

CHARITIES TRUST (LIMITED BY GUARANTEE)
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2004



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

CHARITIES TRUST (LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2004

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CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

The Members of the Council of Management, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the financial statements of the Charity, for the year ended 30 April 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Charity acts as an agent, co-ordinating the raising and distribution of funds from employees and employers to charities for the purposes of Section 202 Income and Corporation Taxes Act 1988. The Charity derives an administration income from its activities.

The Charity is limited by guarantee, and is governed by a memorandum and articles of association.

The Charity is a charity in its own right and any cumulative surplus that may be made will be devoted solely to charitable purposes.

RESULTS

Total donations received during the period of £10,407,007 represent a 8% increase on donations achieved during the period to 30 April 2003. The Trustees regard this as a very good performance.

The net outgoing resources for the period amounted to £110,873 (2003 – £8,130) and these have been transferred out of the accumulated fund. During the period the Trustees approved expenditure of £368,896 to promote payroll giving and to provide grants to other charitable institutions or institutions having objects similar to the objects of the Charity.

RESERVES POLICY

The policy of the Trustees is to achieve a level of reserves sufficient to meet the fixed costs of the Charity for a period of two years.

INVESTMENT POLICY

Investments are held in the form of short term cash deposits with banking institutions.

RISK MANAGEMENT POLICY

The Council has reviewed the risks to the Charity and has concluded that appropriate systems have been established to mitigate risk.

CHARITIES TRUST (LIMITED BY GUARANTEE)
REPORT OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

MEMBERS OF THE COMPANY

Since its incorporation the Members of the Charity have been Littlewoods Limited and one of its wholly owned subsidiaries, Littlewoods7 Limited (formerly Littlewoods Finance Company Limited). On 1st July 2003 Littlewoods7 Limited retired as a Member and Trevor Birch was appointed as a Member.

On 30th June 2004 Linda Minnis was appointed as a Member of the Company.

The Charity has now become autonomous in respect of all business operations and functions previously integrated with and supported by Littlewoods.

EMPLOYEE INVOLVEMENT

The Trustees recognise the importance of providing all employees with information on matters of concern to them and that enables employees to improve their performance and make an active contribution to achievement of the Charity's business objectives.

The Charity is therefore committed to a full and open dialogue with employees throughout the business. The aim is to update employees and their representatives on corporate objectives, trading performance, economic conditions and other relevant matters and to facilitate and encourage the involvement of employees in the performance and development of the Charity.

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

EQUAL OPPORTUNITIES

The Charity is committed to equality of opportunity and dignity at work for all, irrespective of race, colour, creed, ethnic origins, gender, marital status, sexuality, disability, class or age and it ensures that recruitment and promotion decisions are made solely on the basis of suitability for the job.

It is the policy of the Charity to comply with all legislative requirements, including the Sex Discrimination Act 1975, the Race Relations Act 1976 and the Disability Discrimination Act 1995. In offering equality of opportunity to all people applying for employment, selection is made on the basis of the most suitable person for the job in respect of experience and qualifications. Training, career development and promotion are offered to all employees on the basis of their merit and ability. Every effort is made to continue to employ, in the same or alternative employment, and where necessary to retrain, employees who become disabled during their employment with the Charity.

THE COUNCIL OF MANAGEMENT

The Members of the Council of Management who act as Trustees for the Charity and who held office during the year were:-

D H Heap	
L Minnis	(resigned 24 February 2004)
L A Heap	(appointed 1 July 2003)
R O Boardley	(appointed 11 September 2003)
G J Morris	(appointed 11 September 2003)
M Hogarth	(appointed 30 June 2004)

Trustees are nominated and appointed by Members of the Council of Management. These appointments are confirmed at the Annual General Meeting.

There are no interests of the Members of the Council of Management which are within the disclosure requirements of the Companies Act 1985.

BANKERS

Barclays Bank plc, Water Street, Liverpool.

AUDITORS

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the annual general meeting.

ON BEHALF OF THE COUNCIL

LIVERPOOL



D H Heap

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees (who are also directors of the Charity) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CHARITIES TRUST (LIMITED BY GUARANTEE)**

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The trustees are also directors of the Charity for the purpose of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Report of the Members of the Council of Management.

