

**CHARITIES TRUST (LIMITED BY GUARANTEE)**

**Registered No. 2142757**

**(Registered Charity No. 327489)**

**REPORTS AND FINANCIAL STATEMENTS**

**30 APRIL 2015**

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

**TUESDAY**



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**08/12/2015**

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**COMPANIES HOUSE**

**CHARITIES TRUST (LIMITED BY GUARANTEE)**  
**REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 30 APRIL 2015**

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## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **CHAIRMAN'S FOREWARD**

#### **CHAIRMAN'S FOREWORD**

Charities Trust aspires to be the Number One choice for organisations that are serious about corporate giving and employee engagement and 2014/15 demonstrated a further year of development with a number of significant contracts won and retained in competitive tender. We were delighted to assist a number of key clients with some exciting new initiatives that have seen many additional millions of pounds flowing through to amazing charities and community groups.

We were delighted to be working with a range of organisations offering Christmas Appeals which this year generated over £9 million for a wide range of worthy charities and appeals including the devastating humanitarian disaster Ebola. Thanks go to many of our clients and partners for supporting this global catastrophe.

We have seen another year of continued investment in our IT systems ensuring that they remain robust from cyber attacks. We also made several changes improving the provision of management information thereby making life easier for clients to make decisions on their socially responsible programmes.

We were delighted to be named Best Payroll Giving Partner at the 2015 Institute of Fundraising Awards giving our colleagues recognition that all of their hard work with clients, donors and partners is all worth while. Interestingly this year we also celebrated 26 years of working with the Royal Mail Group, during which time we have processed in excess of £50m of Payroll Giving donations on their behalf – a remarkable achievement on their part!

Donations managed by us increased to £76 million during the year, this was achieved with our small but perfectly formed team who continue to work at the highest level providing efficiencies, ensuring that we maximise the value of funds flowing through to charities and good causes.

My fellow Directors and I would like to thank everyone involved at Charities Trust – our colleagues, clients and donors - for their significant efforts and we look forward to them all continuing to play an increasingly important role in this vital sector.

**MJB Hogarth**  
**Chair & Company Secretary**

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **STRATEGIC REPORT OF THE BOARD**

#### **STRATEGIC REPORT**

The Directors present their strategic report on Charities Trust 'the Charity' for the year ended 30th April 2015.

#### **Principal Activities**

Charities Trust manages charitable donations on behalf of corporate and other organisations and their employees, engaging with them with a view to:

- introducing or developing fundraising programmes and initiatives helping them to energise and manage their Corporate Social Responsibility activities;
- introducing or enhancing Payroll Giving within the workplace;
- increasing Payroll Giving donor participation within the workforce; and
- increasing Payroll Giving donation volumes and values.

Innovation, creativity and adding value are regarded as critical success factors for us.

We recognise 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, we often take the lead in campaign development; such that the benefits are derived with minimum distraction for the employing organisation.

We pay close attention to controlling our cost base and seek continuous improvement to our processes. This is based on the recognition that if administrative and processing costs can be kept to a minimum then a greater proportion of donations will flow through to the charitable causes.

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

#### **Key Performance Indicators**

Our main object as a charity is to grow charitable giving, therefore key for Charities Trust is the value of donations that we process. This has grown substantially in recent years reaching a peak in 2014/15 of £76.3m (2014: £62.4m).

As a not for profit organisation we do not seek to generate massive surpluses of income. We do however as a minimum have to cover our operating costs and the pricing of products and services is pitched at a level to do this. Monitoring activity and therefore income levels is vital, as is running all processes efficiently and cost effectively.

Some of these indicators are commented upon under Achievements and Performance.

## CHARITIES TRUST (LIMITED BY GUARANTEE)

### STRATEGIC REPORT OF THE BOARD (Continued)

#### Achievements & Performance

Total donations handled during the year of £76,319,004 (2014: £62,433,053) represents a 22.2% increase in charitable giving over the previous year. These are reported as either 'Donations Received' in the Statement of Financial Activities "SOFA" or as 'Incoming resources for funds held as agent' in Note 14.

