



The Charity Service Limited

Report of the Trustees and
Audited Financial Statements
for the year ended

31 March 2019

Registered Company Number: 02538910 (England and Wales)
Registered Charity Number: 1011293

Ashby Berry Coulsons

Chartered Accountants
Two Belgrave Crescent
Scarborough

The Charity Service Limited
Contents of the Financial Statements
for the year ended 31 March 2019

	Page
Reference and administrative details	1
Report of the trustees	2 to 6
Report of the independent auditors	7 to 8
Statement of financial activities	9
Balance sheet	10
Cash flow statement	11
Notes to the financial statements	12 to 21

OUR MISSION

To provide a flexible trust management service which ensures donors can give with confidence.

OUR VISION

To enable charitable giving that makes the most of every gift, maximising impact for those that need it most.

The Charity Service Limited

Reference and Administrative Details for the year ended 31 March 2019

Trustees	R G Dyson MA FCA G R Bushell LLB P A Chorlton FCCA J S Eckersley BA(Hons) MBA Chartered FCSI K A Graham LLB S Nazir BSc MSc	Chair
Company secretary	L Barker DMS ACMA	
Registered office	8 th Floor 111 Piccadilly Manchester M1 2HY	
Principal address	PO Box 500 Scarborough North Yorkshire YO11 9FT	
Registered company number	02538910 (England and Wales)	
Registered charity number	1011293	
Auditors	Ashby Berry Coulsons Limited Statutory Auditor 2 Belgrave Crescent Scarborough North Yorkshire YO11 1UB	
Bankers	Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB	
Investment advisers	Castlefield Investment Partners LLP 111 Piccadilly Manchester M1 2HY	

The Charity Service Limited

Report of the Trustees for the year ended 31 March 2019

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2019. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016). This report has been prepared to meet the requirements for a directors' report required by company law and has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Objectives and activities for the public benefit

As determined by its Memorandum of Association, the principal objectives of the charity are "to benefit any charitable institutions or charitable purposes wheresoever the same shall be established by provision of advice and assistance". We offer a variety of fee-based services to charities and donors, as well as further advice and information to charities and groups, for which we do not make a charge. These services include advice regarding tax incentives and sub trust activity. We also continue to manage small grants to charities and community groups from some of our managed trusts whose application processes have been updated and have updated our website with the object of improving the uptake of these grants. The charity does not raise funds from the general public. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to the obligations placed upon us by Section 17 of the Charities Act 2011 and confirm that we have complied with the duty placed on us by this Act.

Grant making policy

Grants made from restricted funds are paid to recipients nominated by the donors or selected by Trustees. Grants made from designated funds are selected by the Trustees, usually in response to applications from other charitable institutions. The charity also acts as sole trustee for a number of charitable trusts (managed trusts) which make grants to charities, organisations and individuals, primarily to assist the disadvantaged, sick and infirm people and those living in poverty, the beneficiaries of which must be resident within the cities of Manchester or Salford.

In relation to their grant making from designated funds and managed trusts, the Trustees:

- will consider any requests or known situations that are eligible for consideration;
- prefer to contribute to specific appeals and projects rather than to contribute to general running costs or expenditure of a charity;
- are willing to contribute both to large and small charities;
- will not normally approve any grant without seeing the most recently published annual report and accounts of the charity that they intend to benefit;
- will consider funding an ongoing project of another charity on a regular basis in appropriate circumstances.

Any grant made by the Trustees shall be made at the absolute discretion of the Trustees. Whilst this list does not create a bar to the making of a grant, the Trustees will not normally fund any of the following:

- contributions to general appeals from national charities
- activities which solely support animal welfare
- religious activity which is not for wider public benefit
- activities which have already taken place
- any part of a request for a grant that would involve the payment of salaries or remuneration

The Charity Service Limited

Report of the Trustees - continued

Achievements and performance

During the year the Trustees have been addressing and resolving a number of legacy issues. As a result, although there has been a significant increase in unrestricted funds, the level of grant making, particularly by the managed trusts, was lower than we would have wished. We have however updated the charity's website and the grant application forms and this should enable the level of grants made to increase. Fundraising generated £1,320,781 (2018 £504,244) reflecting new sub-trust capital of £1,250,000 (2018 £482,420) introduced during the year, investment income increased to £39,593 (£31,557) and grants made amounted to £113,063 (2018 (£57,888)). Net gains on investments amounted to £49,222 (2018 loss of £37,689).

