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DRINKS TRUST

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SUPPORTING DRINKS INDUSTRY PEOPLE

THE DRINKS TRUST
(Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2021

Company Registered Number: 2783340

Charity Number: 1023376

THE DRINKS TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2021

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CHAIR'S STATEMENT

YEAR ENDED 31ST DECEMBER 2021

The financial year 2021 was the most significant in the 134-year history of The Drinks Trust, with levels of support achieved at more than fivefold the levels delivered in 2019. In 2021, the charity's trustees set out a strategy to capture the significantly increased level of support from within the drinks industry in 2020 and to deliver levels of support and funding at a new baseline level, between the levels achieved in 2019 and 2020.

The plan set out key goals to deliver on its strategy, they were as follows:

- Increase beneficiary reach and uptake
- Build on vocational services
- Provide diversity & inclusion services and guidance
- Diversify & grow revenues
- Complete systems development
- Increase staffing and deliver on imperatives
- Improve governance & trustee engagement

The impact of the COVID19 pandemic continued to be felt by the drinks and wet-led hospitality industry in 2021, as a result The Drinks Trust looked to continue with the work it had delivered in 2020, as well as advance the new wellbeing services that had been introduced in 2020. All the while looking to complete on the goals set out above.

At the conclusion of 2021, The Drinks Trust was able to deliver the second highest levels of support to the industry workforce in its 134-year history, with 3,616 individuals having received one or more of the services provided by the charity. A near five-fold increase of the pre-pandemic 2019 levels of support delivered.

Charitable Revenues

The Drinks Trust achieved total revenues of £1,364,990 in 2021. This represented a decrease of 43% on the record year of 2020, when £2,401,044 in revenue was achieved. However, when compared to pre-pandemic levels of revenue, 2021 revenues represented a 44% increase over the 2019 total of £949,007.

The 2021 revenues were achieved exclusively through corporate and individual funding, be it donations or fundraising activities. No internally organised fundraising events were held in 2021, a result of the ongoing restrictions of the pandemic. In the absence of events, and as a result of the increased visibility of the charity, revenues were diversified through increased levels of cause-based marketing activity with brand owners, as well as a new online auction offering. As a result, the charity was able to deliver on its goal of diversifying revenue streams.

The total funding in 2021 was 20% below the targeted goal of £1,628,742. The revenue target for 2021 was set following what was a record year in funding in 2020, and the charity had the ambition of generating a revenue that was between those of 2019 and 2020. Ultimately a revenue was achieved that was 10% below this midway point, and as a result The Drinks Trust 2021 funding was the second highest in organisational history.

Assist - Hardship Relief Services

As part of the work to deliver more services to industry beneficiaries, in 2021 the charity moved to set its three service groups into more definable and promotable groups. All hardship relief services, such as monetary grants and goods supplied, were moved into the new Assist service group.

As part of the Assist hardship services, The Drinks Trust ran the "Another Round" campaign in 2021, a support grant to people who continued to face loss of income due to the pandemic and subsequent lockdowns. Added to these were the periodic grant recipients, and one-off grant recipients. Across all these grant types, a total of 1,488 individuals were helped through the charity's Assist services and a total of £736,213 was distributed in funding, an average of £495 per recipient.

Following the pandemic, and the significant volume of hardship grants delivered in 2020, in 2021 there was a predictable reduction in demand for financial assistance. However, the average level of funding per beneficiary increased by 35% in 2021, with many of those who continued to face financial hardship being in significantly more acute need than in 2020.

Restore – Wellbeing Services

In 2021 all the wellbeing services delivered by the charity were grouped together and reported under the Restore service group.

As part of the organisation's continued efforts to deliver more effective wellbeing services, 2021 saw the first full year of the new service offering. These services were increased in mid to late 2020 to include a 24-hour helpline, sleep and insomnia treatment, mindful drinking tuition and free video therapy services.

In 2021 the charity had delivered these services to 832 individuals, an increase over the 2020 total of 758. These services were delivered at a cost of £35,040, and an average of £42 per beneficiary.

Develop – Vocational Hardship Services

In late 2021 the third and final service group was launched, Develop, the vocational hardship service. The offering is composed of courses and vocational training from multiple leading drinks industry providers and funded by several of the largest brand owning businesses in the sector. The ambition is to offer those in hardship the opportunity to upskill or attain industry qualifications that will lead to them entering or progressing in the industry and as a result, a long-term solution to their financial situations.

Funding for the Develop initiative was sought in late 2020, and whilst revenues were then delivered in 2021, significant commitments had been made before year end.

The Drinks Community

At the conclusion of 2021, The Drinks Trust community had grown to a total of 1,215 members and had completed its first round of mentoring to over 30 mentees. Furthermore, the Community had secured funding from Campari Group UK to deliver the service.

The Community has been instrumental in delivering a peer-to-peer learning service to the industry, as well as an important platform for The Drinks Trust to promote its Assist, Restore and Develop services.

Equal Measures – Delivering Greater Equity in the Drinks Industry

In 2021 The Drinks Trust entered a partnership with Equal Measures, the drinks industry's dedicated diversity, equity and inclusion initiative. Equal Measures will look to deliver industry training and mentoring to under-represented groups both within and looking to enter the drinks industry.

A full year of results on this partnership will be included in the 2022 reporting.

Capability Management

As part of its continued goal to improve its capability management, The Drinks Trust completed its implementation to new software systems in 2021, including a new beneficiary and fundraising CRM and new accounting systems. The result has been a significant improvement in the ability to track and report on all financial, service provision and fundraising activities within the organisation.

Additionally, the organisation has improved reporting to trustees, allowing them to have a comprehensive and detailed view of all operations.

Troy Christensen
Chair of Trustees

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CORPORATE PARTNERSHIP WITH THE DRINKS TRUST

FOR THE YEAR ENDED 31ST DECEMBER 2021

The companies and organisations listed below were Corporate Partners of The Drinks Trust as at the end of December 2021.

Founding Patron Worshipful Company of Vintners.