One of the main factors affecting the growth of donations processed during the year was an increase in payroll giving due to a new client, the Ministry of Defence (Armed Forces Personnel). This is the largest Payroll Giving contract in the UK, both in terms of value and participation. The contract was gained mid-year in 2014 so 2015 covers a further 6 months activity.

We also saw increases in donations in virtually all parts of our business particularly in Corporate Giving. There was an exceptional donation received from one Corporate of £10,053,028 for payment to a number of third party charities, of which £9,153,800 was paid out during the year. The balance was held as restricted funds for payment after the year end date.

During the year we processed in excess of 3.4 million individual Payroll Giving donations on behalf of over 1,000 client organisations.

We pride ourselves on our cost efficiency and 99p of every £1.00 of Payroll Giving donation was paid over to charities and good causes.

In 2015, we made over 130,000 (2014:100,000) payments to charity covering Payroll Giving and fundraising which benefitted over 16,000 charities. The number of payments increased by 30% as a result of paying charities more frequently (we now pay across payroll giving donations twice a month which is more frequently than is required by government).

In recognition of efforts and achievements over the years in supporting our Payroll Giving clients we were very proud to be awarded the 'Best Payroll Partner' award at the 2015 Institute of Fundraising Awards Ceremony.

We have been successful during the year in winning new clients, some through competitive tender, and have secured new long-term contracts with a number of our largest current clients.

The Fee Income in the year was £1,347,912 (2014: £1,388,969) and these are 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 or at a fixed fee. The most significant fees generated in the year were:

- |                       |          |
|-----------------------|----------|
| • Payroll Giving      | £451,344 |
| • Appeals & Campaigns | £371,086 |

Incoming resources for the charity also includes Voluntary Income and Investment Income.

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **STRATEGIC REPORT OF THE BOARD (Continued)**

#### **Achievements & Performance (continued)**

Voluntary income includes an exceptional unrestricted donation of £212,879.

Investment income includes income from short term deposits of monies prior to distribution to charity of £275,408 (2014: £339,400). This is used to keep our administration charges as low as possible.

These incoming resources form part of the charity's unrestricted funds and are used to offset the costs of managing and processing donations, which are classified as 'Direct costs of charitable activities'. The net incoming resources for the charity's unrestricted funds (i.e. its own reserves) increased by £148,347 for the year (2014: £6,643).

The net movement in all funds for the year was £3,076,750 (2014: £243,845) and these have been transferred to the accumulated fund. The net inflow of funds largely represents the receipt of funds, prior to being distributed to good causes in accordance with donor's wishes.

Unrestricted funds held in the Balance Sheet grew to £1,027,506 (2014: £879,159)

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,
- unexpected expenditure and
- unexpected loss of income.

The reserves policy was reviewed, in December 2014, using a 'Risk Identification Approach' under the three headings above. The requirements, under each of the headings, were summed together, to give a worst case position. Based on these figures the Trustees believe that liquid reserves of between £558,000 and £682,000 should be sufficient to meet working capital and unforeseen circumstances.

Liquid Reserves (unrestricted general reserves less tangible fixed assets) have risen to £745,484 (2014: £516,445) following investment in infrastructure of £34,548 (2014: £46,557). This is £63,484 above the maximum level and will allow us to continue to invest in our fundraising systems.

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)**

#### **Financial Review (continued)**

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

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed as a memorandum item in note 14 to the financial statements. These comprise payroll giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as either 'Cash held on behalf of third parties as intermediary charity' or 'Investments held on behalf of third parties as intermediary charity'. Details are disclosed in Note 11 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 as intermediary charity includes term deposits of 12 months or less 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.

