will also continue to build on the foundations which have been laid down in recent years to support our Partners by providing smoother and quicker payments to charities and allowing them greater flexibility to offer a wider range of charities to the donors using their platforms. We will continue to invest in our staff through training and succession plan development.

Principal Risks and Uncertainties

The Charity operates a framework that provides accountability for the management of risk across the organisation.

Charities Trust's Strategic Risk Management Framework includes:

- A Risk Appetite that is reviewed by Board at least annually;
- A comprehensive Strategic Risk Register that is maintained and reviewed by the Executive, relevant committees and Board with Board reviewing its identified top risks at each Board Meeting;
- The Board retains oversight of how risks are being managed by the Governance calendar presented at each meeting (compliance with all

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

mandatory returns) and is alerted to any identified weakness in controls in the Governance Update report;

- An Annual Assurance Report has also been introduced which provides a summary of key events throughout the year together with enhancements to controls to ensure, where possible, these are prevented from reoccurring;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

a. Financial Risks

One of the main financial risks the Charity faces is interest rate risk. Short-term funds held by the Charity are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate.

We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

Some of our medium and long-term funds are held in professionally managed investment portfolios.

The management of the investment portfolios is overseen by the Investment & Treasury Committee and the investment managers work within the parameters of the Charity's Investment & Treasury Policy. The investments are managed on a medium risk basis and risk to capital is capped so that any loss would be covered by unrestricted reserves. Medium-term investments are not exposed to capital risk.

The Investment & Treasury Committee also makes recommendations to Board on the management of bank deposits.

b. Non-financial Risks

The main risk categories facing the Charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance.

Key legislation associated with those areas of risk and identified as having an indirect impact on the financial statements relate to UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019.

The Charity has enhanced its online training for all staff to ensure that these areas of risk are fully addressed by mandatory training which is refreshed on an annual basis. In addition, testing of staff knowledge and understanding has been undertaken by in-house staff with "phishing" type exercises. Any identified weaknesses in individual's knowledge in dealing with such contact has been immediately addressed by providing further mandatory training. This has been implemented to address the further risks presented by hybrid work patterns which mix in office and remote working.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

Training on Anti-Money Laundering has also been rolled out to all staff to increase vigilance, with enhanced level training still provided to specific staff.

The Charity is constantly evolving its technology to ensure that its systems and controls are secure and resilient. Our systems and processes incorporate controls to ensure that client accounts and donations are managed securely, and our treasury policy provides for sufficient liquidity of funds so that donations can be made in a timely manner in line with donor instructions.

ON BEHALF OF THE BOARD



C Rustomji (Trustee)

Date: 2 December 2025

CHARITIES TRUST

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2025.

Reference and Administrative Details

The registered name and trading name of the Charity is Charities Trust.

The Charity is registered with the Charity Commission for England and Wales under registered number 327489.

The Charity is a company limited by guarantee and is registered with Companies House under registered number 2142757.

The address of the registered office is 2nd Floor Eleanor Rathbone House, Unit 16 Connect Business Village, 24 Derby Road, Liverpool L5 9PR.

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt.,DL (Chair)
- LJ Thomas (Resigned 12th December 2024)
- MJ Blakeman (Resigned 12th December 2024)
- LA Blackburn (Resigned 2nd January 2025)
- P Fietje
- IC Povey (Resigned 20th June 2025)
- CEM Rustomji
- JM Jones (Appointed 30th April 2025)
- RD Mabbott (Appointed 30th April 2025)
- LA Macare (Appointed 30th April 2025)

Day to day management of the Charity was delegated by the board to Linda Minnis, the Chief Executive.

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

RSM UK Audit LLP are deemed to be reappointed as the charity's auditor under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Shakespeare Martineau LLP, 60 Gracechurch Street, London, EC3V 0HR.

Charities Trust's Professional Indemnity Insurance includes an extension for Directors and Officers, which indemnifies against legal liability arising from actual or alleged wrongful acts, errors or omissions when acting on behalf of the Charity.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and a registered charity and does not have any share capital. The Memorandum and Articles of Association dated 24 June 1987, last updated 5 December 2006 are its governing document.

The Charity has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

The Charity recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. Board succession planning is currently underway. Board succession planning resulted in three new Board Members being appointed as Trustees and Directors of Charities Trust on 30 April 2025. Two of the new Board Members are female which has successfully completed the action that the Board set for itself to increase the gender balance on its Board.

The Board meets at least four times per year including its Board Strategy Day, where its five year strategic Business Plan is reviewed. All Trustees give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from the Charity.

No person or body external to the Charity is entitled to appoint trustees. The Trustees may by ordinary resolution appoint a person to the role of Trustee. The number of directors shall be not less than three but shall not be subject to a maximum.

Newly appointed trustees have a structured induction programme that includes spending time with senior management ensuring that they gain a full understanding of the Charity. They are also provided with information relating to charity regulation and Charity Commission guidance on their responsibilities and governance documentation that sets out their roles and responsibilities as Trustees and Directors and a framework of internal controls which includes a scheme of delegation both Financial and Non-Financial to aid them in discharging their duties.

The Governance Committee is reviewing the governance arrangements in place, in full, to include induction and training to ensure that Equality, Diversity and Inclusion learning and its responsibilities in this area are understood, together with those relating to Data Protection, Charity Law and regulatory requirements. The revised approach is being tested on the new Board Members who joined in April 2025 as part of their induction and their feedback will be invaluable to further improve Board induction and training.

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive and within a framework of delegations, risk management and internal controls, oversight and monitoring of which is retained by Board. There are three established Board committees; Governance, Remuneration and Investment & Treasury.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making (continued)

These committees have limited delegations and make all other recommendations to the Board for its decision.

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. Accordingly, the Chief Executive must not make decisions relating to these matters without prior Board approval.

The Board, supported by the Governance Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year-end forecast and predicted cash flow.

The Investment & Treasury Committee provides oversight and assurance for the Board in respect of the investment and treasury activities of the Charity. The Committee is responsible for oversight of the execution of the approved Investment & Treasury policy within an agreed scheme of delegation and for recommending changes to policy or strategy to the Board where appropriate. The Committee oversees the relationship with the Charity's investment managers and monitors and reviews their performance.

The Remuneration Committee assists the Board to fulfil its responsibility to ensure that remuneration policy and practice rewards staff fairly and responsibly with a clear link to performance. The Committee makes recommendations to the Board in relation to the remuneration of the Chief Executive Officer and the senior management team. The Committee has authority to employ external consultants to undertake benchmarking to ensure remuneration is competitive and appropriate. Salary benchmarking for senior personnel is conducted every 3 years using an evaluation methodology that measures skills and responsibilities against key analytical factors. This method is then compared to roles, sectors and regional areas providing instant market rate data.

Objectives and Activities

Objects

The objects of the Charity as set out in its governing document are:

- to advance any charitable purpose for the benefit of the public wheresoever in the world as the Charity may think fit and in so far as the same are entirely ancillary to such object but not further or otherwise;
- to accept and undertake the administration and management (whether completely or only in part) of charitable trusts whether as agents for the trustees of such trusts or otherwise and to require and accept fees on account of such work of administration and management;
- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Objectives and Activities (continued)

- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

These activities are summarised in further detail on page 3 of the Strategic Report of the Board.

Charities Trust's Mission

Following the brand refresh undertaken in 2024 and the planned completion of our digital transformation over the coming year, we are committed to delivering the benefits of this investment to support our mission to grow giving. As part of our five-year strategic plan we will be undertaking a substantial promotion of our products and services to support the growth of giving by our current clients and donors and to engage with new donors.

The Charity will continue to support clients with their charitable initiatives by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised to maximise donations to the chosen charities and good causes.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit as required by Section 17 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Strategic Report

The Charity has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the Charity's strategic report, information required by Large and Medium-sized companies and groups (Accounts and Reports) regulations 2008, Sch 7, to be contained in the Directors' report. It has done so in respect of future developments and business relationships, financial risk management objectives, actions taken to introduce, maintain or develop arrangements with employees and how Trustees have had regard to the need to foster relationships with suppliers.

Streamlined Energy and Carbon Reporting

The Charity consumed 40,000 kWh of energy or less in the UK during the period covered by the Trustee's report and therefore information surrounding greenhouse gas emissions, energy consumption or energy efficiency is not disclosed for that reason.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 Companies Act 2006. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities (continued)

Disclosure of Information to Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

ON BEHALF OF THE BOARD



C Rustomji (Trustee)

Date: 2 December 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITIES TRUST

Opinion

We have audited the financial statements of Charities Trust (the 'charitable company') for the year ended 30 April 2025 which comprise the Statement of Financial Activities (including Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 30 April 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITIES TRUST (Continued)

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 contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board and the Strategic Report of the Board prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board and the Strategic Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board or the Strategic Report of the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITIES TRUST (Continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITIES TRUST (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Board and Strategic Report of the Board and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019 and the Charitable Deductions (Approved Schemes) Regulations SI 1986/2211 (as amended). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Inglesby

LAURA INGLESBY FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Date: 02/12/25

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2025 (including Summary Income and Expenditure Account)

	Note	Year to 30 April 2025 £	Year to 30 April 2025 £	Year to 30 April 2025 £	Year to 30 April 2024 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>					
Charitable activities	1	1,630,836	-	1,630,836	1,608,827
Investments	1	1,982,544	45,029	2,027,573	2,503,988
Donations received	1	-	70,719,362	70,719,362	71,558,008
<u>TOTAL INCOME</u>		3,613,380	70,764,391	74,377,771	75,670,823
<u>EXPENDITURE ON:</u>					
Charitable activities	2	(4,188,490)	-	(4,188,490)	(3,496,924)
Raising Funds	2	(87,811)	(5,460)	(93,271)	(65,603)
Donations paid to Charities	2	-	(89,687,779)	(89,687,779)	(81,350,984)
<u>TOTAL EXPENDITURE</u>		(4,276,301)	(89,693,239)	(93,969,540)	(84,913,511)
Net gains / (losses) on investments	6&8	506,164	(6,029)	500,135	1,651,340
<u>NET EXPENDITURE</u>		(156,757)	(18,934,877)	(19,091,634)	(7,591,348)
Transfers between funds	14	704,180	(704,180)	-	-
<u>NET MOVEMENT IN FUNDS</u>		547,423	(19,639,057)	(19,091,634)	(7,591,348)
<u>RECONCILIATION OF FUNDS:</u>					
Total fund brought forward	14	8,539,047	73,040,102	81,579,149	89,170,497
<u>TOTAL FUNDS CARRIED FORWARD</u>		9,086,470	53,401,045	62,487,515	81,579,149

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net income stated above and the historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2025
COMPANY REGISTRATION NUMBER 2142757

	Note	2025 £	2024 £
<u>FIXED ASSETS</u>			
Intangible assets	4	351,523	1,230,273
Tangible assets	5	18,577	14,422
Investments	6	<u>20,064,287</u>	<u>22,261,140</u>
TOTAL FIXED ASSETS		<u>20,434,387</u>	<u>23,505,835</u>
<u>CURRENT ASSETS</u>			
Debtors	7	846,335	1,086,654
Money market and investments held on behalf of third parties as intermediary charity		10,000,000	20,000,000
Cash at bank and in hand		2,673,416	2,061,081
Bank balances held on behalf of third parties as intermediary charity		<u>28,955,802</u>	<u>35,723,806</u>
TOTAL CURRENT ASSETS		<u>42,475,553</u>	<u>58,871,541</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	9	<u>(422,425)</u>	<u>(748,105)</u>
NET CURRENT ASSETS		<u>42,053,128</u>	<u>58,123,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>62,487,515</u>	<u>81,629,271</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	11	<u>-</u>	<u>(50,122)</u>
<u>NET ASSETS</u>		<u>62,487,515</u>	<u>81,579,149</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	14	53,401,045	73,040,102
Unrestricted income funds	14	<u>9,086,470</u>	<u>8,539,047</u>
<u>TOTAL CHARITY FUNDS</u>		<u>62,487,515</u>	<u>81,579,149</u>

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 20 November 2025 and were signed on its behalf on 2 December 2025.

C. Rustomji

.....
C Rustomji
TRUSTEE

J. Jones

.....
J Jones
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 £	2024 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash (used in) operating activities	21	(21,068,131)	(11,170,323)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income		1,952,271	1,432,116
Dividends from investments		309,792	186,588
Purchase of tangible and intangible fixed assets	4&5	(46,589)	(1,115,866)
Proceeds from sale of investments	6&8	10,825,500	36,708,522
Purchase of investments	6&8	(8,244,705)	(26,093,015)
Decrease / (increase) in investment portfolio cash	6&8	116,193	(501,151)
Withdrawals from the money market		10,000,000	50,000
Deposits in the money market		-	(20,000,000)
Net cash provided by / (used in) investing activities		14,912,462	(9,332,806)
Decrease in cash and cash equivalents in the financial year		(6,155,669)	(20,503,129)
Cash and cash equivalents at the beginning of the financial year		37,784,887	58,288,016
Cash and cash equivalents at the end of the financial year	21	31,629,218	37,784,887

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Charities SORP (FRS102) 2019 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a private company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at 2nd Floor, Eleanor Rathbone House, Unit16 Connect Business Village, 24 Derby Road, Liverpool, L5 9PR.

BASIS OF PREPARATION

The basis of preparation of these financial statements has taken due account of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

There are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2026 and 30 April 2027 which show an operating surplus in 2026 and a small deficit in 2027. The Charity had unrestricted funds of £9m with the majority held as cash and investments as at 30 April 2025 and this is deemed sufficient to fund working capital requirements, capital development plans and any unexpected expenditure or loss of income. On this basis the accounts have been prepared on the going concern basis.

CONSOLIDATION

These financial statements are the Charity's separate financial statements. The company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as there would be no material difference between the separate financial statements and consolidated financial statements. The Charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds that are held for a period of time pending subsequent donation requests from clients. These funds consist of Corporate Charity Accounts, Foundations, Social Investments, Donor Advised Funds, My Giving Accounts and Lotteries. Under the client contractual terms and conditions Charities Trust has final discretion over the application of these funds. Other than the Trust Account

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

investments, interest earned on the majority of restricted funds is applied to unrestricted income as per contractual terms and conditions in place with donors.

Agency funds are where the donor has already nominated the third-party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the Charity as an Agent are reported in Note 16.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for as the service is provided. We have a range of fee structures for different products. The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits, current asset investments and fixed asset investments is recognised in the period in which it is earned and credited to Unrestricted Funds or Restricted Funds depending on the contractual terms and conditions relevant to the invested funds.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the Charity are for the benefit of third-party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to the Charity which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are received with specified instructions for onward direction and are distributed directly to charity then the Charity accounts for these transactions as an agent and they are included within Agency funds. Where funds are received and the Charity retains discretion as to how the funds are used the Charity accounts for these funds as a principal. Funds received as principal include corporate donations, charitable foundation donations and charity account donations. Funds received as agent include payroll giving and fundraising donations.

Funds held as intermediary charity for Restricted funds are included in the Charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that they comprise donations to the Charity which are held either pending instructions for onward donation to charitable organisations or a decision by the Charity as to which charitable organisations to donate to. The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Income from Donations Received and Expenditure on Donations Paid to Charities.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations. These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account and on the Charity's long-term and medium-term investment portfolios. The fees are accounted for when charged against the investment portfolios.

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third-Party charitable organisations in accordance with the donor's wishes.

TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As a result, the tax charge for the current and prior years is nil.

INTANGIBLE FIXED ASSETS

Intangible fixed assets include acquired software costs together with capitalised development expenditure in relation to time costs of individuals working on the design configuration and testing of new software systems. They are amortised over 3-5 years, on a straight line basis, which is considered to be appropriate as this is the period over which the software is expected to be used by the Charity. Amortisation commences when the asset is available to use.

The company capitalises development expenditure as an intangible asset when it can demonstrate all of the following;

- (a) The technical feasibility of completing the development so the intangible asset will be available for use.
- (b) The intention to complete the development and use the intangible asset.
- (c) The ability to use the intangible asset
- (d) How the intangible asset will generate future economic benefits
- (e) The availability of adequate technical, financial and other resources to complete the development
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during development

Where these criteria are not met, expenditure is charged to the SOFA as research costs.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

Depreciation is provided on the straight-line basis to write off the cost less residual value of fixed assets over their anticipated useful lives at the following annual rates:

Computers	20% - 33%
Fixtures & Fittings	20% - 33%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1,000 will be applied to purchases for them to be capitalised.

IMPAIRMENT of FIXED ASSETS

The carrying amounts of fixed assets are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, all of the asset's components are assessed to determine their future use and estimated future cash flows. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the "SOFA". Please see Critical Judgements and Estimates on Page 32 for detail on the impairment in 2025.

INVESTMENTS

Investments held for My Trust Accounts are included at market value based on the bid price at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 6).

Investments held in the Charity's long-term and medium-term portfolios are included at market value based on the mid-market price at the balance sheet date. These are split between Restricted and Unrestricted Funds. Any surplus or deficit on revaluation is applied to Unrestricted Funds (see Notes 6 & 8). Contractual terms and conditions provide for Charities Trust to receive any returns from investments as unrestricted funds. This income is used to offset some of the charity's operating costs thereby reducing the service fees charged.

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well-known UK banking institutions with high credit rating.

In the separate accounts of the Charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CREDITORS and PROVISIONS

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

GRANTS PAYABLE

Grants payable are accounted for in full as liabilities of the Charity when accepted by the beneficiaries.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Charity's presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 profit or loss.

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 profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors that are classified as debt, 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 receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Charity does not hold or issue derivatives financial instruments.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme. These benefits are recognised in the accounts when paid.

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan to which employees and the Charity contribute. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CRITICAL JUDGEMENTS AND ESTIMATES

The main critical judgment applied, surrounds the classification of funds. Judgement has been applied in whether certain funds held in accordance with the Charity's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £53m (2024: £73m), are held by the Charity pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the Charity. Although the standard terms and conditions do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor. In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution and to earn interest for the Charity while awaiting distribution. This is supported by long-term business practice.

Judgements and estimates are included within the financial statements in relation to depreciation and amortisation. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates; however, they are reviewed on an ongoing basis.

Judgements and estimates have also been included within the financial statements in relation to expenditure pertaining to software development. This applies both to the impairment of software in development and the classification of expenditure between capital and operational. A judgement was taken in relation to the impairment of new system development costs (see Note 4). Due to system design and development weaknesses the asset was deemed to be impaired with a significant proportion having no future use or value beyond twelve months. All of the system components were assessed to determine their future use and it was estimated that only one quarter of the developed components had a useful life beyond twelve months. An impairment charge of 74% of the book value as at 30 April 2025 was applied. Judgement has also been applied to the classification of some system development related expenditure as operational rather than capital. This related to consultancy, support and development services which on review were deemed not to constitute an asset as they either had no future use or value or will not have a future use or value beyond twelve months.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

1. INCOME FROM

	Year to 30 April 2025	Year to 30 April 2024
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	369,493	389,188
Christmas appeals and other campaigns	125,114	134,091
Corporate charity account fees	618,368	576,992
Fundraising Fees	83,683	104,636
Corporate foundation fees	120,125	150,401
Partnership fees	205,945	140,801
Other fees received	108,108	112,718
Total	1,630,836	1,608,827
	Year to 30 April 2025	Year to 30 April 2024
	£	£
INVESTMENTS		
Interest income received on cash deposits:		
Unrestricted funds	1,687,339	2,298,354
Dividend and Interest income received on investments:		
Unrestricted funds	295,205	170,514
Restricted funds	45,029	35,120
Total	2,027,573	2,503,988
DONATIONS RECEIVED (UNRESTRICTED)	£	£
Donations received	-	50,794
Total	-	50,794
	Year to 30 April 2025	Year to 30 April 2024
	£	£
DONATIONS RECEIVED (RESTRICTED)		
Donations received from:		
Lotteries	40,020	46,638
Corporates	49,209,957	44,446,461
Regular givers	15,056,292	16,905,559
Charity Fund Accounts	6,413,093	10,108,556
Total	70,719,362	71,507,214

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

2. EXPENDITURE ON

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2025 £	Year to 30 April 2024 £
Payroll giving donations processed	2,046,239	1,892,006
Christmas appeals and other campaigns	431,309	415,206
Other donations processed (incl. Lotteries)	1,710,942	1,189,712
Total	4,188,490	3,496,924

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2025 £	Year to 30 April 2024 £
Staff costs (see note 3)	1,652,160	1,692,282
Information Technology and Communications	569,866	547,870
System development costs	584,099	459,673
Other administration costs	249,728	425,283
Depreciation	9,576	6,098
Amortisation	160,415	151,486
Loss on disposal	-	1,165
Impairment of intangible fixed assets	751,193	98,988
Grants in furtherance of the Charity's activities	132,634	46,710
Governance Costs	78,819	67,369
Total	4,188,490	3,496,924

Unrestricted expenditure on Charitable Activities includes £52,272 for the audit of the financial statements (2024: £51,441).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2025	Year to 30 April 2024
RAISING FUNDS (UNRESTRICTED)	£	£
Fee on unrestricted investment portfolio	87,811	60,327
Total	87,811	60,327
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	5,460	5,276
Total	5,460	5,276
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2025	Year to 30 April 2024
Donations paid to third party charities from:	£	£
Lotteries	3,577	2,203
Corporates	60,960,424	56,324,133
Regular givers	15,245,496	14,928,363
Charity Fund Accounts	13,478,282	10,096,285
Total	89,687,779	81,350,984

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2025 £	Year to 30 April 2024 £
Wages and Salaries	1,442,849	1,479,928
Social Security Costs	140,696	147,391
Other Pension Costs (see note 15)	68,615	64,963
Total costs	1,652,160	1,692,282
Monthly average No. of employees	No	No
Full time	40	40
Part time	2	1
Total No of employees	42	41
Full time equivalent	40	39

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £26,790 (2024: £27,355).

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2025 No.	Year to 30 April 2024 No.
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	-	1
£170,001 to £180,000	-	1
£190,001 to £200,000	1	-

The key management roles of the Charity comprise the trustees, the Chief Executive Officer, Chief Governance Officer, and the Head of Finance. The total employment benefits of the key management roles of the charity were £394,740 (2024: £396,699).

The number of staff earning in excess of £60,000 accruing retirement benefits within a defined contribution scheme was 3 (2024: 4). The Charity paid £14,248 (2024: £17,051) in respect of pension contributions on their behalf.

During the year, none of the Trustees received emoluments in respect of their services to the company (2024: none).

The sum of £228 was paid to three Trustees to cover travel and accommodation expenses (2024: £667).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025**

4. INTANGIBLE ASSETS	Software	Software in Development	Total
	£	£	£
COST			
At 1 May 2024	1,918,026	799,932	2,717,958
Additions	-	33,080	33,080
Disposals	(31,449)	-	(31,449)
At 30 April 2025	1,886,577	833,012	2,719,589
AMORTISATION & IMPAIRMENTS			
At 1 May 2024	1,387,228	100,457	1,487,685
Charge for the year	160,415	-	160,415
Disposals	(31,227)	-	(31,227)
Impairment	265,852	485,341	751,193
At 30 April 2025	1,782,268	585,798	2,368,066
NET BOOK VALUE			
At 30 April 2025	104,309	247,214	351,523
At 30 April 2024	530,798	699,475	1,230,273

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025

5. TANGIBLE ASSETS	Computers
	£
COST	
At 1 May 2024	56,820
Additions	13,731
Disposals	<u>(2,808)</u>
At 30 April 2025	<u>67,743</u>
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT	
At 1 May 2024	42,398
Depreciation charge for the year	9,576
Disposals	<u>(2,808)</u>
At 30 April 2025	<u>49,166</u>
NET BOOK VALUE	
At 30 April 2025	<u>18,577</u>
At 30 April 2024	<u>14,422</u>

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025**

6. INVESTMENTS – FIXED ASSETS

	2025	2025	2025	2024
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	4,806,467	17,447,370	22,253,837	20,720,025
Additions at cost	-	8,244,705	8,244,705	26,093,015
Disposals at market value	-	(10,825,500)	(10,825,500)	(26,488,522)
Net investment gains / (losses)	506,164	(6,029)	500,135	1,419,550
Movement on cash	207,394	(323,587)	(116,193)	509,769
Market value at 30 April	5,520,025	14,536,959	20,056,984	22,253,837
Historical cost at 30 April	3,000,000	15,324,241	18,324,241	20,443,044

Investments are represented by:	2025	2025	2024	2024
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	536,932	39,178	7,096,542	18,818
Listed investments	2,126,485	6,155,630	2,059,155	5,116,022
Other investments	10,657,801	540,958	7,882,843	80,457
Total	13,321,218	6,735,766	17,038,540	5,215,297
		20,056,984		22,253,837

The investments include funds held for a Trust Account which are treated as Restricted Funds and funds held in the Charity's long-term investment portfolio which are split between Unrestricted and Restricted Funds.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025**

6. INVESTMENTS – FIXED ASSETS (continued)

	2025	2024
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	<u>1</u>	<u>1</u>
Value at 30 April	<u>1</u>	<u>1</u>

	2025	2024
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	<u>7,302</u>	<u>7,302</u>
Impairment costs	<u>-</u>	<u>-</u>
Value at 30 April	<u>7,302</u>	<u>7,302</u>

These are restricted assets held by the Charity as Programme Related investments in the Big Issue Invest Social Enterprise Investment Fund. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by the Charity but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'.

	2025	2024
TOTAL INVESTMENTS – FIXED ASSETS		
	£	£
Financial Investments	<u>20,056,984</u>	<u>22,253,837</u>
Subsidiary Investments	<u>1</u>	<u>1</u>
Social Investments	<u>7,302</u>	<u>7,302</u>
Total	<u>20,064,287</u>	<u>22,261,140</u>

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025**

7. DEBTORS	2025	2024
	£	£
Amounts receivable in less than one year		
Trade Debtors	125,124	83,611
Other Debtors	700	27,747
Prepayments and Accrued Income	720,511	975,296
Total	846,335	1,086,654

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment.

