

CHARITIES TRUST (LIMITED BY GUARANTEE)

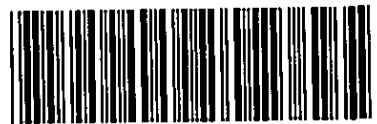
**Registered No. 2142757
(Registered Charity No. 327489)**

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2013

**CHARITIES TRUST
SUITE 20-22 CENTURY BUILDING
BRUNSWICK BUSINESS PARK
TOWER STREET
LIVERPOOL L3 4BJ**

WEDNESDAY



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CHARITIES TRUST (LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2013

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CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2013

CHAIRMAN's FOREWORD

2012/13 was a significant year for Charities Trust. We celebrated 25 years in the giving market where we have strived to make giving to charity simpler, easier and fairer.

Today we work increasingly collaboratively with Britain's business leaders as they move towards even greater involvement in delivering better, more innovative and compelling fundraising campaigns that achieve real, lasting results.

This work included a program of innovation on product development to assist our clients in achieving their corporate social responsibility objectives.

Through significant investment we have launched our Corporate Charity Services, providing an improved, fully integrated system for managing companies' charitable giving.

This year in celebration of our 25th anniversary we launched our staff awards. The purpose of the awards was to encourage staff to think about their colleague's behaviour and nominate based on their personal achievements, with each award based around the following values:

Simplicity – Demystifying complex issues. A logical approach to problem solving.
Clarity of thought and reasoning.

Innovation – Inventive approach. Bringing fresh ideas. Looking at a problem from an entirely different angle.

Passion – Dedication to making things work. Wanting to do more. Belief in the face of adversity.

Respect – Consistent, fair, handling challenging situations. Even handed approach to all issues. Approachability on all issues.

Trust – Accurate and timely completion of tasks. Trusted to see a task through, whatever obstacles may be in the way. At the forefront of managing risk.

Excellence – Thorough, detailed and always striving for perfection. A great work ethic. Capable and reliable.

The awards recognised and rewarded impact made by staff and how their achievements helped towards the shared goal of developing Charities Trust and delivering excellent service to customers. We saw a great uptake from staff and the awards evening proved to be an excellent opportunity to say thank you.

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

Charities Trust was conceived to handle Payroll Giving and today it's one of a group of influential stakeholders working with the Government as its payroll giving consultation moves forward

This is the year Charities Trust commissioned research that offered a unique insight into the future for corporate giving over the next ten years. The work gathered together the thinking of senior corporate figures responsible for blue chip companies' CSR strategy, professionals involved in their day to day delivery and analysis of recent trends

This research was the first step in looking at ways that Charities Trust can continue to innovate and prove to be a positive influence in the giving market for the next 25 years, and beyond

There is no doubt that the giving market has been significantly challenged. In the face of these challenges Charities Trust set a long-term objective to grow the giving market and, despite difficult times, we are very proud that Charities Trust has seen a 66% growth in managed donations over the past three years and a 92% increase in Payroll Giving donations

The vision for the organisation remains unchanged and the findings from the foresight research have further helped confirm the thinking behind the strategy for growth. What the performance to date demonstrates is a foretaste of things to come

My fellow Directors and I would like to take this opportunity to thank all 34 of our colleagues for their efforts in providing excellent service to our clients and, in doing so, helping to grow the giving market and Charities Trust's role in it

MJB Hogarth
Chair & Company Secretary

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

REFERENCE AND ADMINISTRATIVE DETAILS

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

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

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

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

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

- R O Boardley (resigned 25/06/2013)
- G J Morris
- M J B Hogarth (Chair & Company Secretary)
- J Jones
- P Roche

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

The Charity's bankers are Barclays Bank plc, Liverpool

The Charity's 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

The Charity's solicitors are Brabners LLP, Liverpool

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charities Trust is a company limited by guarantee and not having a share capital. The Memorandum and Articles of Association are its governing document.

Charities Trust recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge to enable them to carry out their role.

The Board meets at least four times per year. All Directors are non-executive and none of them receives remuneration from Charities Trust.