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

##### **Plans for Future Periods**

We plan to build on the solid foundations which are now in place at Charities Trust. These foundations are made up of our product and services, our robust internal IT and process infrastructure and the dedicated and professional group of people who work within Charities Trust. Our wide range of products and services with Payroll Giving at its core provides a 'toolkit' of fundraising options which both current and prospective clients find attractive. We pride ourselves on our responsiveness to client and donor requirements and with our investments in improving systems and processes reaping significant benefits, we will continue to attract new business.

We are developing new propositions and services, all variations of what we do best which is processing charitable donations in a safe, tax effective and efficient manner. We are also increasingly being asked to help administer new and innovative charitable activities with large clients. As an example we are currently supporting a national community fund initiative with a major UK based insurance company. We believe that we will see more of this type of activity moving forward.

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **STRATEGIC REPORT OF THE BOARD (Continued)**

#### **Principal Risks and Uncertainties**

##### **a. Financial Risks**

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

##### **b. Non-financial Risks**

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

In the light of updated Charity Commission guidance the format of the register was reviewed in 2014. Risks are now broken down into five major areas covering Governance, Operational Risks, Financial Risks, External Risks, 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 extreme impact or high probability. Risks are scored against a traffic light system, red, amber, blue and green with red being the highest 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 who 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 customers 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 every month 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 employees who want to donate and fundraise and we continue to win competitive tenders.

**ON BEHALF OF THE BOARD**



J Jones (Trustee)  
22 October 2015



## **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 2015.

#### **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
- E Perry
- LJ Thomas (appointed 11 February 2015)
- MJ Blakeman (appointed 11 February 2015)

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, 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 receive remuneration from Charities Trust.

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.

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

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 Audit 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 and Audit 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 and Audit Sub-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.

## **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; 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.

##### **Vision and Mission**

The vision of the Charity is to grow the giving market. Our goal is to become the number one choice for organisations that are serious about Corporate Social Responsibility "CSR", helping them to energise and manage their CSR activities.

In pursuit of our goal, 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. Providing a range of innovative products and services which offer the greatest flexibility and value for employers and employees.
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.

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **REPORT OF THE BOARD (Continued)**

#### **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:

- the 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; 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.

#### **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 regulations.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of 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 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.

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **REPORT OF THE BOARD (Continued)**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)**

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<sup>5</sup>. 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 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)  
22 October 2015

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

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**Report on the financial statements**

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**Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2015 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.

This opinion is to be read in the context of what we say in the remainder of this report.

**What we have audited**

The financial statements, which are prepared by Charities Trust, comprise:

- the balance sheet as at 30 April 2015;
- the statement of financial activities including the Summary Income and Expenditure Account and Statement of Total Recognised Gains and Losses 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 a summary of significant account policies and other explanatory information.

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).

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.

**What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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 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.

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

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**Opinion on other matter prescribed by the Companies Act 2006**

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

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**Other matters on which we are required to report by exception**

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**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.

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**Responsibilities for the financial statements and the audit**

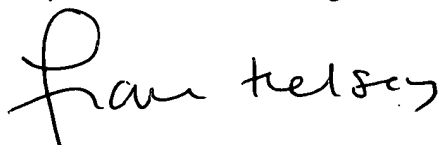
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**Our responsibilities and those of the trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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 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.