30 & 40	Direct Wines Ltd	Hemming Group Ltd
58 & Co	Distell International Ltd	Hospitality Action
A E Chapman & Son Ltd	Douglas Laing & Co.	House of Townend
Aberdeen Wine Company	Dourthe (UK)	Ian Macleod Distillers Ltd
ABV Global Ltd (London Cocktail Week)	Drynks Unlimited	Imbibe USA
Accolade Wines	Dukes London	Intercontinental Brands Ltd
Agile Media Ltd	E & J Gallo Winery Europe	Inver House Distillers
Alcohols Ltd	East London Liquor Company	Irish Distillers
Amathus Drinks Plc	Eataly London	IWSC Group
Arbikie Highland Estate	Eceaux Drinks Ltd	J F Hillebrand
Asahi UK	Eden Mill	Jeroboam Wine Merchants
Ashcoe	Edrington Limited	Jim and Tonic
Atkinson Holdings	El Rayo Tequila	JJ Corry
Australian Vintage	Emporia Brands Limited	Justerini & Brooks
Avallen Spirits	Encirc 360	Kegstar UK
Awin Barratt Siegel Wine Agencies	Enotria&Coe	Kingsland Drinks
Axiom Brands	Everleaf Drinks	Laurent Perrier (UK) Ltd
Bacardi Limited	Exceed Group Limited	Lay & Wheeler
Bardrinks Ltd/These Days Drinks	Farr Vintners	Lea & Sandeman Wine Merchants
Berkmann Wine Cellars	Fraziers Wine Merchants	Lee Bolton Monier Williams
Berry Bros & Rudd Ltd	Freestar Drinks Ltd	Liana Collection
Bestway	Freixenet Copestick	Liberty Wines
British Sake Association	Fuller Smith & Turner plc	London City Bond
Broadland Drinks	G & J Distillers	London Essence
Brockmans Gin	Goedhuis & Co	Louis Latour Agencies
Brown-Forman Beverages Europe	Gonzalez Byass UK Ltd	Mackmyra Swedish Whisky Ltd
Buckingham Schenk	Graft Wine Company	Maisons Marques et Domaines Ltd
Budweiser/Budvar UK	Guy Anderson Wines	Majestic Wines
Campari UK	Hacha Bar Ltd	Mast-J&Aegermeister UK Ltd
Cardrona Whisky	Handford Wines	Meanwhile Drinks Ltd (Pensador)
Casella Family Brands	Harrogate Spring Water	Mentzendorff & Co Ltd
Chivas Brothers	Hat Trick Productions	Mercer and Co Rum
Compass Box Whisky	Hatch Mansfield Ltd	MHW Ltd
Corney & Barrow Bars Ltd	Haulfryn Group Ltd	Midland Wine & Spirit Association
Cotswolds Distillery	Haynes Hanson & Clark	Milk and Honey Distillery
Davy & Co Ltd	Hayward Brothers (Wines) Ltd	Moet Hennessy
Diageo GB	Heineken UK	Muyu Liquers

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FOR THE YEAR ENDED 31ST DECEMBER 2021

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Naked Wines UK	Starward Distillery	Victory Distillery
Nc'Neane Distillery	Stauning Whisky	Vintage Roots
Not Another Beer Co/Lucky Saint)	Story PR	Virgin Wines
O&T Wines	Sure Services	Wee Smoky Distillery
Oak & Still (Codigo Tequila).	The Brewers' Company	Wemyss Family Spirits Ltd
Odd Firm of Sin	The Cocktail Alchemist Limited	Westerhall Rums UK
Off-Piste Wines Ltd	The Dram Team	Westons Cider
Oxford Artisan Distillery	The Gin Guide	Whisky Auction Ltd
Paragraph Publishing Ltd	The Holyrood Distillery Ltd	Whisky Invest Direct
Pernod Ricard UK	The Lakes Distillery Company	Whyte & Mackay
Pol Roger Ltd	The Little Fine Wine Co	William Grant & Sons UK Ltd
Proximo Spirits	The Martini Club	William Reed Business Media
Quintessential Brands	The Tasting Quarter Ltd	Wine & Spirit Education Trust
Randalls of Guernsey	The Uncommon Wine of England	Wineflow Freight Forwarding
Real Rogue (Intrepid Spirits)	The Vintners Foundation	WineGB Wessex
Remy Cointreau	The Waiters Friend Company	Woolf Drinks Ltd
Sandford Orchards	The Wine Society	Worshipful Company of Distillers
Savyls Beverage Co.	The Wine Trade Sports Club	Worshipful Company of Innholders
Shepherd Neame	Thomas Hardy Holdings Ltd	Wray and Nephew
Sipsmith	Uncle Nearest	WX Brands
Small Batch Learning	Unite Hospitality	
Solo Coffee	Valassis	
St Austell Brewery	Van Hunks Drinks/Skal Drinks	

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LIST OF INDIVIDUAL MEMBERS

FOR THE YEAR ENDED 31ST DECEMBER 2021

The Board of Trustees also wishes to express their thanks to the following individuals who have generously donated to The Drinks Trust's funds with a minimum of £35 per annum. Without such support The Drinks Trust could not carry out its task of caring for the less fortunate members of the trade.

Abbott C	Davy J	Harris I	Macfarlane D
Adamson W	Davy J	Harrison R	Macleod K
Amdor G	Dawson A	Hauffe-Brett S	Mair T
Anderson G	Dean S	Hayman C	Mann A
Anderson N	Dee P	Hazlehurst C	Mann A
Anderson V	Deinega D	Hendry I	March S
Arnold H	Demery E	Hobday S	Marner A
Ausling J	Dent E	Hodgson S	Mason C
Avery M	Devine G	Holt S	Masters J
Baggott A	Dickenson K	Howard-Sneyd J	Mcgrath P
Bampffield R	Dixon R	Howlett S	Mckenzie J
Barden C	Dodd D	Hudson E	Mckeon A
Barrett J	Dudley-Williams N	Hunt C	Mckerrrow I
Barton R	Dyer J	Hunter D	Mcmillan R
Beale M	Elkin N	Ianson T	Milns V
Beart N	Elliott R	Jackaman M	Moran J
Berry S	English P	Jones J	Morgan R
Best M	Fairbank A	Jones P	Morrell A
Blaxland C	Farley N	Jones R	Mortimer P
Brady D	Fielden C	Kejriwal M	Morton L
Bramham-Jones C	Field-Johnson A	Keller G	Murray E
Brampton M	Fogerty B	Kilcline C	Nightingale G
Brind C	Fortune G	King S	Oddy W
Brunet S	Gamman M	Lacey E	Oliveira T
Bull G	Gandy M	Lakin D	Paasche H
Burk K	George J	Langan B	Page W
Butler-Adams D	Geraedts-Espey B	Lanson V	Parker D
Caceres M	Gibbs H	Larkin E	Parker J
Caporn S	Gillett N	Last N	Parker S
Charman C	Gobson D	Lawes A	Patel A
Chedeville C	Goodband P	Lawrence G	Perry A
Child R	Gowda N	Leanza S	Platt M
Choudhury I	Gray T	Lebus W	Plummer M
Coles R	Green A	Lees D	Pollock D
Collins G	Greet P	Lencastre M	Porter C
Corrigan H	Grosvenor B	Leonard N	Porter H
Crawford P	Groves G	Letheren P	Price D
Creer S	Guignard T	Leyland A	Pritchett R
Davenport M	Gurney R	Locke J	Ramini N
Davey C	Hamilton R	Lockhart C	Reaney C

