

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

**REPORTS AND FINANCIAL STATEMENTS**

**30 APRIL 2019**

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



**CHARITIES TRUST**  
**REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 30 APRIL 2019**

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## **CHARITIES TRUST**

### **CHAIR'S FOREWORD**

#### **CHAIR'S FOREWORD**

I am delighted to have joined Charities Trust as Chair at a very exciting time. Not only did we receive £83 million of donations during the year but we have also grown the client base and improved the products and services that we offer, whilst at the same time generating a stable financial base to allow more to be done going forward. Particular thanks for getting us to this position go to Graham Morris OBE who chaired the Board with great dexterity and wisdom up to October 2018.

Charities Trust purpose continues to be to maximize the donations received, by providing our individual and corporate clients with a great flexible, cost effective and personal service. This requires us to grow and develop our products and reporting to meet their ever-changing needs whilst investing in the systems and procedures to be able to provide real value for money solutions. This approach continues to be the significant factor in the successful growth and retention of our clients, which also encourages more of their employees to support their favourite charities and good causes.

We have also committed to further investment in our core IT systems and to roll out a number of key developments to make engaging with us simpler and safer. This investment will continue as we build stronger foundations for the future and digitally transform our services. As always, our people are crucial to our success and we remain committed to developing their skills to deliver enhanced and effective customer service, the area that we know helps to distinguish us from our competitors.

Despite unprecedented political and economic uncertainty, we continue to be amazed by the generosity of our clients and their employees; as a result, Charities Trust has seen a significant growth in donations processed during the last decade.

The work of Charities Trust continues to make a difference and my fellow Trustees and I would like to thank everyone involved; colleagues, clients, donors and suppliers in supporting so generously charitable causes here in the UK and across the globe.

**Sir Michael Bibby Bt.,DL**  
**Chair**

## **CHARITIES TRUST**

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

The Trustees present their Strategic Report on Charities Trust 'the Charity' for the year ended 30 April 2019.

#### **Principal Activities**

We are delighted to see Payroll Giving donations processed at £49m (2018: £49m) maintaining the record level achieved last year. Equally pleasing is the fact that we achieved donations of £34m (2018: £56m) from all of our other services. Although lower than last year, this was a reflection of an exceptional donation received in 2018/19. 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).
- Sanctions screening and PEPs and adverse media screening
- 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 seen only modest increase 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 was almost £2.4m (2018: £3.3m). The reduction is a reflection of the exceptional donation received in 2018/19.

#### **Key Performance Indicators**

Success for Charities Trust is measured by the value of charitable donations received and distributed, particularly the proportion of those which are '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, security and process improvements in an ever changing digital age.

## CHARITIES TRUST

### STRATEGIC REPORT OF THE BOARD (Continued)

#### Achievements & Performance

Total donations received during the year of £82,785,284 (2018: £105,386,786) represents a decrease of 21% over the previous year. This reduction reflects the fact that we had an exceptional donation in 2018/19 and one of our contracts came to an end during that year. 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 3.2 million individual Payroll Giving donations on behalf of 1050 active client organisations (2018: 3.2 million on behalf of 1,020 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 (2018: 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 £1,243,845 (2018: £1,517,140). These are fees derived from processing third party donations referred to above. We have a range of fee structures for different products. Payroll giving is normally charged at 25p per employee per month or at a fixed fee. The most significant fees generated in the year were:

- Payroll Giving £445,089 (2018: £443,955).

Income for the charity also includes unrestricted Donations Received and Investment Income. We were successful in our bid to Sportech PLC for a substantial unrestricted donation of £100,000 in the year which we are investing in our IT systems development.

Investment income for the charity includes income from short-term deposits of monies prior to distribution to charity of £712,562 (2018: £443,398). This helps us 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) increased by £119,053 for the year (2018: Surplus £45,618).

Unrestricted funds held in the Balance Sheet were £1,191,206 (2018: £1,072,153).