Fiona Kelsey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Liverpool

2 November 2015

# CHARITIES TRUST (LIMITED BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES (including Summary Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Year to 30 April 2015 £	Year to 30 April 2015 £	Year to 30 April 2015 £	Year to 30 April 2014 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<b>INCOMING RESOURCES</b>					
Voluntary Income	1	213,155	-	213,155	229
Fee income	1	1,347,912	-	1,347,912	1,388,969
Investment income	1	275,408	70,067	345,475	365,341
Donations Received					
- Before exceptional donations	1	-	17,403,171	17,403,171	16,925,793
- Exceptional donations	1	-	10,053,028	10,053,028	-
Total Donations Received		-	27,456,199	27,456,199	16,925,793
<b>TOTAL INCOMING RESOURCES</b>		<b>1,836,475</b>	<b>27,526,266</b>	<b>29,362,741</b>	<b>18,680,332</b>
<b>RESOURCES EXPENDED</b>					
Direct costs of charitable activities	2	(1,669,294)	-	(1,669,294)	(1,711,629)
Investment management costs	2	-	(2,482)	(2,482)	(2,320)
Donations Paid to Charities					
- Before exceptional donations	2	-	(15,458,207)	(15,458,207)	(16,742,243)
- Exceptional donations	2	-	(9,153,800)	(9,153,800)	-
Total Donations Paid		-	(24,612,007)	(24,612,007)	(16,742,243)
Governance costs	2	(18,834)	-	(18,834)	(10,326)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(1,688,128)</b>	<b>(24,614,489)</b>	<b>(26,302,617)</b>	<b>(18,466,518)</b>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		148,347	2,911,777	3,060,124	213,814
Gains on investment assets - realised	5	-	20,236	20,236	28,421
<b>NET INCOME FOR THE YEAR</b>		<b>148,347</b>	<b>2,932,013</b>	<b>3,080,360</b>	<b>242,235</b>
(Losses)/gains on investment assets - unrealised	5	-	(3,610)	(3,610)	1,610
<b>NET MOVEMENT IN FUNDS</b>		<b>148,347</b>	<b>2,928,403</b>	<b>3,076,750</b>	<b>243,845</b>
Total fund balances brought forward at 1 May	11	879,159	18,118,462	18,997,621	18,753,776
<b>TOTAL FUND BALANCES CARRIED FORWARD AT 30 APRIL</b>		<b>1,027,506</b>	<b>21,046,865</b>	<b>22,074,371</b>	<b>18,997,621</b>

All incoming resources and resources expended 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 above.



# **CHARITIES TRUST (LIMITED BY GUARANTEE)**

## **BALANCE SHEET AS AT 30 APRIL 2015**

	Notes	2015 £	2014 £
<b><u>FIXED ASSETS</u></b>			
Tangible assets	4	282,022	362,714
Investments	5	425,081	410,939
<b>TOTAL FIXED ASSETS</b>		<b>707,103</b>	<b>773,653</b>
<b><u>CURRENT ASSETS</u></b>			
Debtors	6	188,323	184,516
Cash at bank and in hand		827,009	522,181
Money market and bank balances held on behalf of third parties as intermediary charity	11	20,742,319	17,844,146
<b>TOTAL CURRENT ASSETS</b>		<b>21,757,651</b>	<b>18,550,843</b>
<b><u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	7	<b>(387,141)</b>	<b>(326,875)</b>
<b><u>NET CURRENT ASSETS</u></b>		<b>21,370,510</b>	<b>18,223,968</b>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<b>22,077,613</b>	<b>18,997,621</b>
<b><u>PROVISIONS FOR LIABILITIES AND CHARGES</u></b>	8	<b>(3,242)</b>	<b>-</b>
<b><u>NET ASSETS</u></b>		<b>22,074,371</b>	<b>18,997,621</b>
<b><u>THE FUNDS OF THE CHARITY</u></b>			
Restricted income funds	11	21,046,865	18,118,462
Unrestricted income funds	11	1,027,506	879,159
<b><u>TOTAL CHARITY FUNDS</u></b>		<b>22,074,371</b>	<b>18,997,621</b>

The accounting policies and notes on pages 18 to 31 form part of these financial statements.

The financial statements on pages 15 to 31 were approved by the Board of Directors on 22 October 2015 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 2015**

	Notes	2015 £	2014 £
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Net Cash provided by operating activities	17	<u>3,237,549</u>	<u>458,280</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from sale of property, plant and equipment		-	36,000
Purchase of property, plant and equipment		<u>(34,548)</u>	<u>(46,557)</u>
<b>Net cash (used in) investing activities</b>		<u>(34,548)</u>	<u>(10,557)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Net deposits in the money market		<u>960,685</u>	<u>500,000</u>
<b>Net cash provided by financing activities</b>		<u>960,685</u>	<u>500,000</u>
Change in cash and cash equivalents in the financial year		<u>4,163,686</u>	<u>947,723</u>
Cash and cash equivalents at the beginning of the financial year		<u>6,866,327</u>	<u>5,918,604</u>
<b>Cash and cash equivalents at the end of the financial year</b>	17	<u><u>11,030,013</u></u>	<u><u>6,866,327</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 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.

