

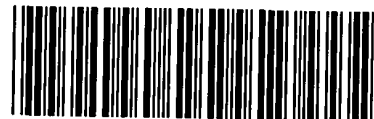
CHARITIES TRUST (LIMITED BY GUARANTEE)
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2017

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

FRIDAY



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20/10/2017

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COMPANIES HOUSE

CHARITIES TRUST (LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017

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CHARITIES TRUST (LIMITED BY GUARANTEE)

CHAIRMAN'S FOREWORD

CHAIRMAN'S FOREWORD

Charities Trust has had another good year. Further substantial growth in donations processed has been driven both by existing clients increasing their activity and through the acquisition of new clients. Whilst Payroll Giving remains at the heart of everything we do, this year, for the first time, the value of donations processed through our other charitable giving tools and services has reached a similar level.

Providing our clients with innovative tools to manage their charitable funds and activities remains our main priority, and we believe that this was an important factor in Charities Trust being awarded the contract to handle significant charitable disbursements on behalf of a global Bank during the year. We have also been busy transferring a variety of government departments over to Charities Trust as a consequence of being part of the winning tender to provide employee services to the Civil Service. The Board firmly believes that we are on track to become the number one choice for organisations that are serious about corporate giving and employee engagement.

Our people are crucial to our success and we have focused our Key Client Team, maintaining and enhancing the personal touch which helps to distinguish our customer service from our competitors. We continue to invest in our systems and to enhance our digital capability to enable donors to manage their giving on the move.

We are constantly amazed at the generosity of our clients and their employees and this year is no exception. As an example, the Costa Foundation continues to expand their reach in third world coffee growing regions. They have completed an incredible 72 projects in 10 countries where access to formal education is severely limited.

Brexit continues to cause uncertainty in the charitable sector as do the impending changes to data protection requirements in the run up to the General Data Protection Regulation coming in to force in 2018. We will keep abreast of developments on both fronts and ensure that any impact on us and our clients is handled appropriately.

My fellow Directors and I thank everyone involved with Charities Trust – our colleagues, clients and donors - for their great efforts to support charitable causes in the UK and around the world.

Mark Hogarth
Chairman & Company Secretary

CHARITIES TRUST (LIMITED BY GUARANTEE)

STRATEGIC REPORT OF THE BOARD

The Directors present their Strategic Report on Charities Trust 'the Charity' for the year ended 30 April 2017.

Principal Activities

We are delighted to see Payroll Giving donations processed at £47m continuing to grow to record levels. Equally pleasing is the fact that donations from all of our other services at £43m were also at a record high. Clients continue to be attracted to the wide range of options available through Charities Trust to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Text donations;
- Event fundraising including organisation monitoring and reporting ("Sponsor Me");
- Charity accounts ("My Giving Account");
- Corporate Charitable Foundation management;
- Disaster appeals;
- Grant application processing and payment;
- Employee charity lotteries;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international) ;
- Social Impact Investment.

We believe that Charities Trust continues to offer the widest range of charitable giving and donation services available to the corporate sector in the UK and we continue to seek opportunities to innovate with new offerings. We also pride ourselves on the quality of our customer service and we believe we are rewarded for this with a very high level of client retention.

Despite significant growth in top line donations in recent years, our headcount has remained constant due to our investment of time and money in improving systems and processes. During the year the value of donations processed per member of staff is in excess of £2.7m (2016: £2.1m).

Key Performance Indicators

Success for Charities Trust is measured by the value of charitable donations processed particularly the proportion of those which is 'new giving'. As a not for profit organisation however, we seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems and process improvements.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance

Total donations handled during the year of £90,143,688 (2016: £67,171,516) represents an increase in charitable giving of 34% over the previous year. As mentioned previously we have been very successful in gaining a number of new clients across both Payroll Giving and fundraising during the year and signing contract extensions with several key clients.

During the year we processed in excess of 3 million individual Payroll Giving donations on behalf of 953 active client organisations (2016: 3.3 million on behalf of 922 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2016: 99p of every £1).

Increasingly third party providers are choosing us as their preferred partner. We are officially the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including some international providers.

Income in the year includes income from Charitable Activities of £1,326,997 (2016: £1,359,253). These are fees derived from processing third party 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 or at a fixed fee. The most significant fees generated in the year were:

- Payroll Giving £445,035 (2016: £441,076).
- Appeals & Campaigns £324,782 (2016: £365,894).

Income for the charity also includes unrestricted Donations Received and Investment Income.

Unrestricted Donations Received in the year were £188 (2016: £0).

Investment income for the charity includes income from short-term deposits of monies prior to distribution to charity of £334,466 (2016: £296,452). This is used to keep our administration charges as low as possible.