The Trustees have also been reviewing the charity's future strategy and in February 2019 the Board employed an external facilitator to lead an away day discussion. This confirmed TCS's strategic goal which is to build its services around its core activities – the management of trusts, larger sub trusts and investment portfolios on behalf of donors and the management of small grant programmes. Whilst there has been some success in attracting new sub trusts, the Trustees were only too well aware that the high level of distributable reserves in its managed trusts needed to be addressed and further details are set out under Plans for the future below.

As detailed elsewhere in this report, during the previous financial year, the Trustees decided to take advantage of the opportunity to consolidate a number of individual investments into a new collective investment fund. This financial year therefore represents the first full year of this new strategy. Over a twelve month period of some investment market volatility, the fund's total return was modestly positive, as was the average fund within its peer group. As the track record of the new fund's strategy emerges the Trustees intend to monitor its relative performance against a range of directly relevant measures.

Financial review

The results for the year and their impact on the charity's funds are set out in detail in the statement of financial activities on page 7. Total net income for the year was £1,275,064 (2018: £420,419). The significant increase in restricted funds reflects new sub-trust capital introduced during the year and the increase in unrestricted funds reflects the transfer referred to in note 20.

Year end net assets amounted to £3,298,807 (2018: £2,023,743), of which £93,692 (2018 £94,170) related to the unrestricted general fund, £280,534 (2018 £228,455) related to the unrestricted designated fund and £2,924,581 (2018 £1,701,118) related to restricted funds.

Investment policy and performance

Under its Memorandum of Association, the charity has the power to invest funds not immediately required for charitable purposes. Long term investments are managed by Castlefield Investment Partners LLP which specialises in managing charitable investments. The charity's fixed assets are invested so as to provide income and long term capital growth. The short term money management policy sits alongside the investment policy which reflects the Trustees' concern not to expose funds to risk at any time. The Trustees monitor the investment performance on a quarterly basis by comparing it to an independently calculated peer group of returns by other charities with similar objectives and risk profiles and reviewing the performance with the investment advisers.

The investment fund in which a large proportion of the charity's funds are invested deploys an investment approach which takes due account of environmental, social and governance factors. The investment managers employ a proprietary methodology called B.E.S.T (standing for Business/Financial, Environmental/Ecological, Social and Transparency) denoting the important role each factor plays in their investment selection and risk management process. In addition, the managers seek to apply a range of sustainability criteria to exclude unfavourable sectors of the world economy, whilst promoting activities which are deemed to have positive attributes.

The Charity Service Limited

Report of the Trustees - continued

Reserves policy

The charity's unrestricted reserves consist of two components, namely the general fund, which is available to the charity for its day to day running, and the designated fund, which represents charitable funds which the charity may use and distribute to appropriate charitable purposes agreed by the Trustees. Based on the evaluation of the services The Charity Service provides and the length of time that would be necessary to replace it in its various roles of corporate trustee, grant administrators and charitable fund holders, the Trustees consider that it could take up to 12 months to hand over all those responsibilities should it become necessary and that the charity should therefore hold unrestricted funds in the general fund which are at least equivalent to the budgeted expenditure approved by the Trustees for the following year. The Trustees approved this policy on 2 August 2018. The general fund at 31 March 2019 of £93,692 (2018: £94,170) represents approximately 26 months (2018: 75 months) of budgeted expenditure approved by the Trustees for the following year.

Risk management

The Trustees continue to review the charity's activities to identify the major risks to which it is exposed and the systems established are periodically reviewed to ensure that they are operating effectively and meet the needs of the charity. The last such review took place on 14 November 2019. The principal risks and uncertainties identified during this review were the reliance upon the Company Secretary and the volatility of investments held by the charity. The steps taken by the Trustees to mitigate these risks as far as practicable are to ensure that all payments are actioned by two Trustees, that the reported performance is monitored against both the annual budget and the records held by investment adviser at each Board meeting, that the charity continues to have an annual audit rather than an annual independent examination and that the performance of each of the investment funds is reviewed at each Board meeting.

