

**Manchester Airport
Community Trust Fund**

Annual Report and Financial Statements

Year ended 31 March 2021

Charity number: 1071703

Manchester Airport Community Trust Fund

Annual Report and Financial Statements for the year ended 31 March 2021

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Manchester Airport Community Trust Fund

Report of the Trustees for the year ended 31 March 2021

Manchester Airport Community Trust Fund ('the Trust') is a registered charity and was established under a Trust Deed dated 8 December 1997.

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Objectives and activities for the public benefit

The Trust's continuing objectives are for charitable purposes within the areas affected by the activities of Manchester Airport Plc as the Trustees from time to time determine (subject to obtaining the prior consent of Manchester Airport Plc, Manchester City Council and Cheshire East Council), and in particular to:

- promote, enhance, improve, protect and conserve the natural and built environment by projects of tree planting, landscaping and other works of environmental improvement and heritage conservation;
- enable within those areas, facilities in the interests of social welfare for recreation, sport and leisure time occupation with the object of improving the conditions of life for those living or working in or visitors to those areas; and
- to promote and provide for the benefit of the public a better appreciation of the natural and urban environment and ways of better serving, protecting and improving the same and education and training in all matters relating to the natural, physical environment and its interaction with the economic well-being of the community.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for the year.

The Trust considers applications from not-for-profit groups or organisations working to improve the environment or social welfare in communities within the Area of Benefit. Projects should offer open access to all and demonstrate wide, lasting benefit to all members of the community regardless of race, gender, age, ability or religion. The items or works that the applicants are seeking funds towards should clearly bring community benefit.

Grants will be awarded only for tangible items, which give enduring benefit, but excluding applications that involve the purchase of land and buildings.

Meetings are held quarterly at which the Trustees review applications and allocate grants according to their adopted criteria.

Structure, Governance and Management

The Trust has eight Trustees. A first Trustee and a second Trustee are appointed by Manchester Airport Plc. The second Airport Trustee is permitted to attend meetings only when the first Airport Trustee is unavailable. The remaining Trustees are appointed by the Manchester Airport Consultative Committee from the council areas of Stockport, Manchester, Trafford, Tameside, Cheshire East and Cheshire West and Chester. Chairmanship of the Trust rotates annually between the Cheshire East Council Trustee and the Manchester Airport Trustee. Robert Pattison, the first Airport trustee, was Chair for the year ended 31 March 2021.

The term of the Trustee's appointment (other than the First and Second Trustee) is determined by their continuing membership of, and nomination by, the Manchester Airport Consultative Committee.

Manchester Airport Community Trust Fund

Report of the Trustees for the year ended 31 March 2021 *(continued)*

Structure, Governance and Management *(continued)*

New trustees are issued with a starter pack that outlines their role and responsibilities to the Trust. The Trustees meet four times in each financial year (quarterly in April, July, October and January) to consider applications for funding. Other legal and administrative details are set out on page 3.

Key management personnel remuneration

The Trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity, and running and operating the charity on a day to day basis. All Trustees give up their time freely and no trustee remuneration was paid during the year.

Reference and administrative information

Charity Trustees

The charity trustees from the start of the financial year up until the date of signing the accounts were as follows:

Councillor Don Stockton, first Airport Trustee and Chair	(eff. 12 October 2020)
Mr Robert Pattison, first Airport Trustee and current Chair	(appointed 28 September 2020)
Councillor Paul Andrews, Manchester City Council	
Councillor Bill Fairfoull, Tameside Metropolitan Council	
Councillor John Taylor, Stockport Metropolitan Borough Council	
Mrs Wendy Sinfield, second Airport Trustee	(resigned 01 August 2020)
Mr John Twigg	(resigned 12 October 2020)
Councillor Mike Whetton, Trafford Metropolitan Borough Council	(resigned 15 July 2020)
Councillor Robert Cernik, Cheshire West & Chester Council	(resigned 22 April 2020)
Councillor Chris Boyes, Trafford Metropolitan Borough Council	(appointed 15 July 2020)
Councillor Sam Naylor, Cheshire West & Chester Council	(appointed 20 April 2020)

Registered Office

Manchester Airport Plc
Olympic House
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M90 1QX

Administrator

Tina Large, funded by Manchester Airport Plc.
Helen McNabb, funded by Manchester Airport Plc.