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted net income for the charity (i.e. its own reserves) decreased by £26,945 for the year (2016: Surplus £26,994).

The net movement in all funds for the year was £18,717,755 (2016: £1,113,927) and these have been transferred to the accumulated fund. The net inflow of funds largely represents the timing of the receipt of funds, prior to being distributed to good causes in accordance with donor's wishes. There was an exceptional donation received in the year from a new client, of £7.5m, which was largely undisbursed at the year end.

CHARITIES TRUST (LIMITED BY GUARANTEE)
STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance (Continued)

Unrestricted funds held in the Balance Sheet were £1,026,535 (2016: £1,053,480).

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

Financial Review

a. Reserves Policy

The policy of the board is to achieve a level of liquid reserves sufficient to fund

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- unexpected expenditure,
- unexpected loss of income.

The approach to calculating the reserves policy is to use a 'Risk Identification Approach' under the four headings above. The requirements, under each of the headings are added together, to give a worst case position. Using this method which is reviewed annually, the Trustees believe that liquid reserves of between £505,000 - £615,000 should be sufficient to meet working capital and unforeseen circumstances.

Liquid Reserves (unrestricted general reserves less tangible fixed assets) have risen to £910,312 (2016: £845,821) following investment in infrastructure of £44,991 (2016: £55,475). This is above the top end of the recommended level and will allow us to continue to invest in our fundraising systems and infrastructure. We are planning further infrastructure investment over the next year.

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

Reserves levels are monitored by the Board on a quarterly basis and the policy reviewed on an annual basis.

CHARITIES TRUST (LIMITED BY GUARANTEE)
STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance (Continued)

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 15 to the financial statements. These comprise payroll giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as either 'Cash held on behalf of third parties as intermediary charity' or 'Investments held on behalf of third parties as intermediary charity'. Details are disclosed in Note 12 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investment Policy

Cash held on behalf of third parties, where we act as intermediary charity, includes term deposits of over 3 months with well known UK banking institutions with high credit ratings.

Investments are managed by a professional investment advisor authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas investments. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £515,061 (see note 5). (2016: £418,847).

The charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. In 2017 there were two investments; £116,000 was committed and £45,483 was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P and £49,000 was committed and paid across to Bright Futures Fund. These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes.

All of these assets are held in support of restricted funds.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

Plans for Future Periods

We are successfully building on the foundations which have been laid down in recent years. We continue to provide more products and services for current clients and also continue our recent success of attracting new clients. Building positive and long lasting relationships has been a vital part of our growth and we will continue to invest in our people internally and in the systems they require to provide the quality of customer service for which we are renowned

During the year trustees working with the Executive Team have refreshed the strategic plan segmenting each of the key service streams and identifying what the potential for future growth is. From this exercise trustees approved an investment programme which will include some product and service development as well further strengthening the robustness of internal systems and processes.

Principal Risks and Uncertainties

Our risk management procedures include:

- regular review of risks;
- systems and procedures to identify and alleviate risks; and
- systems and procedures for dealing with situations should those risks materialise.

A comprehensive risk register is maintained and continues to be reviewed monthly by the Executive Team and quarterly by the Board.

Using Charity Commission best practice risks are broken down into five major areas covering Governance, Operational Risks, Financial Risks, External Risks and Compliance with Law and Regulation. Each risk is assessed as to its impact and probability and given a score of 1 to 5 with 5 being catastrophic impact or high probability.

Risks are scored against a colour coded system, red, pink, amber, blue and green, with red being the highest risks.

a. Financial Risks

One of the main financial risks the charity faces is interest rate risk. Short-term funds held by Charities Trust are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate. We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

b. Non-financial Risks

There are currently no net risks with a 'red traffic light'. The areas of greatest risk are:

- IT Failures – these risks are similar to most businesses which are reliant on IT support and systems. We have multiple suppliers for some key functions, robust disaster recovery procedures and our IT systems and processes this year have passed rigorous testing by a series of external auditors employed by our clients.
- Key Customer loss – we pride ourselves on excellent account management and customer service. We have not lost any key clients in the last 12 months and are currently working on greater client and product diversification.
- Competition – there are new entrants into the charitable giving space as well as existing competitors and some of them possess very significant resources to spend on their systems. We are a charity and pride ourselves on keeping our costs and charges to a minimum. Despite these constraints we believe that we have a range of products that provide the greatest flexibility and best value for employers and employees who want to donate and fundraise and we continue to win competitive tenders.
- The requirements of the General Data Protection Regulation (GDPR) are due for implementation in May 2018. Charities Trust are working with other stakeholders within the Payroll Giving sector to identify how best to mitigate the risks attached to what will have a potentially significant impact on the charity sector. Charities Trust effectively transmits the consent and preferences of donors to their selected charities. With the introduction of positive consent (opt-in) as a mandatory requirement of GDPR we will need to modify our internal systems and all donor facing interfaces where consent is currently sought. We are treating GDPR as a separate project and trustees will be updated on progress at regular intervals

ON BEHALF OF THE BOARD



J Jones (Trustee)
12 October 2017

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 2017.