Newly appointed Directors have a structured induction programme that effects time with senior management ensuring that they gain a full understanding of Charities Trust and they are provided with information relating to charity regulation and Charity Commission guidance on their responsibilities.

The board has developed specific policies for the recruitment and induction of new directors.

One Director was also a Director of a Company who has been appointed by Charities Trust as its External Lottery Manager. He resigned on 25/06/2013. Please see Note 13 for further details.

No person or body external to the Charity is entitled to appoint directors.

Organisational structure and decision making

The Board links governance and management functions through the Chief Executive. It also delegates certain responsibilities to the Finance and Remuneration Sub-Committees.

The Chief Executive has no authority to make any decision about any matter that the board has specifically reserved to itself for decision. Accordingly the Chief Executive must not make decisions without prior Board approval regarding significant strategic issues that could lead to an alteration of the risk profile, specific financial items as governed by the Finance Sub-Committee and items affecting the appointment and remuneration of the Executive Team which is governed by the Remuneration Sub-Committee.

The Board, supported by the Finance Sub-Committee, is responsible for agreeing the annual budget and reserves policy and reviewing on a quarterly basis the monthly actuals against budget, forecasting of income and expenditure for the year and predicted cashflow.

The Charity has a comprehensive risk register which identifies the major risks to which it is exposed and stipulates measures appropriate to the avoidance or reduction of these risks. This is reviewed monthly by the Executive team and quarterly by the Board.

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

OBJECTIVES AND ACTIVITIES

Objects

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

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

The principal activity is that of a payroll giving agency and the administration and management of charitable trusts, donations and corporate funds

Vision & Mission

The vision of the Charity is to grow the giving market Our mission is connecting through giving™ by providing a gateway for corporate and individual donors to reach every UK charity

In pursuit of this mission, Charities Trust will bring about results by

- 1 Acting as a facilitator between corporate and charitable Britain in the collection and distribution of donations
- 2 Ensuring that donations are enhanced by tax efficiencies where appropriate
- 3 Being a partner of choice ensuring that costs are minimised and returns to the sector are maximised
- 4 Providing increasingly innovative ways to give

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

Strategies to Achieve Objectives

The Charity seeks to engage with employing organisations, with a view to

- introducing or developing fundraising programmes in support of an organisation's Corporate Social Responsibility programme
- introducing or enhancing Payroll Giving within the workplace
- increasing donor involvement within the workforce
- increasing donation volumes and values

Innovation, creativity and adding value are regarded as critical success factors. The Charity recognises that employing organisations typically operate in a very competitive environment and do not necessarily have the resources to devote to non-core commercial activities. As such, the Charity often takes the lead in campaign development, such that the benefits are derived with minimum distraction for the employing organisation. Where appropriate, the Charity will approve expenditure to promote payroll giving and to provide grants to other charitable institutions.

The Charity also pays close attention to controlling its cost base and seeks continuous improvement to its processes. This is based on the recognition that if administrative and processing costs can be reduced then more funds will flow through to the charitable causes.

Any cumulative surplus that may be made will be devoted solely to the aims of the Charity.

Charities Trust enables individuals and companies to increase their charitable giving by providing a range of fundraising services including payroll giving, on and off line sponsored fundraising and management of charity appeal funds. Wherever possible, donations are tax effective for the donor, company or charity.

Given the straightforward nature of the business the directors are of the opinion that donations to charity, fee income and net incoming resources for the year are the key performance indicators for the charity and these are commented upon under Achievements and Performance.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit in Section 4 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing

- My Giving accounts and payroll giving to regular givers
- on-line donation facilities for sponsored events and other one-off appeals
- collection of cheques for one-off charitable appeals
- charity fund accounts for smaller charities who therefore avoid the administrative costs of setting up a separate charity
- support to companies in their work with charities and communities and helping them to engage employees in charitable activity

If a surplus is generated it is used to develop products and services which will in turn increase donations to charities.