The net movement in all funds for the year was (£5,697,684) (2018: £14,209,223). The net outflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

## **CHARITIES TRUST**

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

#### **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,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

The liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2019 liquid reserves of £900,000 should be sufficient to meet the organisations requirements.

Liquid Reserves (unrestricted general reserves less tangible fixed assets) have decreased to £911,134 (2018: £1,049,297) following investment in infrastructure of £303,906 (2018: £24,437). This level will allow us to continue the planned investment in our fundraising systems and infrastructure 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.

##### **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.

## **CHARITIES TRUST**

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

#### **Financial Review (Continued)**

##### **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 and other treasury holdings.

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 £527,024 (see note 5). (2018: £541,237).

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 2019 £22,230 was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P. 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.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions and in other treasury holdings.

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

We continue to build on the foundations which have been laid down in recent years, by providing more products and services for current clients and continuing our recent success of attracting new clients. Building positive and long lasting relationships has been a vital part of our growth and during the year we successfully retendered for 4 major contracts from existing clients. 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 known.

## CHARITIES TRUST

### STRATEGIC REPORT OF THE BOARD (Continued)

#### Financial Review (continued)

#### Principal Risks and Uncertainties

Charities Trust operates a framework that provides accountability for the management of risk across the organisation

Risk management procedures include:

- A comprehensive Risk Register that is maintained and reviewed by the Executive, relevant committees and Board
- The implementation of policies, systems, controls and procedures to identify, assess and mitigate 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 as treasury holdings with other financial institutions 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

The main risk categories facing the charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance. Charities Trust is constantly evolving its technology ensuring that our systems and controls are secure and resilient.

#### ON BEHALF OF THE BOARD



J Jones (Trustee)

Date 27 January 2020



## **CHARITIES TRUST**

### **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 2019.

#### **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 trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt.,DL (Chair) (Appointed 3<sup>rd</sup> August 2018)
- G J Morris OBE
- J Jones
- 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, PricewaterhouseCoopers LLP, No.1 Hardman Street, Manchester, M3 3EB, 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 Browne Jacobsen, 14<sup>th</sup> Floor, No.1 Spinningfields, 1 Hardman Square, Spinningfields, Manchester M3 3EB.

## **CHARITIES TRUST**

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

#### **Structure, Governance and Management**

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.

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 and resource to enable it to carry out its role.

The Board meets at least four times per year. All Trustees 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 trustees.

Newly appointed trustees 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.

During the year Sir Michael Bibby Bt., DL was appointed as Chair of the Trustee Board and Graham Morris OBE stepped down from the position having covered it on an interim basis.

#### **Organisational structure and decision making**

The Board executes its governance and strategy through the Chief Executive. There are also two Board committees; Finance & Audit and Remuneration that make recommendations to the Board for decision. We also have a payments and receipts sub committee that monitors systems development.

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. 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 Matters Reserved for Board.

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 cash flow 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**

### **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.

#### **Charities Trust' Mission**

In February 2019, the Board approved an ambitious strategic plan, that will further develop the products and services that Charities Trust provides to its clients. Our mission statement was enhanced to better reflect what Charities Trust has to offer.

"Our mission is to help you grow giving by being your partner of choice, providing the best possible personal service and solutions to donate and manage your charitable funds".

In addition to aspiring to be the market leader in Payroll Giving, Charities Trust will grow giving in the UK by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised in order to maximise donations to the chosen charities and good causes.

## **CHARITIES TRUST**

### **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.

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 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.

## CHARITIES TRUST

### 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. 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.

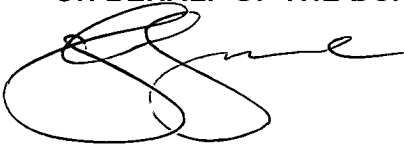
#### Disclosure of Information to Auditors

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.

ON BEHALF OF THE BOARD



J Jones (Trustee)

Date... 27 January 2020

**CHARITIES TRUST  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CHARITIES TRUST**

## **Report on the audit of the financial statements**

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### **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 2019 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 April 2019; the statement of financial activities, and the cash flow statement for the year then ended; the statement of accounting policies; and the notes to the financial statements.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charitable company's activities and the wider economy.