Reference and Administrative Details

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

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

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

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

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

- G J Morris OBE
- M J B Hogarth (Chair & Company Secretary)
- J Jones
- P Roche (Resigned 17th October 2016)
- E Perry
- LJ Thomas
- MJ Blakeman

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

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

The Charity's auditors, Pricewaterhouse Coopers LLP, 101 Barbirolli Square, Manchester, M2 3PW, 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, Horton House Exchange Flags, Liverpool, Merseyside, L2 3YL.

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.

The company has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

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

The Board meets at least four times per year. All Directors give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from Charities Trust.

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

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

Specifically in December 2016 the Board organised and attended as a group a training session delivered by a specialist charity lawyer focusing on:

- Regulation
- Legal Structures
- Duties and Responsibilities
- Role of the Board
- Role of the Chief Executive
- Decision making & Delegation
- Conflicts of interest

This provided an excellent opportunity to refresh, learn and work together as a team. In addition the Board also met with the Company's Insurance Brokers to provide further understanding of existing and emerging trends that are impacting the sector.

The Board has also completed a full review of its Committee structures including the Terms of Reference associated.

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

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 Audit and Remuneration 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 and Audit Committee and items affecting the appointment and remuneration of Key Management Personnel which is governed by the Remuneration Committee and set using benchmarks and market forces.

The Board, supported by the Finance and Audit Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year end forecast and predicted cashflow and for reviewing the internal audit programme.

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.

Objectives and Activities

Objects

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

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

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

Charities Trust' Mission

In September 2016 the Board approved an ambitious strategic plan through to 2020.

Our mission is to “grow giving”, by providing organisation with the best possible tools to donate and manage their charitable funds. We hold dear a strong set of values that describe the way we do business that is relentlessly Positive, Professional, Personal, Proactive and Practical.

We want to be the market leader in Payroll Giving, whilst building our reputation as the ‘go to’ for corporates and other large organisations that are serious about their corporate social responsibilities. In pursuit of this vision Charities Trust will bring about results by:

1. Continuing to acquire new clients through winning tenders and working closely with third parties
2. Providing organisations with the best possible tools to donate and manage their and their employees’ charitable funds.
3. Ensuring that donations are enhanced by tax efficiencies where appropriate.
4. Being a partner of choice ensuring that costs are minimised and donations to the charitable sector are maximised.
5. Creating new and enhancing existing products, providing innovation that challenges the sector and provides opportunities for donors.

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 a range of products and services which make giving easier for employers and employees. These include:

- My Giving Accounts and Payroll Giving to regular givers;
- on-line donation facilities for sponsored events and other appeals;
- collection and processing of cheques for charitable appeals;
- Charity Fund Accounts for smaller charities who therefore avoid the administrative costs of setting up a separate registered charity; and
- support to companies in their work with charities and communities and helping them to engage employees in charitable activity.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of 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 auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

CHARITIES TRUST (LIMITED BY GUARANTEE)

REPORT OF THE BOARD (Continued)

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'J Jones', written over a horizontal line.

J Jones (Trustee)
12 October 2017

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

Report on the financial statements

Our opinion

In our opinion, Charities Trust's financial statements (the financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2017 and of its incoming resources and application of resources, including its income and expenditure and cash flows 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.

What we have audited

The financial statements, included within the Reports and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 30 April 2017;
- the statement of financial activities for the year then ended;
- the cash flow statement for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the board and the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the board have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the board. We have nothing to report in this respect.

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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) ("ISAs (UK & 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 and trustees 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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:

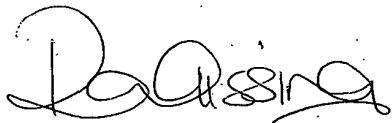
- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

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

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the board, we consider whether those reports include the disclosures required by applicable legal requirements.