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

ACHIEVEMENTS AND PERFORMANCE

Total donations handled during the year of £54,230,353 (2012 - £51,843,151) represent a 4.6% increase in charitable giving over the previous year. The board regards this as an excellent performance. These are reported as Incoming Resources for Restricted and Designated Funds in the SOFA and as Incoming Resources for Funds held as Agent in Note 12.

The main factors affecting the growth of donations processed during the year were an increase in payroll giving due to new clients and to successful payroll giving promotions.

The incoming resources from charitable activities were £1,291,490 (2012 - £1,350,943) and these are collected on a fee basis derived from the donations referred to above. The basis for charging fees is normally 4% of the donation although payroll giving is charged at 25p per employee per month. The most significant fees generated in the year were:

- | | |
|---------------------------------------|----------|
| • Payroll Giving | £426,193 |
| • Christmas Appeals & Other Campaigns | £324,068 |

These incoming resources form part of Charities Trust's Unrestricted Funds and are used to offset the costs of managing and processing donations, classified as Support Costs in the SOFA. Support and governance costs, as a proportion of donations processed, are as little as 3p per £1. The net incoming resources for Charities Trust's General Unrestricted Funds (i.e. its own reserves) increased by £26,981 for the year (2012 increase of £112,167). This is after a donation of £1,000 to charity described in note 10.

The net outgoing resources for all funds for the year was £141,239 (2012 - £379,947) and these have been transferred from the accumulated fund. The net outflow of funds represents the distribution of funds, which had been built up in previous years, to good causes in accordance with donor's instructions.

Our vision of continuing to grow the giving market is dependent upon strong relationships with our employees and corporate partners and the continued generosity of donors, corporate partners and their employees.

FINANCIAL REVIEW

Reserves policy

The policy of the board is to achieve a level of liquid reserves sufficient to meet a reasonable proportion of the cash operating costs of the Charity.

The reserves policy is reviewed annually when the budget for the following year is agreed. This happened in March 2013, in the light of the company's capital commitments and forecast cash operating costs (2013/14 budget £1,644,191) (see below under future plans and Note 14). Liquid Reserves (unrestricted general reserves less fixed assets) have risen to £414,869 (2012 - £393,063) following investment in its infrastructure of £124,717 (2012 - £376,672) during the year. This is sufficient to cover 3 months of budgeted cash operating costs, which the board consider adequate bearing in mind that a stand-by overdraft facility is in place to cover seasonal fluctuations in income.

HARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

Reserves Policy (continued)

In addition liquid reserves are expected to increase from trading in the year to 30 April 2014 so that reserves by the year end are not expected to fall below £400,000. The payback period of the capital investment is estimated to be between 2 to 3 years which will build liquid reserves back up to previous levels.

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

Prior Year Adjustment

During the year an additional contract was identified where the Charity is acting as an intermediary charity and controls the use of these resources prior to their charitable application. In accordance with the Charity SORP, a prior year adjustment has been made to reclassify the unspent element of the funds held from Funds held as Agent to Restricted Funds and to recognise the income and costs relating to these funds in the SOFA. This prior year adjustment has resulted in an increase of £129,160 to the result originally reported in the SOFA for the year ended 30 April 2012.

Further details of the prior year adjustment are set out in note 15.

Funds Recognition

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed as a memorandum item in note 12 to the financial statements.

Where the Charity is acting as an intermediate charity and controls the use of these resources prior to their charitable application the income and costs relating to these funds are recognised in the SOFA as Restricted and Designated funds and in the Balance Sheet as Cash held on behalf of third parties as intermediary charity.

Investment policy

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

PLANS FOR FUTURE PERIODS

Charities Trust plans to continue to increase the value of donations processed to charities while minimising the cost of this processing and maximising gift aid wherever possible.

Charities Trust is very clear about its role in facilitating the growth of the giving market in the UK. We are committed to improve our infrastructure to enable faster and more diverse services to become available to UK Corporates wanting to support and enhance their Corporate Social Responsibility agenda. To this end the Board agreed in 2011 to invest circa £500k in its infrastructure, with the majority spent by the year end (see note 14).