Structure, governance and management

The Charity Service Limited is a charitable company limited by guarantee. The Charity is governed by its Memorandum and Articles of Association. It is also a Trust Corporation within the meaning of Section 68(18) of the Trustee Act 1925. During the year Richard Dyson (Chairman), Gavin Bushell, Paul Chorlton, John Eckersley, Kathryn Graham and Shazia Nazir served as the Board of Trustees (referred to as the Council of Management).

The Council of Management has legal responsibility for the effective use of resources in meeting the charity's objects and for providing effective leadership and direction. The Trustees meet quarterly and additionally as circumstances require. All Trustees give their time freely and no Trustee has received any remuneration in either this or the preceding year. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest may arise. Responsibility for operational matters and the implementation of policy is delegated to the Company Secretary.

Applications for appointment as a Trustee are openly invited through the existing networks of the Trustees and partner organisations and vacancies are advertised where appropriate. The Trustees, working with the Company Secretary, select, interview and propose suitable candidates for board approval. Appointments are made according to relevant skills, competencies and experience. Appropriate checks and induction are provided into the work of the charity.

The charity acts as sole corporate trustee of several small charities. All Trustees, their families, business partners etc are related parties by definition. Any details of transactions with related parties are disclosed in the financial statements.

Plans for the future

Our strategic goal is to build our services around our core activities – the management of trusts, larger sub trusts and investment portfolios on behalf of donors and the management of small grant programmes. We plan to grow the funds held by increasing the number of sub-trusts and managed trusts to which we provide management services and to increase the number and value of small grants made to charities and community groups. We will also continue to offer advice and support to individual donors to ensure that we are able to meet the needs of the donors on whose behalf we work and to execute their wishes in an effective and efficient manner whilst maintaining our knowledge and support of the third sector.

One of the key discussions at the away day referred to above concerned how to promote the grant programmes and increase spending of charitable funds to public benefit. As a result of the discussions the Trustees agreed that:

The Charity Service Limited

Report of the Trustees – continued

- we would recruit a development worker to be based in the Manchester Area whose responsibility will be to integrate with local voluntary and community organisations and network with health and social care organisations in order to promote the grant programme and facilitate applications to it. The development worker started work in July 2019;
- we would recruit an additional Trustee with either a health or social care background who can bring expertise and experience of areas of need which may need funding and a recruitment exercise is currently in progress;
- we will revise the web-site to highlight the grant programme and showcase case studies of how previous grants have been spent; and
- we will produce an Annual Review for 2019/20 which demonstrates the impact of how the charitable funds have been used.

Funds held as agent

As explained in Note 20, in its previous role as a payroll giving agency, the charity, as agent for HMRC, held balances not yet disbursed to charities. On advice from HMRC the balances at the end of the year of £50,700 were transferred to the unrestricted designated fund.

Funds held as trustee

The Charity Service Limited holds investments on behalf of the sub-trusts and managed trusts for which it acts. Details of the sub-trusts for which these investments are held are set out in Note 18 and details in respect of the managed trusts are set out in Note 21. The investments for each trust are held in a separate portfolio.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of The Charity Service for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

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 auditors are aware of that information.

The Charity Service Limited

Report of the Trustees – continued

Auditors

Ashby Berry Coulsons Limited is deemed to be re-appointed under section 487(2) of the Companies Act 2006. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. TCS is still a small company although now a larger charity.

Signed on behalf of the Trustees on 18th November 2019.

.....
L Barker – Secretary

Report of the Independent Auditors to the members of The Charity Service Limited

Opinion

We have audited the financial statements of The Charity Service Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. 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 our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the members of The Charity Service Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of trustees' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees

Responsibilities of trustees

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 and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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.