#### **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 14.

#### **VOLUNTARY INCOME**

Voluntary income arises from donations to Charities Trust which are freely given.

#### **FEE INCOME**

Fee income is derived from the processing of donations received and are accounted for on a cash basis. 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.

#### **INVESTMENT INCOME**

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

#### **DONATIONS RECEIVED**

Donations received are from individuals and corporates and related gift aid. There were no legacies or grants in the financial year.

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **STATEMENT OF ACCOUNTING POLICIES (continued)**

#### **DONATIONS RECEIVED (continued)**

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 Investment income, Incoming resources from charitable activities and Charitable activities.

#### **RESOURCES EXPENDED**

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Direct costs of charitable activities comprise those costs incurred in processing and managing donations. Donations paid to charities comprise disbursement of donations received to other charitable organisations

#### **GOVERNANCE COSTS**

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

#### **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 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 assets acquired after 1 May 2014 before, they are included in the charity's Balance Sheet.

## **CHARITIES TRUST (LIMITED BY GUARANTEE)**

### **STATEMENT OF ACCOUNTING POLICIES (continued)**

#### **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 of 12 months or less with well known UK banking institutions with high credit ratings

#### **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.

#### **PROVISIONS POLICY**

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

#### **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.

**CHARITIES TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 APRIL 2015**

**1. INCOMING RESOURCES**

	Year to 30 April 2015	Year to 30 April 2014
	£	£
<b>VOLUNTARY INCOME (UNRESTRICTED)</b>		
Donations received	213,155	229
	<u>213,155</u>	<u>229</u>
 <b>FEE INCOME (UNRESTRICTED)</b>		
Payroll giving fees	451,344	457,203
Christmas appeals and other campaigns	371,086	363,801
Other fees received	525,482	567,630
	<u>1,347,912</u>	<u>1,388,969</u>
 <b>INVESTMENT INCOME</b>		
Interest income received on cash deposits earned by:		
Unrestricted funds	275,408	339,400
Restricted funds - Lotteries	3,140	14,646
Restricted funds - Other	66,927	11,295
	<u>345,475</u>	<u>365,341</u>
 <b>DONATIONS RECEIVED (RESTRICTED)</b>	£	£
Donations received from:		
Lotteries	413,635	525,981
Corporates	18,517,042	7,448,731
Regular givers	8,505,399	8,896,941
Individuals and companies into Charity Fund Accounts	20,123	54,140
	<u>27,456,199</u>	<u>16,925,793</u>

The donations received from Corporates includes £10,053,028 of exceptional donations received from one Corporate charity account for payment to a number of third party charities specified by the Corporate. £9,153,800 of these donations had been paid out as at 30 April 2015 and £899,228 was held as restricted funds for payment after the year end date.