8. INVESTMENTS – CURRENT ASSETS

	2025	2025	2025	2024
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	-	-	-	9,996,828
Additions at cost	-	-	-	-
Disposals at market value	-	-	-	(10,220,000)
Net investment gains	-	-	-	231,790
Movement on cash	-	-	-	(8,618)
Market value at 30 April	-	-	-	-
Historical cost at 30 April	-	-	-	-

Investments are represented by:	2025	2024
	UK	UK
	£	£
Cash or cash equivalents	-	-
Total	-	-

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	99,720	138,377
Taxation and Social Security	75,975	49,856
Trade Creditors	72,136	137,779
Other Creditors	6,709	7,165
Accruals and Deferred Income	167,885	414,928
Total	422,425	748,105

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity'.

Movements in deferred income	2025	2024
	£	£
At 1 May	75,762	90,582
Amounts released from previous year	(75,762)	(90,582)
Amounts deferred in the current year	83,238	75,762
At 30 April	83,238	75,762

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

10. FINANCIAL INSTRUMENTS

The Charity has the following financial instruments:	2025	2024
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	20,056,984	22,253,837
	20,056,984	22,253,837

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2025	2024
	£	£
At 1 May	50,122	36,122
Additional amount provided	-	14,000
Utilisation of provision	(50,122)	
At 30 April	-	50,122

The Charity moved office in January 2024. The provision related to the dilapidation liability on the previous office lease. This has now been settled and was realised in the year. No provision is currently required for dilapidation costs relating to the new office.

12. TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

13. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2024: £10).

The Members of the Charity are, at any one time, the current trustees of the Charity.

The Members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2025**

14. MOVEMENT ON FUNDS

	At 1 May 2024	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2025
	£	£	£	£	£	£
Unrestricted funds	8,539,047	3,613,380	(4,276,301)	704,180	506,164	9,086,470
Restricted funds – Lotteries	404,041	40,020	(3,577)	-	-	440,484
Restricted funds - Corporates	36,532,525	49,209,957	(60,960,424)	-	-	24,782,058
Restricted funds – Regular givers	21,262,111	15,101,321	(15,250,956)	(704,180)	(6,029)	20,402,267
Restricted funds –Charity Fund accounts	14,841,425	6,413,093	(13,478,282)	-	-	7,776,236
Total funds	81,579,149	74,377,771	(93,969,540)	-	500,135	62,487,515

	At 1 May 2023	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2024
	£	£	£	£	£	£
Unrestricted funds	5,720,218	4,128,489	(3,557,251)	611,182	1,636,409	8,539,047
Restricted funds – Lotteries	359,606	46,638	(2,203)	-	-	404,041
Restricted funds - Corporates	54,818,253	44,446,461	(56,324,133)	(6,408,056)	-	36,532,525
Restricted funds – Regular givers	19,851,322	16,940,679	(14,933,639)	(611,182)	14,931	21,262,111
Restricted funds –Charity Fund accounts	8,421,098	10,108,556	(10,096,285)	6,408,056	-	14,841,425
Total funds	89,170,497	75,670,823	(84,913,511)	-	1,651,340	81,579,149

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

14. MOVEMENT ON FUNDS (continued)

As at 30 April 2025 Restricted funds totalled £53,401,045 (as at 30 April 2024: £73,040,102). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. The Charity holds a Society Lotteries Licence and uses the services of External Lotteries Managers (“ELMs”). The ELM’s used in the year were Football Pools Limited and Sterling Management Centre Limited.

The Charity reduced its offering in this area from 2021, with no new lotteries being undertaken and the final two lotteries closed in 2025.

- Charity Fund Agreements are funds held for good causes and operate under Charities Trust’s charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors).
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts).

These latter funds are initially donated to the Charity until such time as the donor expresses their wishes as to their charitable application. See also Note 6 for Social Investments.

All monies held for Restricted funds are identified in the balance sheet as ‘Money market, investments and bank balances held on behalf of third parties as intermediary charity’, or alternatively form part of the fixed asset investments. Money market funds are term or notice deposits over 3 months with well-known UK banking institutions with high credit ratings.

Investments in the balance sheet relate to a combination of restricted funds and unrestricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £99,720 (2024 : £138,377) where monies are held in the same manner.

The transfer from restricted funds to unrestricted funds relates to dormant My Giving Account balances which have seen no activity in the preceding 2 years. In accordance with the provisions of the terms and conditions of business that donors sign up to, amounts held in dormant accounts amounting to £704,180 (2024: £611,182) have been transferred to unrestricted funds for charitable purposes in support of the Charity’s mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

15. PENSION ARRANGEMENTS

The company participates in a stakeholder pension arrangement to which employees and the Charity contribute.

Total Charity contributions during the year amounted to £68,615 (2024: £64,963).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2024: £10,252).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

16. FUNDS HELD AS AGENT

	At 1 May 2024	Income	Expenditure	At 30 April 2025
	£	£	£	£
Funds as Agent	(4,259,234)	(50,120,408)	49,837,689	(4,541,953)
Bank balances held as Agent	4,259,234	50,120,408	(49,837,689)	4,541,953
	At 1 May 2023	Income	Expenditure	At 30 April 2024
	£	£	£	£
Funds as Agent	(6,091,807)	(48,554,050)	50,386,623	(4,259,234)
Bank balances held as Agent	6,091,807	48,554,050	(50,386,623)	4,259,234

Amounts received by the Charity as agent are not included in the 'SOFA' or on the Balance Sheet. This includes amounts in respect of payroll giving and other funds held to the order of the original payer.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

17. RELATED PARTIES

Sir Michael Bibby, a Director / Trustee of the Charity, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £2,193 (2024 - £2,375). Charities Trust provided Payroll Giving and Corporate Fundraising Match services to Bibby Line Group, with £38,255 (2024 - £44,048) of corporate match funds received during the year and £40,318 (2024 - £42,441) paid out to charity. Payroll Giving donations are received and disbursed by Charities Trust acting as agent and are included in the funds disclosed in Note 16.

There was £nil trade debtors balance for Bibby Line Group on 30 April 2025 (2024: £nil).

18. CAPITAL COMMITMENTS

At 30 April the charity had the following capital commitments:

	2025	2024
	£	£
Contracts for future capital expenditure not provided in the financial statements – Software development	15,560	312,303
	15,560	312,303

19. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2025	2024
	£	£
Not later than one year	59,256	62,467
Later than one year and not later than five years	158,287	217,543
Total gross payments	217,543	280,010
	2025	2024
	£	£
Lease payments recognised as an expense		
Photocopier	3,211	4,282
Premises	59,256	48,440
Total lease payments in the year	62,467	52,722

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

20. SUBSIDIARY COMPANY

At 30 April 2025, the Charity held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, 2 nd Floor, Eleanor Rathbone House, Unit 16 Connect Business Village, 24 Derby Road, Liverpool L5 9PR	UK	100	Dormant

The value of the investment at 30 April 2025 is £1 (as at 30 April 2024: £1).

The capital and reserves of the subsidiary at 30 April 2025 are £1 (as at 30 April 2024: £1)

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

21. NOTES TO THE CASH FLOW STATEMENT

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

	2025 £	2024 £
Net movement in funds for the financial year (as per the statement of financial activities)	(19,091,634)	(7,591,348)
Adjustments for:		
Depreciation charges	9,576	6,098
Amortisation charges	160,415	151,486
Impairment charges	751,193	98,988
Gains on investments	(500,135)	(1,651,340)
Dividends from investments	(309,792)	(186,588)
Loss on disposal of fixed assets	-	1,165
Deduct interest income shown in investment activities	(1,687,339)	(2,181,692)
Increase in debtors	(24,613)	(12,602)
(Decrease) / increase in creditors	(325,680)	181,510
(Decrease) / increase in provisions	(50,122)	14,000
Net cash (used in) / provided by operating activities	(21,068,131)	(11,170,323)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash at bank and in hand	2,673,416	2,061,081
Bank balances held on behalf of third parties as intermediary charity	28,955,802	35,723,806
Total cash and cash equivalents	31,629,218	37,784,887

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2024 £	Cash-flows £	At 30 April 2025 £
Cash	37,784,887	(6,155,669)	31,629,218
Total	37,784,887	(6,155,669)	31,629,218

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2025	2025	2025	2024	2024	2024
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Intangible Assets	351,523	-	351,523	1,230,273	-	1,230,273
Tangible Assets	18,577	-	18,577	14,422	-	14,422
Investments – Fixed Assets	5,520,025	14,544,262	20,064,287	4,806,467	17,454,673	22,261,140
Current Assets	3,519,050	38,956,503	42,475,553	3,147,735	55,723,806	58,871,541
Creditors: amounts falling due within one year	(322,705)	(99,720)	(422,425)	(609,728)	(138,377)	(748,105)
Provisions for liabilities and charges	-	-	-	(50,122)	-	(50,122)
	<u>9,086,470</u>	<u>53,401,045</u>	<u>62,487,515</u>	<u>8,539,047</u>	<u>73,040,102</u>	<u>81,579,149</u>

CHARITIES TRUST

England & Wales - Charity number 327489

Accounts

CHARITIES TRUST
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2024

CHARITIES TRUST
2nd FLOOR ELEANOR RATHBONE HOUSE
UNIT 16 CONNECT BUSINESS VILLAGE
24 DERBY ROAD
LIVERPOOL L5 9PR

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024

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CHARITIES TRUST
CHAIR'S FOREWORD

CHAIR'S FOREWORD

It has been an exciting year for Charities Trust.

The charity has significantly built up its balance sheet strength during the year primarily due to increased interest rates and high corporate account balances as companies sought to make up for the shortfall in personal giving during the COVID-19 pandemic and the cost-of-living crises. This has given us the capacity to develop and renew our IT systems to enhance efficiency and further improve security, whilst expanding our product range and efforts to attract more donors to use our services.

I am pleased to say that we were directed by our clients to reduce their balances by making more donations to charities in the second half of the year. Around £10m more donations were made than contributions received during the year. This process has continued into the current financial year with account balances continuing to fall as the cash is passed on quicker to the intended charities.

We embarked upon a brand refresh involving several stakeholders and produced a new and modern strapline of "Growing Giving With You". Throughout the process it was great to hear the important role we play in supporting our clients and donors to do more for their communities.

Not only did our clients continue their focus on helping combat many important issues facing society such as the environment, fuel poverty and education but it was also very pleasing to see an increase in Payroll Giving commitments. This is particularly important for charities as despite the fall in inflation their costs remain high, as does the demand for their services.

We continue to invest in our digital transformation to ensure that we provide the products and services that donors and clients need. This process has proved more time consuming, complex and expensive than originally expected and many thanks go to those clients, colleagues and donors that have been patient and supportive during this time of significant change. We are however developing a truly market leading product and will continue to invest in our technology and embrace the many tools available, whilst developing our people to empower and equip them to adapt and change to different ways of working.

My fellow Trustees and I would like to take this opportunity to thank everyone for their tireless efforts and dedication and a special thank you as always to all our donors without which none of this very important work would be possible.

Sir Michael Bibby Bt.,DL
Chair

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD

The Trustees present their Strategic Report on Charities Trust (“the Charity”) for the year ended 30 April 2024.

Principal Activities

The Charity offers a wide range of charitable giving and donation services to the corporate sector in the UK. Clients continue to be attracted to the wide range of options available through the Charity to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Event fundraising including organisation monitoring and reporting (“Sponsor Me”);
- Charity accounts (“My Giving Account”);
- Corporate Charitable Foundation management;
- Newspaper appeals;
- Disaster appeals;
- Grant application processing and payment;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international);
- Sanctions screening and PEPs and adverse media screening;

We are pleased to see Payroll Giving donations processed at £52m for the year (2023: £50m). We achieved donations of £68m (2023: £74m) from all other services. Total donations received for the year came to £120m (2023: £124m) of which £72m (2023: £77m) is shown on the Statement of Financial Activities and £48m (2023: £47m) is shown in note 16 under funds held as agent.

During the year the value of donations processed per member of staff was £3.1m (2023: £3.5m).

Key Performance Indicators

Success for the Charity is measured by the value of charitable donations received and distributed, particularly the proportion of those which are ‘new giving’. As a not-for-profit organisation however, we only seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems, security and process improvements in an ever-changing digital age.

Achievements & Performance

Total donations received during the year of £120,112,058 (2023: £124,183,510) represents a decrease of 3% on the previous year. We made donations to 17,554 charities in the year (2023: 16,304).

Total donations received from Corporates of £44,446,461 (2023: £54,141,754) represents a decrease of 18%. Receipts from and donations paid on behalf of Corporates fluctuate each year depending on Clients’ donation plans and their charity

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance (Continued)

support programmes. Donations paid on behalf of Corporates exceeded receipts by £11,877,672 in the year (2023: £2,102,256).

During the year we processed 2.5 million individual Payroll Giving donations on behalf of 1,172 active client organisations (2023: 2.6 million on behalf of 1,019 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2023: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We were pleased to see donations from partners increase to £6,145,173 in the year (2023: £4,112,005). We are increasingly the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including a number of international providers.

Income in the year includes income from Charitable Activities of £1,608,827 (2023: £1,573,595). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. The most significant fees generated in the year were:

- Payroll Giving £389,188 (2023: £383,190).

Income for the Charity also includes unrestricted Donations Received and Bank Deposit Income.

Investment income for the Charity includes income from short-term deposits of monies prior to distribution to charities of £2,298,354 (2023: £1,231,779). This helps the Charity to keep administration charges as low as possible.

The Charity has engaged Evelyn Partners to provide investment management services and investment portfolios have been established to improve the return on unrestricted reserves and on restricted funds prior to distribution. Unrestricted income and capital gains from these investments came to £1,806,923 in 2024 (2023: £285,297).

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted funds for the Charity (i.e. its own reserves) increased by £2,818,829 for the year (2023: £849,827). This included a transfer of £611,182 from restricted funds to unrestricted funds in the year (2023: £154,908) in relation to dormant My Giving Account balances. See Note 14 for more details.

Unrestricted funds held in the Balance Sheet were £8,539,047 (2023: £5,720,218).

The net movement in all funds for the year was a decrease of £7,591,348 (2023: an increase of £1,663,919). The net outflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting

The Board of Trustees consider that through their strategic planning and decision making in the year ended 30 April 2024, they have acted in a way that is most likely to promote the success of the Charity for the benefit of its stakeholders. This year's strategic planning process undertaken in February 2024 continued its focus on the Charity's Digital Transformation, a significant investment aimed at modernising our technology and improving the user journey for clients and donors. The Board recognises the importance of the improvement and expansion of our technology and responding to our clients' fundraising needs and the tools required to support the charitable sector.

Employees: Our employees are central to effective service delivery for our clients and it is important that all employees feel valued and fully engaged in the work of the Charity. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. We have introduced an apprenticeship scheme in our finance area and if successful we will consider expanding the scheme into other areas.

Clients: Our mission is to grow charitable giving and we recognise that working in partnership with our clients is fundamental to this. We undertake a continuous programme of client engagement to ensure that our current service delivery meets their requirements and to support them to explore opportunities to develop and grow their charitable giving activities.

Suppliers: We view our suppliers as key partners in the delivery of our services and we engage regularly with our banking and technology suppliers to review performance, plan developments and stay abreast of progress and innovation in their areas of expertise. Our ongoing systems and infrastructure development is very much in collaboration with our suppliers whose contribution is highly valued. In addition to this, we place expectations on our key suppliers that they undertake business in a transparent manner and have in place policies such as a Modern Slavery Policy and Statement which demonstrate their commitment to this important aspect of ethical and responsible business practice.

Community & Environment: The Charity contributes to the public benefit by adding value to the charitable sector at minimal cost. It enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surpluses generated are re-invested in the Charity to further this work. In terms of the environment, we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport,

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

and we have introduced hybrid working arrangements to help reduce the environmental impact of staff commuting.

Business Conduct & Fair Practice: The Charity takes its obligations to stakeholders very seriously and endeavours to conduct its business to consistently high standards while treating all stakeholders fairly. The Charity supports this via a skilled, experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

While the Charity is not a fundraising charity and therefore not regulated by the Fundraising Regulator, it has an affiliation via the Association of Payroll Giving Organisations (APGO) which provides access to best practice and legislative updates. The Charity is regulated by the Gambling Commission; it has actively reduced its activities in relation to lotteries and raffles over recent years and this approach will continue.

Business Relationships

As detailed in the s172(1) statement above, the Charity recognises the critical importance of its stakeholder relationships and the role that clients, employees and suppliers play in enabling the Charity to deliver its objectives for the wider public and community benefit. These relationships are highly valued, and we continue to work to enhance them through ongoing effective engagement.

Financial Review

The total funds held as at the 30 April 2024 were £81,579,149 (2023: £89,170,497). The total restricted funds held were £73,040,102 (2023: £83,450,279) and the total unrestricted funds held were £8,539,047 (2023: £5,720,218). The net asset position has decreased from £89,170,497 to £81,579,149 primarily due to a decrease in restricted funds held which relates to the timing difference between receipt of funds and distribution to good causes.

a. Reserves Policy

The policy of the Board is to hold at least unrestricted liquid reserves sufficient to fund:

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (Continued)

Unrestricted Liquid Reserves (unrestricted income funds less tangible and intangible fixed assets) have increased to £7,294,352 (2023: £5,333,652) following positive financial performance in the year, the transfer of £611,182 (2023: £154,908) from restricted funds to unrestricted funds and incorporating capital investment in infrastructure of £1,115,866 (2023: £137,583). This level will allow us to continue the planned investment in our fundraising systems and infrastructure over the next year.

The unrestricted liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2024 unrestricted liquid reserves of £7,294,352 should be sufficient to meet the organisations requirements.

Principal funding sources continue to be fees derived from the processing of donations received and investment income. Expenditure in the year is the cost of processing and distributing these funds to charitable organisations which is our primary purpose. Unrestricted charitable activities expenditure increased by 51% in the year to £3,496,924 (2023: £2,309,780) which reflected our ongoing investment in digital transformation, our brand refresh and the strengthening of our staff structure to support the Charity's development plans.

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 16 to the financial statements. These comprise Payroll Giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where the Charity is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as 'Cash held on behalf of third parties as intermediary charity', 'Investments held on behalf of third parties as intermediary charity' or Investments. Details are disclosed in Note 14 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investments Overview

The Charity's investments consist of investment portfolios under the management of Evelyn Partners and Trust Account investments under the management of Canaccord Genuity.

Evelyn Partners is an investment management firm authorised and regulated by The Financial Conduct Authority and manages two portfolios for the Charity. The long-term portfolio comprises a mix of shares, bonds, cash instruments and alternative investments. The objective of this portfolio is to generate an average return of CPI plus 2% over the long term, thereby exceeding the return achievable from term deposit bank

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

accounts. The portfolio consists of a mix of restricted and unrestricted funds which are not required for the Charity's operations over the medium to long term. The value attributed to this portfolio as at the 30 April 2024 was £21,806,467 (2023: £20,283,492) (see note 6). The value attributed to the medium-term portfolio as at the 30 April 2024 was £nil (2023: £9,996,828) (see note 8). Funds were withdrawn during the year when treasury bills matured and were placed in bank deposits which were offering a higher return. The portfolio account remains open and available for future use. The objective of the portfolio is to provide a return at least equal to that of term deposit bank accounts while providing sufficient liquidity for the Charity's operations as required.

The Trust Account operates as a Donor Advised Fund Account, generating dividends and interest for charitable donation. The investments are managed by Canaccord Genuity, professional investment advisors authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £447,370 (2023: £436,533) (see note 6).

The Charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. There were no payments to the Big Issue Invest Social Enterprise Investment Fund II L.P. in 2024 (2023: £32,569).

These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes. All Social Investment assets are held in support of restricted funds.

Restricted cash is held in instant access and term deposit accounts with UK banking institutions. This is represented on the Balance Sheet as bank balances, money market and investments held on behalf of third parties as intermediary charity. The holding value as at the 30 April 2024 was £55,723,806 (2023: £56,140,054). The contractual terms and conditions in place with the majority of donors provide for interest earned on a substantial proportion of these funds to be applied to unrestricted income. In 2024 £2,298,354 was applied to unrestricted income (2023: £1,231,779). This income helps to keep the Charity's administration charges as low as possible. The Charity's treasury policy requires these cash funds to be held in a range of banking institutions, in accounts with a spread of maturity, including instant access funds. This is managed to ensure that sufficient funds are available at all times to meet donor instruction.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions. The holding value as at the 30 April 2024 was £2,061,081 (2023: £2,197,962).

d. Grant Making

A database of recipient charities is maintained and continuously developed by the Charity. New charities are added to the database when requested by donors. A charity

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

vetting process is undertaken when adding new charities which varies depending on the value of charitable donation being made and on whether the charity is UK based or overseas. When a donation cannot be made to the intended beneficiary an alternative instruction is sought from the donor. When an alternative instruction cannot be sourced from the donor, the Trustees use their discretion to donate to a charity of similar purpose to that of the original intended beneficiary.

e. Digital Transformation Investment

The Charity continued to invest in its Digital Transformation programme with £711,812 of capitalised expenditure (2023: £131,767) and £459,673 of operational expenditure (2023: £nil). The operational expenditure related to consultancy and support services and some elements of direct development expenditure which were not deemed to constitute an asset and therefore charged to the Statement of Financial Activities in the year. An impairment charge of £98,988 was made in relation to new system discovery costs which were deemed to be impaired due to a significant change in the development plan timeline.

Plans for Future Periods

The Charity will continue to focus on its Digital Transformation that will not only modernise the technology but will seek to make use of new digital features that will enhance the donation journey of our donors and help us scale up our offer to existing and new clients. We will also continue to build on the foundations which have been laid down in recent years to support our Partners by providing smoother and quicker payments to charities and allowing them greater flexibility to offer a wider range of charities to the donors using their platforms. We will continue to invest in our staff through training and succession plan development.

Principal Risks and Uncertainties

The Charity operates a framework that provides accountability for the management of risk across the organisation.

Charities Trust's Strategic Risk Management Framework includes:

- A Risk Appetite that is reviewed by Board at least annually;
- A comprehensive Strategic Risk Register that is maintained and reviewed by the Executive, relevant committees and Board with Board reviewing its identified top risks at each Board Meeting;
- The Board retains oversight of how risks are being managed by the Governance calendar presented at each meeting (compliance with all mandatory returns) and is alerted to any identified weakness in controls in the Governance Update report;
- An Annual Assurance Report has also been introduced which provides a summary of key events throughout the year together with enhancements to controls to ensure, where possible, these are prevented from reoccurring;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

a. Financial Risks

One of the main financial risks the Charity faces is interest rate risk. Short-term funds held by the Charity are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate.

We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

Some of our medium and long-term funds are held in professionally managed investment portfolios.

The management of the investment portfolios is overseen by the Investment & Treasury Committee and the investment managers work within the parameters of the Charity's Investment & Treasury Policy. The investments are managed on a medium risk basis and risk to capital is capped so that any loss would be covered by unrestricted reserves. Medium-term investments are not exposed to capital risk.

The Investment & Treasury Committee also makes recommendations to Board on the management of bank deposits.

b. Non-financial Risks

The main risk categories facing the Charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance.

Key legislation associated with those areas of risk and identified as having an indirect impact on the financial statements relate to UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019.

The Charity has enhanced its online training for all staff to ensure that these areas of risk are fully addressed by mandatory training which is refreshed on an annual basis. In addition, testing of staff knowledge and understanding has been undertaken by in-house staff with "phishing" type exercises. Any identified weaknesses in individual's knowledge in dealing with such contact has been immediately addressed by providing further mandatory training. This has been implemented to address the further risks presented by the new hybrid work patterns which mix in office and remote working.

Training on Anti-Money Laundering has also been rolled out to all staff to increase vigilance, with enhanced level training still provided to specific staff.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

The Charity is constantly evolving its technology to ensure that its systems and controls are secure and resilient. Our systems and processes incorporate controls to ensure that client accounts and donations are managed securely, and our treasury policy provides for sufficient liquidity of funds so that donations can be made in a timely manner in line with donor instructions.

ON BEHALF OF THE BOARD



C Rustomji (Trustee)

Date: 18 December 2024

CHARITIES TRUST

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2024.

Reference and Administrative Details

The registered name and trading name of the Charity is Charities Trust.

The Charity is registered with the Charity Commission for England and Wales under registered number 327489.

The Charity is a company limited by guarantee and is registered with Companies House under registered number 2142757.

The address of the registered office is 2nd Floor Eleanor Rathbone House, Unit 16 Connect Business Village, 24 Derby Road, Liverpool L5 9PR.

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt.,DL (Chair)
- LJ Thomas
- MJ Blakeman
- LA Blackburn
- P Fietje
- IC Povey
- CEM Rustomji

Day to day management of the Charity was delegated by the board to Linda Minnis, the Chief Executive.

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

RSM UK Audit LLP are deemed to be reappointed as the charity's auditor under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Shakespeare Martineau LLP, 60 Gracechurch Street, London, EC3V 0HR.

Charities Trust's Professional Indemnity Insurance includes an extension for Directors and Officers, which indemnifies against legal liability arising from actual or alleged wrongful acts, errors or omissions when acting on behalf of the Charity.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and does not have any share capital. The Memorandum and Articles of Association dated 24 June 1987, last updated 5 December 2006 are its governing document.

The Charity has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

The Charity recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. Board succession planning is currently underway.

The Board meets at least four times per year and reviews annually at its Board Strategy Day its five year strategic Business Plan. All Trustees give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from the Charity.

No person or body external to the Charity is entitled to appoint trustees. The Trustees may by ordinary resolution appoint a person to the role of Trustee. The number of directors shall be not less than three but shall not be subject to a maximum.