Our 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 a Report of the independent auditors 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. This description forms part of our Report of the independent auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Jones FCA (Senior Statutory Auditor)
for and on behalf of Ashby Berry Coulsons Limited
Statutory Auditor
2 Belgrave Crescent
Scarborough
North Yorkshire
YO11 1UB

Date:

The Charity Service Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2019**

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Income from:					
Charitable activities					
Management services	2	18,539	-	18,539	20,957
Other income		29	-	29	5,366
Investments					
Income from investments	3	3,574	36,019	39,593	31,557
Donations					
Donations	4	<u>54,241</u>	<u>1,266,540</u>	<u>1,320,781</u>	<u>504,244</u>
Total income		<u>76,383</u>	<u>1,302,559</u>	<u>1,378,942</u>	<u>562,124</u>
Expenditure on:					
Raising funds	5	585	8,764	9,349	10,723
Charitable activities					
Grants made		6,666	106,397	113,063	57,888
Management services		<u>18,516</u>	<u>12,172</u>	<u>30,688</u>	<u>35,405</u>
Total expenditure		<u>25,767</u>	<u>127,333</u>	<u>153,100</u>	<u>104,016</u>
Operating result for the year before gains/losses on investments		50,616	1,175,226	1,225,842	458,108
Net gains/losses on investments	13	<u>985</u>	<u>48,237</u>	<u>49,222</u>	<u>(37,689)</u>
Net income	9	51,601	1,223,463	1,275,064	420,419
Transfers between funds		=	=	=	=
Net income and net movement in funds		51,601	1,223,643	1,275,064	420,419
Reconciliation of funds					
Total funds brought forward		<u>322,625</u>	<u>1,701,118</u>	<u>2,023,743</u>	<u>1,603,324</u>
Total funds carried forward		<u>374,226</u>	<u>2,924,581</u>	<u>3,298,807</u>	<u>2,023,743</u>

The Charity Service Limited (Registered number: 02538910)

Balance Sheet
at 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	12	-	-
Investments	13	2,619,312	1,707,316
Current assets			
Debtors	14	11,197	6,490
Investments	15	118,921	48,417
Cash at bank and in hand		<u>559,401</u>	<u>267,677</u>
		689,519	322,584
Creditors			
Amounts falling due within one year	16	<u>(10,024)</u>	<u>(6,157)</u>
Net current assets		<u>679,495</u>	<u>316,427</u>
Total assets less current liabilities		<u>3,298,807</u>	<u>2,023,743</u>
Net assets		<u>3,298,807</u>	<u>2,023,743</u>
Funds	17		
Unrestricted funds		374,226	322,625
Restricted funds		<u>2,924,581</u>	<u>1,701,118</u>
Total funds		<u>3,298,807</u>	<u>2,023,743</u>

The financial statements were approved by the Board of Trustees on 18th November 2019 and were signed on its behalf by:

.....
R G Dyson –Trustee

The Charity Service Limited

**Cash Flow Statement
for the year ended 31 March 2019**

	Note	2019 £	2018 £
Cash flow from operating activities			
Cash generated from operations	1	<u>(56,811)</u>	<u>(11,207)</u>
Net cash provided by (used in) operating activities		<u>(56,811)</u>	<u>(11,207)</u>
Cash flows from investing activities			
New sub-trust capital introduced		1,250,000	-
Transfers to investment portfolio		(1,000,000)	(50,000)
Transfers from investment portfolio		60,964	38,277
Dividends received		<u>37,841</u>	<u>42,156</u>
Net cash provided by (used in) investing activities		<u>348,535</u>	<u>30,433</u>
Change in cash and cash equivalents in the reporting period		291,724	19,226
Cash and cash equivalents at the beginning of the reporting period		<u>267,677</u>	<u>248,451</u>
Cash and cash equivalents at the end of the reporting period		<u>559,401</u>	<u>267,677</u>