Banker

HSBC, 4 Hardman Square, Spinningfields, Manchester, M3 3EB.

Auditor

KPMG LLP, Chartered Accountants, One St Peter's Square, Manchester, M2 3AE.

Solicitor

Pannone Manchester, Solicitors, 58 Mosley Street, Manchester, M2 3HZ.

Manchester Airport Community Trust Fund

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Financial review

The Trust's key financial objective is to ensure financial stability and continued solvency year on year so it can pursue its aims and objectives.

Total income for the year amounted to £126,382 (2020: £156,291). The principal funding sources for the Trust are the annual donation from Manchester Airport Plc, £100,000, and noise fines levied by Manchester Airport Plc of £4,072 (2020: £27,450). These noise fines are passed to the Trust on the basis that it is the local areas within the Area of Benefit that are most affected by the noise from aircraft operations. The Trust's assets are invested with the HSBC Bank, but no interest has been earned on deposits during 2021 (2020: £nil). In addition, there is a donation in kind received from Manchester Airport Plc relating to the costs of governance and the administrator of the Trust.

Charitable activities decreased to £133,455 (2020: £150,864). The Trustees held four meetings this year for the purpose of considering and awarding grants. The Trustees have considered applications and pledged 63 grants totalling £110,395 (2020: £111,073) with £nil (2020: £nil) previously approved, but unspent, grants being returned. The administration costs of £9,810 (2020: £18,841) are offset by the donation in kind from Manchester Airport Plc.

The overall incoming resources of £126,382 are lower than the £156,291 last year, due to a reduced number of noise fines. The level of grants awarded in this financial year decreased slightly to £110,395 (2020: £111,073). This led to a decrease in funds of £7,073 for the year (2020: £5,427 increase). When combined with the brought forward reserve, a total surplus of £37,639 (2020: £44,712) is available to be carried forward into 2021/22 for further grants.

Grants are not made to individuals. There is a wide distribution of recipients in terms of both geographic area and project type, and the awards pledged are listed in the note 9 to the financial statements on pages 16 and 17.

Review of Development, Achievements and Performance

A permanent administrator remains appointed to the Trust, accountable to the Trustees and Manchester Airport Plc. The administrator is responsible for handling all day to day enquiries and financial matters, processing applications, servicing the Trustees' meetings, producing statistical information, generating PR coverage and raising awareness.

Criteria, conditions and guidelines are detailed in the Manchester Airport Plc Community Trust Fund Application Pack. The Trustees regularly review and update these. The pack is available in an electronic pack in the Community Trust Fund section of the Manchester Airport website. All applications are now online. The tool has proven popular; where applicants struggle with computer familiarity the Administrator is able to assist.

The Trust is regularly promoted as part of the Manchester Airport Community Relations Outreach Programme. The Manchester Airport Press team have promoted many of the awarded grants thus also promoting the Trust fund. The Administrator attends other events in the Area of Benefit in order to raise awareness and provide advice to potential applicants. This has included an event at Stockport Homes Green Space Funding Fair.

Manchester Airport Community Trust Fund

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Review of Development, Achievements and Performance

Successful applicants are required to promote their grant at the site receiving the grant (where appropriate), through the local media, and in their own newsletters and publications. We have received positive publicity for our grants in local media from many successful projects. This grass-roots coverage within local communities is a cost-effective yet valuable form of promotion and awareness raising for the Trust.

We continue to take the opportunity to promote the Trust fund with statutory agencies and other volunteering funding services to keep in touch with small grass-roots projects. The Trustees wish to acknowledge the financial and administrative support of Manchester Airport Plc. They are pleased with the number, variety and range of applications received over the year and believe the Trust will continue to bring lasting benefits to the environment and quality of life in the areas around the Airport.

Internal Control and Risk Management

The Trustees annually review the effectiveness of all material internal controls, including finance and compliance controls such as General Data Protection Regulation. The controls are designed to meet the Trust's particular needs and the risks to which it is exposed, to manage those risks and to provide reasonable assurance against misstatement or loss.

The Trustees have agreed an audit policy to help minimise the risk of grant fraud and to ensure past grants continue to offer community benefit. The policy was first implemented in July 2005. This year, no attendances were made because of COVID, but this will resume in FY22 government guidance permitting.