Rebecca Gissing (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
12 October 2017

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2017 **(including Summary Income and Expenditure Account and Statement of Total** **Recognised Gains and Losses)**

	Note	Year to 30 April 2017 £	Year to 30 April 2017 £	Year to 30 April 2017 £	Year to 30 April 2016 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>					
Charitable activities	1	1,326,997	-	1,326,997	1,359,253
Investments	1	334,466	55,949	390,415	347,648
Donations received					
- Before exceptional donations		188	32,729,830	32,730,018	17,179,886
- Exceptional donations	1	-	7,596,377	7,596,377	840,253
Total Donations received		188	40,326,207	40,326,395	18,020,139
<u>TOTAL INCOME</u>		1,661,651	40,382,156	42,043,807	19,727,040
<u>EXPENDITURE ON:</u>					
Charitable activities	2	(1,688,596)	-	(1,688,596)	(1,628,711)
Raising Funds	2	-	(2,713)	(2,713)	(2,534)
Donations paid to Charities					
- Before exceptional donations	2	-	(21,633,853)	(21,633,853)	(15,270,317)
- Exceptional donations	2	-	(97,367)	(97,367)	(1,707,363)
Total Donations Paid		-	(21,731,220)	(21,731,220)	(16,977,680)
<u>TOTAL EXPENDITURE</u>		(1,688,596)	(21,733,933)	(23,422,529)	(18,608,925)
Net gains/(losses) on investments	5	-	96,477	96,477	(4,188)
<u>NET (EXPENDITURE)/INCOME</u>		(26,945)	18,744,700	18,717,755	1,113,927
<u>NET MOVEMENT IN FUNDS</u>		(26,945)	18,744,700	18,717,755	1,113,927
<u>RECONCILIATION OF FUNDS:</u>					
Total fund brought forward	12	1,053,480	22,133,798	23,187,278	22,073,351
<u>TOTAL FUNDS CARRIED FORWARD</u>		1,026,535	40,878,498	41,905,033	23,187,278

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net incoming resources stated above and their historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

CHARITIES TRUST (LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 APRIL 2017

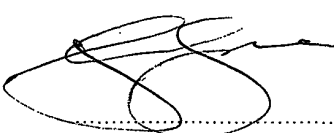
COMPANY REGISTRATION NUMBER 2142757

	Note	2017 £	2016 £
<u>FIXED ASSETS</u>			
Tangible assets	4	116,223	207,659
Investments	5	674,364	507,633
TOTAL FIXED ASSETS		790,587	715,292
<u>CURRENT ASSETS</u>			
Debtors	6	192,274	160,863
Cash at bank and in hand		904,594	903,881
Money market, investments and bank balances held on behalf of third parties as intermediary charity	12	40,600,617	21,922,501
TOTAL CURRENT ASSETS		41,697,485	22,987,245
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	7	(564,236)	(504,237)
<u>NET CURRENT ASSETS</u>		41,133,249	22,483,008
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		41,923,836	23,198,300
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	9	(18,803)	(11,022)
<u>NET ASSETS</u>		41,905,033	23,187,278
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	12	40,878,498	22,133,798
Unrestricted income funds	12	1,026,535	1,053,480
<u>TOTAL CHARITY FUNDS</u>		41,905,033	23,187,278

The accounting policies and notes on pages 21 to 44 form part of these financial statements.

These financial statements were approved by the Board of Directors on 12 October 2017 and were signed on its behalf by:


 GJ Morris
 DIRECTOR


 J Jones
 DIRECTOR

CHARITIES TRUST (LIMITED BY GUARANTEE)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2017

	Note	2017 £	2016 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash provided by operating activities	20	<u>18,723,820</u>	<u>1,312,529</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment	4	<u>(44,991)</u>	<u>(55,475)</u>
Net cash used in investing activities		<u>(44,991)</u>	<u>(55,475)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Net deposits in the money market		<u>(8,983,402)</u>	<u>(1,977,283)</u>
Net cash used in financing activities		<u>(8,983,402)</u>	<u>(1,977,283)</u>
Change in cash and cash equivalents in the financial year		<u>9,695,427</u>	<u>(720,229)</u>
Cash and cash equivalents at the beginning of the financial year		<u>10,309,784</u>	<u>11,030,013</u>
Cash and cash equivalents at the end of the financial year	20	<u><u>20,005,211</u></u>	<u><u>10,309,784</u></u>

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

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 Charities SORP (FRS102) 2015 and in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a company limited by guarantee, and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

BASIS OF PREPARATION

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

The charity constitutes a public benefit entity as defined by FRS 102.

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

GOING CONCERN

There are no material uncertainties about the charity's ability to continue as a going concern. The Directors have prepared income and expenditure and cashflow forecasts for the year ended 30 April 2019 which show an operating deficit. However reserves are sufficient to meet the deficit and cash balances are deemed sufficient to meet outgoings in the next 12 months.

The charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading and therefore no consolidated financial statements have been prepared for the year.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. The costs of administering restricted funds are charged to the specific fund.