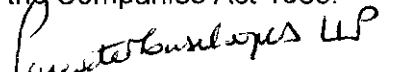
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Charity's affairs at 30 April 2004 and of its net outgoing resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

24 August 2004

CHARITIES TRUST (LIMITED BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)**

	Notes	Year to 30 April 2004 £	Year to 30 April 2003 £
DONATIONS RECEIVED		<u>10,407,007</u>	<u>9,654,092</u>
<u>INCOME AND EXPENDITURE</u>			
<u>INCOMING RESOURCES</u>			
Administration services income		416,711	359,038
Investment income	1	<u>35,295</u>	<u>31,918</u>
<u>TOTAL INCOMING RESOURCE</u>		<u>452,006</u>	<u>390,956</u>
<u>RESOURCES EXPENDED</u>			
Cost of generating funds	2	90,350	33,529
Management and Administration	3	368,896	276,415
<u>Charitable Expenditure</u>			
Grants payable in furtherance of the Charity's objectives	12	103,633	89,142
<u>TOTAL RESOURCES EXPENDED</u>		<u>562,879</u>	<u>399,086</u>
<u>NET (EXPENDITURE) / INCOME FOR THE YEAR</u>		(110,873)	(8,130)
Fund balances brought forward		698,307	706,437
Fund balances carried forward	11	<u>587,434</u>	<u>698,307</u>

The accounting policies and notes on pages 9 to 16 form part of these accounts.

The Charity has no other recognised gains and losses other than the net incoming resources for the financial period shown above, and therefore no separate statement of total recognised gains and losses has been presented.

All income and resources are derived from continuing operations.

All funds are unrestricted income funds.

There is no difference between the net incoming resources stated above and its historical cost equivalent.

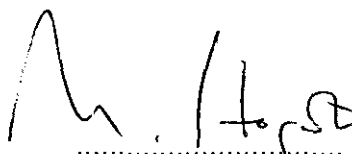
CHARITIES TRUST (LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 APRIL 2004

	Notes	2004 £	2003 £
<u>FIXED ASSETS</u>	6	8,041	13,895
<u>CURRENT ASSETS</u>			
Debtors	7	23,065	41,442
Cash at bank		600,887	674,429
Cash held on behalf of Third Parties		1,897,297	2,062,337
		<u>2,521,249</u>	<u>2,778,208</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Amount owed to Related Parties	8	-	20,041
Creditors and accruals	9	1,941,856	2,073,755
		<u>1,941,856</u>	<u>2,093,796</u>
<u>NET ASSETS</u>		<u>587,434</u>	<u>698,307</u>
<u>UNRESTRICTED FUND - ACCUMULATED FUND</u>	11	<u>587,434</u>	<u>698,307</u>

The accounts were approved by the Members of the Council of Management on 24/08/2004 and were signed on its behalf by


.....
TRUSTEE


.....
TRUSTEE

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The Charity has taken advantage of adapting its own arrangements of the heading and sub headings of the financial statements due to the special nature of its business in accordance with section 3 (3) of schedule 4 of the Companies act 1985.

The financial statements have been prepared under the historical cost convention and, in accordance with applicable accounting standards and follow the recommendations in Accounting and Reporting by Charities – Statement of Recommended Practice 2000.

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

CHARITABLE DONATIONS AND EXPENDITURE

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of section 202 Income and Corporation Taxes Act 1998.

Donations received and distributed on behalf of employees and employers are not reflected in the Statement of Financial Activities.

EXPENDITURE

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Direct charitable expenditure of collecting and paying donations comprises those costs directly incurred in pursuance of the charity's charitable activities. Management and Administration comprises the costs for the running of the Charity itself as an organisation.

CASH FLOW

The Charity is exempt from the requirement of FRS 1 (revised) to prepare a separate cash flow statement.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES

TAXATION

As the Charity is a registered charity and a non profit making organisation, no tax liability exists on its charitable activities.

TANGIBLE FIXED ASSETS

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

Computers	20.0% - 33.3%
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PENSION CONTRIBUTIONS

The Charity participates in a stakeholder pension arrangement to which the employees and the Charity contribute. The costs are accounted for as the contributions fall due.

The defined contribution arrangement was introduced with effect from 1 May 2003.

ADMINISTRATION SERVICES INCOME

Administration services income is recognised in the period in which the donations are received.

INVESTMENT INCOME

Investment income on cash deposits is recognised in the period in which it is earned.