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LIST OF INDIVIDUAL MEMBERS

FOR THE YEAR ENDED 31ST DECEMBER 2021

Reed A	Scandrett L	Stewart L	Vadher R
Renwick R	Seabrook M	Stone B	Varnai A
Richards P	Searle C	Stone J	Venter M
Ridley N	Sheppard J	Stroud C	Vickers L
Riley G	Siddle R	Studer M	Vorster S
Rishworth B	Simpson J	Sumeray J	Walker M
Roberts N	Simpson J	Sykes N	Watson E
Robinson I	Skinner D	Thatcher K	Weaver R
Robinson J	Skipper G	Thomas R	White K
Rolls R	Smile A	Thomas S	Williamson M
Rowsome A	Smith A	Thorpe S	Wintle P
Rushworth C	Smith J	Tich P	Wong C
Saenger S	Smith P	Tite S	Wright K
Sandbach S	Smith W	Todd-Young R	Wrigley D
Sandgren M	Sorrentino P	Tombs J	Yusef T
Sarang S	Sparrow A	Townsend D	
Saunders M	Spurrier A	Turnbull A	

Finally, The Drinks Trust wishes to acknowledge and thank those many organisations and individuals, far too numerous to mention who, through many and varied acts of kindness, help enormously with our work.

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TRUSTEES' REPORT

YEAR ENDED 31ST DECEMBER 2021

The Trustees present their annual report together with the audited financial statements for the year ended 31st December 2021. These have been prepared under the provisions of the Statement of Recommended Practice (SORP (FRS102) 2015) "Accounting and Reporting by Charity" issued in 2015 (updated 2019). The financial statements comply with all statutory requirements and the requirements of the charity's governing document.

REFERENCE AND ADMINISTRATIVE DETAILS

CONSTITUTION

The Drinks Trust is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. The Trustees of the charitable company are also the directors for the purposes of company law.

MEMBERS OF BOARD OF TRUSTEES AND PRINCIPAL OFFICERS

The following members served on the new Board during the year and at the time the accounts were signed, unless they have resigned:

N.P. Barker
T. Christensen
S. Difford
E.C. Dove
A. Hawes (resigned 19.07.2022)
G. Lawrence
J.A. Rackham (resigned 19.07.2022)
A.L. Reed (resigned 19.07.2022)
M.P. Saunders (resigned 19.07.2022)
A. Smith
N. Forrest
L. Willoughby
J. Maclean
K. Keating

Members of Board are elected by the Board. At each Annual General Meeting the nearest number to one third retire and are eligible for re-election. The Members of Board to retire each year are those who have been longest in office since their last election.

Chair

T. Christensen

Honorary Treasurer

A. Smith

Chairman of Investment Committee

E. C. Dove

Chief Executive and Company Secretary

R. Carter

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TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

REGISTERED OFFICE:	Unit 4 Baden Place London SE1 1YW
AUDITORS:	Haysmacintyre LLP Chartered Accountants 10 Queen Street Place London EC4R 1AG
SOLICITORS:	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
INVESTMENT ADVISORS:	Credit Suisse (UK) Limited Five Cabot Square London E14 4QR
BOOKKEEPERS:	19-20 Bourne Court Woodford Green Essex IG8 8HD
COMPANY REGISTERED NUMBER:	2783340
CHARITY NUMBER:	1023376

STRUCTURE, GOVERNANCE AND MANAGEMENT

The principal structure and reporting lines for the charity are shown below:

Trustees are or have been senior executives employed in the Drinks Industry or have been appointed for their expertise. Any new appointees are fully briefed on the aims and objectives of The Drinks Trust and receive information and training if required as to their responsibilities as a Trustee. On an ongoing basis, the trustees are invited to attend training courses provided by industry organisations and associations. The Board determines the general policy of The Drinks Trust. The day to day management of the charity is delegated to the Chief Executive. The Board currently comprises 14 members including the Chair and meets four times per year.

The key management of the charity comprise the Chief Executive, the Operations Manager, the Welfare Manager and the Marketing and Communications Manager. Remuneration for all staff is set by the Trustees when considering and agreeing the annual budget. Consideration is taken of published benchmarking salary surveys for the sector.

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TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Internal Control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustees
- Review and circulation of Management Accounts to all Trustees four times per year
- A review of the remuneration of all staff during the budget review process by all Trustees
- Regular consideration by the Board of financial results, variance from budgets, non-financial performance indicators and reviews.
- Delegation of authority, including welfare payments, and segregation of duties
- Identification and management of risks

ORIGIN, OBJECTIVES AND PRINCIPLE AIMS OF CHARITY

The objectives of the Charity, which was formed in 1886, as defined in the Memorandum of Association, are to assist members of the Alcohol Drinks Trades and all ancillary trades, organisations and institutions in the United Kingdom, who are in need in particular:

- By granting regular monthly payments to alleviate financial hardship
- By making one-off grants or payments to help address suffering or crises
- By providing emotional or practical assistance for issues of wellbeing or hardship
- By providing support to the residents of the homes that the charity used to own and run

Practical, emotional and financial assistance is given to anyone in the drinks trade who is currently employed, or has been employed, and have derived their income principally from the alcoholic drinks business and who meet the criteria for eligibility.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

OBJECTIVES & ACTIVITIES

The Drinks Trust, acting upon its benevolent origins, continues to meet its objectives by way of support in the form of regular charitable donations and one-off grants and providing additional emotional and practical support to beneficiaries.

The objectives of The Drinks Trust are as follows:

Financial

The Charity aims to have a balanced budget at the same time as increasing its welfare grants in line with budget. All areas of cost will be examined and kept within budget, providing the standards of care and support are not jeopardised. Quarterly management reports will be subject to close consideration by the Chief Executive and the Trustees.

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TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

OBJECTIVES & ACTIVITIES (continued)

Welfare

The objective of The Drinks Trust is to increase the number of beneficiaries by actively seeking to find those in need who are eligible for support. This is achieved by a sustained awareness-raising campaign conducted within the UK drinks industry. The level of the regular monthly grant is £78 per month. The planned budget for welfare grants should be considered as the minimum amount to be given by The Drinks Trust and the budget will not be considered a restraint on welfare, providing The Drinks Trust is able to afford to increase the level of welfare from its reserves, if not from current income.