The audit visits are performed by the Administrator, with the support of the Trustees. The audit includes a review of the equipment and the financial records of the grant recipient. The audit evaluation is constantly being reviewed to ensure that it meets policy and standards requirements. Trustees look at audit in detail at every meeting and due to this diligent procedure being in place and effective, the Trustees' assessment is that an Internal Auditor is not required.

Future Plans

The future plans of the Trust are to continue to promote the fund within the local community, in line with the objectives and strategies described on page 1.

Each year the Trustees consider trends in applications and the effectiveness of the Trust. To this end the Trustees are reviewing their approach to technology requests, given that so many organisations have had to go on line during COVID.

Reserves and Financial Policies

The Trust seeks to distribute in the form of grants all its available income and hold a minimal level of reserves. All the reserves are therefore considered free reserves.

There are £37,639 (2020: £44,712) of unspent reserves to be carried forward and used for projects in 2021/22. The level of unspent reserves is reviewed by the Trustees at each quarterly meeting. The Trustees maintain a prudent approach to grant applications and ensure that funds are only distributed where applicants meet the criteria of the fund. These ensure that each grant given for each project will provide a wider community benefit.

Manchester Airport Community Trust Fund

Report of the Trustees for the year ended 31 March 2021 *(continued)*

Reserves and Financial Policies *(continued)*

Each year, the request for funding always exceeds the available funding. A number of applications are turned down due to lack of conformity with one or more of the Trust's criteria which ensure a wider benefit to the community. During the next financial year, the Trustees will look to further promote the fund and continue to distribute the accumulated reserves. As all expenditure of the Trust is reimbursed by Manchester Airport Plc, the Trust does not set a target level of reserves, instead ensuring that expenditure on grants does not exceed available reserves.

The Annual Donation from Manchester Airport Plc, £100,000, arises from the legal agreement (S106 Obligation A.2) linked to the second runway development. At each quarterly meeting where applications for grants are considered, the Trustees assess the current financial position of the Trust and take a prudent view of how spending might be phased throughout the year. This ensures appropriate funds are available each quarter.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditor is unaware; and each Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

During the year the Trustees resolved to appoint Fairhurst Accountants as auditors for the year ending 31st March 2022, following a competitive tender process.

Impact of COVID-19

Through funding provided by Manchester Airport Plc, the Trust has been able to continually achieve its objectives, as described on page 1. The COVID-19 pandemic has had a profound impact on Manchester Airport, and the travel industry as a whole.

Manchester Airport has taken swift actions to mitigate the financial impacts of COVID-19, including restricting both revenue and capital expenditure to preserve cash, and taking advantage of the Government's Job Retention Scheme. Through these actions, Manchester Airport is able to continue to make good its S106 obligation to donate £100,000 to the Trust annually.

It is imperative that the Trust continues to operate and continue to benefit communities in the Manchester Airport area. Despite the impact of COVID-19 on the Trust's key source of income, the Trustees believe that they will be able to continue to meet the Trust's strategic objectives for the foreseeable future.

Approved by the Trustees on: 25 January 2022

Signed on their behalf by:



Rob Pattison
Trustee
Olympic House
Manchester Airport
Manchester
M90 1QX

Manchester Airport Community Trust Fund

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under the trust deed of the charity and charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.



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Independent auditor's report to the Trustees of Manchester Airport Community Trust Fund

Opinion

We have audited the financial statements of Manchester Airport Community Trust Fund for the year ended 31st March 2021 which comprise the Statement of Financial Activities, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Independent auditor's report to the Trustees of Manchester Airport Community Trust Fund *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included :

- Enquiring of trustees and inspection of policy documentation as to the entities’ high-level policies and procedures to prevent and detect fraud, including the channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because there is little opportunity due to the limited number of transactions and limited number of sources of income. There is no appetite for fraudulent / misreporting as income predominantly comes from a related party entity and there is no incentive for management to fraudulently recognise revenue incentive from a management / trustee perspective.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the trustees and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the entity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the entity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of entities’ license to operate.