**CHARITIES TRUST  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CHARITIES TRUST**

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**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Strategic Report and the Report of the Board**

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Board, including 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 charitable 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.

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

**Responsibilities of the trustees for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**CHARITIES TRUST  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CHARITIES TRUST**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Use of this report**

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

**Companies Act 2006 exception reporting**

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 by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

27 January 2020



## CHARITIES TRUST

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2019 (including Summary Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Year to 30 April 2019 £	Year to 30 April 2019 £	Year to 30 April 2019 £	Year to 30 April 2018 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<b>INCOME FROM:</b>					
Charitable activities	1	1,243,845	-	1,243,845	1,517,140
Investments	1	712,562	130,688	843,250	490,005
Donations received					
- Before exceptional donations	1	100,222	38,285,285	38,385,507	39,352,150
- Exceptional donations	1	-	-	-	12,600,000
Total Donations received		100,222	38,285,285	38,385,507	51,952,150
<b>TOTAL INCOME</b>		<b>2,056,629</b>	<b>38,415,973</b>	<b>40,472,602</b>	<b>53,959,295</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	2	(1,937,576)	-	(1,937,576)	(1,914,953)
Raising Funds	2		(3,966)	(3,966)	(3,139)
Social Investment Impairment	2		(22,230)	(22,230)	(34,314)
Donations paid to Charities	2		(44,227,080)	(44,227,080)	(37,838,650)
<b>TOTAL EXPENDITURE</b>		<b>(1,937,576)</b>	<b>(44,253,276)</b>	<b>(46,190,852)</b>	<b>(39,791,056)</b>
Net gains on investments	5	-	20,566	20,566	40,984
<b>NET (EXPENDITURE) / INCOME</b>		<b>119,053</b>	<b>(5,816,737)</b>	<b>(5,697,684)</b>	<b>14,209,223</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>119,053</b>	<b>(5,816,737)</b>	<b>(5,697,684)</b>	<b>14,209,223</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total fund brought forward	12	1,072,153	55,042,103	56,114,256	41,905,033
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,191,206</b>	<b>49,225,366</b>	<b>50,416,572</b>	<b>56,114,256</b>

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

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

The accounting policies and notes on pages 19 to 42 form part of these financial statements.

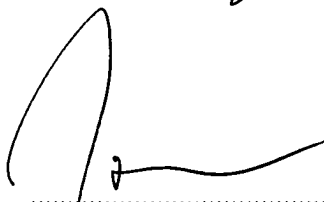
**CHARITIES TRUST**  
**BALANCE SHEET AS AT 30 APRIL 2019**  
**COMPANY REGISTRATION NUMBER 2142757**

	Note	2019 £	2018 £
<b><u>FIXED ASSETS</u></b>			
Tangible assets	4	280,072	22,856
Investments	5	644,834	681,277
<b>TOTAL FIXED ASSETS</b>		<b>924,906</b>	<b>704,133</b>
<b><u>CURRENT ASSETS</u></b>			
Debtors	6	451,400	306,472
Cash at bank and in hand		829,654	1,031,569
Money market, investments and bank balances held on behalf of third parties as intermediary charity	12	48,781,986	54,591,476
<b>TOTAL CURRENT ASSETS</b>		<b>50,063,040</b>	<b>55,929,517</b>
<b><u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	7	<b>(540,252)</b>	<b>(492,811)</b>
<b><u>NET CURRENT ASSETS</u></b>		<b>49,522,788</b>	<b>55,436,706</b>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<b>50,447,694</b>	<b>56,140,839</b>
<b><u>PROVISIONS FOR LIABILITIES AND CHARGES</u></b>	9	<b>(31,122)</b>	<b>(26,583)</b>
<b><u>NET ASSETS</u></b>		<b>50,416,572</b>	<b>56,114,256</b>
<b><u>THE FUNDS OF THE CHARITY</u></b>			
Restricted income funds	12	49,225,366	55,042,103
Unrestricted income funds	12	1,191,206	1,072,153
<b><u>TOTAL CHARITY FUNDS</u></b>		<b>50,416,572</b>	<b>56,114,256</b>

The accounting policies and notes on pages 19 to 42 form part of these financial statements.