In pursuing its objectives the charity's activities fall into three main areas:

1. Direct Charitable activities: these consist of the following:
 - a) Regular charitable donations to beneficiaries living in their own homes.
 - b) One-off grants for the purchase of goods & services or the provision of support
 - c) The provision of practical and emotional support to those in need
 - d) Financial and well-being support to long-standing residents of the Vintry Estate in Eastbourne and Woodend in Chorley, properties formerly owned by The Drinks Trust until sale of both sites in 2013
 - e) An additional Christmas gift to some regular grant beneficiaries
 - f) Provision of Television licences to some regular grant beneficiaries
2. Fundraising
3. Governance Activities

Progress in these areas for 2021 is reported below with relevant financial information in the Financial Statement pages.

DIRECT CHARITABLE ACTIVITIES

In total the charity provided financial support to 1,490 beneficiaries in 2021. The cases of financial support are added to by way of emotional support, practical help, counselling services, sleep and insomnia treatment, mindful drinking courses and the helpline, with a total of 862 individuals receiving these services. Furthermore, the charity delivered new services across vocational hardship resources, industry peer-to-peer support and diversity training, with a further 1,512 individuals receiving one of these services. The number of beneficiaries helped across all services was therefore 3,864.

Regular charitable welfare grants to beneficiaries living in their own homes

The total number of monthly grants given during the year was 370 assuming a regular grant paid on a monthly basis as one grant. The standard level of grant was £78 per month but in some special circumstances a higher grant was given.

All new beneficiaries are contacted by the Welfare Team before a grant is made. This ensures eligibility for the charity as well as checking income and expenditure and the need for financial assistance.

DIRECT CHARITABLE ACTIVITIES (continued)

One-off welfare grants for the purchase of goods or the provision of support

During the year 686 one-off grants were approved and representing a total expenditure of £329,025. A proportion of this amount was spent on mobility aids or house adaptations required because of serious illness, disability or old age. There remained the regular requests for household appliances, furniture and home repairs. Requests for help with funeral costs still existed but emergency grants to help with financial crisis were significantly higher.

Enquiries for the above come via trade referrals, word of mouth, The Drinks Trust website and others come through organisations such as Turn2Us and the Citizens Advice Bureau, and many other local agencies and charities. In some cases where larger amounts of help have been required, the charity has worked with other charities, in particular, the Wine Trade Sports Club Foundation, the LTC and Hospitality Action, to provide what is required. The Drinks Trust Welfare Guidelines enable it to respond quickly and to apply the most appropriate and specific type of help.

The provision of practical and emotional support to those in need

In 2021 The Drinks Trust provided services to support current and past employees of the drinks and hospitality industry who are in need of practical and emotional support. These services included the delivery of an updated helpline service from Spectrum, which provides 24 hour a day in the moment emotional and practical support, a new counselling service from the online provider Dr Julian, offering therapy sessions, a mindful drinking course from Club Soda and a sleep and insomnia treatment program from Sleepstation.

Financial and well-being support to residents

The Drinks Trust continues to support the provision of life-line arrangements in some of the bungalows in Eastbourne as well as continuing with welfare grants and other on-going support to all our ex-residents.

Christmas Grants and Television Licences

In 2021 a total of 307 people benefitted from an additional charitable Christmas donation of £78 each, aside from some exceptional circumstances where a larger grant was approved. Television Licences were purchased on behalf of 60 beneficiaries.

FUNDRAISING

Fundraising refers to all revenue generating activities. No income is received from Government or State funds. Almost all fundraising and voluntary income is generated through the drinks industry.

The charity undertakes fundraising activity, in line with the Fundraising Code of Practice set by Fundraising Regulator, to its supporters via direct mail, telephone, fundraising events, sponsored events, gala dinners and is in line with our Email Marketing, Fundraising Donations and Legacy Pledges, which appear on our website to reassure supporters of our approach. We have robust policies in place regarding vulnerable people and treating donors fairly. We have received no complaints during the year regarding our fundraising activity.

The Drinks Trust continues to receive important funds through Corporate and Individual Donations. Details of those supporters are shown on pages 3 to 6. As a direct result of the COVID19 pandemic, these donations increased significantly in 2020, with corporate membership and donation revenue increasing by over one million pounds. As a result, the goal for 2021 was to deliver corporate donations between those achieved in 2019 and 2020. The total corporate funding in 2021 was £1,102,080, achieving the goal set out for corporate funding. Individual donations in 2021 totalled £37,192.

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TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

FUNDRAISING (continued)

Key Fundraising Events

As a result of the COVID19 pandemic no events took place in 2021.

GOVERNANCE ACTIVITIES

Membership of the Board is reviewed by the Nominations Committee to ensure continuity and an appropriate level of expertise. Board membership and succession plans for future Chair and Trustees are also regularly reviewed.

ACHIEVEMENTS AND PERFORMANCE

The Drinks Trust was able to successfully increase membership in 2021, although corporate revenues fell following the record year in 2020, but remains the second highest year in revenues in the charity's history. The Drinks Trust was also able to deliver the second highest levels of beneficiary assistance in the organisation's history.

FINANCIAL REVIEW

Investments performed in line with expectations during the year. Income fell from £2,401,044 in 2020 to £1,364,990 in 2021, which was in line with expectations following the level of donor contributions during the COVID19 epidemic. Expenditure fell from £2,054,989 in 2020 to £1,468,650 in 2021 due to the decrease in funding. In 2021, both revenue and expenditure were the second highest in organisational history.

A proportion of 2021 revenue was associated with COVID19 related giving, the charity recognises that such corporate donations will likely decrease further in 2022. Investment income in 2021 was £437,572, above the annual average. In light of the ongoing cost of living crisis, the charity does not expect similar levels of investment returns in 2022.

Principal Risks

The Board have assessed the major risks to which the charity is exposed, and they are:

Cost of Living Crisis: The ongoing economic situation driven by growing inflation, and energy supply and cost, as a result of the conflict in Ukraine, are both significant issues that may impact on charitable revenues in 2022.

Investment Returns: As a product of the concerns noted above, the charity recognises that the returns on the investments held by the organisation may represent a loss in 2022.

Reserves Policy

The Charity's principal activity is the provision of welfare support for people connected with the drinks and ancillary trades and the provision of monthly and one-off charitable grants to those in need. The income generated from investments is a vital continuing source of income, and also provides some longer-term security in the most extreme case that fundraising may cease or be dramatically reduced. The investment portfolio is treated as part of the general fund, and in an extreme situation of no fundraising being possible, these reserves would be used to allow the charity to continue its obligations to its beneficiaries until such fundraising is resumed.

Given the positive momentum of awareness and help to the charity, existing and new drinks companies in the UK agreeing to support the charity with annual donations and the high regard in which the charity is held, the risks of the charity experiencing significantly reduced income from fundraising in the near future, as stated above, is regarded as low.