We identified the following areas as those most likely to have such an effect: health and safety and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent auditor's report to the Trustees of Manchester Airport Community Trust Fund *(continued)*

Other information *(continued)*

Context of the ability of the audit to detect fraud or breaches of law or regulation (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 6, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

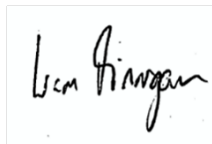
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the Trustees of Manchester Airport Community Trust Fund *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Liam Finnigan
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act
25 January 2022

Manchester Airport Community Trust Fund

Statement of Financial Activities for the year ended 31 March 2021

		Unrestricted funds	
		2021	2020
	Note	£	£
Income from:			
Donations	2	122,310	128,841
Other	3	4,072	27,450
Total income		126,382	156,291
Expenditure			
Charitable activities	4	(133,455)	(150,864)
Total expenditure		(133,455)	(150,864)
Net movement in funds		(7,073)	5,427
Reconciliation of funds:			
Opening total funds		44,712	39,285
Closing total funds		37,639	44,712

All income and expenditure are derived from continuing operations.

There are no gains and losses other than those noted above and therefore no further disclosure has been prepared.

The accompanying accounting policies and notes form an integral part of these financial statements.

The statement of financial activities incorporates an income and expenditure account.

Manchester Airport Community Trust Fund

Balance Sheet at 31 March 2021

	Note	2021 £	2020 £
Current Assets			
Debtors	5	16,522	39,708
Cash at bank and in hand		<u>35,707</u>	<u>17,094</u>
		52,229	56,802
Creditors: Amounts falling due within 1 year	6	(14,590)	(12,090)
Net assets		37,639	44,712
Unrestricted funds		<u>37,639</u>	<u>44,712</u>
Total charity funds		<u>37,639</u>	<u>44,712</u>

The notes on pages 13 – 17 form part of these accounts.

Approved by the Board of Trustees on 25 January 2022 and signed on its behalf by:



Rob Pattison
Trustee

Manchester Airport Community Trust Fund

Notes to the financial statements

1. Accounting Policies

The financial statements are prepared on a going concern basis, in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities, preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. They include all the activities of the Trust. Under Charities SORP FRS 102 section 20.11 the charity is exempt from the requirements to prepare a cash flow statement on the grounds of its size.

Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

The Trust receives an annual donation from Manchester Airport Plc of £100,000 arising from the legal agreement (S106 Obligation 4.2) linked to the second runway development. This obligation is not time bound and the income is guaranteed for the foreseeable future. Other income from noise fines cannot be planned, or guaranteed, but once received is made available for distribution.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Basis for accounting for income and expenditure

All incoming and outgoing resources are accounted for in the Statement of Financial Activities on the accruals basis. Expenditure relates only to direct charitable expenditure as the costs of administration and management of the Trust, including audit fees, are borne by Manchester Airport Plc. The cost of the grants are recognised upon award by the Trustees at the quarterly meetings.

Remuneration and expenses

No Trustees received any form of remuneration for services provided to the Trust during the year (2020: £nil), nor did they receive any expenses.

Taxation

Manchester Airport Community Trust Fund 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 Trust is potentially exempt from taxation relating to 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.

Funds

Unrestricted funds are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees. There are no restricted funds.

Manchester Airport Community Trust Fund

Notes to the financial statements (continued)

1. Accounting Policies (continued)

Debtors and creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term deposits net of bank overdrafts, which have an original maturity of three months or less.

Cash flow statement

The financial statements do not include a cash flow statement because the Trust, as a small reporting entity, is exempt from the requirements to prepare such a statement under Charities SORP FRS 102.

2. Income from donations

	2021 £	2020 £
Manchester Airport donation	100,000	100,000
Manchester Airport (income in kind)	9,810	18,841
Governance costs	<u>12,500</u>	<u>10,000</u>
Total voluntary income	<u>122,310</u>	<u>128,841</u>

The Administrator for the Trust is employed and paid by Manchester Airport Plc on behalf of the Trust. An estimate of the value of this resource of £9,810 (2020: £18,841) has been recognised as a donation in kind, with an offsetting administration cost in expenses.

The governance costs donations of £12,500 for the year (2020: £10,000) relate to the External Audit Fee borne by Manchester Airport Plc, with an offsetting governance cost (Note 4).

3. Other income

Other income comprises of environmental fines levied by Manchester Airport Plc. Income from fines is recognised when the fines are invoiced by Manchester Airport Plc.