Newly appointed trustees have a structured induction programme that includes spending time with senior management ensuring that they gain a full understanding of the Charity. They are also provided with information relating to charity regulation and Charity Commission guidance on their responsibilities and governance documentation that sets out their roles and responsibilities as Trustees and Directors and a framework of internal controls which includes a scheme of delegation both Financial and Non-Financial to aid them in discharging their duties.

The Governance Committee which was established last year and evolved from the Audit Committee which ensures that, in addition to its other areas of scope, accounting, risk and controls governance have been retained.

The Governance Committee is reviewing the governance arrangements in place, in full, to include induction and training to ensure that Equality, Diversity and Inclusion learning and its responsibilities in this area are understood, together with those relating to Data Protection, Charity Law and regulatory requirements.

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive and within a framework of delegations, risk management and internal controls, oversight and monitoring of which is retained by Board. There are three established Board committees; Governance, Remuneration and Investment & Treasury. These committees have limited delegations and make all other recommendations to the Board for its decision.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making (continued)

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. Accordingly, the Chief Executive must not make decisions relating to these matters without prior Board approval.

The Board, supported by the Governance Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year-end forecast and predicted cash flow.

The Investment & Treasury Committee provides oversight and assurance for the Board in respect of the investment and treasury activities of the Charity. The Committee is responsible for oversight of the execution of the approved Investment & Treasury policy within an agreed scheme of delegation and for recommending changes to policy or strategy to the Board where appropriate. The Committee oversees the relationship with the Charity's investment managers and monitors and reviews their performance.

The Remuneration Committee assists the Board to fulfil its responsibility to ensure that remuneration policy and practice rewards staff fairly and responsibly with a clear link to performance. The Committee makes recommendations to the Board in relation to the remuneration of the Chief Executive Officer and the senior management team. The Committee has authority to employ external consultants to undertake benchmarking to ensure remuneration is competitive and appropriate. Salary benchmarking for senior personnel is conducted every 3 years using an evaluation methodology that measures skills and responsibilities against key analytical factors. This method is then compared to roles, sectors and regional areas providing instant market rate data.

Objectives and Activities

Objects

The objects of the Charity as set out in its governing document are:

- to advance any charitable purpose for the benefit of the public wheresoever in the world as the Charity may think fit and in so far as the same are entirely ancillary to such object but not further or otherwise. The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission;
- to accept and undertake the administration and management (whether completely or only in part) of charitable trusts whether as agents for the trustees of such trusts or otherwise and to require and accept fees on account of such work of administration and management;
- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and
- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Objectives and Activities (continued)

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

These activities are summarised in further detail on page 3 of the Strategic Report of the Board.

Charities Trust's Mission

In the last year we completed a brand refresh that sought to modernise and reflect the ambitious digital transformation the organisation is going through. This was launched in April 2024 and garnered support from a range of our key clients. Our mission statement was also enhanced to better describe Charities Trust's key attributes of processing efficiencies, assurance and expertise that supports our clients' philanthropic impact by strengthening the statement of Growing Giving with You.

The Charity will continue its mission to support clients with their charitable initiatives by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised to maximise donations to the chosen charities and good causes.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit as required by Section 17 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

Strategic Report

The Charity has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the Charity's strategic report, information required by Large and Medium-sized companies and groups (Accounts and Reports) regulations 2008, Sch 7, to be contained in the Directors' report. It has done so in respect of future developments and business relationships, financial risk management objectives, actions taken to introduce, maintain or develop arrangements with employees and how Trustees have had regard to the need to foster relationships with suppliers.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Streamlined Energy and Carbon Reporting

The Charity consumed 40,000 kWh of energy or less in the UK during the period covered by the Trustee's report and therefore information surrounding greenhouse gas emissions, energy consumption or energy efficiency is not disclosed for that reason.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 Companies Act 2006. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities (continued)

Disclosure of Information to Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

ON BEHALF OF THE BOARD



C Rustomji (Trustee)

Date: 18 December 2024

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST**

Opinion

We have audited the financial statements of Charities Trust (the 'charitable company') for the year ended 30 April 2024 which comprise the Statement of Financial Activities (including Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 30 April 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

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 contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board and the Strategic Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board and the Strategic Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board or the Strategic Report of the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Board and Strategic Report of the Board and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019 and the Charitable Deductions (Approved Schemes) Regulations SI 1986/2211 (as amended). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Inglesby

LAURA INGLESBY FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Date: 18 December 2024

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2024 (including Summary Income and Expenditure Account)

	Note	Year to 30 April 2024 £	Year to 30 April 2024 £	Year to 30 April 2024 £	Year to 30 April 2023 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>					
Charitable activities	1	1,608,827	-	1,608,827	1,573,595
Investments	1	2,468,868	35,120	2,503,988	1,291,810
Donations received	1	50,794	71,507,214	71,558,008	77,224,095
<u>TOTAL INCOME</u>		4,128,489	71,542,334	75,670,823	80,089,500
<u>EXPENDITURE ON:</u>					
Charitable activities	2	(3,496,924)	-	(3,496,924)	(2,390,780)
Raising Funds	2	(60,327)	(5,276)	(65,603)	(10,162)
Social Investment Impairment	2	-	-	-	(32,569)
Donations paid to Charities	2	-	(81,350,984)	(81,350,984)	(76,266,204)
<u>TOTAL EXPENDITURE</u>		(3,557,251)	(81,356,260)	(84,913,511)	(78,699,715)
Net gains on investments	6&8	1,636,409	14,931	1,651,340	244,134
<u>NET INCOME / (EXPENDITURE)</u>		2,207,647	(9,798,995)	(7,591,348)	1,633,919
Transfers between funds	14	611,182	(611,182)	-	-
<u>NET MOVEMENT IN FUNDS</u>		2,818,829	(10,410,177)	(7,591,348)	1,633,919
<u>RECONCILIATION OF FUNDS:</u>					
Total fund brought forward	14	5,720,218	83,450,279	89,170,497	87,536,578
<u>TOTAL FUNDS CARRIED FORWARD</u>		8,539,047	73,040,102	81,579,149	89,170,497

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net income stated above and the historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2024
COMPANY REGISTRATION NUMBER 2142757

	Note	2024 £	2023 £
<u>FIXED ASSETS</u>			
Intangible assets	4	1,230,273	377,538
Tangible assets	5	14,422	9,028
Investments	6	<u>22,261,140</u>	<u>20,727,328</u>
TOTAL FIXED ASSETS		<u>23,505,835</u>	<u>21,113,894</u>
<u>CURRENT ASSETS</u>			
Debtors	7	1,086,654	324,476
Investments	8	-	9,996,828
Money market and investments held on behalf of third parties as intermediary charity		20,000,000	50,000
Cash at bank and in hand		2,061,081	2,197,962
Bank balances held on behalf of third parties as intermediary charity		<u>35,723,806</u>	<u>56,090,054</u>
TOTAL CURRENT ASSETS		<u>58,871,541</u>	<u>68,659,320</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	9	(748,105)	(566,595)
<u>NET CURRENT ASSETS</u>		<u>58,123,436</u>	<u>68,092,725</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>81,629,271</u>	<u>89,206,619</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	11	(50,122)	(36,122)
<u>NET ASSETS</u>		<u>81,579,149</u>	<u>89,170,497</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	14	73,040,102	83,450,279
Unrestricted income funds	14	8,539,047	5,720,218
<u>TOTAL CHARITY FUNDS</u>		<u>81,579,149</u>	<u>89,170,497</u>

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 12th December and were signed on its behalf on 18th December 2024.

C. Rustomji
.....
C Rustomji
TRUSTEE

Ian Povey
.....
I Povey
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2024

	Note	2024 £	2023 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash (used in) / provided by operating activities	21	(11,170,323)	423,405
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income		1,432,116	1,231,779
Dividends from investments		186,588	30,077
Purchase of tangible and intangible fixed assets	4&5	(1,115,866)	(137,583)
Proceeds from sale of investments	6&8	36,708,522	8,382,234
Purchase of investments	6&8	(26,093,015)	(38,189,120)
Increase in investment portfolio cash	6&8	(501,151)	(200,390)
Net (deposits in) / withdrawals from the money market		(19,950,000)	25,000,000
Net cash (used in) investing activities		(9,332,806)	(3,883,003)
Decrease in cash and cash equivalents in the financial year		(20,503,129)	(3,459,598))
Cash and cash equivalents at the beginning of the financial year		58,288,016	61,747,614
Cash and cash equivalents at the end of the financial year	21	37,784,887	58,288,016

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Charities SORP (FRS102) 2019 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a private company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at 2nd Floor, Eleanor Rathbone House, Unit16 Connect Business Village, 24 Derby Road, Liverpool, L5 9PR.

BASIS OF PREPARATION

The basis of preparation of these financial statements has taken due account of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

There are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2025 and 30 April 2026 which show operating surpluses. The Charity had unrestricted funds of £8.5m with the majority held as cash and investments as at 30 April 2024 and this is deemed sufficient to fund working capital requirements, capital development plans and any unexpected expenditure or loss of income. On this basis the accounts have been prepared on the going concern basis.

CONSOLIDATION

These financial statements are the Charity's separate financial statements. The company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as there would be no material difference between the separate financial statements and consolidated financial statements. The Charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds that are held for a period of time pending subsequent donation requests from clients. These funds consist of Corporate Charity Accounts, Foundations, Social Investments, Donor Advised Funds, My Giving Accounts and Lotteries. Under the client contractual terms and conditions Charities Trust has final discretion over the application of these funds. Other than the Trust Account investments, interest earned on the majority of restricted funds is applied to unrestricted income as per contractual terms and conditions in place with donors.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

Agency funds are where the donor has already nominated the third-party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the Charity as an Agent are reported in Note 16.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for as the service is provided. We have a range of fee structures for different products. The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits, current asset investments and fixed asset investments is recognised in the period in which it is earned and credited to Unrestricted Funds or Restricted Funds depending on the contractual terms and conditions relevant to the invested funds.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the Charity are for the benefit of third-party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to the Charity which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are received with specified instructions for onward direction and are distributed directly to charity then the Charity accounts for these transactions as an agent and they are included within Agency funds. Where funds are received and the Charity retains discretion as to how the funds are used the Charity accounts for these funds as a principal. Funds received as principal include corporate donations, charitable foundation donations and charity account donations. Funds received as agent include payroll giving and fundraising donations.

Funds held as intermediary charity for Restricted funds are included in the Charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that they comprise donations to the Charity which are held either pending instructions for onward donation to charitable organisations or a decision by the Charity as to which charitable organisations to donate to.

The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Income from Donations Received and Expenditure on Donations Paid to Charities.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations. These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account and on the Charity's long-term and medium-term investment portfolios. The fees are accounted for when charged against the investment portfolios.

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third-Party charitable organisations in accordance with the donor's wishes.

TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As a result, the tax charge for the current and prior years is nil.

INTANGIBLE FIXED ASSETS

Intangible fixed assets include acquired software costs together with capitalised development expenditure in relation to time costs of individuals working on the design configuration and testing of new software systems. They are amortised over 3-5 years, on a straight line basis, which is considered to be appropriate as this is the period over which the software is expected to be used by the Charity. Amortisation commences when the asset is available to use.

The company capitalises development expenditure as an intangible asset when it can demonstrate all of the following;

- (a) The technical feasibility of completing the development so the intangible asset will be available for use.
- (b) The intention to complete the development and use the intangible asset.
- (c) The ability to use the intangible asset
- (d) How the intangible asset will generate future economic benefits
- (e) The availability of adequate technical, financial and other resources to complete the development
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during development

Where these criteria are not met, expenditure is charged to the SOFA as research costs.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

Depreciation is provided on the straight-line basis to write off the cost less residual value of fixed assets over their anticipated useful lives at the following annual rates:

Computers	20% - 33%
Fixtures & Fittings	20% - 33%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1,000 will be applied to purchases for them to be capitalised.

INVESTMENTS

Investments held for My Trust Accounts are included at market value based on the bid price at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 6).

Investments held in the Charity's long-term and medium-term portfolios are included at market value based on the mid-market price at the balance sheet date. These are split between Restricted and Unrestricted Funds. Any surplus or deficit on revaluation is applied to Unrestricted Funds (see Notes 6 & 8). Contractual terms and conditions provide for Charities Trust to receive any returns from investments as unrestricted funds. This income is used to offset some of the charity's operating costs thereby reducing the service fees charged.

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well-known UK banking institutions with high credit rating.

In the separate accounts of the Charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CREDITORS and PROVISIONS

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

GRANTS PAYABLE

Grants payable are accounted for in full as liabilities of the Charity when accepted by the beneficiaries.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Charity's presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 profit or loss.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

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 profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors that are classified as debt, 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 receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Charity does not hold or issue derivatives financial instruments.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme. These benefits are recognised in the accounts when paid.

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan to which employees and the Charity contribute. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CRITICAL JUDGEMENTS AND ESTIMATES

The main critical judgment applied, surrounds the classification of funds. Judgement has been applied in whether certain funds held in accordance with the Charity's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £73m (2023: £83.5m), are held by the Charity pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the Charity. Although the standard terms and conditions do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor. In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution and to earn interest for the Charity while awaiting distribution. This is supported by long-term business practice.

Judgements and estimates are included within the financial statements in relation to depreciation and amortisation. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates; however, they are reviewed on an ongoing basis.

Judgements and estimates have also been included within the financial statements in relation to expenditure pertaining to software development. This applies both to the impairment of software in development and the classification of expenditure between capital and operational. A judgement was taken in relation to the impairment of discovery costs for a new system (see Note 4). Due to system architecture and platforms changes that will have taken place between the discovery work and the planned commencement of system development the asset was deemed to be impaired and to have no future use or value as a new discovery exercise will be required. Judgement has also been applied to the classification of some system development related expenditure as operational rather than capital. This related to consultancy and support services in connection with system development and some elements of direct development costs which on review were deemed not to constitute an asset as re-development work was required.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

1. INCOME FROM

	Year to 30 April 2024	Year to 30 April 2023
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	389,188	383,190
Christmas appeals and other campaigns	134,091	131,634
Corporate charity account fees	576,992	629,305
Fundraising Fees	104,636	107,322
Corporate foundation fees	150,401	127,981
Partnership fees	140,801	78,827
Other fees received	112,718	115,336
Total	1,608,827	1,573,595
	Year to 30 April 2024	Year to 30 April 2023
	£	£
INVESTMENTS		
Interest income received on cash deposits:		
Unrestricted funds	2,298,354	1,231,779
Dividend and Interest income received on investments:		
Unrestricted funds	170,514	16,231
Restricted funds	35,120	43,800
Total	2,503,988	1,291,810
	£	£
DONATIONS RECEIVED (UNRESTRICTED)		
Donations received	50,794	5
Total	50,794	5
	Year to 30 April 2024	Year to 30 April 2023
	£	£
DONATIONS RECEIVED (RESTRICTED)		
Donations received from:		
Lotteries	46,638	49,001
Corporates	44,446,461	54,141,754
Regular givers	16,905,559	15,325,601
Charity Fund Accounts	10,108,556	7,707,734
Total	71,507,214	77,224,090

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

2. EXPENDITURE ON

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2024 £	Year to 30 April 2023 £
Payroll giving donations processed	1,892,006	1,080,154
Christmas appeals and other campaigns	415,206	334,859
Other donations processed (incl. Lotteries)	1,189,712	975,767
Total	3,496,924	2,390,780

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2024 £	Year to 30 April 2023 £
Staff costs (see note 3)	1,692,282	1,382,080
Information Technology and Communications	547,870	337,100
System development costs	459,673	-
Other administration costs	425,283	328,883
Depreciation	6,098	6,438
Amortisation	151,486	175,114
Loss on disposal	1,165	-
Impairment	98,988	-
Grants in furtherance of the Charity's activities	46,710	100,449
Governance Costs	67,369	60,716
Total	3,496,924	2,390,780

Unrestricted expenditure on Charitable Activities includes £51,441 for the audit of the financial statements (2023: £49,000).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2024	Year to 30 April 2023
RAISING FUNDS (UNRESTRICTED)	£	£
Fee on unrestricted investment portfolio	60,327	4,977
Total	60,327	4,977
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	5,276	5,185
Total	5,276	5,185
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2024	Year to 30 April 2023
Donations paid to third party charities from:	£	£
Lotteries	2,203	12,194
Corporates	56,324,133	56,244,010
Regular givers	14,928,363	15,267,921
Charity Fund Accounts	10,096,285	4,742,079
Total	81,350,984	76,266,204
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2024	Year to 30 April 2023
	£	£
Regular givers	-	32,569
Total	-	32,569

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2024 £	Year to 30 April 2023 £
Wages and Salaries	1,479,928	1,216,578
Social Security Costs	147,391	115,630
Other Pension Costs (see note 15)	64,963	49,872
Total costs	1,692,282	1,382,080
Monthly average No. of employees	No	No
Full time	40	33
Part time	1	3
Total No of employees	41	36
Full time equivalent	39	35

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £27,355 (2023: £26,296).

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2024 No.	Year to 30 April 2023 No.
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	-
£150,001 to £160,000	-	1
£170,001 to £180,000	1	-

The key management roles of the Charity comprise the trustees, the Chief Executive Officer, Chief Governance Officer, and the Head of Finance. The total employment benefits of the key management roles of the charity were £396,699 (2023: £411,346).

The number of staff earning in excess of £60,000 accruing retirement benefits within a defined contribution scheme was 4 (2023: 3). The Charity paid £17,051 (2023: £11,679) in respect of pension contributions on their behalf.

During the year, none of the Trustees received emoluments in respect of their services to the company (2023: none).

The sum of £667 was paid to two Trustees to cover travel and accommodation expenses (2023: £348).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

4. INTANGIBLE ASSETS	Software	Software in Development	Total
	£	£	£
COST			
At 1 May 2023	1,526,629	88,120	1,614,749
Additions	391,397	711,812	1,103,209
At 30 April 2024	1,918,026	799,932	2,717,958
AMORTISATION & IMPAIRMENTS			
At 1 May 2023	1,235,742	1,469	1,237,211
Charge for the year	151,486	-	151,486
Impairment	-	98,988	98,988
At 30 April 2024	1,387,228	100,457	1,487,685
NET BOOK VALUE			
At 30 April 2024	530,798	699,475	1,230,273
At 30 April 2023	290,887	86,651	377,538

During the year software in development with a net book value of £98,988 was impaired. This related to discovery costs incurred for a new system which were deemed to be impaired due to a significant change in the development plan timeline. A new discovery exercise will be required prior to commencement of development in 2025 due to system architecture and platform changes. The impairment charge is included in the Statement of Financial Activities under unrestricted charitable activities expenditure.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

5. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2023	75,493	40,389	115,882
Additions	12,657	-	12,657
Disposals	(31,330)	(40,389)	(71,719)
At 30 April 2024	56,820	-	56,820
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2023	68,470	38,384	106,854
Depreciation charge for the year	5,258	840	6,098
Disposals	(31,330)	(39,224)	(70,554)
At 30 April 2024	42,398	-	42,398
NET BOOK VALUE			
At 30 April 2024	14,422	-	14,422
At 30 April 2023	7,023	2,005	9,028

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

6. INVESTMENTS – FIXED ASSETS

	2024	2024	2024	2023
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	3,283,492	17,436,533	20,720,025	465,443
Additions at cost	-	26,093,015	26,093,015	28,197,053
Disposals at market value	-	(26,488,522)	(26,488,522)	(8,382,234)
Net investment gains	1,404,619	14,931	1,419,550	247,991
Movement on cash	118,356	391,413	509,769	191,772
Market value at 30 April	4,806,467	17,447,370	22,253,837	20,720,025
Historical cost at 30 April	3,000,000	17,443,044	20,443,044	20,423,549

Investments are represented by:	2024	2024	2023	2023
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	7,096,542	18,818	14,578,007	7,293
Listed investments	2,059,155	5,116,022	981,293	1,980,959
Other investments	7,882,843	80,457	3,118,000	54,473
Total	17,038,540	5,215,297	18,677,300	2,042,725
		22,253,837		20,720,025

The investments include funds held for a Trust Account which are treated as Restricted Funds and funds held in the Charity's long-term investment portfolio which are split between Unrestricted and Restricted Funds.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

6. INVESTMENTS – FIXED ASSETS (continued)

	2024	2023
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	<u>1</u>	<u>1</u>
Value at 30 April	<u>1</u>	<u>1</u>

	2024	2023
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	7,302	39,871
Impairment costs	<u>-</u>	<u>(32,569)</u>
Value at 30 April	<u>7,302</u>	<u>7,302</u>

These are restricted assets held by the Charity as Programme Related investments in the Big Issue Invest Social Enterprise Investment Fund. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by the Charity but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'.

	2024	2023
TOTAL INVESTMENTS – FIXED ASSETS		
	£	£
Financial Investments	22,253,837	20,720,025
Subsidiary Investments	1	1
Social Investments	<u>7,302</u>	<u>7,302</u>
Total	<u>22,261,140</u>	<u>20,727,328</u>

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

7. DEBTORS	2024 £	2023 £
Amounts receivable in less than one year		
Trade Debtors	83,611	50,672
Other Debtors	27,747	163,144
Prepayments and Accrued Income	975,296	110,660
Total	1,086,654	324,476

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment. The increase in Prepayments and Accrued Income in 2024 relates to accrued interest on bank deposits.

8. INVESTMENTS – CURRENT ASSETS

	2024	2024	2024	2023
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	(3,172)	10,000,000	9,996,828	-
Additions at cost	-	-	-	9,992,067
Disposals at market value	(220,449)	(9,999,551)	(10,220,000)	-
Net investment gains / (losses)	231,790	-	231,790	(3,857)
Movement on cash	(8,169)	(449)	(8,618)	8,618
Market value at 30 April	-	-	-	9,996,828
Historical cost at 30 April	-	-	-	10,000,000

Investments are represented by:	2024	2023
	UK	UK
	£	£
Cash or cash equivalents	-	9,996,828
Total	-	9,996,828

These assets are held in the Charity's medium-term investment portfolio and are split between Unrestricted and Restricted Funds. The funds held in this portfolio are classed as medium-term as they are likely to be needed for the Charity's operations within a six to twelve-month period. The funds were withdrawn during the year when the investments matured and placed in bank deposits which were providing a higher return.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	138,377	133,611
Taxation and Social Security	49,856	60,203
Trade Creditors	137,779	115,242
Other Creditors	7,165	5,526
Accruals and Deferred Income	414,928	252,013
Total	748,105	566,595

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity'.

Movements in deferred income	2024	2023
	£	£
At 1 May	90,582	71,543
Amounts released from previous year	(90,582)	(71,543)
Amounts deferred in the current year	75,762	90,582
At 30 April	75,762	90,582

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

10. FINANCIAL INSTRUMENTS

The Charity has the following financial instruments:	2024	2023
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	22,253,837	30,716,853
	22,253,837	30,716,853

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2024	2023
	£	£
At 1 May	36,122	36,122
Provision for property dilapidations	14,000	-
At 30 April	50,122	36,122

The Charity moved office in January 2024. The provision relates to the dilapidation liability on the previous office lease. This has now been settled and will be realised within twelve months. No provision is included for dilapidation costs relating to the new office. This will be reassessed when planned alterations to the office are undertaken.

12. TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

13. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2023: £10).

The Members of the Charity are, at any one time, the current trustees of the Charity.

The Members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

14. MOVEMENT ON FUNDS

	At 1 May 2023	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2024
	£	£	£	£	£	£
Unrestricted funds	5,720,218	4,128,489	(3,557,251)	611,182	1,636,409	8,539,047
Restricted funds – Lotteries	359,606	46,638	(2,203)	-	-	404,041
Restricted funds - Corporates	54,818,253	44,446,461	(56,324,133)	(6,408,056)	-	36,532,525
Restricted funds – Regular givers	19,851,322	16,940,679	(14,933,639)	(611,182)	14,931	21,262,111
Restricted funds – Charity Fund accounts	8,421,098	10,108,556	(10,096,285)	6,408,056	-	14,841,425
Total funds	89,170,497	75,670,823	(84,913,511)	-	1,651,340	81,579,149

	At 1 May 2022	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2023
	£	£	£	£	£	£
Unrestricted funds	4,870,391	2,821,610	(2,395,757)	154,908	269,066	5,720,218
Restricted funds – Lotteries	322,799	49,001	(12,194)	-	-	359,606
Restricted funds - Corporates	56,920,509	54,141,754	(56,244,010)	-	-	54,818,253
Restricted funds – Regular givers	19,967,436	15,369,401	(15,305,675)	(154,908)	(24,932)	19,851,322
Restricted funds – Charity Fund accounts	5,455,443	7,707,734	(4,742,079)	-	-	8,421,098
Total funds	87,536,578	80,089,500	(78,699,715)	-	244,134	89,170,497

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

14. MOVEMENT ON FUNDS (continued)

As at 30 April 2024 Restricted funds totalled £73,040,102 (as at 30 April 2023: £83,450,279). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. The Charity holds a Society Lotteries Licence and uses the services of External Lotteries Managers (“ELMs”). The ELM’s used in the year were Football Pools Limited and Sterling Management Centre Limited.

The Charity has reduced its offering in this area with no new lotteries being undertaken from 2021 and rationalisation of those existing partners with whom it works. This will continue to be the case going forward.

- Charity Fund Agreements are funds held for good causes and operate under Charities Trust’s charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors).
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts).

These latter funds are initially donated to the Charity until such time as the donor expresses their wishes as to their charitable application. See also Note 6 for Social Investments.

All monies held for Restricted funds are identified in the balance sheet as ‘Money market, investments and bank balances held on behalf of third parties as intermediary charity’, or alternatively form part of the fixed asset investments. Money market funds are term or notice deposits over 3 months with well-known UK banking institutions with high credit ratings.