At 31st December 2021 unrestricted funds amounted to £5,977,646 of which £5,739,242 is represented by the investment portfolio and £3,014 by tangible fixed assets. As the investment assets are held to provide a regular income for the Charity, the trustees consider that the Charity's free reserves are therefore £235,390. As a result of the losses incurred

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TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

Reserves Policy (continued)

At 31st December 2021 unrestricted funds amounted to £5,977,646 of which £5,739,242 is represented by the investment portfolio and £3,014 by tangible fixed assets. As the investment assets are held to provide a regular income for the Charity, the trustees consider that the Charity's free reserves are therefore £235,390. As a result of the losses incurred with the investment portfolio in 2018 and again in early 2020 and most recently in the first half of 2022, the Trustees intend to continue to cease withdrawals in 2022 and further review the reserve position at year end.

Going Concern

The Trustees have assessed the principal risks and formulated a suitable reserves policy as stated above. They are satisfied that the charitable company has adequate resources to continue as a going concern.

INVESTMENT POWERS, POLICY AND PERFORMANCE

Per the Memorandum and Articles of Association, the Trustees have the power to invest the money of The Drinks Trust as they see fit subject to the conditions required by law. The Trustees Investment Act 2000 therefore applies.

The Drinks Trust uses Credit Suisse (UK) Ltd as its investment advisers and has agreed, in writing, an investment policy with this adviser, which states the scope, limits and restrictions and investment objectives. This policy is reviewed on a regular basis by the Investments Committee. Assets may be invested in stocks, shares, units in collective investment schemes, Government securities, debentures, loan stocks, bonds but not options, futures or contracts for differences. No investment is permitted on an exchange, which has not been recognised or designated by the Securities and Investment Boards, without the written instructions of The Drinks Trust.

In agreeing the investment objectives, The Drinks Trust has set a target to be achieved, as well as the balance between capital growth and income. The mix between UK and international equity exposure has also been agreed. Valuations of the investment portfolio will be carefully monitored and will be sent to The Drinks Trust every 3 months. The performance of the investments is measured against the relevant benchmarks and has been broadly in line with these.

GRANT POLICY

A new welfare policy was created in November 2021 which covers all aspects of eligibility and scope of support. This is updated and approved by trustees annually and published to the organisation's website. The latest review and update took place in June 2022.

In all cases, the eligibility of prospective beneficiaries is established in line with the Articles of Association. In many cases beneficiaries are of pensionable age and are in retirement, however The Drinks Trust is increasingly helping those within the current workplace that need financial help as well as practical and emotional support.

Potential beneficiaries are contacted before a regular charitable donation is offered to assess their needs and eligibility. In addition, beneficiaries are normally contacted at least once a year by the Welfare Officers to ensure their circumstances remain unchanged.

FUTURE PLANS

Strategy and Business Plan

The strategy update presented in January of 2021 set out goals to deliver services and revenues over the volumes achieved in 2019, although lower than those of 2020. This strategy recognised the distinct circumstances created by the COVID19 pandemic and sets out plans to grow the charity beyond its 2019 position and build on the increased visibility and support it received in 2020. Having achieved a new benchmark in beneficiary support in 2021, the charity now looks to maintain this level of support annually.

THE DRINKS TRUST
(Company limited by guarantee)

TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

FUTURE PLANS (continued)

Services

As part of the updated strategy review, The Drinks Trust delivered new services in 2021. These included skills and vocational services for those experiencing financial hardship and diversity and inclusion services, aimed to develop representation in the industry.

Fundraising

The charity set out plans to deliver revenues from fundraising and donations in 2021 below those of 2020, but above those of 2019. The charity is registered with the fundraising regulator and follows its guidelines when undertaking such activities, especially with regards to vulnerable people. No third parties are used for fundraising and no complaints were received in the year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 affairs of the charitable company and of the result for that year.

In preparing these financial statements, the Trustees are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgments and accounting estimates that are reasonable and prudent;
4. 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 and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and subsidiary and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees are aware at the time the report is approved:

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

THE DRINKS TRUST
(Company limited by guarantee)

TRUSTEES' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2021

SMALL COMPANY EXEMPTIONS

In preparing this report the directors have taken advantage of small company exemptions.

AUDITORS

A resolution reappointing Haysmacintyre LLP will be proposed at the AGM in accordance with S485 of the Companies Act 2006.

BY ORDER OF THE TRUSTEES



A. Smith
Honorary Treasurer

Dated: 29th September 2022

Registered office:
Unit 4, Baden Place
London
SE1 1YW

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE DRINKS TRUST
(Company limited by guarantee)**

Opinion

We have audited the financial statements of The Drinks Trust (formerly 'The Wine and Spirit Trades' Benevolent') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 December 2021 and of the charitable company's net movement in funds, including the 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 charity 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' Report (which incorporates the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (which incorporates the Directors' Report prepared for the purposes of company law) has 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report (which incorporates the Directors' Report).

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE DRINKS TRUST (continued)
(Company limited by guarantee)**

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the use of restricted funds in accordance with trust law and compliance with employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Act 2011 and the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of income from legacies and donations. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing allocations and disclosures relating to restricted funds;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing valuations of investments; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to depreciation.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE DRINKS TRUST (continued)
(Company limited by guarantee)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Siobhan Holmes, Senior Statutory Auditor,
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

30 September 2022

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THE DRINKS TRUST
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies		800,853	339,256	1,140,109	2,032,086
Fundraising activities in the charity		174,054	-	174,054	294,701
Income from investments		50,824	-	50,824	74,257
Total income and endowments		1,025,731	339,256	1,364,987	2,401,044
Expenditure on					
Cost of generating funds					
Fundraising: Donations and gifts		261,591	-	261,591	224,880
Fundraising: Activities costs		58,025	-	58,025	117,277
Charitable activities					
Provision of financial assistance to those who worked in the drinks industry	3	930,544	218,490	1,149,034	1,712,832
Total expenditure	3	1,250,160	218,490	1,468,650	2,054,989
Net (expenditure)/income before net gains on investments		(224,429)	120,766	(103,663)	346,055
Net gains on investments		434,617	-	434,617	113,620
NET MOVEMENT IN FUNDS		210,188	120,766	330,954	459,675
Funds brought forward at 1 January 2021		5,767,458	51,307	5,818,765	5,359,090
FUNDS CARRIED FORWARD AT 31ST DECEMBER 2021		£5,977,646	£172,073	£6,149,719	£5,818,765

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

All income and expenditure derive from continuing activities. Details of comparative figures by fund are disclosed in note 14.

The notes on pages 21 to 32 form part of these financial statements.