Agency funds are where the donor has already nominated the third party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the charity as an Agent are reported in Note 15.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for on a cash basis. The normal basis for fees

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES (continued)

is 4% of the donation 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. Income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits and fixed asset investment is recognised in the period in which it is earned.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the charity are for the benefit of third party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to Charities Trust which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

There were no legacies or grants received or receivable in the financial year (2016: £nil).

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are distributed directly to charity then they are treated as Agency funds. Where funds are donated into a Charities Trust My Giving Account the funds are treated as restricted funds.

Funds held as intermediary charity for Restricted funds are included in the charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that 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 Income from Donations Received and Expenditure on Donations Paid to Charities.

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations.

These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the My Trust Account held as restricted funds. The fees are accounted for when charged against the investment portfolio.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third Party charitable organisations in accordance with the donor's wishes.

TAXATION

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

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

Computers	20% - 33%
Fixtures & Fittings	10% - 40%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1000 will be applied to purchases for them to be capitalised.

INVESTMENTS

Investments held for My Trust Accounts are included at market value at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 5).

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well known UK banking institutions with high credit ratings.

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

DEBTORS

Settlement amount after any trade discounts (provided normal credit terms apply).

CHARITIES TRUST (LIMITED BY GUARANTEE)
STATEMENT OF ACCOUNTING POLICIES (continued)

CREDITORS FALLING DUE WITHIN ONE YEAR

Settlement amount after any trade discounts (provided normal credit terms apply).

PROVISIONS POLICY

The Charity has provided for property dilapidations on its leased premises based on the term of the lease.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

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.

EXCEPTIONAL INCOMING RESOURCES/RESOURCES EXPENDED

Exceptional items are those items that, in the Trustees' view, are required to be separately disclosed by virtue of their nature or incidence to enable a full understanding of the Charity's financial performance. Details of these items are provided in the relevant notes.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Companies presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES (continued)

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The charity does not hold or issue derivatives financial instruments.

BANK INTEREST

Bank interest is recognised in the financial statements on the accruals basis, and is credited to Unrestricted Funds.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme.

CHARITIES TRUST (LIMITED BY GUARANTEE)

STATEMENT OF ACCOUNTING POLICIES (continued)

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

1. INCOME FROM

	Year to 30 April 2017	Year to 30 April 2016
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	445,035	441,076
Christmas appeals and other campaigns	327,782	365,894
Other fees received	554,180	552,283
Total	1,326,997	1,359,253
	£	£
INVESTMENT INCOME		
Interest income received on cash deposits earned by:		
Unrestricted funds	334,466	296,452
Restricted funds – Lotteries	4,049	3,814
Restricted funds – Other	51,900	47,382
Total	390,415	347,648
	£	£
DONATIONS RECEIVED (UNRESTRICTED)		
Donations received	188	-
Total	188	-

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

1. INCOME FROM (Continued)

	Year to 30 April 2017	Year to 30 April 2016
	£	£
DONATIONS RECEIVED (RESTRICTED)		
Donations received from:		
Lotteries	148,171	304,544
Corporates	29,194,697	8,740,753
Regular givers	10,539,057	8,925,587
Charity Fund Accounts	444,282	49,255
Total	40,326,207	18,020,139

Donations received include exceptional donations as follows:

	£	£
General donations	32,729,830	17,179,886
Exceptional donations	7,596,377	840,253
Total	40,326,207	18,020,139

The exceptional donations are made up of two situations;

Funds received for a corporate charity account for payment to a number of third party charities specified by the Corporate. £65,248 (2016: £840,253) was received in the year and £97,367 (2016: £1,707,363) was paid in the year. The balance of restricted funds brought forward on 01/05/2016 were £32,119 which leaves the balance of restricted funds at the year end at zero.

Funds received for a corporate charity account that had previously been donated to another donations management company, who is also a charity. This was in effect a transfer of funds between donations management companies and has therefore been treated as exceptional. The sum received was £7,531,128 (2016: nil) and will be disbursed to third party charities specified by this Corporate in the normal course of business rather than made as an exceptional donation.

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

2. EXPENDITURE ON	Activities undertaken directly	Grant funding	Total
CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2017	Year to 30 April 2017	Year to 30 April 2017
	£	£	£
Payroll giving donations processed	660,346	-	660,346
Christmas appeals and other campaigns	292,232	-	292,232
Other donations processed (incl. Lotteries)	735,968	50	736,018
Total	1,688,546	50	1,688,596

	Year to 30 April 2016	Year to 30 April 2016	Year to 30 April 2016
	£	£	£
Payroll giving donations processed	646,197	-	646,197
Christmas appeals and other campaigns	328,823	-	328,823
Other donations processed (incl. Lotteries)	652,691	1,000	653,691
Total	1,627,711	1,000	1,628,711