Investments in the balance sheet relate to a combination of restricted funds and unrestricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £138,377 (2023 : £133,611) where monies are held in the same manner.

The transfer from restricted funds to unrestricted funds relates to dormant My Giving Account balances which have seen no activity in the preceding 2 years. In accordance with the provisions of the terms and conditions of business that donors sign up to, amounts held in dormant accounts amounting to £611,182 (2023: £154,908) have been transferred to unrestricted funds for charitable purposes in support of the Charity’s mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

14. MOVEMENT ON FUNDS (continued)

The transfer within restricted funds from Corporate funds to Charity Fund accounts relates to the correction of prior year mis-allocation of expenditure.

15. PENSION ARRANGEMENTS

The company participates in a stakeholder pension arrangement to which employees and the Charity contribute.

Total Charity contributions during the year amounted to £64,963 (2023: £49,872).

Contributions outstanding at the year end and included in Tax and Social Security were £10,252 (2023: £nil).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

16. FUNDS HELD AS AGENT

	At 1 May 2023	Income	Expenditure	At 30 April 2024
	£	£	£	£
Funds as Agent	(6,091,807)	(48,554,050)	50,386,623	(4,259,234)
Bank balances held as Agent	6,091,807	48,554,050	(50,386,623)	4,259,234
<hr/>				
	At 1 May 2022	Income	Expenditure	At 30 April 2023
	£	£	£	£
Funds as Agent	(6,164,541)	(46,959,420)	47,032,154	(6,091,807)
Bank balances held as Agent	6,164,541	46,959,420	(47,032,154)	6,091,807

Amounts received by the Charity as agent are not included in the 'SOFA' or on the Balance Sheet. This includes amounts in respect of payroll giving and other funds held to the order of the original payer.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

17. RELATED PARTIES

Sir Michael Bibby, a Director / Trustee of the Charity, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £2,375 (2023 - £1,890).

There was £nil trade debtors balance for Bibby Line Group on 30 April 2024 (2023: £360).

18. CAPITAL COMMITMENTS

At 30 April the charity had the following capital commitments:

	2024 £	2023 £
Contracts for future capital expenditure not provided in the financial statements – Software development	312,303	-
	312,303	-

19. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2024 £	2023 £
Not later than one year	62,467	36,764
Later than one year and not later than five years	217,543	3,211
Total gross payments	280,010	39,975
	2024 £	2023 £
Lease payments recognised as an expense	4,282	4,282
Photocopier	48,440	57,000
Premises	52,722	61,282
Total lease payments in the year		

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

20. SUBSIDIARY COMPANY

At 30 April 2024, the Charity held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, 2 nd Floor, Eleanor Rathbone House, Unit 16 Connect Business Village, 24 Derby Road, Liverpool L5 9PR	UK	100	Dormant

The value of the investment at 30 April 2024 is £1 (as at 30 April 2023: £1).

The capital and reserves of the subsidiary at 30 April 2024 are £1 (as at 30 April 2023: £1)

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

21. NOTES TO THE CASH FLOW STATEMENT

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

	2024 £	2023 £
Net movement in funds for the financial year (as per the statement of financial activities)	(7,591,348)	1,633,919
Adjustments for:		
Depreciation charges	6,098	6,438
Amortisation charges	151,486	175,114
Impairment charges	98,988	-
Gains on investments	(1,651,340)	(244,134)
Dividends from investments	(186,588)	(30,077)
Social Investment impairment	-	32,569
Loss on disposal of fixed assets	1,165	
Deduct interest income shown in investment activities	(2,181,692)	(1,226,138)
(Increase) / decrease in debtors	(12,602)	39,913
Increase in creditors	181,510	35,801
Increase in provisions	14,000	-
Net cash (used in) / provided by operating activities	(11,170,323)	423,405

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash at bank and in hand	2,061,081	2,197,962
Bank balances held on behalf of third parties as intermediary charity	35,723,806	56,090,054
Total cash and cash equivalents	37,784,887	58,288,016

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2023 £	Cash-flows £	At 30 April 2024 £
Cash	58,288,016	(20,503,129)	37,784,887
Total	58,288,016	(20,503,129)	37,784,887

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2024	2024	2024	2023	2023	2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Intangible Assets	1,230,273	-	1,230,273	377,538	-	377,538
Tangible Assets	14,422	-	14,422	9,028	-	9,028
Investments – Fixed Assets	4,806,467	17,454,673	22,261,140	3,283,492	17,443,836	20,727,328
Current Assets	3,147,735	55,723,806	58,871,541	2,519,266	66,140,054	68,659,320
Creditors: amounts falling due within one year	(609,728)	(138,377)	(748,105)	(432,984)	(133,611)	(566,595)
Provisions for liabilities and charges	(50,122)	-	(50,122)	(36,122)	-	(36,122)
	8,539,047	73,040,102	81,579,149	5,720,218	83,450,279	89,170,497

CHARITIES TRUST

England & Wales - Charity number 327489

Accounts

CHARITIES TRUST
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2023

CHARITIES TRUST
SUITE 22 CENTURY BUILDING
BRUNSWICK BUSINESS PARK
TOWER STREET
LIVERPOOL L3 4BJ

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023

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CHARITIES TRUST

CHAIR'S FOREWORD

CHAIR'S FOREWORD

This has been a year of political and economic uncertainty. The result has been rising inflation, significant increases in energy prices and a cost-of-living crisis, all of which are contributing to an increased demand for services provided by charities at a time when donors themselves are being squeezed. This was somewhat predicted during the pandemic but society's ability to respond has been hampered.

It is particularly pleasing therefore that our corporate clients have stepped up and donations have increased with a strong focus on the environment, financial resilience, and fuel poverty. It is also significant that Payroll Giving commitments continue to be more than £50 million, providing much needed unrestricted funds with a longer-term commitment for charities across the UK.

Charities Trust has made good progress to continue to ensure that everyone is able to quickly make these donations as easily as possible at the lowest possible cost. We have adopted the latest technical and process improvements and restructured our organisation to focus on our clients and donors, as well as developing new products to better meet their needs. Our digital transformation, whilst a critical part of this process, did not move at the pace we would have liked but this is now back on track. There is a strong team in place and the forthcoming year will see new front end web access to open, maintain and transact on accounts for donors, more efficient and even safer data handling, and multi-location analysis of donations for clients.

With this transformation comes the ability for us to engage better with our existing clients providing innovative and improved ways for them to engage both their employees and their customers. This will mobilise more people to participate at a time when the demand for funds is ever increasing and the engagement of the workforce is crucial.

We have further strengthened our Board with the appointment of Catherine Rustomji, a leading Partner and Head of Charities who has been advising Charities, Social Enterprises and Not for Profit Organisations exclusively for over 20 years in legal matters. Catherine is also Chair of our newly constructed Governance Committee following our full review of Committee Structures.

Charities Trust continues to play a vital role that makes a difference and our investment to support this work remains a priority.

I would again like to take this opportunity to personally thank everyone in this important sector for their tireless efforts and a special thank you to all our donors without which none of this extraordinary work would be possible.

Sir Michael Bibby Bt.,DL
Chair

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD

The Trustees present their Strategic Report on Charities Trust “the Charity” for the year ended 30 April 2023.

Principal Activities

We are pleased to see Payroll Giving donations processed at £50m for the year (2022: £50m). Equally pleasing is the fact that we achieved donations of £74m (2022: £63m) from all of our other services. Clients continue to be attracted to the wide range of options available through Charities Trust to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Event fundraising including organisation monitoring and reporting (“Sponsor Me”);
- Charity accounts (“My Giving Account”);
- Corporate Charitable Foundation management;
- Newspaper appeals;
- Disaster appeals;
- Grant application processing and payment;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international);
- Sanctions screening and PEPs and adverse media screening;

We believe that Charities Trust continues to offer the widest range of charitable giving and donation services available to the corporate sector in the UK and we continue to seek opportunities to innovate. We also pride ourselves on the quality of our customer service and we believe we are rewarded for this with a very high level of client retention.

During the year the value of donations processed per member of staff was £3.5m (2022: £3.1m).

Key Performance Indicators

Success for Charities Trust is measured by the value of charitable donations received and distributed, particularly the proportion of those which are ‘new giving’. As a not for profit organisation however, we only seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems, security and process improvements in an ever-changing digital age.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance

Total donations received during the year of £124,183,510 (2022: £112,877,664) represents an increase of 10% over the previous year. We made donations to 16,304 individual charities in the year (2022: 15,275).

During the year we processed 2.6 million individual Payroll Giving donations on behalf of 1,019 active client organisations (2022: 3 million on behalf of 1,106 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2022: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We are increasingly the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including a number of international providers.

Income in the year includes income from Charitable Activities of £1,573,595 (2022: £1,458,459). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. The most significant fees generated in the year were:

- Payroll Giving £383,190 (2022: £383,740).

Income for the charity also includes unrestricted Donations Received and Bank Deposit Income.

Investment income for the charity includes income from short-term deposits of monies prior to distribution to charities of £1,231,779 (2022: £535,008). This helps us to keep our administration charges as low as possible.

The charity has engaged Evelyn Partners to provide investment management services and investment portfolios have been established in the year to improve the return on unrestricted reserves and on restricted funds prior to distribution. Unrestricted income and capital gains from these investments came to £285,297 in 2023 (2022: £nil).

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted net income for the charity (i.e. its own reserves) increased by £849,827 for the year (2022: Surplus £3,501,033). This included a transfer of £154,908 from restricted funds to unrestricted funds in the year (2022: £3,470,071) in relation to dormant My Giving Account balances. See Note 14 for more details.

Unrestricted funds held in the Balance Sheet were £5,720,218 (2022: £4,870,391).

The net movement in all funds for the year was an increase of £1,633,919 (2022: a decrease of £14,108,762). The net inflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting

The Board of Trustees consider that through their strategic planning and decision making in the year ended 30 April 2023 they have acted in a way that is most likely to promote the success of the charity for the benefit of its stakeholders as a whole. This year's strategic planning process undertaken in February 2023 focused on the medium and long-term development of the charity including strengthening its partnership working with the aim of enhancing the delivery of its charitable objectives. A key focus of the day was Charities Trust's Digital Transformation, a significant investment aimed at modernising our technology and improving the user journey for clients and donors. The successful conclusion of this technological development will see the migration of clients to a new platform and the decommissioning of the existing legacy system. The Board recognises the importance of stakeholder engagement and participation in the achievement of these objectives and the forthcoming year will further this engagement as we increase our focus upon the improvement and expansion of our technology.

Employees: A key part of our mission statement is to provide a personal service for our clients, and we recognise that our employees are central to that. It is important to the charity that all employees feel valued and fully engaged in the delivery of our mission. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. We also completed a full salary benchmarking exercise to ensure that our employees are paid appropriately, and we are committed to being a Real Living Wage Employer.

Clients: Our charitable objectives as detailed within the Reports and Financial Statements are fully focused on facilitating the charitable donations of our clients, putting them at the heart of the work we do. We undertake a continuous programme of client engagement to ensure that our current service delivery meets their requirements and to support them to explore opportunities to develop and grow their charitable giving activities.

Suppliers: We view our suppliers as key partners in the delivery of our services and we engage regularly with our banking and technology suppliers to review performance, plan developments and stay abreast of progress and innovation in their areas of expertise. Our ongoing systems and infrastructure development is very much in collaboration with our suppliers whose contribution is highly valued. In addition to this, we place expectations on our key suppliers that they undertake business in a transparent manner and have in place policies such as a Modern Slavery Policy and Statement which demonstrate their commitment to this important aspect of ethical and responsible business practice.

Community & Environment: Charities Trust contributes to the public benefit by adding value to the charitable sector at minimal cost. It enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surpluses generated are reinvested in the charity to further this work. In terms of the environment, we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport,

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

and we have introduced hybrid working arrangements to help reduce the environmental impact of staff commuting.

Business Conduct & Fair Practice: The charity takes its obligations to stakeholders very seriously and endeavours to conduct its business to consistently high standards while treating all stakeholders fairly. Charities Trust supports this via a skilled, experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

While Charities Trust is not a fundraising charity and therefore not regulated by the Fundraising Regulator, it has an affiliation via the Association of Payroll Giving Organisations (APGO) which provides access to best practice and legislative updates. Charities Trust is regulated by the Gambling Commission; it has actively reduced its activities in relation to lotteries and raffles over recent years and this approach will continue.

Business Relationships

As detailed in the s172(1) statement above, Charities Trust recognises the critical importance of its stakeholder relationships and the role that clients, employees and suppliers play in enabling the charity to deliver its objectives for the wider public and community benefit. These relationships are highly valued, and we continue to work to enhance them through ongoing effective engagement.

Financial Review

The total funds held as at the 30 April 2023 were £89,170,497 (2022: £87,536,578). The total restricted funds held were £83,450,279 (2022: £82,666,187). The net asset position has increased from £87,536,578 to £89,170,497 primarily due an increase in investment income as a result of higher interest rates and an increase in restricted funds held which relates to the timing difference between receipt of funds and distribution to good causes.

a. Reserves Policy

The policy of the Board is to hold at least unrestricted liquid reserves sufficient to fund:

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (Continued)

Unrestricted Liquid Reserves (unrestricted income funds less tangible and intangible fixed assets) have increased to £5,333,652 (2022: £4,439,856) following positive financial performance in the year, the transfer of £154,908 (2022: £3,470,071) from restricted funds to unrestricted funds and incorporating investment in infrastructure of £137,583 (2022: £123,943). This level will allow us to continue the planned investment in our fundraising systems and infrastructure over the next year.

The unrestricted liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2023 unrestricted liquid reserves of £5,333,652 should be sufficient to meet the organisations requirements.

Principal funding sources continue to be fees derived from the processing of donations received and investment income. Expenditure in the year is the cost of processing and distributing these funds to charitable organisations which is our primary purpose.

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 16 to the financial statements. These comprise Payroll Giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as 'Cash held on behalf of third parties as intermediary charity', 'Investments held on behalf of third parties as intermediary charity' or Investments. Details are disclosed in Note 14 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investments Overview

Trust Account investments are managed by a professional investment advisor authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas investments. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £436,533 (see note 6). (2022: £465,443).

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

Two new investment portfolios were established in 2023 under the management of Evelyn Partners, an investment management firm authorised and regulated by The Financial Conduct Authority. The long-term portfolio received an initial cash investment of £20m and comprises a mix of shares, bonds, cash instruments and alternative investments. The objective of this portfolio is to generate an average return of CPI plus 2% over the long term, thereby exceeding the return achievable from term deposit bank accounts. The portfolio consists of a mix of restricted and unrestricted funds which are not required for the charity's operations over the medium to long term. The value attributed to this portfolio as at the 30 April 2023 was £20,283,492 (2022: £nil) (see note 6). The medium-term portfolio received an initial cash investment of £10m and comprises treasury bills and cash and contains restricted funds which are not required over the medium term. The objective of the portfolio is to provide a return at least equal to that of term deposit bank accounts while providing sufficient liquidity for the charity's operations as required. The value attributed to this portfolio as at the 30 April 2023 was £9,996,828 (2022: £nil) (see note 8).

The charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. In 2023 £32,569 (2022: £34,032) was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P.

These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes. All of the Social Investment assets are held in support of restricted funds.

Restricted cash is held in instant access and term deposit accounts with UK banking institutions. This is represented on the Balance Sheet as bank balances, money market and investments held on behalf of third parties as intermediary charity. The holding value as at the 30 April 2023 was £56,140,054 (2022: £82,361,010). The contractual terms and conditions in place with the majority of donors provide for interest earned on a substantial proportion of these funds to be applied to unrestricted income. In 2023 £1,231,779 was applied to unrestricted income (2022: £535,008). This income helps to keep the Charity's administration charges as low as possible. The Charity's treasury policy requires these cash funds to be held in a range of banking institutions, in accounts with a spread of maturity, including instant access funds. This is managed to ensure that sufficient funds are available at all times to meet donor instruction.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions. The holding value as at the 30 April 2023 was £2,197,962 (2022: £4,436,604).

d. Grant Making

A database of recipient charities is maintained and continuously developed by Charities Trust. New charities are added to the database when requested by donors. A charity vetting process is undertaken when adding new charities which varies depending on the value of charitable donation being made and on whether the charity is UK based or

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

overseas. When a donation cannot be made to the intended beneficiary an alternative instruction is sought from the donor. When an alternative instruction cannot be sourced from the donor the Trustees use their discretion to donate to a charity of similar purpose to that of the original intended beneficiary.

Plans for Future Periods

We continue to build on the foundations which have been laid down in recent years, by providing more products and services for current clients and continuing our recent success of attracting new clients. Building positive and long-lasting relationships has been a vital part of our growth. We will continue to invest in our people internally and in the systems they require to provide the quality of customer service for which we are known.

Principal Risks and Uncertainties

Charities Trust operates a framework that provides accountability for the management of risk across the organisation

Charities Trust's Strategic Risk Management Framework includes:

- A Risk Appetite that is reviewed by Board at least annually;
- A comprehensive Strategic Risk Register that is maintained and reviewed by the Executive, relevant committees and Board with Board reviewing its identified top risks at each Board Meeting;
- Board retains oversight of how risks are being managed by the Governance calendar presented at each meeting (compliance with all mandatory returns) and is alerted to any identified weakness in controls in the Governance Update report;
- An Annual Assurance Report has also been introduced which provides a summary of key events throughout the year together with enhancements to controls to ensure, where possible, these are prevented from recurring;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

a. Financial Risks

One of the main financial risks the charity faces is interest rate risk. Short-term funds held by Charities Trust are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate.

We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

Some of our medium and long-term funds are held in professionally managed investment portfolios. These help to mitigate interest rate risk while providing liquidity for the charity's operations.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

The management of the investment portfolios is overseen by the Investment & Treasury Committee and the investment managers work within the parameters of the Charity's Investment & Treasury Policy. The long-term investments are managed on a medium risk basis and risk to capital is capped so that any loss would be covered by unrestricted reserves. Medium-term investments are not exposed to capital risk.

b. Non-financial Risks

The main risk categories facing the charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance.

Key legislation associated with those areas of risk and identified as having an indirect impact on the financial statements relate to UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019.

Charities Trust has enhanced its online training for all staff to ensure that these areas of risk are fully addressed by mandatory training which is refreshed on an annual basis. In addition, testing of staff knowledge and understanding has been undertaken by in-house staff with "phishing" type exercises. Any identified weaknesses in individual's knowledge in dealing with such contact has been immediately addressed by providing further mandatory training. This has been implemented to address the further risks presented by the new hybrid work patterns which mix in office and remote working.

Training on Anti-Money Laundering has also been rolled out to all staff to increase vigilance, with enhanced level training still provided to specific staff.

Charities Trust is constantly evolving its technology to ensure that our systems and controls are secure and resilient. Our systems and processes incorporate controls to ensure that client accounts and donations are managed securely and our treasury policy provides for sufficient liquidity of funds so that donations can be made in a timely manner in line with donor instructions.

ON BEHALF OF THE BOARD

C. Rustomji

C Rustomji (Trustee)

Date: 18 October 2023

CHARITIES TRUST

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2023.

Reference and Administrative Details

The registered name and trading name of the Charity is Charities Trust.

The Charity is registered with the Charity Commission for England and Wales under registered number 327489.

The Charity is a company limited by guarantee and is registered with Companies House under registered number 2142757.

The address of the registered office is Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt.,DL (Chair)
- LJ Thomas
- MJ Blakeman
- LA Blackburn
- P Fietje
- IC Povey
- CE Rustomji (Appointed 6th October 2022)

Day to day management of the charity was delegated by the board to Linda Minnis, the Chief Executive.

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

RSM UK Audit LLP are deemed to be reappointed as the charity's auditor under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Browne Jacobsen, 14th Floor, No.1 Spinningfields, 1 Hardman Square, Spinningfields, Manchester M3 3EB.

Charities Trust's Professional Indemnity Insurance includes an extension for Directors and Officers, which indemnifies against legal liability arising from actual or alleged wrongful acts, errors or omissions when acting on behalf of the charity.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association dated 24 June 1987, last updated 5 December 2006 are its governing document.

The company has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

Charities Trust recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. In line with the commitment given last year, the Chair and Chief Executive recommended to Board for its approval, the appointment of Catherine Rustomji to the Board. Catherine's skills and expertise as a Partner and Head of Charities at a legal firm further strengthens the Board Team. In addition, Catherine's extensive experience of advising on Governance meant that her appointment to the Board in October 2022 also included the role of Chair of the Governance Committee, the establishment of which was approved by Board in April 2022.

The first meeting of the Governance Committee was held in March 2023 to enable it to define its Terms of Reference for approval by Board in April. The Committee's Terms of Reference demonstrate that its focus has been recalibrated and extended from the Finance and Audit Committee's original remit. This now includes governance arrangements generally and 'information governance' to include Data Protection, Data Privacy, and Information Security monitoring specifically, in addition to close monitoring of risks and finance.

The Board meets at least four times per year and reviews annually at its Board Strategy Day its five year strategic Business Plan. All Trustees give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from Charities Trust.

No person or body external to the Charity is entitled to appoint trustees. The Trustees may by ordinary resolution appoint a person to the role of Trustee. The number of directors shall be not less than three but shall not be subject to a maximum.

Newly appointed trustees have a structured induction programme that includes spending time with senior management ensuring that they gain a full understanding of Charities Trust. They are also provided with information relating to charity regulation and Charity Commission guidance on their responsibilities and governance documentation that sets out their roles and responsibilities as Trustees and Directors and a framework of internal controls which includes a scheme of delegation both Financial and Non-Financial to aid them in discharging their duties.

The Governance Committee is reviewing the governance arrangements in place, in full, to include induction and training to ensure that any Trustee training requirements are met with a programme that is flexible and recognises different learning styles and preferences.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive. There are three established Board committees; Governance, Remuneration and Investment & Treasury. These committees have limited delegations and make all other recommendations to the Board for decision.

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. Accordingly, the Chief Executive must not make decisions relating to these matters without prior Board approval.

The Board, supported by the Governance Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year-end forecast and predicted cash flow.

The Investment & Treasury Committee provides oversight and assurance for the Board in respect of the investment and treasury activities of the charity. The committee is responsible for oversight of the execution of the approved Investment & Treasury policy within an agreed scheme of delegation and for recommending changes to policy or strategy to the Board where appropriate. The committee oversees the relationship with the charity's investment managers and monitors and reviews their performance.

The Remuneration Committee assists the board to fulfil its responsibility to ensure that remuneration policy and practice rewards staff fairly and responsibly with a clear link to performance. The committee makes recommendations to the board in relation to the remuneration of the Chief Executive Officer and the senior management team. The committee has authority to employ external consultants to undertake benchmarking to ensure remuneration is competitive and appropriate. Salary benchmarking for senior personnel is conducted every 3 years using an evaluation methodology that measures skills and responsibilities against key analytical factors. This method is then compared to roles, sectors and regional areas providing instant market rate data.

Objectives and Activities

Objects

The objects of the Charity as set out in its governing document are:

- to advance any charitable purpose for the benefit of the public wheresoever in the world as the Charity may think fit and in so far as the same are entirely ancillary to such object but not further or otherwise. The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission;
- to accept and undertake the administration and management (whether completely or only in part) of charitable trusts whether as agents for the trustees of such trusts or otherwise and to require and accept fees on account of such work of administration and management;

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Objectives and Activities (continued)

- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and
- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

These activities are summarised in further detail on page 3 of the Strategic Report of the Board.

Charities Trust's Mission

In February 2019, the Board approved an ambitious strategic plan, that will further develop the products and services that Charities Trust provides to its clients. Our mission statement was enhanced to better reflect what Charities Trust has to offer.

“Our mission is to help you grow giving by being your partner of choice, providing the best possible personal service and solutions to donate and manage your charitable funds”.

In addition to aspiring to be the market leader in Payroll Giving, Charities Trust will grow giving in the UK by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised to maximise donations to the chosen charities and good causes.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit as required by Section 17 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

Strategic Report

The charitable company has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the company's strategic report, information required by Large and Medium-sized companies and groups (Accounts and Reports) regulations 2008, Sch 7, to be contained in the Directors' report. It has done so in respect of future developments and business relationships, financial risk management objectives, actions taken to introduce, maintain or develop arrangements with employees and how Trustees have had regard to the need to foster relationships with suppliers.