THE DRINKS TRUST
COMPANY NUMBER: 2783340
(Company limited by guarantee)

BALANCE SHEET

AT 31ST DECEMBER 2021


	Note	£	2021	£	£	2020	£
FIXED ASSETS							
Tangible assets	6			3,014			3,185
Investments	7			5,739,242			5,301,891
				<u>5,742,256</u>			<u>5,305,076</u>
CURRENT ASSETS							
Debtors	8	291,851			83,357		
Cash at bank		149,531			464,903		
		<u>441,382</u>			<u>548,260</u>		
CREDITORS: amounts falling due within one year	9	(33,919)			(34,571)		
NET CURRENT ASSETS				407,463			513,689
NET ASSETS				<u>£6,149,719</u>			<u>£5,818,765</u>
FUNDS							
Restricted funds	10			172,073			51,307
Unrestricted funds:							
General				5,977,646			5,767,458
				<u>£6,149,719</u>			<u>£5,818,765</u>

The notes on pages 21 to 32 form part of these financial statements.

The financial statements were approved and authorised for issue by The Board of Trustees on 2022 and were signed below on its behalf by:



 A. Smith
 Honorary Treasurer



 T. Christensen
 Chair of Trustees

THE DRINKS TRUST
(Company limited by guarantee)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows from operating activities	(315,052)	290,211
Cash flows from investing activities		
Dividends and interest	50,824	74,257
Purchase of property, plant and equipment	(1,306)	(3,225)
Purchase of investments	(2,020,361)	(2,330,608)
Proceeds from sale of investments	2,017,627	2,681,620
Net cash provided by/(used) in investing activities	<u>46,784</u>	<u>422,044</u>
Change in cash and cash equivalents in the reporting period	(322,094)	712,255
Cash and cash equivalents at the beginning of the reporting period	<u>857,569</u>	<u>145,314</u>
Cash and cash equivalents at the end of the reporting period	<u>535,475</u>	<u>£857,569</u>

NOTES TO THE CASH FLOW STATEMENT

	2021	2020
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net movement in funds for the reporting period	378,062	459,675
Depreciation charges	1,474	1,741
(Increase)/decrease in debtors	(208,495)	14,335
Increase/(decrease) in creditors	(652)	2,337
Interest and dividends	(50,824)	(74,257)
Losses/(gains) on investments	(434,617)	(113,620)
Net cash provided by/(used) in operating activities	<u>(315,052)</u>	<u>290,211</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	149,531	464,903
Cash held with Investment Management	385,944	392,666
	<u>535,475</u>	<u>£857,569</u>

There is no net debt held by the charity as at the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Within the definitions of FRS 102, the charitable company is a public benefit entity.

b) Going Concern

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

As a result of the significant and ongoing uncertainty created by COVID19, the cost of living crisis and the political situation worldwide, management of The Drinks Trust (formerly The Benevolent) have provided evidence to trustees to show that the charity continues to be going concern in the foreseeable future. This has been evidenced through the sharing of up to date forecasts.

Additionally, the charity has a very strong balance sheet with large investment and cash balances.

c) Critical accounting judgements and estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d) Fund accounting

Unrestricted funds

These funds comprise accumulated surpluses and deficits on the General Fund. They are available for use at the discretion of the Trustees in furtherance of The Drinks Trust's (formerly The Benevolent) general charitable objectives.

Restricted funds

These funds are those funds subject to specific restricted conditions imposed by the donors.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations, gifts and donations in kind

Donations and gifts are included in full in the period in which they are received. Donations in kind are valued at the estimated market value of the transaction.

Grants

Grants are included in the period in which they are receivable unless they relate to a specific future period in which case they are deferred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

f) Investment income and investments

Investment income is accounted for as it accrues. Investments are acquired in accordance with the powers available to the Trustees. Investments are shown at market value. Realised and unrealised gains and losses are included in the Statement of Financial Activities.

g) Expenditure

Charitable expenditure represents the costs of fundraising, housing, welfare, and support costs. It includes staff costs which are directly attributable to these activities. Redundancy and termination costs are accrued in the period in which the decision is made and communicated to the affected employee(s).

Support costs comprise all services supplied centrally, identifiable as wholly or mainly in support of direct charitable purposes and include an appropriate proportion of general overheads.

Where costs cannot be directly attributed, they have been allocated to activities on the basis of the estimate of the time spent on the relevant functions.

Central overheads are allocated to direct costs, supports costs and grants in two key areas: fundraising and charitable activities. The basis of the allocation is to ensure that the costs within administration related to the management of the Charity's assets, operational administration and compliance with constitutional and statutory requirements are appropriately apportioned within these areas.

Governance costs are the costs associated with the governance arrangements relating to the general running of the charity, including costs of strategic planning for the longer term development of the charity. These costs are now included in charitable activities in line with SORP (FRS102).

h) Grants payable

Grants are recognised in the accounts when awarded by the Trustees and notified to the recipients.

i) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost.

Depreciation is calculated to write down the cost of assets to their estimated residual values over their expected useful lives as follows: -

Fixtures and fittings and equipment	- 20% on cost
Motor Vehicles	- 20% on cost

j) Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

k) Pension costs

The charitable company has arranged a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the year they became payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

l) Employee Benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

m) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

n) Debtors

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

o) 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 discounts due.

THE DRINKS TRUST
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

2. GRANTS PAYABLE	2021 £	2020 £
Beneficial grants paid to 378 (2020: 360) individuals	321,672	349,243
One off/discretionary grants paid to 693 (2020: 142) individuals	296,709	81,638
TV licence scheme. Grants paid to 60 (2020: 63) individuals	9,608	9,745
COVID19 grants paid to 70 (2020: 2,598) individuals	28,000	635,632
Other including Christmas goods, counselling, and legal advice	92,466	128,988
	<u>£748,455</u>	<u>£1,205,246</u>

Beneficial grants are paid to individuals to provide financial assistance for general living expenses. Discretionary grants are provided for one off items such as the purchase of large household items and any unexpected expenses.