	Year to 30 April 2017	Year to 30 April 2016
	£	£
CHARITABLE ACTIVITIES (UNRESTRICTED)		
<i>Staff costs (see note 3)</i>	1,011,672	1,005,102
<i>Information Technology and Communications</i>	188,948	152,295
<i>Other administration costs</i>	331,712	322,613
<i>Depreciation</i>	136,427	129,838
<i>Grants in furtherance of the Charity's Activities (see note 13)</i>	50	1,000
<i>Governance Costs</i>	19,787	17,863
Total	1,688,596	1,628,711

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2017	Year to 30 April 2016
	£	£
RAISING FUNDS (RESTRICTED)		
Fee on restricted investment portfolio	<u>2,713</u>	<u>2,534</u>
Total	<u>2,713</u>	<u>2,534</u>
 DONATIONS PAID TO CHARITIES (RESTRICTED)	 £	 £
Donations paid to third party charities from:		
Lotteries	187,514	81,068
Corporates	11,351,536	8,910,097
Regular givers	9,799,829	7,888,098
Charity Fund Accounts	<u>297,858</u>	<u>72,739</u>
Total	<u>21,636,737</u>	<u>16,952,002</u>
 IMPAIRMENT LOSSES ON SOCIAL INVESTMENTS (RESTRICTED)	 £	 £
Regular givers	<u>94,483</u>	<u>25,678</u>
Total	<u>94,483</u>	<u>25,678</u>

Donations paid to charities includes Impairment losses on social investments.

Donations paid to charities includes £97,367 (2016: £1,707,363) of exceptional donations paid to third party charities from one corporate charity account.

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2017 £	Year to 30 April 2016 £
Wages and Salaries	899,804	906,092
Social Security Costs	82,029	70,901
Other Pension Costs (see note 14)	29,839	28,109
Total costs	1,011,672	1,005,102
Monthly average No. of employees	No	No
Full time	30	29
Part time	4	3
Total No of employees	34	32
Full time equivalent	31	30

The emoluments described above include all payments to employees.

Number of employees receiving emoluments of above £60,000.

	Year to 30 April 2017 £	Year to 30 April 2016 £
	No.	No.
£70,001 to £80,000	-	-
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	-

The 2016 costs includes an average of 2.5 individuals (0.63 FTE for the year) operating under deeds of consultancy (2016: 2.3). This amounted to £28,125 (2016: £63,750).

Wages and Salaries includes a holiday accrual of £10,142 (2016: £5,704)

Employment benefits for Key Management Personnel £371,193 (2016: £241,702).

Total pension contributions for members of staff earning in excess of £60,000 was £8,522 (2016: £7,089).

During the year, none of the Trustees received emoluments in respect of their services to the company.

The sum of £1,231 was paid to seven Trustees to cover travel, subsistence and accommodation expenses (2016: 7, £1,823).

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

4. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2016	672,099	33,685	705,784
Additions	44,991	-	44,991
At 30 April 2017	717,090	33,685	750,775
ACCUMULATED DEPRECIATION			
At 1 May 2016	469,719	28,406	498,125
Charge for the year	134,374	2,053	136,427
At 30 April 2017	604,093	30,459	634,552
NET BOOK VALUE			
At 30 April 2017	112,997	3,226	116,223
At 30 April 2016	202,380	5,279	207,659

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

5. INVESTMENTS

	2017	2016
FINANCIAL INVESTMENTS		
Investments held at market value	£	£
Market value at 1 May 2016	418,847	425,081
Additions at cost	240,549	241,219
Disposals at market value	(210,824)	(244,969)
Net investment gains/(losses)	96,477	(4,188)
Movement on cash	(29,988)	1,704
Market value at 30 April 2017	<u>515,061</u>	<u>418,847</u>
Historical cost at 30 April 2017	<u>367,981</u>	<u>336,851</u>
Balance on unrealised gain reserve	<u>147,080</u>	<u>81,996</u>

Investments are represented by:

	2017	2017	2016	2016
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	4,743	1,367	12,954	21,534
Listed investments	239,732	108,029	169,497	78,954
Other investments	142,541	18,649	120,467	15,441
Total	<u>387,016</u>	<u>128,045</u>	<u>302,918</u>	<u>115,929</u>
		<u>515,061</u>		<u>418,847</u>

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

5. INVESTMENTS (continued)

	2017	2016
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May 2016	88,786	-
Additions at cost	165,000	114,464
Impairment costs	(94,483)	(25,678)
Net investment gains	-	-
Value at 30 April 2017	159,303	88,786

These are assets held by the Charity as Programme Related investments. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by Charities Trust but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'

6. DEBTORS

	2017	2016
	£	£
Amounts receivable in less than one year		
Trade Debtors	41,090	64,332
Other Debtors	110,166	63,038
Prepayments and Accrued Income	41,018	33,493
Total	192,274	160,863

The trustees consider the carrying value of trade and other debtors to be the same as the book value due to their short term nature.

