

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

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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	<u>1,369,358</u>	<u>1,240,964</u>
<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

8A930930F7B14BC...
GJ Morris
TRUSTEE

DocuSigned by:

Mark Blakeman

3506053038EE409...
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

CHARITABLE ACTIVITIES (UNRESTRICTED)**Year to
30 April
2021
£****Year to
30 April
2020
£**

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	2,997	2,983
Total	2,997	2,983
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	131,654,004	44,584,956
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2021 £	Year to 30 April 2020 £
Regular givers	31,142	12,765
Total	31,142	12,765

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
	<hr/>	<hr/>
Market value at 30 April	518,775	462,998
	<hr/>	<hr/>
Historical cost at 30 April	344,690	344,522
	<hr/>	<hr/>

Investments are represented by:	2021	2021	2020	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
	<hr/>	<hr/>	<hr/>	<hr/>
Total	302,387	216,388	276,057	186,941
	<hr/>	<hr/>	<hr/>	<hr/>
	518,775			462,998
	<hr/>			<hr/>

	2021	2020
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 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
	518,775	462,998
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
	100,314,297	69,897,817
Financial assets that are equity instruments measured at cost less impairment		
Subsidiary Investments	1	1
Social Investments	73,903	105,045
	73,904	105,046
Financial liabilities measured at amortised cost		
Trade Creditors	32,151	25,417
Other Creditors	577,030	561,641
	609,181	587,058

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	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	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)
	<u>1,369,358</u>	<u>100,275,982</u>	<u>101,645,340</u>	<u>1,240,964</u>	<u>69,878,136</u>	<u>71,119,100</u>

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.