These financial statements were approved by the Board of Trustees and signed on its behalf on

27 January 2020

  
 Sir M J Bibby  
 TRUSTEE

  
 J Jones  
 TRUSTEE

# CHARITIES TRUST

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2019

	Note	2019 £	2018 £
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Net Cash (used in) / provided by operating activities	20	<u>(5,707,499)</u>	<u>14,142,271</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment	4	<u>(303,906)</u>	<u>(24,437)</u>
<b>Net cash used in investing activities</b>		<u>(303,906)</u>	<u>(24,437)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Net deposits in the money market	12	<u>3,000,000</u>	<u>(4,500,000)</u>
<b>Net cash provided by / (used in) financing activities</b>		<u>3,000,000</u>	<u>(4,500,000)</u>
(Reduction) / Increase in cash and cash equivalents in the financial year		<b>(3,011,405)</b>	9,617,834
Cash and cash equivalents at the beginning of the financial year		<u>29,623,045</u>	<u>20,005,211</u>
<b>Cash and cash equivalents at the end of the financial year</b>	20	<u><b>26,611,640</b></u>	<u>29,623,045</u>

The accounting policies and notes on pages 19 to 42 form part of these financial statements.

## **CHARITIES TRUST**

### **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 Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2021 and 30 April 2022 which show operating surpluses.

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.

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. We have a range of fee structures for different products.

## **CHARITIES TRUST**

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

#### **INCOME FROM CHARITABLE ACTIVITIES (continued)**

The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving 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 (2018: £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.

## **CHARITIES TRUST**

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

#### **EXPENDITURE ON RAISING FUNDS**

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

#### **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 and other treasury holdings.

## **CHARITIES TRUST**

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

#### **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).

#### **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 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.

## **CHARITIES TRUST**

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

#### **FINANCIAL INSTRUMENTS**

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

##### **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.



## **CHARITIES TRUST**

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

#### **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.

#### **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.

#### **CRITICAL JUDGEMENTS AND ESTIMATES**

The only judgements and estimates included within the financial statements relate to depreciation, accruals and impairment of Social Investments. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates, however they are reviewed on an ongoing basis. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

#### **CONSOLIDATION**

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 405 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 1. INCOME FROM

	Year to 30 April 2019	Year to 30 April 2018
<b>CHARITABLE ACTIVITIES (UNRESTRICTED)</b>	<b>£</b>	<b>£</b>
Payroll giving fees	445,089	443,955
Christmas appeals and other campaigns	84,095	401,277
Other fees received	714,661	671,908
<b>Total</b>	<b>1,243,845</b>	<b>1,517,140</b>
	<b>Year to 30 April 2019</b>	<b>Year to 30 April 2018</b>
<b>INVESTMENT INCOME</b>	<b>£</b>	<b>£</b>
Interest income received on cash deposits earned by:		
Unrestricted funds	712,562	443,398
Restricted funds – Lotteries	267	3,213
Restricted funds – Other	130,421	43,394
<b>Total</b>	<b>843,250</b>	<b>490,005</b>
<b>DONATIONS RECEIVED (UNRESTRICTED)</b>	<b>£</b>	<b>£</b>
Donations received	100,222	33
<b>Total</b>	<b>100,222</b>	<b>33</b>

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 1. INCOME FROM (Continued)

	Year to 30 April 2019	Year to 30 April 2018
	£	£
<b>DONATIONS RECEIVED (RESTRICTED)</b>		
Donations received from:		
Lotteries	193,088	192,424
Corporates	21,718,606	37,832,457
Regular givers	12,036,145	12,757,255
Charity Fund Accounts	4,337,446	1,169,981
<b>Total</b>	<b>38,285,285</b>	<b>51,952,117</b>

Donations received include exceptional donations as follows:

	Year to 30 April 2019	Year to 30 April 2018
	£	£
General donations	38,285,285	39,352,117
Exceptional donations	-	12,600,000
<b>Total</b>	<b>38,285,285</b>	<b>51,952,117</b>

The exceptional donations in 2018 related to funds received for a corporate charity account for payment to a number of third party charities specified by the Corporate. These funds are being paid out over a 3 year period.