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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

ON BEHALF OF THE BOARD



J Jones (Trustee)

8th October 2013

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

We have audited the financial statements of Charities Trust for the year ended 30 April 2013, which comprise the Statement of Financial Activities, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities on page 10, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Jason Leach (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Liverpool
8 October 2013

CHARITIES TRUST (LIMITED BY GUARANTEE)

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

		Year to 30 April 2013 £	Year to 30 April 2013 £	Year to 30 April 2013 £	Year to 30 April 2013 £	Restated Year to 30 April 2012 £
Notes		Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total Funds	Total Funds
<u>INCOMING RESOURCES</u>						
Incoming resources from generated funds						
- Voluntary income		-	619,429	404,973	1,024,402	2,142,637
- Investment income	1	409,860	21,470	-	431,330	286,927
Incoming resources from charitable activities	1	1,291,490	-	-	1,291,490	1,350,943
<u>TOTAL INCOMING RESOURCES</u>		1,701,350	640,899	404,973	2,747,222	3,780,507
Charitable activities						
- Direct costs		-	(201,580)	(1,012,512)	(1,214,092)	(2,654,242)
- Support costs	2	(1,664,091)	-	-	(1,664,091)	(1,496,044)
Governance costs	3	(10,278)	-	-	(10,278)	(10,168)
<u>TOTAL RESOURCES EXPENDED</u>		(1,674,369)	(201,580)	(1,012,512)	(2,888,461)	(4,160,454)
<u>NET INCOMING/(OUTGOING) RESOURCES AND NET INCOME/(EXPENSE) FOR THE YEAR</u>		26,981	439,319	(607,539)	(141,239)	(379,947)
Fund balances brought forward at 1 May	9	845,535	1,942,263	960,041	3,747,839	4,127,786
<u>FUND BALANCES CARRIED FORWARD AT 30 APRIL</u>		872,516	2,381,582	352,502	3,606,600	3,747,839

The accounting policies and notes on pages 16 to 26 form part of these financial statements

All income and resources are derived from continuing operations in the current and prior year

There is no difference between the net incoming/outgoing resources stated above and their historical cost equivalents in the current and prior year

CHARITIES TRUST (LIMITED BY GUARANTEE)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 APRIL 2013**

	Note	Year to 30 April 2013 £	Restated Year to 30 April 2012 £
Net outgoing resources		(141,239)	(379,947)
Total recognised gains and losses relating to the year		(141,239)	(379,947)
Prior year adjustment	15	129,161	-
Total gains and losses recognised since last annual report		(12,078)	(379,947)

CHARITIES TRUST (LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 APRIL 2013

	Notes	2013 £	Restated 2012 £
<u>FIXED ASSETS</u>			
Tangible assets	5	457,647	452,472
<u>CURRENT ASSETS</u>			
Debtors	6	294,002	254,853
Cash at bank		307,824	335,298
Cash held on behalf of third parties as intermediary charity	9	2,734,084	2,902,304
		3,335,910	3,492,455
<u>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	7	(186,957)	(197,088)
<u>NET CURRENT ASSETS</u>		3,148,953	3,295,367
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		3,606,600	3,747,839
<u>NET ASSETS</u>		3,606,600	3,747,839
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	9	352,502	960,041
Unrestricted income funds			
- Designated	9	2,381,582	1,942,263
- General (own reserves)	9	872,516	845,535
		3,254,098	2,787,798
<u>TOTAL CHARITY FUNDS</u>	9	3,606,600	3,747,839

The accounting policies and notes on pages 16 to 26 form part of these financial statements


Current Assets other than current asset investments are recognised at the lower of their cost and net realisable value

The report and financial statements on pages 1 to 26 were approved by the Board of Directors on 8th October 2013 and were signed on its behalf by



GJ Morris

DIRECTOR



J Jones

DIRECTOR

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The Charity has taken advantage of presenting 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 2006

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Accounting and Reporting by Charities – Statement of Recommended Practice 2005

The basis of preparation of these financial statements has taken due account of the Companies Act 2006 and Charities Act 2011