3. ANALYSIS OF TOTAL EXPENDITURE	Staff costs £	Other costs £	Depreciation £	2021 Total £	2020 Total £
Cost of generating funds					
Fundraising: Donations and gifts	181,396	80,195	-	261,591	224,880
Fundraising: Activities costs	-	58,025	-	58,025	117,277
Charitable expenditure:					
Provision of financial assistance to those who worked in the drinks industry	221,706	926,590	738	1,149,034	1,712,832
Total	<u>£403,102</u>	<u>£1,064,810</u>	<u>£738</u>	<u>£1,468,650</u>	<u>£2,054,989</u>
	Direct costs £	Grants £	Support Costs £	2021 Total £	2020 Total £
Cost of generating funds					
Fundraising: Donations and gifts	53,100	-	208,491	261,591	224,880
Fundraising: Activities costs	58,025	-	-	58,025	117,277
Charitable expenditure:					
Provision of financial assistance to those who worked in the drinks industry	40,669	764,294	344,071	1,149,034	1,712,832
Total	<u>£151,794</u>	<u>£764,294</u>	<u>£552,562</u>	<u>£1,468,650</u>	<u>£2,054,989</u>

THE DRINKS TRUST
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

3. ANALYSIS OF TOTAL EXPENDITURE
(continued)

<i>Support Costs</i>	Provision of financial assistance to those who worked in drinks industry £	Fundraising for voluntary Income £	Total 2021 £	Total 2020 £
Travel and subsistence	916	162	1,078	2,200
Insurance	2,872	1,773	4,645	5,677
Maintenance, cleaning and repairs	1,007	1,007	2,014	2,620
Print, post, stationery and telephone	7,749	4,650	12,399	6,663
General expenses	8,198	801	8,999	8,601
Bank charges and interest	3,524	-	3,524	9,595
Rent and rates	43,817	14,598	58,415	68,956
Salaries	199,536	163,256	362,792	304,758
Relief/freelance staff	50,970	-	50,970	70,817
Professional fees	3,237	-	3,237	81,105
Governance costs	22,245	22,245	44,490	41,416
	<u>£344,071</u>	<u>£208,492</u>	<u>£552,563</u>	<u>£602,408</u>
<i>Governance costs</i>				
Audit			20,940	15,000
Staff costs and other expenses			-	13,100
Other professional fees			23,550	13,316
			<u>£44,490</u>	<u>£41,416</u>

COMPARATIVE ANALYSIS OF TOTAL EXPENDITURE 2020

ANALYSIS OF TOTAL EXPENDITURE	Staff costs £	Other costs £	Depreciation £	2020 Total £	2019 Total £
Cost of generating funds					
Fundraising: Donations and gifts	128,536	96,344	-	224,880	200,663
Fundraising: Activities costs	-	117,277	-	117,277	159,530
Charitable expenditure:					
Provision of financial assistance to those who worked in the drinks industry	216,258	1,494,833	1,741	1,712,832	897,233
Total	<u>£344,794</u>	<u>£1,708,454</u>	<u>£1,741</u>	<u>£2,054,989</u>	<u>£1,257,426</u>
	Direct costs £	Grants £	Support Costs £	2020 Total £	2019 Total £
Cost of generating funds					
Fundraising: Donations and gifts	63,573	-	161,307	224,880	200,663
Fundraising: Activities costs	117,277	-	-	117,277	159,530
Charitable expenditure:					
Provision of financial assistance to those who worked in the drinks industry	66,485	1,205,246	441,101	1,712,832	897,233
Total	<u>£247,335</u>	<u>£1,205,246</u>	<u>£602,408</u>	<u>£2,054,989</u>	<u>£1,257,426</u>

THE DRINKS TRUST
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

ANALYSIS OF TOTAL EXPENDITURE
(continued)

	Provision of financial assistance to those who worked in drinks industry £	Fundraising for voluntary Income £	Total 2020 £	Total 2019 £
Support Costs				
Travel and subsistence	2,057	143	2,200	13,200
Insurance	3,407	2,270	5,677	9,927
Maintenance, cleaning and repairs	1,310	1,310	2,620	4,983
Print, post, stationery and telephone	4,165	2,498	6,663	4,196
General expenses	7,730	871	8,601	4,495
Bank charges and interest	9,595	-	9,595	4,156
Rent and rates	44,581	24,375	68,956	65,000
Salaries	195,626	109,132	304,758	283,256
Relief/freelance staff	70,817	-	70,817	-
Professional fees	81,105	-	81,105	53,683
Governance costs	20,708	20,708	41,416	29,393
	<u>£441,101</u>	<u>£161,307</u>	<u>£602,408</u>	<u>£472,289</u>
Governance costs				
Audit			15,000	13,800
Staff costs and other expenses			13,100	11,838
Other professional fees			13,316	3,755
			<u>£41,416</u>	<u>£29,393</u>
4. EMPLOYEES AND TRUSTEES			2021	2020
a)				
All employees				
Wages and salaries			337,353	290,518
Social security costs			31,172	24,206
Pension contributions			34,577	23,070
Termination payments			-	7,000
			<u>403,102</u>	<u>£344,794</u>
			No.	No.
Average number of employees:				
Welfare activities			2	2
Support, management and administration			8	7
			<u>10</u>	<u>9</u>
One employee received remuneration totalling £60,000 or more.				
Those earning over £60,000, the total pension contributions were £9,800				
(2020: £9,800).				
£80k - £90k			1	1

The key management personnel of the charity are the Chief Executive Officer and the Executive team of 3 (3 in 2020). Aggregate remuneration and benefits for the key management personnel in 2021 was £307,707 compared to £160,924 in 2020.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

4. EMPLOYEES AND TRUSTEES (continued)

b) Trustees

No trustee received remuneration for services provided during the year.
No trustees received reimbursed travelling expenses during the year (2020: nil).
Total of donations given by trustees in the year is £307,707 (2020: £22,840).
There were no other related party transactions during the year (2020: nil).

5. NET MOVEMENTS IN FUNDS	2021	2020
	£	£
Net movement in funds is stated after charging:		
Depreciation	1,476	1,741
Auditors' remuneration (net of VAT)	15,000	12,500
Property rental costs: Value in Kind	38,927	65,000
	<u>=====</u>	<u>=====</u>

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Motor Vehicles	Total
Cost	£	£	£
At 1st January 2021	54,250	28,688	82,938
Additions	1,306	-	1,306
	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31st December 2021	55,556	28,688	84,244
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Depreciation			
At 1st January 2021	51,066	28,688	79,754
Charge for year	1,476	-	1,474
	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31st December 2021	52,542	28,688	81,230
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Net Book Value			
At 31st December 2021	£3,014	£-	£3,014
	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31st December 2020	£3,185	£-	£3,185
	<u>=====</u>	<u>=====</u>	<u>=====</u>

7. FIXED ASSET INVESTMENTS

	Total 2021	Total 2020
	£	£
Market valuation		
At 1st January 2020	5,301,891	5,260,390
Additions	2,020,361	2,330,608
Disposals	(2,017,627)	(2,402,727)
Net gains	434,617	113,620
	<u>=====</u>	<u>=====</u>
At 31st December 2020	£5,739,242	£5,301,891
	<u>=====</u>	<u>=====</u>
Cost	£4,821,317	£4,360,065
	<u>=====</u>	<u>=====</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

7. FIXED ASSET INVESTMENTS (Continued)

	Total 2021 £	Total 2020 £
Equities and Unit Trusts listed on UK Stock Exchange	2,137,826	2,016,271
Listed on overseas stock exchange	3,215,715	2,892,954
Cash deposits	385,701	392,666
	<u>£5,739,242</u>	<u>£5,301,891</u>