Streamlined Energy and Carbon Reporting

The Charity consumed 40,000 kWh of energy or less in the UK during the period covered by the Trustee's report and therefore information surrounding greenhouse gas emissions, energy consumption or energy efficiency is not disclosed for that reason.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities (continued)

- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

ON BEHALF OF THE BOARD

C. Rustomji

C Rustomji (Trustee)

Date: 18 October 2023

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST**

Opinion

We have audited the financial statements of Charities Trust (the 'charitable company') for the year ended 30 April 2023 which comprise the Statement of Financial Activities (including Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 30 April 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

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 contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board and the Strategic Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board and the Strategic Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board or the Strategic Report of the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Board and Strategic Report of the Board and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019 and the Charitable Deductions (Approved Schemes) Regulations SI 1986/2211 (as amended). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Inglesby

LAURA INGLESBY FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Date: 18 October 2023

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2023 (including Summary Income and Expenditure Account)

Note	Year to 30 April 2023 £	Year to 30 April 2023 £	Year to 30 April 2023 £	Year to 30 April 2022 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
INCOME FROM:				
Charitable activities	1,573,595	-	1,573,595	1,458,459
Investments	1,248,010	43,800	1,291,810	639,097
Donations received	5	77,224,090	77,224,095	63,932,029
TOTAL INCOME	2,821,610	77,267,890	80,089,500	66,029,585
EXPENDITURE ON:				
Charitable activities	(2,390,780)	-	(2,390,780)	(2,079,847)
Raising Funds	(4,977)	(5,185)	(10,162)	(4,231)
Social Investment Impairment	-	(32,569)	(32,569)	(34,032)
Donations paid to Charities	-	(76,266,204)	(76,266,204)	(78,005,521)
TOTAL EXPENDITURE	(2,395,757)	(76,303,958)	(78,699,715)	(80,123,631)
Net gains / (losses) on investments	269,066	(24,932)	244,134	(14,716)
NET INCOME / (EXPENDITURE)	694,919	939,000	1,633,919	(14,108,762)
Transfers between funds	154,908	(154,908)	-	-
NET MOVEMENT IN FUNDS	849,827	784,092	1,633,919	(14,108,762)
RECONCILIATION OF FUNDS:				
Total fund brought forward	4,870,391	82,666,187	87,536,578	101,645,340
TOTAL FUNDS CARRIED FORWARD	5,720,218	83,450,279	89,170,497	87,536,578

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net income stated above and the historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

The accounting policies and notes on pages 25 to 48 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2023
COMPANY REGISTRATION NUMBER 2142757

	Note	2023 £	2022 £
<u>FIXED ASSETS</u>			
Intangible assets	4	377,538	420,885
Tangible assets	5	9,028	9,650
Investments	6	<u>20,727,328</u>	<u>505,315</u>
TOTAL FIXED ASSETS		<u>21,113,894</u>	<u>935,850</u>
<u>CURRENT ASSETS</u>			
Debtors	7	324,476	370,030
Investments	8	9,996,828	-
Cash at bank and in hand		2,197,962	4,436,604
Bank balances held on behalf of third parties as intermediary charity		56,090,054	57,311,010
Money market, investments and bank balances held on behalf of third parties as intermediary charity		<u>50,000</u>	<u>25,050,000</u>
TOTAL CURRENT ASSETS		<u>68,659,320</u>	<u>87,167,644</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	9	<u>(566,595)</u>	<u>(530,794)</u>
<u>NET CURRENT ASSETS</u>		<u>68,092,725</u>	<u>86,636,850</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>89,206,619</u>	<u>87,572,700</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	11	<u>(36,122)</u>	<u>(36,122)</u>
<u>NET ASSETS</u>		<u>89,170,497</u>	<u>87,536,578</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	14	83,450,279	82,666,187
Unrestricted income funds	14	5,720,218	4,870,391
<u>TOTAL CHARITY FUNDS</u>		<u>89,170,497</u>	<u>87,536,578</u>

The accounting policies and notes on pages 25 to 48 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 12th October 2023 and were signed on its behalf on 18th October 2023.

C. Rustomji

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C RUSTOMJI
TRUSTEE

M J Blakeman

.....
M Blakeman
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2023

	Note	2023 £	2022 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash provided by / (used in) operating activities	20	423,405	(14,451,266)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	1	1,231,779	535,008
Dividends from investments		30,077	11,535
Purchase of tangible and intangible fixed assets	4&5	(137,583)	(123,943)
Proceeds from sale of investments	6&8	8,382,234	54,660
Purchase of investments	6&8	(38,189,120)	(26,345)
(Increase) / decrease in investment portfolio cash	6&8	(200,390)	10,301
Net withdrawals from the money market		25,000,000	9,950,000
Net cash (used in) / provided by investing activities		(3,883,003)	10,411,216
(Decrease) in cash and cash equivalents in the financial year		(3,459,598)	(4,040,050)
Cash and cash equivalents at the beginning of the financial year		61,747,614	65,787,664
Cash and cash equivalents at the end of the financial year	20	58,288,016	61,747,614

The accounting policies and notes on pages 25 to 48 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Charities SORP (FRS102) 2019 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a private company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

BASIS OF PREPARATION

The basis of preparation of these financial statements has taken due account of the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

There are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2024 and 30 April 2025 which show operating surpluses. The charity had unrestricted funds of £5.7m held as cash and investments as at 30 April 2023 and this is deemed sufficient to fund working capital requirements, capital development plans and any unexpected expenditure or loss of income.

CONSOLIDATION

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as there would be no material difference between the separate financial statements and consolidated financial statements. The charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds that are held for a period of time pending subsequent donation requests from clients. These funds consist of Corporate Charity Accounts, Foundations, Social Investments, Donor Advised Funds, My Giving Accounts and Lotteries. Under the client contractual terms and conditions Charities Trust has final discretion over the application of these funds. Interest earned on restricted funds other than the Trust Account investments is applied to unrestricted income as per the contractual terms and conditions in place with donors.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

Agency funds are where the donor has already nominated the third-party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the charity as an Agent are reported in Note 16.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for as the service is provided. We have a range of fee structures for different products. The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits, current asset investments and fixed asset investments is recognised in the period in which it is earned and credited to Unrestricted Funds or Restricted Funds depending on the contractual terms and conditions relevant to the invested funds.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the charity are for the benefit of third-party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to Charities Trust which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are received with specified instructions for onward direction and are distributed directly to charity then the Charity accounts for these transactions as an agent and they are included within Agency funds. Where funds are received and the Charity retains discretion as to how the funds are used the Charity accounts for these funds as a principal. Funds received as principal include corporate donations, charitable foundation donations and charity account donations. Funds received as agent include payroll giving and fundraising donations.

Funds held as intermediary charity for Restricted funds are included in the charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that they comprise donations to the Charity which are held either pending instructions for onward donation to charitable organisations or a decision by the Charity as to which charitable organisations to donate to.

The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Income from Donations Received and Expenditure on Donations Paid to Charities.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations. These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account and on the charity's long-term and medium-term investment portfolios. The fees are accounted for when charged against the investment portfolios.

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third-Party charitable organisations in accordance with the donor's wishes.

TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As a result, the tax charge for the current and prior years is nil.

INTANGIBLE FIXED ASSETS

Intangible fixed assets include acquired software costs together with capitalised development expenditure in relation to time costs of individuals working on the design configuration and testing of new software systems. They are amortised over 3-5 years, on a straight line basis, which is considered to be appropriate as this is the period over which the software is expected to be used by the charity. Amortisation commences when the asset is available to use.

The company capitalises development expenditure as an intangible asset when it can demonstrate all of the following;

- (a) The technical feasibility of completing the development so the intangible asset will be available for use.
- (b) The intention to complete the development and use the intangible asset.
- (c) The ability to use the intangible asset
- (d) How the intangible asset will generate future economic benefits
- (e) The availability of adequate technical, financial and other resources to complete the development
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during development

Where these criteria are not met, expenditure is charged to the SOFA as research costs.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

Depreciation is provided on the straight-line basis to write off the cost less residual value of fixed assets over their anticipated useful lives at the following annual rates:

Computers	20% - 33%
Fixtures & Fittings	20% - 33%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1,000 will be applied to purchases for them to be capitalised.

INVESTMENTS

Investments held for My Trust Accounts are included at market value based on the bid price at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 6).

Investments held in the charity's long-term and medium-term portfolios are included at market value based on the mid-market price at the balance sheet date. These are split between Restricted and Unrestricted Funds. Any surplus or deficit on revaluation is applied to Unrestricted Funds (see Notes 6 & 8). Contractual terms and conditions provide for Charities Trust to receive any returns from investments as unrestricted funds. This income is used to offset some of the charity's operating costs thereby reducing the service fees charged.

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well-known UK banking institutions with high credit rating.

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CREDITORS and PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

GRANTS PAYABLE

Grants payable are accounted for in full as liabilities of the Charity when accepted by the beneficiaries.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Companies presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 profit or loss.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

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 profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors that are classified as debt, 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 receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The charity does not hold or issue derivatives financial instruments.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme. These benefits are recognised in the accounts when paid.

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan to which employees and the Charity contribute. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CRITICAL JUDGEMENTS AND ESTIMATES

The main critical judgment applied, surrounds the classification of funds. Judgement has been applied in whether certain funds held in accordance with Charity Trust's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £83.5m (2022: £82.7m), are held by Charities Trust pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. Although the standard terms and conditions do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor. In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long-term business practice.

The only other judgements and estimates included within the financial statements relate to depreciation and amortisation. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates; however, they are reviewed on an ongoing basis. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

1. INCOME FROM

	Year to 30 April 2023	Year to 30 April 2022
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	383,190	383,740
Christmas appeals and other campaigns	131,634	108,149
Corporate charity account fees	629,305	497,062
Fundraising Fees	107,322	158,670
Corporate foundation fees	127,981	73,372
Other fees received	194,163	237,466
Total	1,573,595	1,458,459

	Year to 30 April 2023	Year to 30 April 2022
INVESTMENTS	£	£
Interest income received on cash deposits:		
Unrestricted funds	1,231,779	535,008
Dividend and Interest income received on investments:		
Unrestricted funds	16,231	-
Restricted funds	43,800	104,089
Total	1,291,810	639,097

DONATIONS RECEIVED (UNRESTRICTED)	£	£
Donations received	5	117,342
Total	5	117,342

	Year to 30 April 2023	Year to 30 April 2022
DONATIONS RECEIVED (RESTRICTED)	£	£
Donations received from:		
Lotteries	49,001	164,907
Corporates	54,141,754	46,557,989
Regular givers	15,325,601	14,652,754
Charity Fund Accounts	7,707,734	2,439,037
Total	77,224,090	63,814,687

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. EXPENDITURE ON

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2023 £	Year to 30 April 2022 £
Payroll giving donations processed	1,080,154	895,747
Christmas appeals and other campaigns	334,859	288,353
Other donations processed (incl. Lotteries)	975,767	895,747
Total	2,390,780	2,079,847

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2023 £	Year to 30 April 2022 £
Staff costs (see note 3)	1,382,080	1,263,630
Information Technology and Communications	337,100	326,784
Other administration costs	328,883	227,274
Depreciation	6,438	7,107
Amortisation	175,114	156,405
Grants in furtherance of the Charity's activities	100,449	53,373
Governance Costs	60,716	45,274
Total	2,390,780	2,079,847

Unrestricted expenditure on Charitable Activities includes £49,000 for the audit of the financial statements (2022: £42,288).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2023	Year to 30 April 2022
RAISING FUNDS (UNRESTRICTED)	£	£
Fee on unrestricted investment portfolio	4,977	-
Total	4,977	-
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	5,185	4,231
Total	5,185	4,231
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2023	Year to 30 April 2022
Donations paid to third party charities from:	£	£
Lotteries	12,194	223,011
Corporates	56,244,010	51,831,685
Regular givers	15,267,921	13,248,061
Charity Fund Accounts	4,742,079	12,702,764
Total	76,266,204	78,005,521
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2023	Year to 30 April 2022
	£	£
Regular givers	32,569	34,032
Total	32,569	34,032

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2023 £	Year to 30 April 2022 £
Wages and Salaries	1,216,578	1,116,398
Social Security Costs	115,630	99,413
Other Pension Costs (see note 15)	49,872	47,819
Total costs	1,382,080	1,263,630
Monthly average No. of employees	No	No
Full time	33	33
Part time	3	5
Total No of employees	36	38
Full time equivalent	35	36

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £26,296 (2022: £29,508)

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2023 No.	Year to 30 April 2022 No.
£60,001 to £70,000	1	2
£70,001 to £80,000	1	-
£150,001 to £160,000	1	1

The key management roles of the charity comprise the trustees, the Chief Executive Officer, Chief Governance Officer, Chief Operating Officer and the Head of Finance. The total employment benefits of the key management roles of the charity were £411,346 (2022: £324,403).

Total pension contributions for members of staff earning in excess of £60,000 was £11,679 (2021: £11,211).

During the year, none of the Trustees received emoluments in respect of their services to the company (2022: none)

The sum of £348 was paid to two Trustees to cover travel and accommodation expenses (2022: £0).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023**

4. INTANGIBLE ASSETS	Software Costs £	Total £	
COST			
At 1 May 2022	1,509,009	1,509,009	
Additions	131,767	131,767	
Disposals	(26,027)	(26,027)	
At 30 April 2023	1,614,749	1,614,749	
AMORTISATION			
At 1 May 2022	1,088,124	1,088,124	
Charge for the year	175,114	175,114	
Disposals	(26,027)	(26,027)	
At 30 April 2023	1,237,211	1,237,211	
NET BOOK VALUE			
At 30 April 2023	377,538	377,538	
At 30 April 2022	420,885	420,885	
5. TANGIBLE ASSETS			
	Computers £	Fixtures & fittings £	Total £
COST			
At 1 May 2022	88,716	40,389	129,105
Additions	5,816	-	5,816
Disposals	(19,039)	-	(19,039)
At 30 April 2023	75,493	40,389	115,882
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2022	82,340	37,115	119,455
Depreciation charge for the year	5,169	1,269	6,438
Disposals	(19,039)	-	(19,039)
At 30 April 2023	68,470	38,384	106,854
NET BOOK VALUE			
At 30 April 2023	7,023	2,005	9,028
At 30 April 2022	6,376	3,274	9,650

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023**

6. INVESTMENTS – FIXED ASSETS

	2023	2023	2023	2022
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	-	465,443	465,443	518,775
Additions at cost	3,000,000	25,197,053	28,197,053	26,345
Disposals at market value	-	(8,382,234)	(8,382,234)	(54,660)
Net investment gains / (losses)	272,923	(24,932)	247,991	(14,716)
Movement on cash	10,569	181,203	191,772	(10,301)
Market value at 30 April	3,283,492	17,436,533	20,720,025	465,443
Historical cost at 30 April	3,000,000	17,423,549	20,423,549	324,460

Investments are represented by:	2023	2023	2022	2022
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	14,578,007	7,293	471	504
Listed investments	981,293	1,980,959	227,886	141,594
Other investments	3,118,000	54,473	44,810	50,178
Total	18,677,300	2,042,725	273,167	192,276
		20,720,025		465,443

The investments include funds held for a Trust Account which are treated as Restricted Funds and funds held in the charity's long-term investment portfolio which are split between Unrestricted and Restricted Funds.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023**

6. INVESTMENTS – FIXED ASSETS (continued)

	2023	2022
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	<u>1</u>	<u>1</u>
Value at 30 April	<u>1</u>	<u>1</u>

	2023	2022
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	39,871	73,903
Additions at cost	-	-
Impairment costs	<u>(32,569)</u>	<u>(34,032)</u>
Value at 30 April	<u>7,302</u>	<u>39,871</u>

These are assets held by the Charity as Programme Related investments in the Big Issue Invest Social Enterprise Investment Fund. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by Charities Trust but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'.

	2023	2022
TOTAL INVESTMENTS – FIXED ASSETS		
	£	£
Financial Investments	20,720,025	465,443
Subsidiary Investments	1	1
Social Investments	<u>7,302</u>	<u>39,871</u>
Total	<u>20,727,328</u>	<u>505,315</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

7. DEBTORS	2023 £	2022 £
Amounts receivable in less than one year		
Trade Debtors	50,672	73,578
Other Debtors	163,144	195,037
Prepayments and Accrued Income	110,660	101,415
Total	324,476	370,030

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment.

8. INVESTMENTS – CURRENT ASSETS

	2023	2023	2023	2022
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	-	-	-	-
Additions at cost	-	9,992,067	9,992,067	-
Disposals at market value	-	-	-	-
Net investment (losses)	(3,857)	-	(3,857)	-
Movement on cash	685	7,933	8,618	-
Market value at 30 April	(3,172)	10,000,000	9,996,828	-
Historical cost at 30 April	-	10,000,000	10,000,000	-

Investments are represented by:	2023	2022
	UK	UK
	£	£
Cash or cash equivalents	9,996,828	-
Total	9,996,828	-

These assets are held in the charity's medium-term investment portfolio and are split between Unrestricted and Restricted Funds. The funds held in this portfolio are classed as medium-term as they are likely to be needed for the charity's operations within a six to twelve-month period.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	133,611	200,138
Taxation and Social Security	60,203	60,526
Trade Creditors	115,242	31,865
Other Creditors	5,526	5,351
Accruals and Deferred Income	252,013	232,914
Total	566,595	530,794

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity' and current asset investments.

Movements in deferred income	2023	2022
	£	£
At 1 May	71,543	55,267
Amounts released from previous year	(71,543)	(55,267)
Amounts deferred in the current year	90,582	71,543
At 30 April	90,582	71,543

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023**

10. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:	2023	2022
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	30,716,853	465,443
	30,716,853	465,443
 Financial assets that are debt instruments measured at amortised cost		
Trade receivables	50,672	73,578
Other receivables	163,144	195,037
Investment in short term deposits	56,140,054	82,361,010
	56,353,870	82,629,625
 Financial assets that are equity instruments measured at cost less impairment		
Subsidiary Investments	1	1
Social Investments	7,302	39,871
	7,303	39,872
 Financial liabilities measured at amortised cost		
Trade Creditors	115,242	31,865
Other Creditors	451,353	498,929
	566,595	530,794

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2023 £	2022 £
At 1 May	36,122	36,122
Provision for property dilapidations	-	-
At 30 April	<u>36,122</u>	<u>36,122</u>

The charity holds a lease over their premises until 20th November 2023. The provision relates to the estimated dilapidation costs at the expiry of the lease. Office lease renewal options are currently being explored.

12. TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

13. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2022: £10).

The members of the charity are, at any one time, the current trustees of the charity.

The members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

14. MOVEMENT ON FUNDS

	At 1 May 2022	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2023
	£	£	£	£	£	£
Unrestricted funds	4,870,391	2,821,610	(2,395,757)	154,908	269,066	5,720,218
Restricted funds – Lotteries	322,799	49,001	(12,194)	-	-	359,606
Restricted funds - Corporates	56,920,509	54,141,754	(56,244,010)	-	-	54,818,253
Restricted funds – Regular givers	19,967,436	15,369,401	(15,305,675)	(154,908)	(24,932)	19,851,322
Restricted funds – Charity Fund accounts	5,455,443	7,707,734	(4,742,079)	-	-	8,421,098
Total funds	87,536,578	80,089,500	(78,699,715)	-	244,134	89,170,497

	At 1 May 2021	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2022
	£	£	£	£	£	£
Unrestricted funds	1,369,358	2,110,809	(2,079,847)	3,470,071	-	4,870,391
Restricted funds – Lotteries	380,903	164,907	(223,011)	-	-	322,799
Restricted funds - Corporates	62,194,355	46,557,989	(51,831,685)	(150)	-	56,920,509
Restricted funds – Regular givers	21,981,554	14,756,843	(13,286,324)	(3,469,921)	(14,716)	19,967,436
Restricted funds – Charity Fund accounts	15,719,170	2,439,037	(12,702,764)	-	-	5,455,443
Total funds	101,645,340	66,029,585	(80,123,631)	-	(14,716)	87,536,578

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

14. MOVEMENT ON FUNDS (continued)

As at 30 April 2023 Restricted funds totalled £83,450,279 (as at 30 April 2022: £82,666,187). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. Charities Trust holds a Society Lotteries Licence and uses the services of External Lotteries Managers (“ELMs”). The ELM’s used in the year were Football Pools Limited and Sterling Management Centre Limited.

Charities Trust has reduced its offering in this area with no new lotteries being undertaken from 2021 and rationalisation of those existing partners with whom it works. This will continue to be the case going forward.

- Charity Fund Agreements are funds held for good causes and operate under Charities Trust’s charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors).
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts).

These latter funds are initially donated to Charities Trust until such time as the donor expresses their wishes as to their charitable application. See also Note 6 for Social Investments.

All monies held for Restricted funds are identified in the balance sheet as ‘Money market, investments and bank balances held on behalf of third parties as intermediary charity’, or alternatively form part of the fixed asset and current asset investments. Money market funds are term or notice deposits over 3 months with well-known UK banking institutions with high credit ratings.

Investments in the balance sheet relate to a combination of restricted funds and unrestricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £133,611 (2022 : £200,138) where monies are held in the same manner.

The transfer from restricted funds to unrestricted funds relates to dormant My Giving Account balances which have seen no activity in the preceding 2 years. In accordance with the provisions of the terms and conditions of business that donors sign up to, amounts held in dormant accounts amounting to £154,908 (2022: £3,470,471) have been transferred to unrestricted funds for charitable purposes in support of Charities Trust’s mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

15. PENSION ARRANGEMENTS

The company participates in a stakeholder pension arrangement to which employees and the Charity contribute.

Total Charity contributions during the year amounted to £49,872 (2022: £47,819).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2022: £nil).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

16. FUNDS HELD AS AGENT

	At 1 May 2022	Income	Expenditure	At 30 April 2023
	£	£	£	£
Funds as Agent	(6,164,541)	(46,959,420)	47,032,154	(6,091,807)
Bank balances held as Agent	6,164,541	46,959,420	(47,032,154)	6,091,807
<hr/>				
	At 1 May 2021	Income	Expenditure	At 30 April 2022
	£	£	£	£
Funds as Agent	(6,365,529)	(48,945,635)	49,146,623	(6,164,541)
Bank balances held as Agent	6,365,529	48,945,635	(49,146,623)	6,164,541

Amounts received by the company as agent are not included in the 'SOFA' or on the Balance Sheet. This includes amounts in respect of payroll giving and other funds held to the order of the original payer.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

17. RELATED PARTIES

Sir Michael Bibby, a Director / Trustee of Charities Trust, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £1,890 (2022 - £1,236).

There was £360 trade debtors balance for Bibby Line Group on 30 April 2023 (2022: £360).

18. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2023	2022
	£	£
Not later than one year	36,764	57,579
Later than one year and not later than five years	3,211	32,482
Later than five years	-	-
Total gross payments	39,975	90,061
	2023	2022
	£	£
Lease payments recognised as an expense		
Photocopier	4,282	3,840
Premises	57,000	57,000
Total lease payments in the year	61,282	60,840

19. SUBSIDIARY COMPANY

At 30 April 2023, the Company held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, Suite 20-22 Century Building, Brunswick Park, Tower Street, Liverpool, L3 4BJ.	UK	100	Dormant

The value of the investment at 30 April 2023 is £1 (as at 30 April 2022: £1).
The capital and reserves of the subsidiary at 30 April 2023 are £1 (as at 30 April 2022: £1)

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

20. NOTES TO THE CASH FLOW STATEMENT

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

	2023 £	2022 £
Net movement in funds for the financial year (as per the statement of financial activities)	1,633,919	(14,108,762)
Adjustments for:		
Depreciation charges	6,438	7,107
Amortisation charges	175,114	156,405
(Gains) / losses on investments	(244,134)	14,716
Dividends from investments	(30,077)	(11,535)
Social Investment impairment	32,569	34,032
Deduct interest income shown in investment activities	(1,226,138)	(535,008)
Decrease in debtors	39,913	70,166
Increase / (decrease) in creditors	35,801	(78,387)
Net cash provided by operating activities	423,405	(14,451,266)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	2,197,962	4,436,604
Bank balances held on behalf of third parties as intermediary charity	56,090,054	57,311,010
Total cash and cash equivalents	58,288,016	61,747,614

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2022 £	Cash-flows £	At 30 April 2023 £
Cash	61,747,614	(3,459,598)	58,288,016
Total	61,747,614	(3,459,598)	58,288,016

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Intangible Assets	377,538	-	377,538	420,885	-	420,885
Tangible Assets	9,028	-	9,028	9,650	-	9,650
Investments – Fixed Assets	3,283,492	17,443,836	20,727,328	-	505,315	505,315
Current Assets	2,519,266	66,140,054	68,659,320	4,806,634	82,361,010	87,167,644
Creditors: amounts falling due within one year	(432,984)	(133,611)	(566,595)	(330,656)	(200,138)	(530,794)
Provisions for liabilities and charges	(36,122)	-	(36,122)	(36,122)	-	(36,122)
	5,720,218	83,450,279	89,170,497	4,870,391	82,666,187	87,536,578

CHARITIES TRUST

England & Wales - Charity number 327489

Accounts

CHARITIES TRUST
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2022

CHARITIES TRUST
SUITE 22 CENTURY BUILDING
BRUNSWICK BUSINESS PARK
TOWER STREET
LIVERPOOL L3 4BJ

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022

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CHARITIES TRUST

CHAIR'S FOREWORD

CHAIR'S FOREWORD

2021/22 has been a year of change and realignment. Donations have largely returned to pre-pandemic levels following the exceptional rise in 2020/21 relating to COVID-19 specific donation schemes. The charity and our clients are still learning to live in a hybrid world where we work from our homes and offices on a mixed basis. Whilst traditional fundraising events activity is yet to recover to pre-pandemic levels, individual donors have continued to support charities and good causes and it was pleasing to see Payroll Giving commitments still in excess of £50 million. Our corporate donors have also significantly enhanced their donations to help those most in need.

A shortage of workers and other inflationary pressures mean our digital transformation has become even more critical to ensure we can not only provide a great, fast, data rich service to our clients but also that we can be more efficient and manage many more donations per colleague. The stresses that such a fundamental change imposes on the organisation have been significant, with colleagues having to take on new roles and work in new ways, while developing the systems, at the same time as keeping the existing operations on track. This has led to a high workload as well as a reorganisation in the structure and management, which should be completed in the coming year. Real thanks are justified to all colleagues, clients, donors, and partners who have helped us through this complex transition which should enable us to provide an outstanding service once completed. We are therefore looking forward to engaging with many more corporates going forward as well as continuing to support our existing clients with new and innovative fundraising tools.

We have further strengthened our Board with the appointment of Ian Povey, an internationally recognised product and technology expert. In addition, I would like to pay special thanks to Graham Morris, who has retired as the longest serving Trustee. Graham's support for the charity has been unwavering, as over the years he has contributed to the Finance, Remuneration and Investment Committee's and was Acting Chair during the transition to my appointment. Our heartfelt thanks to Graham and his family.

Charities Trust continues to play a vital role and continues to make a difference. None of this would be possible without the generosity of donors, and I would like to personally thank everyone for their extraordinary support to this phenomenally important sector.

Sir Michael Bibby Bt.,DL
Chair

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD

The Trustees present their Strategic Report on Charities Trust “the Charity” for the year ended 30 April 2022.