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	396,483	296,336
Taxation and Social Security	33,798	25,514
Trade Creditors	18,581	9,918
Other Creditors	6,351	10,294
Accruals and Deferred Income	109,023	162,175
Total	564,236	504,237

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity'.

Movements in deferred income	2017	2016
	£	£
At 1 May 2016	61,805	50,758
Amounts released from previous year	(61,805)	(50,758)
Amounts deferred in the current year	15,714	61,805
At 30 April 2017	15,714	61,805

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

8. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:	2017	2016
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	515,061	418,847
	<u>515,061</u>	<u>418,847</u>
Financial assets that are debt instruments measured at amortised cost		
Trade receivables	41,090	64,332
Other receivables	110,166	63,038
Investment in short term deposits	41,505,211	22,826,382
	<u>41,656,467</u>	<u>22,953,752</u>
Financial assets that are equity instruments measured at cost less impairment		
Social Investments	159,303	88,786
	<u>159,303</u>	<u>88,786</u>
Financial liabilities measured at amortised cost		
Trade Creditors	18,581	9,918
Other Creditors	545,655	494,319
	<u>564,236</u>	<u>504,237</u>

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

9. PROVISIONS FOR LIABILITIES AND CHARGES

	2017	2016
	£	£
At 1 May 2016	11,022	3,242
Provision for property dilapidations	7,781	7,780
At 30 April 2017	<u>18,803</u>	<u>11,022</u>

The charity holds a lease over their premise that was renewed for a further four years until 25th November 2018. The provision relates to the estimated costs at the expiry of the lease.

10. TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

11. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10.

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 2017**

12. MOVEMENT ON FUNDS

	At 1 May 2016	Income	Expenditure	Gains & Losses	At 30 April 2017
	£	£	£	£	£
Unrestricted funds	1,053,480	1,661,651	(1,688,596)	-	1,026,535
Restricted funds – Lotteries	1,668,601	152,220	(187,514)	-	1,633,307
Restricted funds - Corporates	6,404,615	29,194,697	(11,351,536)	-	24,247,776
Restricted funds – Regular givers	14,040,377	10,590,957	(9,897,025)	96,477	14,830,786
Restricted funds – Charity Fund accounts	20,205	444,282	(297,858)	-	166,629
Total funds	23,187,278	42,043,807	(23,422,529)	96,477	41,905,033

	At 1 May 2015	Income	Expenditure	Gains & Losses	At 30 April 2016
	£	£	£	£	£
Unrestricted funds	1,026,486	1,655,705	(1,628,711)	-	1,053,480
Restricted funds – Lotteries	1,441,311	308,358	(81,068)	-	1,668,601
Restricted funds - Corporates	6,573,959	8,740,753	(8,910,097)	-	6,404,615
Restricted funds – Regular givers	12,987,906	8,972,969	(7,916,310)	(4,188)	14,040,377
Restricted funds – Charity Fund accounts	43,689	49,255	(72,739)	-	20,205
Total funds	22,073,351	19,727,040	(18,608,925)	(4,188)	23,187,278

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

12. MOVEMENT ON FUNDS (continued)

As at 30 April 2017 Restricted funds totalled £40,878,498 (30 April 2016: £22,133,798). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. Charities Trust holds a Society Lotteries Licence and uses the services of External Lotteries Managers ("ELMs"). The ELM's used in the year were Sportech PLC and Sterling Management Centre Limited.
- Charity Fund Agreements are funds held for good causes and operate under Charities Trust's charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors)
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts)

These latter funds are initially donated to Charities Trust until such time as the donor expresses their wishes as to their charitable application. See also Note 5 for Social Investments.

All monies held for Restricted funds are held in bank accounts designated by Charities Trust as belonging to clients. They are identified in the balance sheet as 'Money market, investments and bank balances held on behalf of third parties as intermediary charity'. Money market funds are term or notice deposits over 3 months with well known UK banking institutions with high credit ratings.

Investments in the balance sheet also relate to restricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £396,483 (30 April 2016 : £296,336) where monies are held in the same manner.

Money market and bank balances held on behalf of third parties as intermediary charity	2017	2016
	£	£
Bank balances	19,100,617	9,405,903
Money market deposits	21,500,000	12,516,598
Total	<u>40,600,617</u>	<u>21,922,501</u>

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

13. GRANTS PAYABLE	2017	2016
	£	£
Donations over £1,000:		
Responsible Gambling Trust	-	1,000
Donations less than £1,000	<u>50</u>	<u>-</u>
Total	<u>50</u>	<u>1,000</u>

The company is a fully paid up and registered member of the Lotteries Council for Great Britain for the calendar year 2017 and thereby fulfils its legal obligation in contributing to the prevention of problem gambling.