Note to the cash flow statement

1. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	1,275,064	420,419
Adjustments for:		
New sub-trust capital introduced as investments	(1,250,000)	(482,420)
Investment fees paid from cash accounts with investment manager	8,278	7,724
Investment income held in brokers cash	(2,250)	-
Depreciation charge	-	268
Losses (gains) on investments	(49,222)	37,689
Dividends received	(39,593)	(31,557)
Decrease (increase) in debtors	(2,955)	40,606
(Decrease) increase in creditors	<u>3,867</u>	<u>(3,935)</u>
Net cash provided by (used in) operating activities	<u>(56,811)</u>	<u>(11,207)</u>

The Charity Service Limited

Notes to the Financial Statements

1. Accounting policies

General information

The Charity Service Limited is a charitable private company limited by guarantee incorporated in England and Wales. In addition, it is a Trust Corporation within the meaning of Section 68(18) of the Trustee Act 1925. Every member of the charitable company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to benefit any charitable institutions or charitable purposes by provision of advice and assistance

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

Having considered the level of funds held and the expected level of income and expenditure for the next 12 months, the Trustees have, at the time of approving these financial statements, a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparation of these accounts.

Judgements and key sources of estimation uncertainty

The Trustees consider that no judgements, apart from those involving estimates, have been made in the process of applying the above accounting policies which have had a significant effect on amounts recognised in the financial statements.

The Trustees consider that no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date have been made which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Funds

Unrestricted funds comprise the general fund and the designated funds. The general fund is available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. The designated funds represent charitable funds which the charity may use and distribute to appropriate charitable purposes agreed by the Trustees. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The Charity Service Limited

Notes to the Financial Statements - continued

1. Accounting policies – continued

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income

Voluntary income usually consists of small donations which are accounted for when received. The charity is not a legacy seeking organisation but will account for any legacies on the basis that entitlement is taken as the earlier of the charity being notified of an impending distribution or the legacy being received.

Investment income receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income from charitable activities

Income from fees for accounting and management services is recognised when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. Non-staff costs are allocated directly to the applicable expenditure heading and staff costs are apportioned on the basis of time spent.

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grants are voluntary payments made to charitable institutions. Grants nominated by donors are accounted for when they are paid. Expenditure on other grants is included when the grants have been approved and any conditions attached by the trustees have been satisfied.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Recognised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

The Charity Service Limited

Notes to the Financial Statements - continued

1. Accounting policies – continued

Tangible fixed assets

Fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis at the following annual rates.

Computer equipment	33 1/3%
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Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value, which is taken as the market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Cash held by investment managers is classified as current asset investments.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity contributes to a defined contribution workplace pension plan for the benefit of its employees. Contributions are charged to the statement of financial activities in the period to which they relate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

The Charity Service Limited

Notes to the Financial Statements - continued

2. Charitable activities

	Unrestricted funds £	Restricted funds £	Total funds £
Management services	18,539	-	18,539
Other income	<u>29</u>	=	<u>29</u>
	<u>18,568</u>	=	<u>18,568</u>
 <i>Year ended 31 March 2018</i>			
Management services	20,957	-	20,957
Other income	<u>5</u>	<u>5,361</u>	<u>5,366</u>
	<u>20,962</u>	<u>5,361</u>	<u>26,423</u>

3. Investment income

	Unrestricted funds £	Restricted funds £	Total funds £
Income from investment portfolio	<u>3,574</u>	<u>36,019</u>	<u>39,593</u>
 <i>Year ended 31 March 2018</i>			
Income from investment portfolio	<u>3,793</u>	<u>27,764</u>	<u>31,557</u>

4. Donations

	Unrestricted funds £	Restricted funds £	Total funds £
Donations (see note 20)	54,241	16,540	70,781
New sub trust capital introduced	=	<u>1,250,000</u>	<u>1,250,000</u>
	<u>54,241</u>	<u>1,266,540</u>	<u>1,320,781</u>
 <i>Year ended 31 March 2018</i>			
Donations	2,959	18,865	21,824
New sub trust capital introduced	=	<u>482,420</u>	<u>482,420</u>
	<u>2,959</u>	<u>501,285</u>	<u>504,244</u>