**CHARITIES TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 APRIL 2015**

**2. RESOURCES EXPENDED**

	Year to 30 April 2015 £	Year to 30 April 2014 £
<b>DIRECT COSTS OF CHARITABLE ACTIVITIES (UNRESTRICTED)</b>		
Staff costs (see note 3)	1,036,630	1,078,860
Information Technology and Communications	176,787	161,961
Other administration costs	339,637	345,197
Depreciation	115,240	124,611
Grants in furtherance of the Charity's Activities (see note 12)	1,000	1,000
	<u>1,669,294</u>	<u>1,711,629</u>
 <b>INVESTMENT MANAGEMENT COSTS (RESTRICTED)</b>	 £	 £
Fee on restricted investment portfolio	2,482	2,320
	<u>2,482</u>	<u>2,320</u>
 <b>DONATIONS PAID TO CHARITIES (RESTRICTED)</b>	 £	 £
Donations paid to third party charities from:		
Lotteries	41,752	1,855,921
Corporates	16,036,335	6,294,064
Regular givers	8,267,215	8,420,534
Charity Fund Accounts	266,705	171,724
	<u>24,612,007</u>	<u>16,742,243</u>
 <b>GOVERNANCE COSTS (UNRESTRICTED)</b>	 £	 £
Trustees Liability Insurance and Other Trustee Costs	3,756	3,324
Auditors' remuneration for statutory audit	15,078	7,002
	<u>18,834</u>	<u>10,326</u>

Donations Paid to Charities includes £9,153,800 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 2015**

<b>3. EMPLOYEES AND TRUSTEES</b>	<b>Year to 30 April 2015 £</b>	<b>Year to 30 April 2014 £</b>
Wages and Salaries	<b>932,163</b>	966,880
Social Security Costs	<b>82,729</b>	88,488
Other Pension Costs (see note 13)	<b>21,738</b>	23,492
	<b>1,036,630</b>	1,078,860
Monthly average No. of employees	<b>No</b>	<b>No.</b>
Full time	<b>31</b>	32
Part time	<b>1</b>	1
	<b>32</b>	33
Full time equivalent	<b>30</b>	33
The emoluments described above include all payments to employees.		
Number of employees receiving emoluments of above £60,000.		
	<b>No.</b>	<b>No.</b>
£70,001 to £80,000	<b>1</b>	2
£90,001 to £100,000	<b>1</b>	1
£100,001 to £110,000	<b>1</b>	-

During the year, none of the Trustees received emoluments in respect of their services to the company. The sum of £719 was paid to Trustees to cover travel expenses (2014: £346).

The 2015 costs include 2 individuals (0.8 FTE) operating under deeds of consultancy. This amounted to £55,963 (2014: £57,275).



**CHARITIES TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 APRIL 2015**

<b>4. TANGIBLE ASSETS</b>	<b>Computers</b>	<b>Fixtures &amp; fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At 1 May 2014	624,504	27,571	652,075
Disposals	(26,261)	-	(26,261)
Additions	34,548	-	34,548
<b>At 30 April 2015</b>	<b>632,791</b>	<b>27,751</b>	<b>660,542</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 May 2014	262,419	26,942	289,361
On disposals	(26,261)	-	(26,261)
Charge for the year	115,096	144	115,240
<b>At 30 April 2015</b>	<b>351,254</b>	<b>27,086</b>	<b>378,240</b>
<b>NET BOOK VALUE</b>			
<b>At 30 April 2015</b>	<b>281,537</b>	<b>485</b>	<b>282,022</b>
At 30 April 2014	362,085	629	362,714

<b>5. INVESTMENTS</b>	<b>2015</b>	<b>2014</b>
<b>Investments held at market value</b>	<b>£</b>	<b>£</b>
Market value at 1 May 2014	<b>410,939</b>	384,021
Additions at costs	<b>215,255</b>	201,914
Disposals at market value	<b>(235,923)</b>	(215,462)
Net investment gains	<b>16,626</b>	30,031
Movement on cash	<b>18,184</b>	10,435
<b>Market value at 30 April 2015</b>	<b>425,081</b>	410,939
<b>Historical cost at 30 April 2015</b>	<b>343,225</b>	325,474
<b>Balance on unrealised gain reserve</b>	<b>81,856</b>	85,465

The investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts, domestic and foreign bonds, warrants, cash and accrued interest. They are held as Restricted funds for My Trust Accounts.