# **CHARITIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019**

<b>2. EXPENDITURE ON</b>	<b>Activities undertaken directly</b>	<b>Grant funding</b>	<b>Total</b>
<b>CHARITABLE ACTIVITIES (UNRESTRICTED)</b>	<b>Year to 30 April 2019 £</b>	<b>Year to 30 April 2019 £</b>	<b>Year to 30 April 2019 £</b>
Payroll giving donations processed	<b>786,656</b>	-	<b>786,656</b>
Christmas appeals and other campaigns	<b>296,449</b>	-	<b>296,449</b>
Other donations processed (incl. Lotteries)	<b>854,471</b>	-	<b>854,471</b>
<b>Total</b>	<b>1,937,576</b>	-	<b>1,937,576</b>

	<b>Year to 30 April 2018 £</b>	<b>Year to 30 April 2018 £</b>	<b>Year to 30 April 2018 £</b>
Payroll giving donations processed	721,449	-	721,449
Christmas appeals and other campaigns	330,008	5,100	335,108
Other donations processed (incl. Lotteries)	857,896	500	858,396
<b>Total</b>	<b>1,909,353</b>	<b>5,600</b>	<b>1,914,953</b>

<b>CHARITABLE ACTIVITIES (UNRESTRICTED)</b>	<b>Year to 30 April 2019 £</b>	<b>Year to 30 April 2018 £</b>
Staff costs (see note 3)	<b>1,220,568</b>	1,119,380
Information Technology and Communications	<b>368,213</b>	248,222
Other administration costs	<b>271,325</b>	398,971
Depreciation & Loss on Impairment	<b>46,690</b>	117,804
Grants in furtherance of the Charity's Activities (see note 13)	-	5,600
Governance Costs	<b>30,780</b>	24,976
<b>Total</b>	<b>1,937,576</b>	<b>1,914,953</b>

Unrestricted expenditure on Charitable Activities includes £28,152 for the audit of the financial statements (2018: £22,800) and £3,360 for tax compliance services (2018: £3,360).

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2019	Year to 30 April 2018
	£	£
<b>RAISING FUNDS (RESTRICTED)</b>		
Fee on restricted investment portfolio	<u>3,966</u>	<u>3,139</u>
<b>Total</b>	<u>3,966</u>	<u>3,139</u>
<b>DONATIONS PAID TO CHARITIES (RESTRICTED)</b>	<b>Year to 30 April 2019</b>	<b>Year to 30 April 2018</b>
	£	£
Donations paid to third party charities from:		
Lotteries	614,149	703,354
Corporates	30,207,744	25,489,339
Regular givers	10,886,780	10,817,634
Charity Fund Accounts	<u>2,518,407</u>	<u>828,323</u>
<b>Total</b>	<u>44,227,080</u>	<u>37,838,650</u>
<b>IMPAIRMENT LOSSES ON SOCIAL INVESTMENTS (RESTRICTED)</b>	<b>Year to 30 April 2019 £</b>	<b>Year to 30 April 2018 £</b>
Regular givers	<u>22,230</u>	<u>34,314</u>
<b>Total</b>	<u>22,230</u>	<u>34,314</u>

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2019 £	Year to 30 April 2018 £
Wages and Salaries	1,083,975	991,398
Social Security Costs	94,344	93,591
Other Pension Costs (see note 14)	42,249	34,391
<b>Total costs</b>	<b>1,220,568</b>	<b>1,119,380</b>
Monthly average No. of employees	No	No
Full time	34	30
Part time	2	4
<b>Total No of employees</b>	<b>36</b>	<b>34</b>
Full time equivalent	<b>35</b>	<b>32</b>

The remuneration described above includes all payments to employees.