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

CHARITABLE DONATIONS RECEIVED

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003

The Charity also receives funds from Individuals and Corporates, which it holds temporarily until the donor instructs us to distribute to the charity of their choice These funds are held as either Agent or Intermediary

Funds held by the company as an Agent are reported in Note 12

Funds held as intermediary charity for Restricted and Designated funds are included in the company's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' These balances are included in Unrestricted and Restricted Funds to reflect the fact that Charities Trust controls the use of these resources prior to their charitable application The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Voluntary Income, Investment Income and Direct Costs

INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Incoming resources from charitable activities arise from fees derived from processing of donations received and are accounted for on a cash basis unless the fees cannot be accurately calculated, in which case they are accounted for when the donation has been processed The normal basis for fees is 4% of the donations received although provision exists to charge a higher or lower percentage if applicable The fee for Payroll Giving is charged at 25p per employee per month

INCOMING RESOURCES FROM GENERATED FUNDS – VOLUNTARY INCOME

Incoming resources from generated funds arise from donations and related gift aid There were no legacies or grants in the financial year

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES

INVESTMENT INCOME

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

RESOURCES EXPENDED

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Direct charitable expenditure comprises those costs directly incurred in pursuance of the Charity's charitable activities. The support costs comprise the costs for the running of the Charity itself as an organisation. The direct costs relate to designated unrestricted funds and restricted funds and largely comprise disbursement of income received to other charitable organisations.

GOVERNANCE COSTS

Governance costs are charged on an accruals basis and include the cost of the statutory audit.

CASH FLOW

The Charity has taken advantage of the exemption from preparing a cash flow statement given for small entities in Financial Reporting Standard Number 1 (Revised 1996), "Cash Flow Statements".

TAXATION

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

TANGIBLE FIXED ASSETS

Fixed Assets are stated at cost which includes the invoiced value of goods and services.

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% - 40.0%
Fixtures & Fittings	10% - 40.0%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience.

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.

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 2013**

1	INCOMING RESOURCES	Year to 30 April 2013 £	Year to 30 April 2012 £
	FROM CHARITABLE ACTIVITIES - UNRESTRICTED		
	Payroll giving fees	426,193	428,533
	Christmas appeals & other campaigns	324,068	369,853
	Other fees received	541,229	552,557
		<u>1,291,490</u>	<u>1,350,943</u>
	FROM INVESTMENT INCOME		
	Investment income received on cash deposits		
	- Unrestricted funds – general (own reserves)	409,860	267,436
	- Unrestricted funds - designated	21,470	19,491
		<u>431,330</u>	<u>286,927</u>
2	RESOURCES EXPENDED ON CHARITABLE ACTIVITIES	Year to 30 April 2013 £	Year to 30 April 2012 £
	Staff costs (see note 4)	1,031,095	931,390
	Information Technology & Communications Running Costs	102,801	117,805
	Other administration costs	409,653	391,828
	Depreciation	119,542	54,021
	Grants in furtherance of the Charity's Activities (see note 10)	1,000	1,000
		<u>1,664,091</u>	<u>1,496,044</u>
3	GOVERNANCE COSTS	Year to 30 April 2013 £	Year to 30 April 2012 £
	Trustees Liability Insurance & Other Trustee Costs	3,480	3,568
	Auditors' remuneration for statutory audit	6,798	6,600
		<u>10,278</u>	<u>10,168</u>

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2013**

4 EMPLOYEES AND TRUSTEES	Year to 30 April 2013 £	Year to 30 April 2012 £
Wages and Salaries	923,998	840,693
Social Security Costs	83,915	72,741
Other Pension Costs (see note 11)	23,182	17,956
	1,031,095	931,390
Monthly average No of employees	No.	No
Full time	32	29
Part time	2	5
	34	34
Full time equivalent	33	32

The emoluments described above include all payments to employees

Number of employees receiving emoluments of above £60,000

£70,001 to £80,000	1	2
£90,001 to £100,000	1	-

During the year, none of the Trustees received emoluments in respect of their services to the company. The sum of £945 was paid to Trustees to cover travel expenses (2012 nil)