# **CHARITIES TRUST (LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015**

<b>6. DEBTORS</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts receivable in less than one year		
Other Debtors	<b>157,648</b>	151,092
Prepayments and Accrued Income	<b>30,675</b>	33,424
	<b>188,323</b>	<b>184,516</b>

<b>7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Funds held on behalf of Third Parties as Intermediary Charity	<b>120,535</b>	136,622
Taxation and Social Security	<b>21,051</b>	19,882
Other Creditors	<b>45,720</b>	19,561
Accruals and Deferred Income	<b>199,835</b>	150,810
	<b>387,141</b>	<b>326,875</b>

Cash held on behalf of third parties as intermediary charity is held to cover restricted funds. It includes term deposits of 12 months or less with well known UK banking institutions with high credit ratings.

<b>8. PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Provision for property dilapidations	<b>3,242</b>	-
	<b>3,242</b>	-

The charity holds a lease over its premises that was renewed for a further four years until 25<sup>th</sup> November 2018. As part of its discussions with the landlord dilapidation costs of £31,122 were identified. These are works that would have been required to put the premises back into the condition they were prior to taking up occupation. It is anticipated that costs of a similar level could occur in 2018, if the lease is not renewed upon expiry. A provision has been created on a pro rata basis, 2015 contains 5 months of the total costs.

## **9. 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.

# **CHARITIES TRUST (LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015**

### **10. 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.

### **11. MOVEMENT ON FUNDS**

	At 1 May 2014	Incoming resources	Resources expended	At 30 April 2015
	£	£	£	£
Unrestricted funds	879,159	1,836,475	(1,688,128)	1,027,506
Restricted funds – Lotteries	1,066,288	416,775	(41,752)	1,441,311
Restricted funds - Other	17,052,174	27,126,117	(24,572,727)	19,605,554
<b>Total funds</b>	<b>18,997,621</b>	<b>29,379,367</b>	<b>(26,302,617)</b>	<b>22,074,371</b>

	At 1 May 2013	Incoming resources	Resources expended	At 30 April 2014
	£	£	£	£
Unrestricted funds	872,516	1,728,598	(1,721,955)	879,159
Restricted funds – Lotteries	2,381,582	540,627	(1,855,921)	1,066,288
Restricted funds - Other	15,499,678	16,441,138	(14,888,642)	17,052,174
<b>Total funds</b>	<b>18,753,776</b>	<b>18,710,363</b>	<b>(18,466,518)</b>	<b>18,997,621</b>

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 2015

#### 11. MOVEMENT ON FUNDS (continued)

As at 30 April 2015 Restricted funds totalled £21,046,865 (30 April 2014: £18,118,462). 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 only ELM used in the year was Sportech PLC.
- Other comprises funds held and managed by Charities Trust under a number of agreements. These include;

Charity Fund Agreements where funds are held for good causes and operate under Charities Trust's charity registration number. The funds reported in this financial statement held under Charity Fund Agreements comprise; Hands Across the Sea, Liverpool Unites, Rainbow Child, Save The Baby and Wheatsheaf 400.

Included under Charity Fund Accounts in Note 1 is an investment in The Big Issue Invest Social Investment Fund LP ("SEIF"). In February of 2010 Charities Trust entered into an agreement with SEIF as a limited partner to establish an appeal fund that would facilitate third party donations from individuals who wanted to support the advancement of social investment and maximise social impact. Tax effective donations were transferred to SEIF in 2010/11 and 2012/13 and under a Memorandum of Understanding any returns will be reinvested back into SEIF or any successor fund or to charities supporting the objectives of the appeal fund. The Private Placement Memorandum ("PPM") stated that the investment would involve significant risks including loss of the entire investment. For this reason the carrying value of the investment is currently nil.

The SEIF fund was 'closed' in 2013 and the fund has now started to generate returns. As the 'investor' Charities Trust is now in receipt of its first capital returns totalling £55,353 (2014: nil). The first tranche of capital returned of £37,765 was subsequently donated to BII Investment Management Ltd ("BIIM") during the year. BIIM is a company that will be FCA regulated for investment purposes and will be the new vehicle for establishing successor social investment funds. BIIM have confirmed that this was a donation and not an investment and no return is payable. The remaining capital returns are being held at the year end as Restricted Funds.