Number of employees receiving remuneration of above £60,000  
(2018: £60,000)

	Year to 30 April 2019 No.	Year to 30 April 2018 No.
£60,001 to £70,000	-	-
£70,001 to £80,000	1	-
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	-
£130,001 to £140,000	-	-
£140,001 to £150,000	1	1

Wages and Salaries includes a holiday accrual of £9,147 (2018: £9,606)

Employment benefits for Key Management Personnel £423,641 (2018: £408,040).

Total pension contributions for members of staff earning in excess of £60,000 was £12,245 (2018: £8,443).

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

The sum of £1,394 was paid to six Trustees to cover travel, subsistence and accommodation expenses (2018: £960).

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

4. TANGIBLE ASSETS	Computers £	Fixtures & fittings £	Total £
<b>COST</b>			
At 1 May 2018	741,527	33,685	775,212
Additions	303,906	-	303,906
<b>At 30 April 2019</b>	<b>1,045,433</b>	<b>33,685</b>	<b>1,079,118</b>
<b>ACCUMULATED DEPRECIATION &amp; LOSS ON IMPAIRMENT</b>			
At 1 May 2018	719,886	32,470	752,356
Charge for the year	45,475	1,215	46,690
<b>At 30 April 2019</b>	<b>765,361</b>	<b>33,685</b>	<b>799,046</b>
<b>NET BOOK VALUE</b>			
<b>At 30 April 2019</b>	<b>280,072</b>	<b>-</b>	<b>280,072</b>
At 30 April 2018	21,641	1,215	22,856

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 5. INVESTMENTS

	2019	2018
<b>FINANCIAL INVESTMENTS</b>		
<b>Investments held at market value</b>	<b>£</b>	<b>£</b>
Market value at 1 May	541,237	515,061
Additions at cost	110,325	55,871
Disposals at market value	(130,066)	(84,837)
Net investment gains	20,566	40,984
Movement on cash	(15,038)	14,158
<b>Market value at 30 April</b>	<b>527,024</b>	<b>541,237</b>
<b>Historical cost at 30 April</b>	<b>361,458</b>	<b>364,984</b>
<b>Balance on unrealised gain reserve</b>	<b>165,566</b>	<b>176,253</b>

Investments are represented by:	2019	2019	2018	2018
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	3,865	1,592	18,215	2,075
Listed investments	221,858	141,553	208,781	132,181
Other investments	125,907	32,249	150,441	29,544
<b>Total</b>	<b>351,630</b>	<b>175,394</b>	<b>377,437</b>	<b>163,800</b>
		<b>527,024</b>		<b>541,237</b>



# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 5. INVESTMENTS (continued)

	2019	2018
<b>SOCIAL INVESTMENTS</b>		
<b>Investments held at cost</b>	<b>£</b>	<b>£</b>
Investment value at 1 May	<b>140,040</b>	159,303
Additions at cost	-	15,051
Impairment costs	<b>(22,230)</b>	(34,314)
<b>Value at 30 April</b>	<b>117,810</b>	140,040

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

	2019	2018
	<b>£</b>	<b>£</b>
Amounts receivable in less than one year		
Trade Debtors	<b>165,176</b>	107,915
Other Debtors	<b>188,727</b>	138,518
Prepayments and Accrued Income	<b>97,497</b>	60,039
<b>Total</b>	<b>451,400</b>	306,472

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**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019**

### **7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Funds held on behalf of Third Parties as Intermediary Charity	<b>201,454</b>	230,650
Taxation and Social Security	<b>57,522</b>	52,007
Trade Creditors	<b>29,872</b>	26,714
Other Creditors	<b>15,427</b>	6,565
Accruals and Deferred Income	<b>235,977</b>	176,875
<b>Total</b>	<b><u>540,252</u></b>	<b><u>492,811</u></b>

'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'.