GRANTS PAYABLE

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

CHARITIES TRUST (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2004

	Year to 30 April 2004 £	Year to 30 April 2003 £
1. INVESTMENT INCOME		
Investment income received on cash deposits	35,295	31,918
2. COST OF GENERATING FUNDS	Year to 30 April 2004 £	Year to 30 April 2003 £
Payroll giving promotions	67,910	33,529
Sponsorship of charitable events	10,264	-
Website development	12,176	-
	90,350	33,529
3. MANAGEMENT AND ADMINISTRATION	Year to 30 April 2004 £	Year to 30 April 2003 £
Staff costs (see note 5)	250,855	206,970
Computer/systems development costs	32,832	16,931
Other administration costs	46,099	47,461
Office move costs	32,950	-
Depreciation	6,160	5,053
	368,896	276,415
4. NET INCOMING RESOURCES	Year to 30 April 2004 £	Year to 30 April 2003 £
The net incoming resources are stated after charging		
Auditors' remuneration for audit	1,762	3,000

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2004**

5. EMPLOYEES AND TRUSTEES

	Year to 30 April 2004 £	Year to 30 April 2003 £
Wages & Salaries	226,571	186,743
Social Security Costs	17,050	13,246
Pension Schemes Contribution	7,234	6,981
	<u>250,855</u>	<u>206,970</u>
Average No. of employees	No.	No.
Full time	6	6
Part time	6	3
	<u>12</u>	<u>9</u>
Full time equivalent	<u>10</u>	<u>8</u>

No employees received emoluments of above £50,000.

During the year, none of the trustees received emoluments or expenses in respect of their services to the company.

6. TANGIBLE FIXED ASSETS

	Computers £
COST	
At 1 May 2003	18,948
Additions	306
At 30 April 2004	<u>19,254</u>
DEPRECIATION	
At 1 May 2003	5,053
Charge for the period	6,160
At 30 April 2004	<u>11,213</u>
NET BOOK VALUE	
At 30 April 2004	<u>8,041</u>
At 30 April 2003	<u>13,895</u>

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2004

7. DEBTORS	2004	2003
	£	£
<i>Amounts falling due within one year</i>		
Other Debtors	8,291	5,441
Accrued income	14,774	36,001
	<u>23,065</u>	<u>41,442</u>

8. AMOUNTS OWED TO RELATED PARTIES

During the year the Charity received donations of £32,950 (2003 £Nil) from Littlewoods Ltd, a company to which the Charity was previously affiliated.

There were no balances outstanding with Littlewoods Ltd at the year end (2003 £20,041).

9. CREDITORS	2004	2003
	£	£
<i>Amounts falling due within one year</i>		
Donations payable	1,897,297	2,050,359
Accruals	24,706	5,011
Other Creditors	19,853	18,385
	<u>1,941,856</u>	<u>2,073,755</u>

10. CAPITAL

The Charity is limited by guarantee. The liability of the Members is limited to £1. The Members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

11. MOVEMENT ON FUNDS	2004	2003
	£	£
At 1 May 2003	698,307	706,437
Net Incoming / (Outgoing) Resources	(110,873)	(8,130)
	<u>587,434</u>	<u>698,307</u>
At 30 April 2004		

CHARITIES TRUST (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2004

12. GRANTS PAYABLE	2004 £	2003 £
Arts & Entertainment Sponsorships	-	5,000
BBC Children in Need	1,000	-
Cancer Research Campaign	50	-
Childrens Hospice SW	176	-
Christian Aid	104	-
Claire House	100	5,000
Comic Relief	583	-
Cystic Fibrosis	500	-
GMTV Get Up and Give	-	7,500
Hope & Homes for Children	16,440	42,412
Horn of Africa	20,000	-
Institute of Cancer Research	-	5,000
Liverpool Lions	700	-
Loughelly Band	-	2,000
Lymphoma & Sarcoma Research Fund	250	-
M & M Consultancies	-	2,500
Macmillan Cancer Relief	-	5,000
Mathews Harland Trust	12,000	-
Old Schoolhouse Project	5,000	-
Plan International	100	-
Roy Castle Lung Cancer Foundation	7,000	9,200
Save The Children	3,025	-
Soft UK	250	-
Southport Unitarian Church	100	-
Sunrise Appeal	-	2,680
The Ark	1,915	-
United Reform Church	500	-
Weston Spirit	2,140	2,850
Whizz Kidz	4,000	-
Youth Federation	1,480	-
Other	26,220	-
	<u>103,633</u>	<u>89,142</u>

CHARITIES TRUST (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2004

13. PENSION ARRANGEMENTS

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

The stakeholder pension arrangement was introduced with effect from 1 May 2003. Total Charity contributions during the period amounted to £5,551 (2003 - £Nil).

Contributions of £1,683 (2003 - 4,440) were made to an employee's personal pension scheme.

14. RELATED PARTIES

Donations of £2,140 were made to Weston Spirit during the year, a charity of which Linda Minnis is a Director.