The 2013 costs include individuals operating under deeds of consultancy. This amounted to £76,825 (3 staff, 1.4 FTE) (2012 £102,413)

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2013**

5. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2012	552,075	30,801	582,876
Disposals	(46,324)	(3,230)	(49,554)
Additions	124,717	-	124,717
At 30 April 2013	630,468	27,571	658,039
ACCUMULATED DEPRECIATION			
At 1 May 2012	116,085	14,319	130,404
On disposals	(46,324)	(3,230)	(49,554)
Charge for the year	109,007	10,535	119,542
At 30 April 2013	178,768	21,624	200,392
NET BOOK VALUE			
At 30 April 2013	451,700	5,947	457,647
At 30 April 2012	435,990	16,482	452,472

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

6	DEBTORS	2013	2012
		£	£
	Amounts falling due within one year		
	Other Debtors	263,543	227,504
	Prepayments and Accrued Income	30,459	27,349
		294,002	254,853

7	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2013	2012
		£	£
	Other Creditors	69,526	84,105
	Taxation and Social Security	24,645	25,072
	Accruals and Deferred Income	92,786	87,911
		186,957	197,088

8 CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10. The members of the charity are, at any one time, the current directors of the charity plus one other.

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

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2013**

9 MOVEMENT ON FUNDS

	Restated			
	At 1 May 2012	Incoming resources	Resources expended	At 30 April 2013
	£	£	£	£
Unrestricted funds – General (own reserves)	845,535	1,701,350	(1,674,369)	872,516
Unrestricted funds – Designated	1,942,263	640,899	(201,580)	2,381,582
Unrestricted funds – Total	2,787,798	2,342,249	(1,875,949)	3,254,098
Restricted funds	960,041	404,973	(1,012,512)	352,502
Total funds	3,747,839	2,747,222	(2,888,461)	3,606,600

				Restated
	At 1 May 2011	Incoming resources	Resources expended	At 30 April 2012
	£	£	£	£
Unrestricted funds – General (own reserves)	733,368	1,618,379	(1,506,212)	845,535
Unrestricted funds – Designated	2,468,084	737,835	(1,263,656)	1,942,263
Unrestricted funds – Total	3,201,452	2,356,214	(2,769,868)	2,787,798
Restricted funds	926,334	1,424,293	(1,390,586)	960,041
Total funds	4,127,786	3,780,507	(4,160,454)	3,747,839

All monies held for Designated Funds and Restricted Funds are held in bank accounts and identified in the balance sheet as cash held on behalf of third parties as intermediary charity. As at 30 April 2013 these amounts totalled £2,734,084 (30 April 2012 £2,902,304)

Designated funds solely comprises monies held for good causes raised through society lotteries. Charities Trust holds a Society Lottery Licence and uses the services of External Lottery Managers ("ELMs"). The two ELMs used in the year were Sportech PLC and Sterling Management Centre Limited.

Restricted Funds comprise funds held and managed by Charities Trust under Charity Fund Agreements. These funds are held for good causes and operate under Charities Trust's charity registration number.

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

Note 9 MOVEMENT ON FUNDS continued

The restricted funds reported in this financial statement comprise, Costa Foundation, Driving Force, Helping Mathapelo, Hands Across the Sea, Katies Trust, Liverpool Unites, Rainbow Child, Save The Baby, Sunrise, The Big Issue Investment Fund, Time 4 Women, Tinga Tinga Tales Foundation, Waste Not Want Not, Wheatsheaf 400

Note 15 details a prior year adjustment which has been made to reclassify Funds held as Agent to Restricted Funds. The unspent element of the funds held in Funds held as Agent have moved to Restricted Funds and the income and costs relating to these funds are included in the SOFA. This prior year adjustment has resulted in an increase to Restricted Funds of £129,161 compared to the result originally reported in the financial statements for the year ended 30 April 2012.