8. DEBTORS

	2021 £	2020 £
Trade debtors	287,873	60,938
Other debtors	62	-
Prepayments and accrued income	3,916	22,419
	<u>£291,851</u>	<u>£83,357</u>

9. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,841	4,280
Other creditors	2,935	4,003
Tax and social security	6,422	8,884
Accruals and deferred income	15,721	17,404
	<u>£33,919</u>	<u>£34,571</u>

10. DEFERRED INCOME

	Brought Forward £	Released during the year £	Carried Forward £
Equal Measures	125,000	16,075	108,925
	<u>125,000</u>	<u>16,075</u>	<u>108,925</u>

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FOR THE YEAR ENDED 31ST DECEMBER 2021

11. RESTRICTED FUNDS	At 1st January 2021 £	Movement in funds		Transfers £	At 31st December 2021 £
		Income £	Expenditure £		
Minds matter	5,342	35,114	(38,927)	-	1,529
COVID19 Relief	-	28,000	(28,000)	-	-
Wellbeing and wellness					
Events and Vintry fund	34,965	1,353	(7,383)	-	28,935
Diversity and Inclusion	10,000	-	-	-	10,000
Case Related	1,000	2,789	(2,789)	-	1,000
Diageo	-	100,000	(47,741)	-	52,259
Equal Measures, Community and Restore	-	172,000	(93,651)	-	78,349
	<u>£51,307</u>	<u>£339,256</u>	<u>£(218,491)</u>	<u>£-</u>	<u>£172,073</u>
	At 1st January 2020 £	Movement in funds		Transfers £	At 31st December 2020 £
		Income £	Expenditure £		
Mike Mackenzie fund	-	1,200	(1,200)	-	-
Connect assist helpline and Vintry fund	18,560	1,770	(20,330)	-	-
COVID19 Relief	-	515,085	(515,085)	-	-
Wellbeing and wellness					
Events fund	-	85,582	(50,617)	-	34,965
Diversity and Inclusion	-	10,000	-	-	10,000
Case Related	-	1,000	-	-	1,000
Minds matter	9,182	-	(3,840)	-	5,342
	<u>£27,742</u>	<u>£614,637</u>	<u>£(591,072)</u>	<u>£ -</u>	<u>£51,307</u>

Mike Mackenzie fund

This fund is used to support Mike Mackenzie.

Rebecca Stone treatment fund

This fund was used to support Rebecca Stone's medical treatment until her death in November 2020.

Connect assist helpline restricted fund

These funds represent monies received towards the cost connect assist helpline run by the charity. This was fully utilised for this purpose in the year.

Minds matter restricted fund

This grant is for the exclusive purpose of supporting Grantee's activities to run a services of mental health first aid courses across cities within the UK that will be available for bartenders to attend completely free of charge. Each course will be based in a different city in the UK to ensure maximum exposure across the UK bartending community, and there will be a capacity of 100 attendees for each session.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

10. RESTRICTED FUNDS (cont.)

Vintry fund

These funds represent monies received towards the support of the residents at the Vintry home in Eastbourne. This facility was once owned by The Benevolent (previous name of The Drinks Trust) and subsequent to its sale The Drinks Trust continues to support residents who worked in the drinks and hospitality sectors who are resident there. Support is supplied by way of Lifeline emergency call system grants, gas utility grants, Christmas hampers and the vehicle tax on the minibus for the home.

Case-related fund

The case related fund represents donations specifically to assist individual cases being handled by The Drinks Trust. These are most often high-cost cases, where individuals require expert services or equipment, and are often facing significant hardship, mental health concerns or critical illness.

COVID19 Relief Fund

The COVID19 Relief Fund was set up in 2020 to deliver one-off grants of £250 to individuals in the drinks and hospitality sectors who had lost significant income as a result of the pandemic. These individuals were most often made redundant to the closure of business, or on furlough, but on 80% of an already low salary and may have had dependents of hardship concerns.

Wellness events fund

The Wellness Event Fund was developed in 2020 to manage all donations specifically intended for The Drinks Trust to run in person or digital learning events covering wellbeing practices and self or staff improvement.

Wellbeing fund

The Wellbeing Fund was set up in 2020 to manage monies donated to cover the cost of three of The Drinks Trust's wellbeing services. They are; Counselling services provided by the Dr Julian digital counselling platform, Mindful Drinking tuition supplied by Club Soda and Sleep & Insomnia treatment from Sleepstation.

Diversity and inclusion Fund

The D&I Fund was also set up in 2020 to manage grants and donations made with the specific intention of developing greater diversity in the drinks and hospitality sectors.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	3,014	-	3,014
Investments	5,739,242	-	5,739,242
Current assets	269,309	172,073	441,382
Current liabilities	(33,919)	-	(33,919)
	<u>£5,977,646</u>	<u>£172,073</u>	<u>£6,149,719</u>
Comparative analysis (2020):			
	General Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	3,185	-	3,185
Investments	5,301,891	-	5,301,891
Current assets	496,953	51,307	548,260
Current liabilities	(34,571)	-	(34,571)
	<u>£5,767,458</u>	<u>£51,307</u>	<u>£5,818,765</u>

12. OPERATING LEASE COMMITMENTS

The charity had total commitments at the year-end under operating leases expiring as follows:

	2021 £	2020 £
Within 1 year	1,252	1,817
2 – 5 years	<u>2,635</u>	<u>3,887</u>

13. PENSION COMMITMENTS

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund amounting to £34,577 (2020: £23,070).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2021

14. ACTIVITIES BY FUND IN PREVIOUS YEAR

Activities in both unrestricted and restricted funds for the previous year are as follows: -

	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and endowments from:			
Donations and legacies	1,417,449	614,637	2,032,086
Fundraising activities in the charity	294,701	-	294,701
Income from investments	74,257	-	74,257
Total income and endowments	1,786,407	614,637	2,401,044
Expenditure on			
Cost of generating funds			
Fundraising: Donations and gifts	224,880	-	224,880
Fundraising: Activities costs	117,277	-	117,277
Charitable activities			
Provision of financial assistance to those who worked in the drinks industry	1,121,760	591,072	1,712,832
Total expenditure	1,463,917	591,072	2,054,989
Net expenditure before net (losses)/gains on investments	322,490	23,565	346,055
Net gains/(losses) on investments	113,620	-	113,620
NET MOVEMENT IN FUNDS	436,110	23,565	459,675
Funds brought forward at 1 January 2019	5,331,348	27,742	5,359,090
FUNDS CARRIED FORWARD AT 31ST DECEMBER 2019	£5,767,458	£51,307	£5,818,765