Principal Activities

The pandemic and lockdown continued to influence many areas of fundraising. We are however pleased to see Payroll Giving donations processed at £50m (2021: £54m) despite concerns that this would drop significantly. Clients continue to be attracted to the wide range of options available through Charities Trust to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Event fundraising including organisation monitoring and reporting (“Sponsor Me”);
- Charity accounts (“My Giving Account”);
- Corporate Charitable Foundation management;
- Newspaper appeals;
- Disaster appeals;
- Grant application processing and payment;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international);
- Sanctions screening and PEPs and adverse media screening;

We believe that Charities Trust continues to offer the widest range of charitable giving and donation services available to the corporate sector in the UK and we continue to seek opportunities to innovate. We also pride ourselves on the quality of our customer service and we believe we are rewarded for this with a very high level of client retention.

During the year the value of donations processed per member of staff was £3.1m (2021: £6.4m). This is greater than pre pandemic levels although lower than 2021 which is a reflection of the exceptional COVID-19 donation activity in that year.

Key Performance Indicators

Success for Charities Trust is measured by the value of charitable donations received and distributed, particularly the proportion of those which are ‘new giving’. As a not for profit organisation however, we only seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems, security and process improvements in an ever-changing digital age.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance

Total donations received during the year of £112,877,664 (2021: £212,099,868) represents a decrease of 47% over the previous year, but an increase on 2020 of £1m. We made donations to 15,275 individual charities in the year (2021: 13,928).

During the year we processed over 3 million individual Payroll Giving donations on behalf of 1,106 active client organisations (2021: 3.1 million on behalf of 1,205 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2021: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We are increasingly the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including a number of international providers.

Income in the year includes income from Charitable Activities of £1,458,459 (2021: £1,549,253). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. The most significant fees generated in the year were:

- Payroll Giving £383,740 (2021: £406,243).

Income for the charity also includes unrestricted Donations Received and Bank Deposit Income.

Investment income for the charity includes income from short-term deposits of monies prior to distribution to charity of £535,008 (2021: £708,222). This helps us to keep our administration charges as low as possible.

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted net income for the charity (i.e. its own reserves) increased by £3,501,033 for the year (2021: Surplus £128,394). This included a transfer of £3,470,071 from restricted funds to unrestricted funds in the year (2021: £nil) in relation to dormant My Giving Account balances. See Note 13 for more details.

Unrestricted funds held in the Balance Sheet were £4,870,391 (2021: £1,369,358).

The net movement in all funds for the year was a decrease of £14,108,762 (2021: an increase of £30,526,240). The net outflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting

The Board of Trustees consider that through their strategic planning and decision making in the year ended 30 April 2022 they have acted in a way that is most likely to promote the success of the charity for the benefit of its stakeholders as a whole. This year's strategic planning process undertaken in February 2022 focused on the medium and long term development of the charity including strengthening its partnership working with the aim of enhancing the delivery of its charitable objectives. The Board recognises the importance of stakeholder engagement and participation in the achievement of these objectives.

Employees: A key part of our mission statement is to provide a personal service for our clients, and we recognise that our employees are central to that. It is important to the charity that all employees feel valued and fully engaged in the delivery of our mission. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. COVID-19 continues to have a significant impact on working life and we continue to work on the best possible way to support hybrid working that focuses on ensuring that staff can work safely and effectively from home while maintaining support and feedback systems for employee welfare and supporting clients.

Clients: Our charitable objectives as detailed within the Reports and Financial Statements are fully focused on facilitating the charitable donations of our clients, putting them at the heart of the work we do. We undertake a continuous programme of client engagement to ensure that our current service delivery meets their requirements and to support them to explore opportunities to develop and grow their charitable giving activities.

Suppliers: We view our suppliers as key partners in the delivery of our services and we engage regularly with our banking and technology suppliers to review performance, plan developments and stay abreast of progress and innovation in their areas of expertise. Our ongoing systems and infrastructure development is very much in collaboration with our suppliers whose contribution is highly valued. In addition to this, we place expectations on our key suppliers that they undertake business in a transparent manner and have in place policies such as a Modern Slavery Policy and Statement which demonstrate their commitment to this important aspect of ethical and responsible business practice.

Community & Environment: Charities Trust contributes to the public benefit by adding value to the charitable sector at minimal cost. It enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surpluses generated are reinvested in the charity to further this work. In terms of the environment we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport and we will be looking at hybrid working arrangements going forward to help reduce the environmental impact of staff commuting.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

Business Conduct & Fair Practice: The charity takes its obligations to stakeholders very seriously and endeavours to conduct its business to consistently high standards while treating all stakeholders fairly. Charities Trust supports this via a skilled, experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

While CT is not a fundraising charity and therefore not regulated by the Fundraising Regulator, it has an affiliation via the Association of Payroll Giving Organisations (APGO) which provides access to best practice and legislative updates. CT is regulated by the Gambling Commission; it has actively reduced its activities in relation to lotteries and raffles over recent years and this approach will continue.

Business Relationships

As detailed in the s172(1) statement above, Charities Trust recognises the critical importance of its stakeholder relationships and the role that clients, employees and suppliers play in enabling the charity to deliver its objectives for the wider public and community benefit. These relationships are highly valued, and we continue to work to enhance them through ongoing effective engagement.

Financial Review

The total funds held as at the 30 April 2022 were £87,536,578 (2021: £101,645,340). The total restricted funds held were £82,666,187 (2021: £100,275,982). The net asset position has reduced from £101.6m to £87.5m primarily due to the decrease in cash held. This relates to the timing difference between receipt of funds and distribution to good causes.

a. Reserves Policy

The policy of the Board is to hold at least unrestricted liquid reserves sufficient to fund:

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (Continued)

Unrestricted Liquid Reserves (unrestricted income funds less tangible and intangible fixed assets) have increased to £4,439,856 (2021: £899,254) following positive financial performance in the year, the transfer of £3,470,071 from restricted funds to unrestricted funds and incorporating investment in infrastructure of £123,943 (2021: £143,952). This level will allow us to continue the planned investment in our fundraising systems and infrastructure over the next year.

The unrestricted liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2022 unrestricted liquid reserves of £4,439,856 should be sufficient to meet the organisations requirements.

Principal funding sources continue to be fees derived from the processing of donations received and investment income. Expenditure in the year is the cost of processing and distributing these funds to charitable organisations which is our primary purpose.

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 16 to the financial statements. These comprise Payroll Giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as either 'Cash held on behalf of third parties as intermediary charity' or 'Investments held on behalf of third parties as intermediary charity'. Details are disclosed in Note 13 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investment

Trust Account investments are managed by a professional investment advisor authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas investments. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £465,443 (see note 6). (2021: £518,775).

The charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. In 2022 £34,032 was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes.

All of these assets are held in support of restricted funds.

Restricted cash is held in instant access and term deposit accounts with UK banking institutions. This is represented on the Balance Sheet as bank balances, money market and investments held on behalf of third parties as intermediary charity. The holding value as at the 30 April 2022 was £82,361,010 (2021: £99,944,000). The contractual terms and conditions in place with the majority of donors provide for interest earned on a substantial proportion of these funds to be applied to unrestricted income. This income helps to keep the Charity's administration charges as low as possible. The Charity's treasury policy requires these cash funds to be held in a range of banking institutions, in accounts with a spread of maturity, including instant access funds. This is managed to ensure that sufficient funds are available at all times to meet donor instruction.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions.

The Charity is currently finalising a new Investment & Treasury policy.

d. Grant Making

A database of recipient charities is maintained and continuously developed by Charities Trust. New charities are added to the database when requested by donors. A charity vetting process is undertaken when adding new charities which varies depending on the value of charitable donation being made and on whether the charity is UK based or overseas. When a donation cannot be made to the intended beneficiary an alternative instruction is sought from the donor. When an alternative instruction cannot be sourced from the donor the Trustees use their discretion to donate to a charity of similar purpose to that of the original intended beneficiary.

Plans for Future Periods

We continue to build on the foundations which have been laid down in recent years, by providing more products and services for current clients and continuing our recent success of attracting new clients. Building positive and long-lasting relationships has been a vital part of our growth. We will continue to invest in our people internally and in the systems, they require to provide the quality of customer service for which we are known.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties

Charities Trust operates a framework that provides accountability for the management of risk across the organisation

Charities Trust's Strategic Risk Management Framework includes:

- A Risk Appetite that is reviewed by Board at least annually;
- A comprehensive Strategic Risk Register that is maintained and reviewed by the Executive, relevant committees and Board with Board reviewing its identified top risks at each Board Meeting;
- Board retains oversight of how risks are being managed by the Governance calendar presented at each meeting (compliance with all mandatory returns) and is alerted to any identified weakness in controls in the Governance Update report;
- An Annual Assurance Report has also been introduced which provides a summary of key events throughout the year together with enhancements to controls to ensure, where possible, these are prevented from recurring;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

a. Financial Risks

One of the main financial risks the charity faces is interest rate risk. Short-term funds held by Charities Trust are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate.

We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

b. Non-financial Risks

The main risk categories facing the charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance.

Key legislation associated with those areas of risk and identified as having an indirect impact on the financial statements relate to UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019.

Charities Trust has enhanced its online training for all staff to ensure that these areas of risk are fully addressed by mandatory training which is refreshed on an annual basis. In addition, testing of staff knowledge and understanding has been undertaken by in-house staff with "phishing" type exercises. Any identified weaknesses in individual's knowledge in dealing with such contact has been immediately addressed by providing further mandatory training. This has been implemented to address the further risks presented by the new hybrid work patterns which mix in office and remote working.

Training on Anti-Money Laundering has also been rolled out to all staff to increase vigilance, with enhanced level training still provided to specific staff.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

Charities Trust is constantly evolving its technology to ensure that our systems and controls are secure and resilient. Our systems and processes incorporate controls to ensure that client accounts and donations are managed securely and our treasury policy provides for sufficient liquidity of funds so that donations can be made in a timely manner in line with donor instructions.

The COVID-19 pandemic continues to provide uncertainty particularly as cost of living increases significantly. Charities Trust continues to be well placed to navigate this protracted period given our spread of clients across industry sectors and our range of product offerings.

ON BEHALF OF THE BOARD

M. J. Blakeman

M Blakeman (Trustee)

Date: 24/10/22

CHARITIES TRUST

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2022.

Reference and Administrative Details

The registered name and trading name of the Charity is Charities Trust.

The Charity is registered with the Charity Commission for England and Wales under registered number 327489.

The Charity is a company limited by guarantee and is registered with Companies House under registered number 2142757.

The address of the registered office is Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt., DL (Chair)
- G J Morris OBE (Resigned 28th April 2022)
- J Jones (Resigned 6th May 2021)
- E Perry (Resigned 25th October 2021)
- LJ Thomas
- MJ Blakeman
- LA Blackburn
- P Fietje
- I C Povey (Appointed 7th May 2021)

Day to day management of the charity was delegated by the board to Linda Minnis, the Chief Executive. The Charity has recently appointed Mark Campbell as Chief Operations Officer.

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

RSM UK Audit LLP, 14th Floor, 20 Chapel Street, Liverpool, L3 9AG, have been appointed as the charity's auditor in the year. RSM UK Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Browne Jacobsen, 14th Floor, No.1 Spinningfields, 1 Hardman Square, Spinningfields, Manchester M3 3EB.

Charities Trust's Professional Indemnity Insurance includes an extension for Directors and Officers, which indemnifies against legal liability arising from actual or alleged wrongful acts, errors or omissions when acting on behalf of the charity.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document.

The company has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

Charities Trust recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. The Chair and Chief Executive have made progress with a number of key appointments however, further work will be concluded by the end of 2022, a key focus of which remains the need to improve its diversity.

There is also a planned recalibration of the current Finance and Audit Committee to a Governance Committee, the remit of which will include a focus on Board recruitment, development and succession planning.

The Board meets at least four times per year and reviews annually at its Board Strategy Day its five year strategic Business Plan. All Trustees give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from Charities Trust.

No person or body external to the Charity is entitled to appoint trustees. The Trustees may by ordinary resolution appoint a person to the role of Trustee. The number of directors shall be not less than three but shall not be subject to a maximum.

Newly appointed trustees have a structured induction programme that includes spending time with senior management ensuring that they gain a full understanding of Charities Trust. They are also provided with information relating to charity regulation and Charity Commission guidance on their responsibilities and governance documentation that sets out their roles and responsibilities as Trustees and Directors and a framework of internal controls which includes a scheme of delegation both Financial and Non-Financial to aid them in discharging their duties.

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive. There are three established Board committees; Finance & Audit, Remuneration and Investment & Treasury. These committees have limited delegations and make all other recommendations to the Board for decision.

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. Accordingly, the Chief Executive must not make decisions relating to these matters without prior Board approval.

The Board, supported by the Finance and Audit Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year end forecast and predicted cash flow.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making (continued)

The Treasury & Investment Committee has focused on developing its Investment Policy and preparing to appoint an independent investment management service. This work should be completed by the end of 2022, enabling the refreshed Committee membership and new Chair to recommend investment opportunities to Board.

The Remuneration Committee assists the board to fulfil its responsibility to ensure that remuneration policy and practice rewards staff fairly and responsibly with a clear link to performance. The committee makes recommendations to the board in relation to the remuneration of the Chief Executive Officer and the senior management team. The committee has authority to employ external consultants to undertake benchmarking to ensure remuneration is competitive and appropriate. Salary benchmarking for senior personnel is conducted every 3 years using an evaluation methodology that measures skills and responsibilities against key analytical factors. This method is then compared to roles, sectors and regional areas providing instant market rate data

Objectives and Activities

Objects

The objects of the Charity as set out in its governing document are:

- to advance any charitable purpose for the benefit of the public wheresoever in the world as the Charity may think fit and in so far as the same are entirely ancillary to such object but not further or otherwise. The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission;
- to accept and undertake the administration and management (whether completely or only in part) of charitable trusts whether as agents for the trustees of such trusts or otherwise and to require and accept fees on account of such work of administration and management;
- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and
- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

These activities are summarised in further detail on page 3 of the Strategic Report of the Board.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Charities Trust's Mission

In February 2019, the Board approved an ambitious strategic plan, that will further develop the products and services that Charities Trust provides to its clients. Our mission statement was enhanced to better reflect what Charities Trust has to offer.

“Our mission is to help you grow giving by being your partner of choice, providing the best possible personal service and solutions to donate and manage your charitable funds”.

In addition to aspiring to be the market leader in Payroll Giving, Charities Trust will grow giving in the UK by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised to maximise donations to the chosen charities and good causes.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit as required by Section 17 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

Strategic Report

The charitable company has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the company's strategic report, information required by Large and Medium-sized companies and groups (Accounts and Reports) regulations 2008, Sch 7, to be contained in the Directors' report. It has done so in respect of future developments and business relationships.

Streamlined Energy and Carbon Reporting

The Charity consumed 40,000 kWh of energy or less in the UK during the period covered by the Trustee's report and therefore information surrounding greenhouse gas emissions, energy consumption or energy efficiency is not disclosed for that reason.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities

The trustees (who are also directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

CHARITIES TRUST
REPORT OF THE BOARD (Continued)

ON BEHALF OF THE BOARD

M J Blakeman

M Blakeman (Trustee)

Date: 24/10/22

CHARITIES TRUST INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITIES TRUST

Opinion

We have audited the financial statements of Charities Trust (the 'charitable company') for the year ended 30 April 2022 which comprise the Statement of Financial Activities (including Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 30 April 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

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 contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board and the Strategic Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board and the Strategic Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board or the Strategic Report of the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Board and Strategic Report of the Board and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019 and the Charitable Deductions (Approved Schemes) Regulations SI 1986/2211 (as amended). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Guest

JOHN GUEST (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Date: 25/10/22

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2022 (including Summary Income and Expenditure Account)

Note	Year to 30 April 2022 £	Year to 30 April 2022 £	Year to 30 April 2022 £	Year to 30 April 2021 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>				
Charitable activities	1,458,459	-	1,458,459	1,549,253
Investments	535,008	104,089	639,097	762,156
Donations received	117,342	63,814,687	63,932,029	161,972,774
<u>TOTAL INCOME</u>	2,110,809	63,918,776	66,029,585	164,284,183
<u>EXPENDITURE ON:</u>				
Charitable activities	(2,079,847)	-	(2,079,847)	(2,134,702)
Raising Funds	-	(4,231)	(4,231)	(2,997)
Social Investment Impairment	-	(34,032)	(34,032)	(31,142)
Donations paid to Charities	-	(78,005,521)	(78,005,521)	(131,654,004)
<u>TOTAL EXPENDITURE</u>	(2,079,847)	(78,043,784)	(80,123,631)	(133,822,845)
Net (losses) / gains on investments	-	(14,716)	(14,716)	64,902
<u>NET (EXPENDITURE) / INCOME</u>	30,962	(14,139,724)	(14,108,762)	30,526,240
Transfers between funds	3,470,071	(3,470,071)	-	-
<u>NET MOVEMENT IN FUNDS</u>	3,501,033	(17,609,795)	(14,108,762)	30,526,240
<u>RECONCILIATION OF FUNDS:</u>				
Total fund brought forward	1,369,358	100,275,982	101,645,340	71,119,100
<u>TOTAL FUNDS CARRIED FORWARD</u>	4,870,391	82,666,187	87,536,578	101,645,340

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net expenditure stated above and the historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2022
COMPANY REGISTRATION NUMBER 2142757

	Note	2022 £	2021 £
<u>FIXED ASSETS</u>			
Intangible assets	4	420,885	-
Tangible assets	5	9,650	470,104
Investments	6	<u>505,315</u>	<u>592,679</u>
TOTAL FIXED ASSETS		<u>935,850</u>	<u>1,062,783</u>
<u>CURRENT ASSETS</u>			
Debtors	7	370,030	440,196
Cash at bank and in hand		4,436,604	843,664
Bank balances held on behalf of third parties as intermediary charity	13	57,311,010	64,944,000
Money market, investments and bank balances held on behalf of third parties as intermediary charity	13	<u>25,050,000</u>	<u>35,000,000</u>
TOTAL CURRENT ASSETS		<u>87,167,644</u>	<u>101,227,860</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	8	<u>(530,794)</u>	<u>(609,181)</u>
NET CURRENT ASSETS		<u>86,636,850</u>	<u>100,618,679</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>87,572,700</u>	<u>101,681,462</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	10	<u>(36,122)</u>	<u>(36,122)</u>
<u>NET ASSETS</u>		<u>87,536,578</u>	<u>101,645,340</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	13	82,666,187	100,275,982
Unrestricted income funds	13	<u>4,870,391</u>	<u>1,369,358</u>
<u>TOTAL CHARITY FUNDS</u>		<u>87,536,578</u>	<u>101,645,340</u>

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 6th October 2022 and were signed on its behalf on 25/10/22.....

I Povey

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I POVEY
TRUSTEE

M J Blakeman

.....
M Blakeman
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 £	2021 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash (used in) / provided by operating activities	20	(14,451,266)	29,989,897
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	1	535,008	708,222
Dividends from investments		11,535	12,060
Purchase of tangible and intangible fixed assets	4&5	(123,943)	(143,952)
Proceeds from sale of investments	6	54,660	258,132
Purchase of investments	6	(26,345)	(250,351)
Decrease in investment portfolio cash	6	10,301	1,345
Net deposits in the money market	13	9,950,000	(15,000,000)
Net cash provided by / (used in) investing activities		10,411,216	(14,414,544)
(Decrease) / increase in cash and cash equivalents in the financial year		(4,040,050)	15,575,353
Cash and cash equivalents at the beginning of the financial year		65,787,664	50,212,311
Cash and cash equivalents at the end of the financial year	20	61,747,614	65,787,664

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Charities SORP (FRS102) 2019 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a private company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

BASIS OF PREPARATION

The basis of preparation of these financial statements has taken due account of the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

There are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2023 and 30 April 2024 which show operating surpluses.

CONSOLIDATION

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as there would be no material difference between the separate financial statements and consolidated financial statements. The charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds that are held for a period of time pending subsequent donation requests from clients. These funds consist of Corporate Charity Accounts, Foundations, Social Investments, Donor Advised Funds, My Giving Accounts and Lotteries. Under the client contractual terms and conditions Charities Trust has final discretion over the application of these funds. Interest earned on restricted funds other than the Trust Account investments is applied to unrestricted income as per the contractual terms and conditions in place with donors.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

Agency funds are where the donor has already nominated the third-party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the charity as an Agent are reported in Note 16.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for as the service is provided. We have a range of fee structures for different products. The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits and fixed asset investment is recognised in the period in which it is earned and credited to Unrestricted Funds.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the charity are for the benefit of third-party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to Charities Trust which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are received with specified instructions for onward direction and are distributed directly to charity then the Charity accounts for these transactions as an agent and they are included within Agency funds. Where funds are received and the Charity retains discretion as to how the funds are used the Charity accounts for these funds as a principal. Funds received as principal include corporate donations, charitable foundation donations and charity account donations. Funds received as agent include payroll giving and fundraising donations.

Funds held as intermediary charity for Restricted funds are included in the charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that they comprise donations to the Charity which are held either pending instructions for onward donation to charitable organisations or a decision by the Charity as to which charitable organisations to donate to.

The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Income from Donations Received and Expenditure on Donations Paid to Charities.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations. These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account held as restricted funds. The fees are accounted for when charged against the investment portfolio.

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third-Party charitable organisations in accordance with the donor's wishes.

TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As a result, the tax charge for the current and prior years is nil.

INTANGIBLE FIXED ASSETS

Intangible fixed assets include acquired software costs together with capitalised development expenditure in relation to time costs of individuals working on the design configuration and testing of new software systems. They are amortised over 3-5 years, on a straight line basis, which is considered to be appropriate as this is the period over which the software is expected to be used by the charity.

The company capitalises development expenditure as an intangible asset when it can demonstrate all of the following;

- (a) The technical feasibility of completing the development so the intangible asset will be available for use.
- (b) The intention to complete the development and use the intangible asset.
- (c) The ability to use the intangible asset
- (d) How the intangible asset will generate future economic benefits
- (e) The availability of adequate technical, financial and other resources to complete the development
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during development

Where these criteria are not met, expenditure is charged to the SOFA as research costs.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

Depreciation is provided on the straight-line basis to write off the cost less residual value of fixed assets over their anticipated useful lives at the following annual rates:

Computers	20% - 33%
Fixtures & Fittings	20% - 33%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1,000 will be applied to purchases for them to be capitalised.

INVESTMENTS

Investments held for My Trust Accounts are included at market value based on the bid price at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 6).

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well-known UK banking institutions with high credit rating.

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CREDITORS and PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

GRANTS PAYABLE

Grants payable are accounted for in full as liabilities of the Charity when accepted by the beneficiaries.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Companies presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 profit or loss.

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

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

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 profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors that are classified as debt, 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 receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The charity does not hold or issue derivatives financial instruments.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme.

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan to which employees and the Charity contribute. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CRITICAL JUDGEMENTS AND ESTIMATES

The main critical judgment applied, surrounds the classification of funds. Judgement has been applied in whether certain funds held in accordance with Charity Trust's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £82.7m (2021: £100.3m), are held by Charities Trust pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. Although the standard terms and conditions do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor. In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long-term business practice.

The only other judgements and estimates included within the financial statements relate to depreciation. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates; however, they are reviewed on an ongoing basis. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

1. INCOME FROM

	Year to 30 April 2022	Year to 30 April 2021
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	383,740	406,243
Christmas appeals and other campaigns	108,149	183,328
Corporate charity account fees	497,062	381,829
Fundraising Fees	158,670	76,685
Corporate foundation fees	73,372	149,639
Other fees received	237,466	351,529
Total	1,458,459	1,549,253

	Year to 30 April 2022	Year to 30 April 2021
INVESTMENTS	£	£
Interest income received on cash deposits earned by:		
Unrestricted funds	535,008	708,222
Restricted funds – Lotteries	-	-
Restricted funds – Other	104,089	53,934
Total	639,097	762,156

DONATIONS RECEIVED (UNRESTRICTED)	£	£
Donations received	117,342	5,621
Total	117,342	5,621

	Year to 30 April 2022	Year to 30 April 2021
DONATIONS RECEIVED (RESTRICTED)	£	£
Donations received from:		
Lotteries	164,907	208,693
Corporates	46,557,989	135,805,576
Regular givers	14,652,754	15,018,564
Charity Fund Accounts	2,439,037	10,934,320
Total	63,814,687	161,967,153

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. EXPENDITURE ON	Activities undertaken directly	Total
CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2022 £	Year to 30 April 2022 £
Payroll giving donations processed	895,747	895,747
Christmas appeals and other campaigns	288,353	288,353
Other donations processed (incl. Lotteries)	895,747	895,747
Total	2,079,847	2,079,847
	Year to 30 April 2021 £	Year to 30 April 2021 £
Payroll giving donations processed	907,248	907,248
Christmas appeals and other campaigns	277,512	277,512
Other donations processed (incl. Lotteries)	949,942	949,942
Total	2,134,702	2,134,702
	Year to 30 April 2022 £	Year to 30 April 2021 £
CHARITABLE ACTIVITIES (UNRESTRICTED)		
Staff costs (see note 3)	1,263,630	1,324,693
Information Technology and Communications	326,784	293,397
Other administration costs	227,274	328,409
Depreciation	7,107	139,647
Amortisation	156,405	-
Grants in furtherance of the Charity's activities (see note 14)	53,373	-
Governance Costs	45,274	48,556
Total	2,079,847	2,134,702

Unrestricted expenditure on Charitable Activities includes £42,288 for the audit of the financial statements (2021: £38,400) and £3,450 for tax compliance services (2021: £3,360).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2022	Year to 30 April 2021
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	<u>4,231</u>	<u>2,997</u>
Total	<u>4,231</u>	<u>2,997</u>
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2022	Year to 30 April 2021
Donations paid to third party charities from:	£	£
Lotteries	223,011	141,266
Corporates	51,831,685	109,629,627
Regular givers	13,248,061	12,976,922
Charity Fund Accounts	12,702,764	8,906,189
Total	<u>78,005,521</u>	<u>131,654,004</u>
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2022	Year to 30 April 2021
	£	£
Regular givers	<u>34,032</u>	<u>31,142</u>
Total	<u>34,032</u>	<u>31,142</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2022 £	Year to 30 April 2021 £
Wages and Salaries	1,116,398	1,169,147
Social Security Costs	99,413	107,236
Other Pension Costs (see note 15)	47,819	48,310
Total costs	1,263,630	1,324,693
Monthly average No. of employees	No	No
Full time	33	33
Part time	5	2
Total No of employees	38	35
Full time equivalent	36	34

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £29,508 (2021: £26,249)

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2022 No.	Year to 30 April 2021 No.
£60,001 to £70,000	2	-
£110,001 to £120,000	-	1
£150,001 to £160,000	1	1

The key management roles of the charity comprise the trustees, the Chief Executive Officer and the Company Secretary. The total employment benefits of the key management roles of the charity were £252,496 (2021: £378,821).