4. Charitable activities

Direct charitable expenditure of £110,395 (2020: £110,987) comprises of grants awarded at the discretion of the Trustees following applications to the Trust. Total expenditure takes into account returned / time-expired amounts of £nil (2020 £nil) and administration and governance costs borne by Manchester Airport Plc.

	2021 £	2020 £
Grants awarded (see appendix)	110,395	111,073
Administration costs covered by voluntary income in kind	9,810	18,841
Provision for bad debts of environmental fines	750	10,950
Governance costs	<u>12,500</u>	<u>10,000</u>
Charitable activities per statement of financial activities	<u>133,455</u>	<u>150,864</u>

Manchester Airport Community Trust Fund

Notes to the financial statements *(continued)*

5. Debtors

Total debtors of £16,522 (2020: £39,708) comprise an overpaid grant of £700 (2020: £nil) and trade debtors of £15,822 (2020: £31,458).

6. Creditors

Creditors of £14,590 comprise £2,090 (2020: £2,090) of grants awarded but not paid and £12,500 (2020: £10,000) of accrued audit fees.

7. Related Party Transactions

The ultimate controlling entity is Manchester Airport Plc, a company registered in England and Wales.

8. Transactions involving Manchester Airport Plc

The amount owed by Manchester Airport Plc to the Trust was £15,822 (2020: £31,458).

During the year to 31 March 2021 the total contribution made by Manchester Airport Plc to the Trust was £126,382 (2020: £128,841).

Manchester Airport Community Trust Fund

Notes to the financial statements (continued)

9. Grants awarded during the year ended 31 March 2021

Applicant	Grant (£)
3 rd Offerton Scout Group	2,000
Cliff Road Allotments	1,678
Cheadle Hulme Ladybridge CC	1,800
Friends of Longford Park	2,700
Wilmslow Lacrosse	2,800
Wilmslow Bowling Club	3,000
We Grow	1,937
Friends Rosehill Station	2,802
Radio Wishing Well	3,000
STOMP	1,500
Rotary Club	1,500
Cranford Bowling	3,000
Wythenshawe AFC	1,149
Trafford Veterans	1,500
Barnados Wythenshawe Centre	2,000
The Church of England Wythenshawe	2,000
Wythenshawe Goodneighbours	500
The Cherry Tree Project	1,149
Gorton Visual Arts	500
Willowood Hospice	3,000
Arty Kind (Stockport Advacy Ltd)	500
Benchill Community Centre	1,220
Ladybarn Community Hub	500
Stockport Car Scheme	900
Smart Works Greater Manchester	3,000
Stockport Wheelchair Races	2,597
Didsbury Goodneighbours	1,200
Manchester South District Scouting Council	1,250
Heaton Mersey Lacrosse Society	2,400
Werneth Concert Band	800
Styal Tennis Club	2,846
Active Communities Experiences Ltd	1,000
4th Newall Green Rainbows	1,500

Manchester Airport Community Trust Fund

Notes to the financial statements (continued)

9. Grants awarded during the year ended 31 March 2021 (continued)

Applicant	Grant (£)
Stockport Volley Ball	2,500
West End Boys Club	668
Friends of Cromwell Avenue Park	1,100
Haughton Green Junior FC	1,812
Stockport Schools FC Stockport SFA (Club, Society and Charity)	1,500
On top of the world 11360	350
Old Trafford Amateur Gardeners Society	1,968
Flowery Field Cricket Club	1,850
Hope House Children's Hospice	2,500
Craig Road Residents Group	700
Denton St Lawrence Cricket Club	1,800
Denton Park Social Bowling Club	2,520
Denton Town Football Club	1,800
Ashley Cricket Club	3,000
Ryder Brow Community Allotment Society	3,000
Pickering Lodge Allotment Association	2,200
Altrincham Sale and Stretford Sea Cadets	1,500
Independent Options North West	1,000
Fianna Phadraig Pipe Band	990
The Open Arms Youth Project	950
The George Mallory Foundation	1,577
Agricultural and Rural Centre	535
Manchester Basketball Club	400
Mottram Cricket Club	2,824
Gorse Hill Studios	1,313
Make a Space	270
306 th Manchester Scouts	2,295
Stockport Garrick Theatre	2,950
Offerton Cricket Club	2,640
Stretford Cricket Club	2,655
TOTAL	110,395