<b>Movements in deferred income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 May	<b>48,270</b>	15,714
Amounts released from previous year	<b>(48,270)</b>	(15,714)
Amounts deferred in the current year	<b>117,210</b>	48,270
At 30 April	<b><u>117,210</u></b>	<b><u>48,270</u></b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 8. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	2019 £	2018 £
<b>Financial assets measured at fair value through profit or loss</b>		
Financial investments	527,024	541,237
	<u>527,024</u>	<u>541,237</u>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade receivables	165,176	107,915
Other receivables	188,727	138,518
Investment in short term deposits	48,781,986	54,591,476
	<u>49,135,889</u>	<u>54,837,909</u>
<b>Financial assets that are equity instruments measured at cost less impairment</b>		
Social Investments	117,810	140,040
	<u>117,810</u>	<u>140,040</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade Creditors	29,872	26,714
Other Creditors	510,380	466,097
	<u>540,252</u>	<u>492,811</u>

## CHARITIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

#### 9. PROVISIONS FOR LIABILITIES AND CHARGES

	2019 £	2018 £
At 1 May	26,583	18,803
Provision for property dilapidations	4,539	7,780
At 30 April	<u>31,122</u>	<u>26,583</u>

The charity holds a lease over their premise that was renewed for a further five years until 25<sup>th</sup> November 2023. The provision relates to the estimated dilapidation 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 (2018: £10)

The members of the charity are, at any one time, the current trustees 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 12. MOVEMENT ON FUNDS

	At 1 May 2018	Income	Expenditure	Gains & Losses	At 30 April 2019
	£	£	£	£	£
Unrestricted funds	1,072,153	2,056,629	(1,937,576)	-	1,191,206
Restricted funds – Lotteries	1,125,590	193,355	(614,149)	-	704,796
Restricted funds - Corporates	36,590,894	21,718,606	(30,207,744)	-	28,101,756
Restricted funds – Regular givers	16,817,332	12,166,566	(10,912,976)	20,566	18,091,488
Restricted funds – Charity Fund accounts	508,287	4,337,446	(2,518,407)	-	2,327,326
<b>Total funds</b>	<b>56,114,256</b>	<b>40,472,602</b>	<b>(46,190,852)</b>	<b>20,566</b>	<b>50,416,572</b>

	At 1 May 2017	Income	Expenditure	Gains & Losses	At 30 April 2018
	£	£	£	£	£
Unrestricted funds	1,026,535	1,960,571	(1,914,953)	-	1,072,153
Restricted funds – Lotteries	1,633,307	195,637	(703,354)	-	1,125,590
Restricted funds - Corporates	24,247,776	37,832,457	(25,489,339)	-	36,590,894
Restricted funds – Regular givers	14,830,786	12,800,649	(10,855,087)	40,984	16,817,332
Restricted funds – Charity Fund accounts	166,629	1,169,981	(828,323)	-	508,287
<b>Total funds</b>	<b>41,905,033</b>	<b>53,959,295</b>	<b>(39,791,056)</b>	<b>40,984</b>	<b>56,114,256</b>

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

## CHARITIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

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

As at 30 April 2019 Restricted funds totalled £49,225,366 (as at 30 April 2018: £55,042,103). 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 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 and other treasury holdings.

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 £201,454 (2018 : £230,650) 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>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank balances	<b>25,781,986</b>	28,591,476
Money market deposits	<b>23,000,000</b>	26,000,000
<b>Total</b>	<b><u>48,781,986</u></b>	<u>54,591,476</u>

## CHARITIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

13. GRANTS PAYABLE	2019 £	2018 £
Donations over £1,000:	-	5,000
Donations less than £1,000	-	600
<b>Total</b>	<b>-</b>	<b>5,600</b>

#### 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 £42,249 (2018: £34,391).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2018: £6,737).