Total pension contributions for members of staff earning in excess of £60,000 was £11,211 (2021: £9,261).

During the year, none of the Trustees received emoluments in respect of their services to the company (2021: none)

No trustees were reimbursed for travel expenses in the year (2021: £0).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

4. INTANGIBLE ASSETS	Software Costs £	Total £
COST		
At 1 May 2021	-	-
Transfer in – reclassification from tangible fixed assets. (See Note 5)	1,388,475	1,388,475
Additions	120,534	120,534
At 30 April 2022	1,509,009	1,509,009
AMORTISATION		
At 1 May 2021	-	-
Transfer in – reclassification from tangible fixed assets.	931,719	931,719
Charge for the year	156,405	156,405
At 30 April 2022	1,088,124	1,088,124
NET BOOK VALUE		
At 30 April 2022	420,885	420,885
At 30 April 2021	-	-

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

5. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2021	1,473,782	40,389	1,514,171
Transfer out – reclassification to intangible fixed assets.	(1,388,475)	-	(1,388,475)
Additions	3,409	-	3,409
At 30 April 2022	88,716	40,389	129,105
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2021	1,008,344	35,723	1,044,067
Transfer out – reclassification to intangible fixed assets.	(931,719)	-	(931,719)
Depreciation charge for the year	5,715	1,392	7,107
At 30 April 2022	82,340	37,115	119,455
NET BOOK VALUE			
At 30 April 2022	6,376	3,274	9,650
At 30 April 2021	465,438	4,666	470,104

During the year items of computer software that had previously been capitalised within computers in tangible fixed assets were transferred to intangible fixed assets to better represent the nature of these assets.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

6. INVESTMENTS

	2022	2021
FINANCIAL INVESTMENTS		
Investments held at market value	£	£
Market value at 1 May	518,775	462,999
Additions at cost	26,345	250,351
Disposals at market value	(54,660)	(258,132)
Net investment (losses) / gains	(14,716)	64,902
Movement on cash	(10,301)	(1,345)
	<hr/>	<hr/>
Market value at 30 April	465,443	518,775
	<hr/>	<hr/>
Historical cost at 30 April	324,460	344,690
	<hr/>	<hr/>

Investments are represented by:	2022	2022	2021	2021
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	471	504	11,278	-
Listed investments	227,886	141,594	221,872	178,244
Other investments	44,810	50,178	69,237	38,144
	<hr/>	<hr/>	<hr/>	<hr/>
Total	273,167	192,276	302,387	216,388
	<hr/>	<hr/>	<hr/>	<hr/>
		465,443		518,775
		<hr/>		<hr/>

	2022	2021
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	1	1
	<hr/>	<hr/>
Value at 30 April	1	1
	<hr/>	<hr/>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

6. INVESTMENTS (continued)	2022	2021
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	73,903	105,045
Additions at cost	-	-
Impairment costs	<u>(34,032)</u>	<u>(31,142)</u>
Value at 30 April	<u>39,871</u>	<u>73,903</u>

These are assets held by the Charity as Programme Related investments in the Big Issue Invest Social Enterprise Investment Fund. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by Charities Trust but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'.

	2022	2021
TOTAL INVESTMENTS		
	£	£
Financial Investments	465,443	518,775
Subsidiary Investments	1	1
Social Investments	<u>39,871</u>	<u>73,903</u>
Total	<u>505,315</u>	<u>592,679</u>

7. DEBTORS	2022	2021
	£	£
Amounts receivable in less than one year		
Trade Debtors	73,578	83,428
Other Debtors	195,037	286,869
Prepayments and Accrued Income	<u>101,415</u>	<u>69,899</u>
Total	<u>370,030</u>	<u>440,196</u>

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	200,138	260,697
Taxation and Social Security	60,526	62,633
Trade Creditors	31,865	32,151
Other Creditors	5,351	3,885
Accruals and Deferred Income	232,914	249,815
Total	530,794	609,181

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity'.

Movements in deferred income	2022	2021
	£	£
At 1 May	55,267	70,735
Amounts released from previous year	(55,267)	(70,735)
Amounts deferred in the current year	71,543	55,267
At 30 April	71,543	55,267

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

9. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:	2022	2021
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	465,443	518,775
	<u>465,443</u>	<u>518,775</u>
Financial assets that are debt instruments measured at amortised cost		
Trade receivables	73,578	83,428
Other receivables	195,037	286,869
Investment in short term deposits	82,361,010	99,944,000
	<u>82,629,625</u>	<u>100,314,297</u>
Financial assets that are equity instruments measured at cost less impairment		
Subsidiary Investments	1	1
Social Investments	39,871	73,903
	<u>39,872</u>	<u>73,904</u>
Financial liabilities measured at amortised cost		
Trade Creditors	31,865	32,151
Other Creditors	498,929	577,030
	<u>530,794</u>	<u>609,181</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £	2021 £
At 1 May	36,122	33,622
Provision for property dilapidations	-	2,500
At 30 April	<u>36,122</u>	<u>36,122</u>

The charity holds a lease over their premises until 25th November 2023. The provision relates to the estimated dilapidation costs at the expiry of the lease.

11. TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

12. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2021: £10).

The members of the charity are, at any one time, the current trustees of the charity plus one other.

The members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

13. MOVEMENT ON FUNDS

	At 1 May 2021	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2022
	£	£	£	£	£	£
Unrestricted funds	1,369,358	2,110,809	(2,079,847)	3,470,071	-	4,870,391
Restricted funds – Lotteries	380,903	164,907	(223,011)	-	-	322,799
Restricted funds - Corporates	62,194,355	46,557,989	(51,831,685)	(150)	-	56,920,509
Restricted funds – Regular givers	21,981,554	14,756,843	(13,286,324)	(3,469,921)	(14,716)	19,967,436
Restricted funds – Charity Fund accounts	15,719,170	2,439,037	(12,702,764)	-	-	5,455,443
Total funds	101,645,340	66,029,585	(80,123,631)	-	(14,716)	87,536,578

	At 1 May 2020	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2021
	£	£	£	£	£	£
Unrestricted funds	1,240,964	2,263,096	(2,134,702)	-	-	1,369,358
Restricted funds – Lotteries	313,476	208,693	(141,266)	-	-	380,903
Restricted funds - Corporates	36,018,406	135,805,576	(109,629,627)	-	-	62,194,355
Restricted funds – Regular givers	19,855,215	15,072,498	(13,011,061)	-	64,902	21,981,554
Restricted funds – Charity Fund accounts	13,691,039	10,934,320	(8,906,189)	-	-	15,719,170
Total funds	71,119,100	164,284,183	(133,822,845)	-	64,902	101,645,340

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

13. MOVEMENT ON FUNDS (continued)

As at 30 April 2022 Restricted funds totalled £82,666,187 (as at 30 April 2021: £100,275,982). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. Charities Trust holds a Society Lotteries Licence and uses the services of External Lotteries Managers (“ELMs”). The ELM’s used in the year were Football Pools Limited and Sterling Management Centre Limited.

Charities Trust has reduced its offering in this area with no new lotteries being undertaken from 2021 and rationalisation of those existing partners with whom it works. This will continue to be the case going forward.

- Charity Fund Agreements are funds held for good causes and operate under Charities Trust’s charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors).
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts).

These latter funds are initially donated to Charities Trust until such time as the donor expresses their wishes as to their charitable application. See also Note 6 for Social Investments.

All monies held for Restricted funds are identified in the balance sheet as ‘Money market, investments and bank balances held on behalf of third parties as intermediary charity’. Money market funds are term or notice deposits over 3 months with well-known UK banking institutions with high credit ratings.

Investments in the balance sheet also relate to restricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £200,138 (2021 : £260,697) where monies are held in the same manner.

The transfer from restricted funds to unrestricted funds relates to dormant My Giving Account balances which have seen no activity in the preceding 2 years. In accordance with the provisions of the terms and conditions of business that donors sign up to, amounts held in dormant accounts amounting to £3,470,071 have been transferred to unrestricted funds for charitable purposes in support of Charities Trust’s mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

14. GRANTS PAID	2022	2021
	£	£
Donations over £1,000:		
General Fund	45,246	-
Donations less than £1,000:		
General Fund	8,127	-
Total	53,373	-

15. PENSION ARRANGEMENTS

The company participates in a stakeholder pension arrangement to which employees and the Charity contribute.

Total Charity contributions during the year amounted to £47,819 (2021: £48,310).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2021: £nil).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

16. FUNDS HELD AS AGENT

	At 1 May 2021	Income	Expenditure	At 30 April 2022
	£	£	£	£
Funds as Agent	(6,365,529)	(48,945,635)	49,146,623	(6,164,541)
Bank balances held as Agent	6,365,529			6,164,541
<hr/>				
	At 1 May 2020	Income	Expenditure	At 30 April 2021
	£	£	£	£
Funds as Agent	(5,397,732)	(50,132,715)	49,164,918	(6,365,529)
Bank balances held as Agent	5,397,732			6,365,529

Amounts received by the company as agent are not included in the 'SOFA' or on the Balance Sheet. This includes amounts in respect of payroll giving and other funds held to the order of the original payer.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

17. RELATED PARTIES

All of the figures quoted below are full year figures whether or not the related party served for the full year.

Elizabeth Perry, a Director / Trustee of Charities Trust until 25th October 2021, is also a Director of The Costa Foundation. Charities Trust receives donations for the benefit of the charity which it pays across periodically.

	Funds at 1 May 2021	Incoming resources	Resources expended	Funds at 30 April 2022
	£	£	£	£
Agency funds – Costa Foundation	544	25,257	(24,818)	983
	Funds at 1 May 2020	Incoming resources	Resources expended	Funds at 30 April 2021
	£	£	£	£
Agency funds – Costa Foundation	8,905	18,392	(26,753)	544

Graham Morris, a Director / Trustee of Charities Trust until 28th April 2022, is also the Chair of Trustees for Alder Hey Children’s Charity, registered charity number 1160661. The charity received funds totalling £22,243 from Charities Trust during the year (2021 - £16,127). These were funds donated through the Payroll Giving scheme, corporate donations or fundraising.

Sir Michael Bibby, a Director / Trustee of Charities Trust, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £1,236 (2021 - £1,657).

There was £360 trade debtors balance for Bibby Line Group on 30 April 2022 (2021: £nil).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

18. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2022	2021
	£	£
Not later than one year	57,579	60,840
Later than one year and not later than five years	32,482	90,061
Later than five years	-	-
Total gross payments	90,061	150,901
	2022	2021
	£	£
Lease payments recognised as an expense		
Photocopier	3,840	3,840
Premises	57,000	57,000
Total lease payments in the year	60,840	60,840

19. SUBSIDIARY COMPANY

At 30 April 2022, the Company held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, Suite 20-22 Century Building, Brunswick Park, Tower Street, Liverpool, L3 4BJ.	UK	100	Dormant

The value of the investment at 30 April 2022 is £1 (as at 30 April 2021: £1).

The capital and reserves of the subsidiary at 30 April 2022 are £1 (as at 30 April 2021: £1)

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

20. NOTES TO THE CASH FLOW STATEMENT

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

	2022 £	2021 £
Net movement in funds for the financial year (as per the statement of financial activities)	(14,108,762)	30,526,240
Adjustments for:		
Depreciation charges	7,107	22,491
Amortisation charges	156,405	117,156
Losses / (gains) on investments	14,716	(64,902)
Dividends from investments	(11,535)	(12,060)
Social Investment impairment	34,032	31,142
Deduct interest income shown in investment activities	(535,008)	(708,222)
Decrease in debtors	70,166	53,430
(Decrease) / increase in creditors	(78,387)	22,123
Other non-cash movements	-	2,499
Net cash provided by operating activities	(14,451,266)	29,989,897

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	4,436,604	843,664
Bank balances held on behalf of third parties as intermediary charity (see note 13)	57,311,010	64,944,000
Total cash and cash equivalents	61,747,614	65,787,664

ANALYSIS OF CHANGES IN NET FUNDS			
	At 1 May 2021	Cash-flows	At 30 April 2022
	£	£	£
Cash	65,787,664	(4,040,050)	61,747,614
Total	65,787,664	(4,040,050)	61,747,614

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Intangible Assets	420,885	-	420,885	-	-	-
Tangible Assets	9,650	-	9,650	470,104	-	470,104
Investments	-	505,315	505,315	-	592,679	592,679
Current Assets	4,806,634	82,361,010	87,167,644	1,283,860	99,944,000	101,227,860
Creditors: amounts falling due within one year	(330,656)	(200,138)	(530,794)	(348,484)	(260,697)	(609,181)
Provisions for liabilities and charges	(36,122)	-	(36,122)	(36,122)	-	(36,122)
	4,870,391	82,666,187	87,536,578	1,369,358	100,275,982	101,645,340

CHARITIES TRUST

England & Wales - Charity number 327489

Accounts

CHARITIES TRUST
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2021

CHARITIES TRUST
SUITE 22 CENTURY BUILDING
BRUNSWICK BUSINESS PARK
TOWER STREET
LIVERPOOL L3 4BJ

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2021

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CHARITIES TRUST

CHAIR'S FOREWORD

CHAIR'S FOREWORD

During the past year the world experienced the devastating impact of the COVID-19 pandemic. This has placed an increasing burden on the charitable sector and its impact will be seen for years to come. From this however, Charities Trust has seen generosity like never before from many clients who entrusted us with an additional £100m to support programmes for those that were in immediate need. Donations were at a record high of £212 million, more than 90% higher than the previous year with Payroll Giving topping over £54 million despite many employees receiving government furlough payments. It was incredible to see the remarkable reaction of our staff responding so positively during the early lockdown period to support clients remotely with such speed, agility, and passion to help.

We have not stopped developing our service offering during this difficult period to bring together corporates and charities to achieve amazing things. We have continued to invest in our systems and infrastructure and are in the final phase of our digital transformation with this forthcoming year seeing the migration from our aged legacy system to a modern platform capable of interfacing with different types of media and with excellent data handling and reporting.

This year we completed a review of our governance and have appointed another new Board Member enhancing the skills around the table. I would like to go on record and thank two retiring Trustees for their commitment over many years to the Board and supporting committee roles; John Jones and Liz Perry. John has diligently led the finance committee for many years while Liz has brought knowledge and wisdom about the corporate donor sector, and ensured diverse thinking, in our debates around the boardroom table. We will continue to review our skill requirements over the coming year as several of our other long-standing Board members are due to retire.

As stated earlier, Charities Trust plays an important role and continues to make a difference by maximising the amount of each donation that gets to the intended charity despite the constraints the pandemic has placed upon us all. My fellow Trustees and I would like to thank everyone involved for their dedication and stoic efforts to support this phenomenal sector at what has been and continues to be an extraordinary phase in this journey.

Sir Michael Bibby Bt.,DL
Chair

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD

The Trustees present their Strategic Report on Charities Trust “the Charity” for the year ended 30 April 2021.

Principal Activities

We are delighted to see Payroll Giving donations processed at £54m (2020: £51m) continuing to grow to record levels. Equally pleasing is the fact that donations from all of our other services at £158m (2020: £60m) were also at a record high. Clients continue to be attracted to the wide range of options available through Charities Trust to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Text donations;
- Event fundraising including organisation monitoring and reporting (“Sponsor Me”);
- Charity accounts (“My Giving Account”);
- Corporate Charitable Foundation management;
- Newspaper appeals;
- Disaster appeals;
- Grant application processing and payment;
- Employee charity lotteries;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international);
- Sanctions screening and PEPs and adverse media screening;
- Social Impact Investment.

We believe that Charities Trust continues to offer the widest range of charitable giving and donation services available to the corporate sector in the UK and we continue to seek opportunities to innovate. We also pride ourselves on the quality of our customer service and we believe we are rewarded for this with a very high level of client retention.

Despite significant growth in top line donations in recent years, our headcount has seen only modest increase due to our investment of time and money in improving systems and processes. During the year the value of donations processed per member of staff was £6.4m (2020: £3.3m).

Key Performance Indicators

Success for Charities Trust is measured by the value of charitable donations received and distributed, particularly the proportion of those which are ‘new giving’. As a not for profit organisation however, we only seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems, security and process improvements in an ever-changing digital age.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance

Total donations received during the year of £212,099,868 (2020: £111,641,143) represents an increase of 90% over the previous year. The generosity of some of our largest clients supporting charities that have focused on supporting those affected most by the pandemic has been astonishing.

During the year we processed over 3.1 million individual Payroll Giving donations on behalf of 1,205 active client organisations (2020: 3.2 million on behalf of 1,101 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2020: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We are increasingly the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including a number of international providers.

Income in the year includes income from Charitable Activities of £1,549,253 (2020: £1,334,016). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. Payroll giving is normally charged at 25p per employee per month or at a fixed fee. The most significant fees generated in the year were:

- Payroll Giving £406,243 (2020: £403,198).

Income for the charity also includes unrestricted Donations Received and Bank Deposit Income.

Investment income for the charity includes income from short-term deposits of monies prior to distribution to charity of £708,222 (2020: £760,678). This helps us to keep our administration charges as low as possible.

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted net income for the charity (i.e. its own reserves) increased by £128,394 for the year (2020: Surplus £49,758).

Unrestricted funds held in the Balance Sheet were £1,369,358 (2020: £1,240,964).

The net movement in all funds for the year was £30,526,240 (2020: £20,702,528). The net inflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

s172(1) Companies Act 2006 Reporting

The Board of Trustees consider that through their strategic planning and decision making in the year ended 30 April 2021 they have acted in a way that is most likely to promote the success of the charity for the benefit of its stakeholders as a whole. This

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

year's strategic planning process undertaken in February 2021 focused on the medium and long term development of the charity including strengthening its partnership working with the aim of enhancing the delivery of its charitable objectives. The Board recognises the importance of stakeholder engagement and participation in the achievement of these objectives.

Employees: A key part of our mission statement is to provide a personal service for our clients, and we recognise that our employees are central to that. It is important to the charity that all employees feel valued and fully engaged in the delivery of our mission. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. COVID-19 has had a significant impact on working life and we have focused on ensuring that staff can work safely and effectively from home while maintaining support and feedback systems for employee welfare.

Clients: Our charitable objectives as detailed within the Reports and Financial Statements are fully focused on facilitating the charitable donations of our clients, putting them at the heart of the work we do. We undertake a continuous programme of client engagement to ensure that our current service delivery meets their requirements and to support them to explore opportunities to develop and grow their charitable giving activities. We responded well this year to support client initiatives in relation to COVID-19, developing and delivering new donation schemes rapidly.

Suppliers: We view our suppliers as key partners in the delivery of our services and we engage regularly with our banking and technology suppliers to review performance, plan developments and stay abreast of progress and innovation in their areas of expertise. Our ongoing systems and infrastructure development is very much in collaboration with our suppliers whose contribution is highly valued. In addition to this, we place expectations on our key suppliers that they undertake business in a transparent manner and have in place policies such as a Modern Slavery Policy and Statement which demonstrate their commitment to this important aspect of ethical and responsible business practice.

Community & Environment: Charities Trust contributes to the public benefit by adding value to the charitable sector at minimal cost. It enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surpluses generated are reinvested in the charity to further this work. This year we have played a particularly valuable role in supporting ad-hoc COVID-19 charitable appeals and extensive corporate donations. In terms of the environment we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport and we will be looking at flexible home working arrangements going forward to help reduce the environmental impact of staff commuting.

Business Conduct & Fair Practice: The charity takes its obligations to stakeholders very seriously and endeavours to conduct its business to consistently high standards while treating all stakeholders fairly. Charities Trust supports this via a skilled,

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

Business Relationships

As detailed in the s172(1) statement above, Charities Trust recognises the critical importance of its stakeholder relationships and the role that clients, employees and suppliers play in enabling the charity to deliver its objectives for the wider public and community benefit. These relationships are highly valued, and we continue to work to enhance them through ongoing effective engagement.

Financial Review

The total funds held as at the 30 April 2021 were £101,645,340 (2020: £71,119,100). The total restricted funds held were £100,275,982 (2020: £69,878,136)

a. Reserves Policy

The policy of the Board is to achieve a level of unrestricted liquid reserves sufficient to fund:

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

The unrestricted liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2021 unrestricted liquid reserves of £899,254 should be sufficient to meet the organisations requirements.

Unrestricted Liquid Reserves (unrestricted income funds less tangible fixed assets) have increased to £899,254 (2020: £775,165) following positive financial performance in the year and incorporating investment in infrastructure of £143,952 (2020: £291,101). This level will allow us to continue the planned investment in our fundraising systems and infrastructure over the next year.

Principal funding sources continue to be fees derived from the processing of donations received and investment income. Expenditure in the year is the cost of processing and distributing these funds to charitable organisations which is our primary purpose.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (Continued)

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 14 to the financial statements. These comprise Payroll Giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as either 'Cash held on behalf of third parties as intermediary charity' or 'Investments held on behalf of third parties as intermediary charity'. Details are disclosed in Note 12 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investment

Trust Account investments are managed by a professional investment advisor authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas investments. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £518,775 (see note 5). (2020: £462,998).

The charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. In 2021 £31,142 was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P. These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes.

All of these assets are held in support of restricted funds.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions.

Plans for Future Periods

We continue to build on the foundations which have been laid down in recent years, by providing more products and services for current clients and continuing our recent success of attracting new clients. Building positive and long-lasting relationships has been a vital part of our growth. We will continue to invest in our people internally and in the systems, they require to provide the quality of customer service for which we are known.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

Principal Risks and Uncertainties

Charities Trust operates a framework that provides accountability for the management of risk across the organisation

Charities Trust's Strategic Risk Management Framework includes:

- A Risk Appetite that is reviewed by Board at least annually;
- A comprehensive Strategic Risk Register that is maintained and reviewed by the Executive, relevant committees and Board with Board reviewing its identified top risks at each Board Meeting;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

a. Financial Risks

One of the main financial risks the charity faces is interest rate risk. Short-term funds held by Charities Trust are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate. We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

b. Non-financial Risks

The main risk categories facing the charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance. Charities Trust is constantly evolving its technology to ensure that our systems and controls are secure and resilient.

The COVID-19 pandemic has resulted in a reduction in the level of fundraising activity being undertaken by Charities Trust's clients but this has been offset by a number of clients undertaking pandemic specific donation programmes and appeals. Although the general economic outlook is uncertain, Charities Trust is well placed to navigate this period given our spread of clients across industry sectors and our range of product offerings.

ON BEHALF OF THE BOARD

DocuSigned by:

Graham Morris

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G Morris (Trustee)

Date: 24th January 2022

CHARITIES TRUST

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2021.

Reference and Administrative Details

The registered name and trading name of the Charity is Charities Trust.

The Charity is registered with the Charity Commission for England and Wales under registered number 327489.

The Charity is a company limited by guarantee and is registered with Companies House under registered number 2142757.

The address of the registered office is Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt.,DL (Chair)
- G J Morris OBE
- J Jones (Resigned 6th May 2021)
- E Perry (Resigned 25th October 2021)
- LJ Thomas
- MJ Blakeman
- LA Blackburn (Appointed 1st July 2020)
- P Fietje (Appointed 1st July 2020)
- I C Povey (Appointed 7th May 2021)

Day to day management of the charity was delegated by the board to Linda Minnis, the Chief Executive.

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

RSM UK Audit LLP, 14th Floor, 20 Chapel Street, Liverpool, L3 9AG, have been appointed as the charity's auditor in the year. RSM UK Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Browne Jacobsen, 14th Floor, No.1 Spinningfields, 1 Hardman Square, Spinningfields, Manchester M3 3EB.

Charities Trust's Professional Indemnity Insurance includes an extension for Directors and Officers, which indemnifies against legal liability arising from actual or alleged wrongful acts, errors or omissions when acting on behalf of the charity.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document.

The company has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

Charities Trust recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. The Chair and Chief Executive have made progress with a number of key appointments but they will be undertaking a further review of the Board's succession planning to be completed by spring 2022 in order to support the transition of a number of retiring Directors.

The Board has already identified the need to improve its diversity as part of the next recruitment exercise and will consider the best option to realise this ambition.

The Board meets at least four times per year and reviews annually at its Board Strategy Day its five year strategic Business Plan. All Trustees give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from Charities Trust.

No person or body external to the Charity is entitled to appoint trustees. The Trustees may by ordinary resolution appoint a person to the role of Trustee. The number of directors shall be not less than three but shall not be subject to a maximum.

Newly appointed trustees have a structured induction programme that includes spending time with senior management ensuring that they gain a full understanding of Charities Trust. They are also provided with information relating to charity regulation and Charity Commission guidance on their responsibilities and governance documentation that sets out their roles and responsibilities as Trustees and Directors and a framework of internal controls which includes a scheme of delegation both Financial and Non-Financial to aid them in discharging their duties.