My Giving Accounts, My Trust Accounts, (described as Regular givers in Note 1) Corporate Charity Accounts and Corporate Giving Accounts (described as Corporates in Note 1) where funds are initially donated to Charities Trust until such time as the donor expresses their wishes as to their charitable application.

# **CHARITIES TRUST (LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015**

### **11. MOVEMENT ON FUNDS (continued)**

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 and bank balances held on behalf of third parties as intermediary charity. Money market funds are term or notice deposits of 12 months or less 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 £120,535 (30 April 2014 : £136,622) where monies are held in the same manner.

<b>Money market and bank balances held on behalf of third parties as intermediary charity</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank balances	<b>10,203,004</b>	6,344,146
Money market deposits	<b>10,539,315</b>	11,500,000
	<b>20,742,319</b>	<b>17,844,146</b>

### **12. GRANTS PAYABLE**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Donations over £1,000:</b>		
Responsible Gambling Trust	<b>1,000</b>	1,000
<b>Donations less than £1,000</b>	<b>-</b>	<b>-</b>
	<b>1,000</b>	<b>1,000</b>

### **13. PENSION ARRANGEMENTS**

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

Total Charity contributions during the year amounted to £21,738 (2014: £23,492).

Contributions of £nil (2014: nil) were made to an employee's personal pension scheme.

Contributions outstanding at the year end and included in Tax and Social Security were £4,191 (2014: £nil).

The automatic enrolment staging date for the Charity is 1st October 2015. The existing workplace pension scheme can be used for automatic enrolment and will be offered to all eligible employees who are not currently members.

**CHARITIES TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 APRIL 2015**

**14. FUNDS HELD AS AGENT**

	At 1 May 2014	Incoming Resources	Resources Expended	At 30 April 2015
	£	£	£	£
Funds as Agent	(3,907,537)	(48,792,738)	49,276,311	(3,423,964)
Bank balances held as Agent	3,907,537			3,423,964

	At 1 May 2013	Incoming Resources	Resources Expended	At 30 April 2014
	£	£	£	£
Funds as Agent	(3,249,158)	(45,481,319)	44,822,940	(3,907,537)
Bank balances held as Agent	3,249,158			3,907,537

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 2015**

### **15. RELATED PARTIES**

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

Elizabeth Perry, a Director of The Costa Foundation, was appointed as a non-executive Director of Charities Trust on 11 February 2014. 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. Charities Trust continues to receive some donations for the benefit of the charity which it pays across periodically.

	<b>Funds at 1 May 2014</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Funds at 30 April 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Agency funds – Costa Foundation	<b>64,917</b>	<b>250,717</b>	<b>(297,903)</b>	<b>17,731</b>
	<b>Funds at 1 May 2013</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Funds at 30 April 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Agency funds – Costa Foundation	272,569	264,670	(472,322)	64,917

### **16. CAPITAL COMMITMENTS**

There are no capital commitments.

**CHARITIES TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 APRIL 2015**

**17. NOTES TO THE CASH FLOW STATEMENT**

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

	2015	2014
	£	£
<b>Net movement in funds for the financial year (as per the statement of financial activities)</b>	<b>3,060,124</b>	213,814
<b>Adjustments for:</b>		
Depreciation charges	115,240	124,611
(Profit) on sale of fixed assets	-	(19,121)
Decrease/(increase) in interest receivable	37,743	156,190
(Increase) in debtors	(41,550)	(46,704)
Increase in creditors	60,266	26,377
Other non cash movements	5,726	3,113
<b>Net cash provided by operating activities</b>	<b>3,237,549</b>	458,280

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2015	2014
	£	£
Cash at bank and in hand	827,009	522,181
Bank balances held on behalf of third parties as intermediary charity	10,203,004	6,344,146
<b>Total cash and cash equivalents</b>	<b>11,030,013</b>	6,866,327