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

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 15. FUNDS HELD AS AGENT

	At 1 May 2018	Income	Expenditure	At 30 April 2019
	£	£	£	£
Funds as Agent	(4,156,299)	(44,499,999)	43,587,487	(5,068,811)
Bank balances held as Agent	4,156,299			5,068,811
	At 1 May 2017	Income	Expenditure	At 30 April 2018
	£	£	£	£
Funds as Agent	(4,731,897)	(53,434,669)	54,010,267	(4,156,299)
Bank balances held as Agent	4,731,897			4,156,299

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.



## CHARITIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

#### 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. Charities Trust receives donations for the benefit of the charity which it pays across periodically.

	<b>Funds at 1 May 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Funds at 30 April 2019</b>
	£	£	£	£
Agency funds – Costa Foundation	<b>240,372</b>	<b>158,443</b>	<b>(376,338)</b>	<b>22,477</b>
	Funds at 1 May 2017	Incoming resources	Resources expended	Funds at 30 April 2018
	£	£	£	£
Agency funds – Costa Foundation	13,309	614,753	(387,690)	240,372

Euan Imrie, a member of the Key Management Team is also a Director / Trustee of the Roy Castle Lung Cancer Foundation, registered charity number 1046854, registered office The Roy Castle Centre, 4-6 Enterprise Way, Wavertree Technology Park, Liverpool, L13 1FB. The foundation received funds totalling £9,863 from Charities Trust during the year (2018 - £26,873). These were funds donated through the Payroll Giving scheme, corporate donations or fundraising.

Sir Michael Bibby, a Director / Trustee of Charities Trust, is also a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £4,580 (2018 - £4,703).

## CHARITIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

#### 17. OPERATING LEASES

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

	2019 £	2018 £
Not later than one year	60,840	-
Later than one year and not later than five years	211,741	36,766
Later than five years	-	-
Total gross payments	<u>272,581</u>	<u>36,766</u>
<b>Carrying amount of liability</b>	<u>272,581</u>	<u>36,766</u>

	2019 £	2018 £
Lease payments recognised as an expenses		
Photocopier	3,840	4,027
Premises	56,812	56,670
<b>Total lease payments in the year</b>	<u>60,652</u>	<u>60,697</u>

#### 18. CAPITAL COMMITMENTS

There are no capital commitments (2018 £nil).

#### 19. SUBSIDIARY COMPANY

At 30 April 2019, the Company held 100% of the ordinary share capital of the following undertakings:

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

The value of the investment at 30 April 2019 as £1 (as at 30 April 2018: £1).

# CHARITIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

### 20. NOTES TO THE CASH FLOW STATEMENT

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

	2019 £	2018 £
Net movement in funds for the financial year (as per the statement of financial activities)	(5,697,684)	14,209,223
Adjustments for:		
Depreciation charges	46,690	69,340
Increase in debtors	(144,928)	(114,198)
Increase/(decrease) in creditors	47,441	(71,425)
Other non cash movements	40,982	49,331
Net cash (used in) / provided by operating activities	<u>(5,707,499)</u>	<u>14,142,271</u>

#### ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	829,654	1,031,569
Bank balances held on behalf of third parties as intermediary charity (see note 12)	25,781,986	28,591,476
Total cash and cash equivalents	<u>26,611,640</u>	<u>29,623,045</u>

### 21. ANALYSIS OF NET ASSETS

	2019 Unrestricted £	2019 Restricted £	2019 Total £	2018 Unrestricted £	2018 Restricted £	2018 Total £
Tangible Assets	280,072	-	280,072	22,856	-	22,856
Investments	-	644,834	644,834	-	681,277	681,277
Current Assets	1,281,054	48,781,986	50,063,040	1,338,041	54,591,476	55,929,517
Creditors: amounts falling due within one year	(338,798)	(201,454)	(540,252)	(262,161)	(230,650)	(492,811)
Provisions for liabilities and charges	(31,122)	-	(31,122)	(26,583)	-	(26,583)
	<u>1,191,206</u>	<u>49,225,366</u>	<u>50,416,572</u>	<u>1,072,153</u>	<u>55,042,103</u>	<u>56,114,256</u>