14. 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 £29,839 (2016: £28,109).

Contributions of £nil (2016: £nil) were made to an employee's personal pension scheme.

Contributions outstanding at the year end and included in Tax and Social Security were £5,249 (2016: £4,626).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

15. FUNDS HELD AS AGENT

	At 1 May 2016	Income	Expenditure	At 30 April 2017
	£	£	£	£
Funds as Agent	(5,408,256)	(49,761,533)	50,437,892	(4,731,897)
Bank balances held as Agent	5,408,256			4,731,897

	At 1 May 2015	Income	Expenditure	At 30 April 2016
	£	£	£	£
Funds as Agent	(3,423,964)	(49,088,996)	47,104,704	(5,408,256)
Bank balances held as Agent	3,423,964			5,408,256

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.

CHARITIES TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

16. RELATED PARTIES

All of the figures quoted below are full year figures whether or not the related party served for the full year.

Elizabeth Perry, a Director / Trustee of Charities Trust, is also a Director of The Costa Foundation. The Costa Foundation originally started in 2007 operating under the charitable status of Charities Trust. From 2007 until 2012 Charities Trust handled the administration and finance of the Costa Foundation but in 2012 it became a registered charity in its own right under Charity No 1147400; registered office Whitbread Court, Houghton Hall Business Park, Dunstable, LU5 5XE. Charities Trust continues to receive some donations for the benefit of the charity which it pays across periodically.

	Funds at 1 May 2016	Incoming resources	Resources expended	Funds at 30 April 2017
	£	£	£	£
Agency funds – Costa Foundation	30,741	328,384	(345,816)	13,309
	Funds at 1 May 2015	Incoming resources	Resources expended	Funds at 30 April 2016
	£	£	£	£
Agency funds – Costa Foundation	17,731	298,828	(285,818)	30,741

Graham Morris, a Trustee, became a Trustee of Positive Futures, North Liverpool. Charities Trust made a £100,000 donation to this charity on 13/05/2016 as part of the lottery run in association with Sportech PLC. This donation was in process prior to Graham Morris becoming a trustee of Positive Futures (2016: £nil).

Euan Imrie, a member of the Key Management Team is also a Director / Trustee of the Roy Castle Lung Cancer Foundation a registered charity which received funds totalling £27,546 from Charities Trust during the year (2016 - £19,756). These were funds donated through the Payroll Giving scheme, corporate donations or fundraising.

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

17. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2017 £	2016 £
Expiring:		
Later than one year and not later than five years	97,144	148,113
Total lease payments due	97,144	148,113
	2017 £	2016 £
Lease payments recognised as an expenses		
Photocopier	3,708	3,780
Premises	47,225	47,225
Total lease payments in the year	50,933	51,005

18. CAPITAL COMMITMENTS

There are no capital commitments (2016 £nil).

19. SUBSIDIARY COMPANY

At 30 April 2017, the Company held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Ltd, Suite 20-22 Century Building, Brunswick Park, Tower Street, Liverpool, L3 4BJ.	UK	100%	Dormant

The value of the investment at 30 April 2017 as £1 (2016: £1).

CHARITIES TRUST (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2017**

20. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net movement in funds for the financial year (as per the statement of financial activities)	18,717,755	1,113,927
Adjustments for:		
Depreciation charges	136,427	129,838
(Increase)/ decrease in debtors	(31,411)	27,460
Increase in creditors	59,999	116,076
Other non cash movements	(158,950)	(74,772)
Net cash provided by operating activities	18,723,820	1,312,529

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	904,594	903,881
Bank balances held on behalf of third parties as intermediary charity	19,100,617	9,405,903
Total cash and cash equivalents	20,005,211	10,309,784

21. ANALYSIS OF NET ASSETS

	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 Unrestricted £	2016 Restricted £	2016 Total £
Tangible Assets	116,223	-	116,223	207,659	-	207,659
Investments	-	674,364	674,364	-	507,633	507,633
Current Assets	1,096,868	40,600,617	41,697,485	1,064,744	21,922,501	22,987,245
Creditors: amounts falling due within one year	(167,753)	(396,483)	(564,236)	(207,901)	(296,336)	(504,237)
Provisions for liabilities and charges	(18,803)	-	(18,803)	(11,022)	-	(11,022)
	1,026,535	40,878,498	41,905,033	1,053,480	22,133,798	23,187,278