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive. There are three established Board committees; Finance & Audit, Remuneration and Investment & Treasury. These committees have limited delegations and make all other recommendations to the Board for decision.

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. Accordingly, the Chief Executive must not make decisions relating to these matters without prior Board approval.

The Board, supported by the Finance and Audit Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year end forecast and predicted cash flow and for reviewing the internal audit programme.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making (continued)

The Remuneration Committee assists the board to fulfil its responsibility to ensure that remuneration policy and practice rewards staff fairly and responsibly with a clear link to performance. The committee makes recommendations to the board in relation to the remuneration of the Chief Executive Officer and the senior management team. The committee has authority to employ external consultants to undertake benchmarking to ensure remuneration is competitive and appropriate. Salary benchmarking for senior personnel is conducted every 3 years using an evaluation methodology that measures skills and responsibilities against key analytical factors. This method is then compared to roles, sectors and regional areas providing instant market rate data

Objectives and Activities

Objects

The objects of the Charity as set out in its governing document are:

- to advance any charitable purpose for the benefit of the public wheresoever in the world as the Charity may think fit and in so far as the same are entirely ancillary to such object but not further or otherwise. The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission;
- to accept and undertake the administration and management (whether completely or only in part) of charitable trusts whether as agents for the trustees of such trusts or otherwise and to require and accept fees on account of such work of administration and management;
- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and
- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

These activities are summarised in further detail on page 3 of the Strategic Report of the Board.

Charities Trust's Mission

In February 2019, the Board approved an ambitious strategic plan, that will further develop the products and services that Charities Trust provides to its clients. Our mission statement was enhanced to better reflect what Charities Trust has to offer.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Charities Trust's Mission (continued)

"Our mission is to help you grow giving by being your partner of choice, providing the best possible personal service and solutions to donate and manage your charitable funds".

In addition to aspiring to be the market leader in Payroll Giving, Charities Trust will grow giving in the UK by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised to maximise donations to the chosen charities and good causes.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit as required by Section 17 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

Strategic Report

The charitable company has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the company's strategic report, information required by Large and Medium-sized companies and groups (Accounts and Reports) regulations 2008, Sch 7, to be contained in the Directors' report. It has done so in respect of future developments and business relationships.

Streamlined Energy and Carbon Reporting

The Charity consumed 40,000 kWh of energy or less in the UK during the period covered by the Trustee's report and therefore information surrounding greenhouse gas emissions, energy consumption or energy efficiency is not disclosed for that reason.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities (Continued)

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Post Balance Sheet Events

Post year end a review has been undertaken of dormant My Giving Account balances and the funds held in these accounts have been transferred to unrestricted funds for charitable purposes in support of Charities Trust's mission. Further details are provided in Note 20.

ON BEHALF OF THE BOARD

DocuSigned by:

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G Morris (Trustee)

Date: 24th January 2022

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST**

Opinion

We have audited the financial statements of Charities Trust (the 'charitable company') for the year ended 30 April 2021 which comprise the Statement of Financial Activities (including Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 30 April 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

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 contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board and the Strategic Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board and the Strategic Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board or the Strategic Report of the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 12-13 the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Board and Strategic Report of the Board and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019 and the Charitable Deductions (Approved Schemes) Regulations SI 1986/2211 (as amended). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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1/25/2022

JOHN GUEST (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Date: 25th January 2022

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2021 (including Summary Income and Expenditure Account)

	Note	Year to 30 April 2021 £	Year to 30 April 2021 £	Year to 30 April 2021 £	Year to 30 April 2020 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>					
Charitable activities	1	1,549,253	-	1,549,253	1,334,016
Investments	1	708,222	53,934	762,156	804,434
Donations received	1	5,621	161,967,153	161,972,774	65,238,470
<u>TOTAL INCOME</u>		2,263,096	162,021,087	164,284,183	67,376,920
<u>EXPENDITURE ON:</u>					
Charitable activities	2	(2,134,702)	-	(2,134,702)	(2,049,674)
Raising Funds	2	-	(2,997)	(2,997)	(2,983)
Social Investment Impairment	2	-	(31,142)	(31,142)	(12,765)
Donations paid to Charities	2	-	(131,654,004)	(131,654,004)	(44,584,956)
<u>TOTAL EXPENDITURE</u>		(2,134,702)	(131,688,143)	(133,822,845)	(46,650,378)
Net gains / (losses) on investments	5	-	64,902	64,902	(24,014)
<u>NET INCOME</u>		128,394	30,397,846	30,526,240	20,702,528
<u>NET MOVEMENT IN FUNDS</u>		128,394	30,397,846	30,526,240	20,702,528
<u>RECONCILIATION OF FUNDS:</u>					
Total fund brought forward	12	1,240,964	69,878,136	71,119,100	50,416,572
<u>TOTAL FUNDS CARRIED FORWARD</u>		1,369,358	100,275,982	101,645,340	71,119,100

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net expenditure stated above and the historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

The accounting policies and notes on pages 23 to 47 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2021
COMPANY REGISTRATION NUMBER 2142757

	Note	2021 £	2020 £
<u>FIXED ASSETS</u>			
Tangible assets	4	470,104	465,799
Investments	5	<u>592,679</u>	<u>568,044</u>
TOTAL FIXED ASSETS		<u>1,062,783</u>	<u>1,033,843</u>
<u>CURRENT ASSETS</u>			
Debtors	6	440,196	493,626
Cash at bank and in hand		843,664	666,941
Bank balances held on behalf of third parties as intermediary charity	12	64,944,000	49,545,370
Money market, investments and bank balances held on behalf of third parties as intermediary charity	12	<u>35,000,000</u>	<u>20,000,000</u>
TOTAL CURRENT ASSETS		<u>101,227,860</u>	<u>70,705,937</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	7	(609,181)	(587,058)
<u>NET CURRENT ASSETS</u>		<u>100,618,679</u>	<u>70,118,879</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>101,681,462</u>	<u>71,152,722</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	9	(36,122)	(33,622)
<u>NET ASSETS</u>		<u>101,645,340</u>	<u>71,119,100</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	12	100,275,982	69,878,136
Unrestricted income funds	12	1,369,358	1,240,964
<u>TOTAL CHARITY FUNDS</u>		<u>101,645,340</u>	<u>71,119,100</u>

The accounting policies and notes on pages 23 to 47 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 21st January 2022 and were signed on its behalf on 24th January 2022.

DocuSigned by:

Graham Morris

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GJ Morris
TRUSTEE

DocuSigned by:

Mark Blakeman

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M Blakeman
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 £	2020 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash provided by operating activities	18	30,011,083	20,130,739
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	1	708,222	761,033
Purchase of property, plant and equipment	4	(143,952)	(291,101)
Net deposits in the money market	12	(15,000,000)	3,000,000
Net cash (used in)/ provided by investing activities		(14,435,730)	3,469,932
Increase in cash and cash equivalents in the financial year		15,575,353	23,600,671
Cash and cash equivalents at the beginning of the financial year		50,212,311	26,611,640
Cash and cash equivalents at the end of the financial year	18	65,787,664	50,212,311

The accounting policies and notes on pages 23 to 47 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Charities SORP (FRS102) 2019 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a private company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

BASIS OF PREPARATION

The basis of preparation of these financial statements has taken due account of the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

There are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2022 and 30 April 2023 which show an operating deficit and operating surplus respectively. Reserves are sufficient to meet the deficit and cash balances are deemed sufficient to meet outgoings in the next 24 months. The Trustees recognise the current economic uncertainties caused by COVID-19 and have exercised caution in the preparation of the charity's financial forecasts.

CONSOLIDATION

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as there would be no material difference between the separate financial statements and consolidated financial statements. The charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds that are held for a period of time pending subsequent donation requests from clients. These funds consist of Corporate Charity Accounts, Foundations, Social Investments, Donor Advised Funds, My Giving Accounts and Lotteries. Under the client contractual terms and conditions Charities Trust has final discretion over the application of these funds.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

Agency funds are where the donor has already nominated the third-party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the charity as an Agent are reported in Note 14.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for as the service is provided. We have a range of fee structures for different products. The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits and fixed asset investment is recognised in the period in which it is earned and credited to Unrestricted Funds.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the charity are for the benefit of third-party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to Charities Trust which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

£5,331 from the Government Coronavirus Job Retention Scheme was recognised in 2020/2021 when the related salary costs were incurred (2020: £4,738). It is recognised as income in the period it becomes receivable within Donations Received – Unrestricted.

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are received with specified instructions for onward direction and are distributed directly to charity then the Charity accounts for these transactions as an agent and they are included within Agency funds. Where funds are received and the Charity retains discretion as to how the funds are used the Charity accounts for these funds as a principal. Funds received as principal include corporate donations, charitable foundation donations and charity account donations. Funds received as agent include payroll giving and fundraising donations.

Funds held as intermediary charity for Restricted funds are included in the charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that they comprise donations to the Charity which are held either pending instructions for onward donation to charitable organisations or a decision by the Charity as to which charitable organisations to donate to.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

INCOME FROM DONATIONS RECEIVED (continued)

The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Income from Donations Received and Expenditure on Donations Paid to Charities.

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations. These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account held as restricted funds. The fees are accounted for when charged against the investment portfolio.

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third-Party charitable organisations in accordance with the donor's wishes.

TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As a result, the tax charge for the current and prior years is nil.

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

Depreciation is provided on the straight-line basis to write off the cost less residual value of fixed assets over their anticipated useful lives at the following annual rates:

Computers	20% - 33%
Fixtures & Fittings	10% - 40%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1,000 will be applied to purchases for them to be capitalised.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

INVESTMENTS

Investments held for My Trust Accounts are included at market value based on the bid price at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 5).

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well-known UK banking institutions with high credit rating.

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CREDITORS and PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

GRANTS PAYABLE

Grants payable are accounted for in full as liabilities of the Charity when accepted by the beneficiaries.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Companies presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 profit or loss.

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 profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors that are classified as debt, 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 receipts discounted at a market rate of interest.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The charity does not hold or issue derivatives financial instruments.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme.

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan to which employees and the Charity contribute. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CRITICAL JUDGEMENTS AND ESTIMATES

The main critical judgment applied, surrounds the classification of funds. Judgement has been applied in whether certain funds held in accordance with Charity Trust's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £100.3m (2020: £69.9m), are held by Charities Trust pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. Although the standard terms and conditions do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CRITICAL JUDGEMENTS AND ESTIMATES (continued)

- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor. In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long-term business practice.

The only other judgements and estimates included within the financial statements relate to depreciation, accruals and impairment of Social Investments. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates; however, they are reviewed on an ongoing basis. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. INCOME FROM

	Year to 30 April 2021	Year to 30 April 2020
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	406,243	403,198
Christmas appeals and other campaigns	183,328	135,748
Corporate charity account fees	381,829	258,300
Fundraising Fees	76,685	141,502
Corporate foundation fees	149,639	129,847
Other fees received	351,529	265,421
Total	1,549,253	1,334,016

	Year to 30 April 2021	Year to 30 April 2020
INVESTMENTS	£	£
Interest income received on cash deposits earned by:		
Unrestricted funds	708,222	760,678
Restricted funds – Lotteries	-	356
Restricted funds – Other	53,934	43,400
Total	762,156	804,434

DONATIONS RECEIVED (UNRESTRICTED)	£	£
Donations received	5,621	4,738
Total	5,621	4,738

Included within donations received (unrestricted) is £5,331 (2020: £4,738) in relation to Coronavirus Job Retention Scheme (CJRS) grants. There are no unfulfilled conditions or other contingencies attaching to grants that have been recognised in income. There are no other forms of government assistance from which the charity has directly benefited.

	Year to 30 April 2021	Year to 30 April 2020
DONATIONS RECEIVED (RESTRICTED)	£	£
Donations received from:		
Lotteries	208,693	160,894
Corporates	135,805,576	37,187,566
Regular givers	15,018,564	13,713,840
Charity Fund Accounts	10,934,320	14,171,432
Total	161,967,153	65,233,732

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. EXPENDITURE ON	Activities undertaken directly	Total
CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2021 £	Year to 30 April 2021 £
Payroll giving donations processed	907,248	907,248
Christmas appeals and other campaigns	277,512	277,512
Other donations processed (incl. Lotteries)	949,942	949,942
Total	2,134,702	2,134,702
	Year to 30 April 2020 £	Year to 30 April 2020 £
Payroll giving donations processed	815,770	815,770
Christmas appeals and other campaigns	250,060	250,060
Other donations processed (incl. Lotteries)	983,844	983,844
Total	2,049,674	2,049,674
	Year to 30 April 2021 £	Year to 30 April 2020 £
CHARITABLE ACTIVITIES (UNRESTRICTED)		
Staff costs (see note 3)	1,324,693	1,304,166
Information Technology and Communications	293,397	328,444
Other administration costs	328,409	276,080
Depreciation & Loss on Impairment	139,647	105,374
Governance Costs	48,556	35,610
Total	2,134,702	2,049,674

Unrestricted expenditure on Charitable Activities includes £38,400 for the audit of the financial statements (2020: £33,360) and £3,360 for tax compliance services (2020: £3,360).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2021	Year to 30 April 2020
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	<u>2,997</u>	<u>2,983</u>
Total	<u>2,997</u>	<u>2,983</u>
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2021	Year to 30 April 2020
Donations paid to third party charities from:	£	£
Lotteries	141,266	552,571
Corporates	109,629,627	29,270,916
Regular givers	12,976,922	11,953,750
Charity Fund Accounts	8,906,189	2,807,719
Total	<u>131,654,004</u>	<u>44,584,956</u>
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2021	Year to 30 April 2020
	£	£
Regular givers	<u>31,142</u>	<u>12,765</u>
Total	<u>31,142</u>	<u>12,765</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2021 £	Year to 30 April 2020 £
Wages and Salaries	1,169,147	1,153,299
Social Security Costs	107,236	103,501
Other Pension Costs (see note 13)	48,310	47,366
Total costs	1,324,693	1,304,166
Monthly average No. of employees	No	No
Full time	33	33
Part time	2	2
Total No of employees	35	35
Full time equivalent	34	34

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £26,249 (2020: £16,211)

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2021 No.	Year to 30 April 2020 No.
£70,001 to £80,000	-	1
£90,001 to £100,000	-	1
£110,001 to £120,000	1	-
£130,001 to £140,000	-	1
£150,001 to £160,000	1	-

The key management roles of the charity comprise the trustees, the Chief Executive Officer, the Chief Operating Officer and the Company Secretary. The total employment benefits of the key management roles of the charity were £378,821 (2020: £301,789).

Total pension contributions for members of staff earning in excess of £60,000 was £9,261 (2020: £12,488).

During the year, none of the Trustees received emoluments in respect of their services to the company (2020: none)

No trustees were reimbursed for travel expenses in the year (2020: £168 paid to one trustee).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2021**

4. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2020	1,329,830	40,389	1,370,219
Additions	143,952	-	143,952
At 30 April 2021	1,473,782	40,389	1,514,171
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2020	870,089	34,331	904,420
Depreciation charge for the year	138,255	1,392	139,647
At 30 April 2021	1,008,344	35,723	1,044,067
NET BOOK VALUE			
At 30 April 2021	465,438	4,666	470,104
At 30 April 2020	459,741	6,058	465,799

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

5. INVESTMENTS

	2021	2020
FINANCIAL INVESTMENTS		
Investments held at market value	£	£
Market value at 1 May	462,999	527,024
Additions at cost	250,351	70,400
Disposals at market value	(258,132)	(118,009)
Net investment gains / (losses)	64,902	(24,014)
Movement on cash	(1,345)	7,597
	518,775	462,998
Market value at 30 April	518,775	462,998
Historical cost at 30 April	344,690	344,522

Investments are represented by:	2021		2020	
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	11,278	-	12,853	158
Listed investments	221,872	178,244	178,200	152,821
Other investments	69,237	38,144	85,004	33,962
	302,387	216,388	276,057	186,941
Total		518,775		462,998

	2021	2020
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	1	1
	1	1
Value at 30 April	1	1

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

5. INVESTMENTS (continued)

	2021	2020
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	105,045	117,810
Additions at cost	-	-
Impairment costs	(31,142)	(12,765)
Value at 30 April	73,903	105,045

These are assets held by the Charity as Programme Related investments in the Big Issue Invest Social Enterprise Investment Fund. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by Charities Trust but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'

	2021	2020
TOTAL INVESTMENTS		
	£	£
Financial Investments	518,775	462,998
Subsidiary Investments	1	1
Social Investments	73,903	105,045
Total	592,679	568,044

6. DEBTORS

	2021	2020
	£	£
Amounts receivable in less than one year		
Trade Debtors	83,428	120,800
Other Debtors	286,869	231,647
Prepayments and Accrued Income	69,899	141,179
Total	440,196	493,626

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	260,697	235,278
Taxation and Social Security	62,633	46,106
Trade Creditors	32,151	25,417
Other Creditors	3,885	7,009
Accruals and Deferred Income	249,815	273,248
Total	609,181	587,058

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity'.

Movements in deferred income	2021	2020
	£	£
At 1 May	70,735	117,210
Amounts released from previous year	(70,735)	(117,210)
Amounts deferred in the current year	55,267	70,735
At 30 April	55,267	70,735

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

8. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:	2021	2020
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	518,775	462,998
	<u>518,775</u>	<u>462,998</u>
 Financial assets that are debt instruments measured at amortised cost		
Trade receivables	83,428	120,800
Other receivables	286,869	231,647
Investment in short term deposits	99,944,000	69,545,370
	<u>100,314,297</u>	<u>69,897,817</u>
 Financial assets that are equity instruments measured at cost less impairment		
Subsidiary Investments	1	1
Social Investments	73,903	105,045
	<u>73,904</u>	<u>105,046</u>
 Financial liabilities measured at amortised cost		
Trade Creditors	32,151	25,417
Other Creditors	577,030	561,641
	<u>609,181</u>	<u>587,058</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

9. PROVISIONS FOR LIABILITIES AND CHARGES

	2021	2020
	£	£
At 1 May	33,622	31,122
Provision for property dilapidations	2,500	2,500
At 30 April	36,122	33,622

The charity holds a lease over their premises until 25th November 2023. The provision relates to the estimated dilapidation costs at the expiry of the lease.

10. TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

11. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2020: £10)

The members of the charity are, at any one time, the current trustees of the charity plus one other.

The members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

12. MOVEMENT ON FUNDS

	At 1 May 2020	Income	Expenditure	Gains & Losses	At 30 April 2021
	£	£	£	£	£
Unrestricted funds	1,240,964	2,263,096	(2,134,702)	-	1,369,358
Restricted funds – Lotteries	313,476	208,693	(141,266)	-	380,903
Restricted funds - Corporates	36,018,406	135,805,576	(109,629,627)	-	62,194,355
Restricted funds – Regular givers	19,855,215	15,072,498	(13,011,061)	64,902	21,981,554
Restricted funds – Charity Fund accounts	13,691,039	10,934,320	(8,906,189)	-	15,719,170
Total funds	71,119,100	164,284,183	(133,822,845)	64,902	101,645,340

	At 1 May 2019	Income	Expenditure	Gains & Losses	At 30 April 2020
	£	£	£	£	£
Unrestricted funds	1,191,206	2,099,432	(2,049,674)	-	1,240,964
Restricted funds – Lotteries	704,796	161,250	(552,570)	-	313,476
Restricted funds - Corporates	28,101,756	37,187,566	(29,270,916)	-	36,018,406
Restricted funds – Regular givers	18,091,488	13,757,240	(11,969,499)	(24,014)	19,855,215
Restricted funds – Charity Fund accounts	2,327,326	14,171,432	(2,807,719)	-	13,691,039
Total funds	50,416,572	67,376,920	(46,650,378)	(24,014)	71,119,100

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

12. MOVEMENT ON FUNDS (continued)

As at 30 April 2021 Restricted funds totalled £100,275,982 (as at 30 April 2020: £69,878,136). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. Charities Trust holds a Society Lotteries Licence and uses the services of External Lotteries Managers ("ELMs"). The ELM's used in the year were Football Pools Limited and Sterling Management Centre Limited.

Charities Trust has reduced its offering in this area with no new lotteries being undertaken from 2021 and rationalisation of those existing partners with whom it works. This will continue to be the case going forward.

- Charity Fund Agreements are funds held for good causes and operate under Charities Trust's charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors).
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts).

These latter funds are initially donated to Charities Trust until such time as the donor expresses their wishes as to their charitable application. See also Note 5 for Social Investments.

All monies held for Restricted funds are identified in the balance sheet as 'Money market, investments and bank balances held on behalf of third parties as intermediary charity'. Money market funds are term or notice deposits over 3 months with well-known UK banking institutions with high credit ratings.

Investments in the balance sheet also relate to restricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £260,697 (2020 : £235,278) where monies are held in the same manner.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

13. PENSION ARRANGEMENTS

The company participates in a stakeholder pension arrangement to which employees and the Charity contribute.

Total Charity contributions during the year amounted to £48,310 (2020: £47,366).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2020: £nil).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

14. FUNDS HELD AS AGENT

	At 1 May 2020	Income	Expenditure	At 30 April 2021
	£	£	£	£
Funds as Agent	(5,397,732)	(50,132,715)	49,164,918	(6,365,529)
Bank balances held as Agent	5,397,732			6,365,529
	At 1 May 2019	Income	Expenditure	At 30 April 2020
	£	£	£	£
Funds as Agent	(5,068,811)	(46,407,411)	46,078,490	(5,397,732)
Bank balances held as Agent	5,068,811			5,397,732

Amounts received by the company as agent are not included in the 'SOFA' or on the Balance Sheet. This includes amounts in respect of payroll giving and other funds held to the order of the original payer.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

15. RELATED PARTIES

All of the figures quoted below are full year figures whether or not the related party served for the full year.

Elizabeth Perry, a Director / Trustee of Charities Trust, is also a Director of The Costa Foundation. Charities Trust receives donations for the benefit of the charity which it pays across periodically.

	Funds at 1 May 2020	Incoming resources	Resources expended	Funds at 30 April 2021
	£	£	£	£
Agency funds – Costa Foundation	8,905	18,392	(26,753)	544
	Funds at 1 May 2019	Incoming resources	Resources expended	Funds at 30 April 2020
	£	£	£	£
Agency funds – Costa Foundation	22,477	124,082	(137,654)	8,905

Euan Imrie, a member of the Key Management Team is also a Director / Trustee of the Roy Castle Lung Cancer Foundation, registered charity number 1046854. The foundation received funds totalling £25,651 from Charities Trust during the year (2020 - £25,429). These were funds donated through the Payroll Giving scheme, corporate donations or fundraising.

Graham Morris, a Director / Trustee of Charities Trust, is also the Chair of Trustees for Alder Hey Children's Charity, registered charity number 1160661. The charity received funds totalling £16,127 from Charities Trust during the year (2020 - £83,562). These were funds donated through the Payroll Giving scheme, corporate donations or fundraising.

Sir Michael Bibby, a Director / Trustee of Charities Trust, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £1,657 (2020 - £4,899).

There were no balances outstanding from related parties on 30 April 2021.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

16. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2021	2020
	£	£
Not later than one year	60,840	60,840
Later than one year and not later than five years	90,061	150,901
Later than five years	-	-
Total gross payments	150,901	211,741
	2021	2020
	£	£
Lease payments recognised as an expense		
Photocopier	3,840	3,840
Premises	57,000	57,000
Total lease payments in the year	60,840	60,840

17. SUBSIDIARY COMPANY

At 30 April 2021, the Company held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, Suite 20-22 Century Building, Brunswick Park, Tower Street, Liverpool, L3 4BJ.	UK	100	Dormant

The value of the investment at 30 April 2021 is £1 (as at 30 April 2020: £1).

The capital and reserves of the subsidiary at 30 April 2021 are £1 (as at 30 April 2020: £1)

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

18. NOTES TO THE CASH FLOW STATEMENT

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

	2021 £	2020 £
Net movement in funds for the financial year (as per the statement of financial activities)	30,526,240	20,702,528
Adjustments for:		
Depreciation charges	139,647	105,374
Deduct interest income shown in investment activities	(708,222)	(761,033)
Decrease in debtors	53,430	(42,226)
Increase in creditors	22,123	46,806
Other non-cash movements	(22,135)	79,290
Net cash provided by operating activities	30,011,083	20,130,739

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	843,664	666,941
Bank balances held on behalf of third parties as intermediary charity (see note 12)	64,944,000	49,545,370
Total cash and cash equivalents	65,787,664	50,212,311

ANALYSIS OF CHANGES IN NET FUNDS			
	At 1 May	Cash-flows	At 30 April
	£	£	£
Cash	50,212,311	15,575,353	65,787,664
Total	50,212,311	15,575,353	65,787,664

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted £	2020 Total £
Tangible Assets	470,104	-	470,104	465,799	-	465,799
Investments	-	592,679	592,679	-	568,044	568,044
Current Assets	1,283,860	99,944,000	101,227,860	1,160,567	69,545,370	70,705,937
Creditors: amounts falling due within one year	(348,484)	(260,697)	(609,181)	(351,780)	(235,278)	(587,058)
Provisions for liabilities and charges	(36,122)	-	(36,122)	(33,622)	-	(33,622)
	1,369,358	100,275,982	101,645,340	1,240,964	69,878,136	71,119,100

20. POST BALANCE SHEET EVENTS

Post year end, a review has been undertaken of dormant My Giving Account balances which have seen no activity in the preceding 2 years. In accordance with the provisions of the terms and conditions of business that donors sign up to, amounts held in dormant accounts amounting to £3,440,923 have been transferred to unrestricted funds for charitable purposes in support of Charities Trust's mission. It is the intention of Trustees that a review will be undertaken monthly going forwards to transfer dormant account balances to unrestricted funds as allowed under the terms and conditions of My Giving accounts.