10 GRANTS PAYABLE	2013 £	2012 £
Donations over £1,000:		
Responsible Gambling Trust	1,000	1,000
	-	-
Donations less than £1,000	<u>1,000</u>	<u>1,000</u>

11 PENSION ARRANGEMENTS

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

Total Charity contributions during the year amounted to £23,182 (2012 - £17,956)

Contributions of £0 (2012 - £0) were made to an employee's personal pension scheme.

Contributions outstanding at the year end and included in Tax & Social Security were £4,681 (2012 - £3,365)

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2013**

12 FUNDS HELD AS AGENT

	Restated			
	At 1 May 2012	Incoming Resources	Resources Expended	At 30 April 2013
	£	£	£	£
Funds as Agent	(13,810,500)	(53,184,481)	48,869,125	(18,125,856)
Bank balances held as Agent	13,810,500			18,125,856

	Restated			
	At 1 May 2011	Incoming Resources	Resources Expended	At 30 April 2012
	£	£	£	£
Funds as Agent	(11,639,638)	(49,713,062)	47,542,200	(13,810,500)
Bank balances held as Agent	11,639,638			13,810,500

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

All monies are held in bank accounts designated by Charities Trust as belonging to clients.

Note 15 details a prior year adjustment which has been made to reclassify Funds held as Agent to Restricted Funds. The unspent element of the funds held in Funds held as Agent have moved to Restricted Funds and the income and costs relating to these funds are included in the SOFA. This prior year adjustment has resulted in a decrease to Funds held as Agent of £129,161 compared to the result originally reported in the financial statements for the year ended 30 April 2012.

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CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

13. RELATED PARTIES

RO Boardley, a Director of Corporate Affairs at Sportech PLC, was also a non-executive Director of Charities Trust until 25/06/2013 when he resigned from Charities Trust. Sportech PLC is appointed by Charities Trust as one of its External Lottery Managers, operating Charities Trust's society lotteries. Since 2002 Sportech has been retained by Charities Trust as an External Lottery Manager ("ELM"), licensed by the Gaming Board for Great Britain and since 2007 by the Gambling Commission, as the managing agent for its society lottery operations. Sportech retains 35% of the proceeds from society lottery sales to cover the costs of its activities.

The amounts handled under the External Lottery arrangements are detailed in full under Designated Funds. There were no amounts written off during the year or any provisions for doubtful debts.

	Funds at 1 May 2012	Incoming resources	Resources expended	Funds at 30 April 2013
	£	£	£	£
Unrestricted funds – Designated	1,942,263	640,899	(201,580)	2,381,582
	Funds at 1 May 2011	Incoming resources	Resources expended	Funds at 30 April 2012
	£	£	£	£
Unrestricted funds – Designated	2,468,084	737,835	(1,263,656)	1,942,263

14 CAPITAL COMMITMENTS

In July 2011, the Board of Charities Trust approved a capital expenditure programme of circa £500k to fund investment in its infrastructure. The overall objectives for this programme are to build capability and capacity that will help grow the giving market. A professional project manager was used to manage the programme of works. The programme of works includes moving to a virtualised network, enhanced web services and enhanced donor management systems. At the year end, the majority of the programme budget had been spent.

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

15 PRIOR YEAR ADJUSTMENT

During the year an additional contract was identified where the Charity is acting as an intermediary charity and controls the use of these resources prior to their charitable application. In accordance with Charity SORP, a prior year adjustment has been made to reclassify the unspent element of the funds held from Funds held as Agent to Restricted Funds and to recognise the income and costs relating to these funds in the SOFA. This prior year adjustment has resulted in an increase of £129,161 to the result originally reported in the SOFA for the year ended 30 April 2012.

This prior year adjustment is summarised as follows

	Net Assets brought forward at 1 May 2011	Net outgoing resources for year ended 30 April 2012	Fund balances carried forward at 30 April 2012	Net assets as at 30 April 2012
	£	£	£	£
As previously reported	3,964,633	(345,955)	3,618,678	3,618,678
Prior year adjustment	163,153	(33,992)	129,161	129,161
As restated	4,127,786	(379,947)	3,747,839	3,747,839