5. Total expenditure

		Unrestricted funds £	Restricted funds £	Total funds £
Raising funds	Note 6	585	8,764	9,349
Grants payable	7	6,666	106,397	113,063
Management services	8	<u>18,516</u>	<u>12,172</u>	<u>30,688</u>
		<u>25,767</u>	<u>127,333</u>	<u>153,100</u>
 <i>Year ended 31 March 2018</i>				
Raising funds	6	1,074	9,649	10,723
Grants payable	7	2,865	55,023	57,888
Management services	8	<u>20,156</u>	<u>15,249</u>	<u>35,405</u>
		<u>24,095</u>	<u>79,921</u>	<u>104,106</u>

The Charity Service Limited

Notes to the Financial Statements - continued

6. Raising funds

	Unrestricted funds £	Restricted funds £	Total funds £
Staff costs (note 11)	520	-	520
Other costs			
Portfolio management fees	<u>65</u>	<u>8,764</u>	<u>8,829</u>
	<u>585</u>	<u>8,764</u>	<u>9,349</u>
<i>Year ended 31 March 2018</i>			
Staff costs (note 11)	459	-	459
Other costs			-
Portfolio management fees	<u>615</u>	<u>9,649</u>	<u>10,264</u>
	<u>1,074</u>	<u>9,649</u>	<u>10,723</u>

7. Grants payable

	Unrestricted funds £	Restricted funds £	Total funds £
Grants made	6,666	104,954	111,620
Support costs	-	<u>1,443</u>	<u>1,443</u>
	<u>6,666</u>	<u>106,397</u>	<u>113,063</u>
<i>Year ended 31 March 2018</i>			
Grants made	<u>2,865</u>	<u>55,023</u>	<u>57,888</u>

Grants paid to institutions were as follows:

	Number of grants 2019	Total awarded 2019 £	Number grants 2018	Total awarded 2018 £
Manchester Cathedral Development Project	1	1,500	1	1,500
Contact Hostel	1	1,000	1	500
Royal Manchester Children's Hospital	2	13,330	-	-
Network for Social Change	3	17,600	-	-
Lifelites	1	1,500	-	-
RNLI	1	30	-	-
Barnado's	1	50	-	-
Zedek UK	1	66	-	-
Boy's Town Jerusalem	1	50	-	-
Crisis	1	100	-	-
RNIB	1	40	-	-
Funderbirds	1	7,500	-	-
Indiashare	1	30,000	-	-
Abortion Support Network	<u>1</u>	3,000	-	-
University of Sussex - Human Rights and Nursing Award	-	-	1	21,000
Salvation Army	-	-	4	4,088
Christians against Poverty	-	-	1	1,000
Barnabus, Manchester	-	-	1	1,000
The Church on the Brow	-	-	1	1,000
Holcombe Brooke Methodist Church Youth Worker Fund	-	-	1	1,000
Christies Ovarian Cancer Research	-	-	1	1,000
British Heart Foundation	-	-	1	1,000
Rheumatism and Arthritis Research Council	-	-	1	1,000
TEAR Fund	-	-	1	1,000
Water Aid	-	-	1	1,000
Transporting Ugandan Sick Children (TUSC)	-	-	1	1,000
The Bible Society	-	-	1	1,000
Jews for Jesus	-	-	1	1,000
Lennox Children's Charity	-	-	<u>1</u>	<u>1,000</u>
	<u>17</u>	<u>75,766</u>	<u>20</u>	<u>40,088</u>

In addition, 22 grants totalling £18,600 (2018:17 grants totalling £17,800) were paid from The Dick Camplin Educational Trust to individuals. Grants totalling £17,254 were paid to the 2 recipients of the Human Rights and Nursing Awards (2018: payment was to the University of Sussex).

The Charity Service Limited

Notes to the Financial Statements - continued

8. Management services

	Unrestricted funds £	Restricted funds £	Total funds £
Direct costs			
Staff costs (note 11)	7,801	-	7,801
Support costs			
Staff costs (note 11)	2,081	-	2,081
Management costs	-	11,958	11,958
Computer costs	1,157	-	1,157
Office costs	1,319	-	1,319
Other sundry costs	<u>1,648</u>	<u>214</u>	<u>1,862</u>
	6,205	12,172	18,377
Governance costs			
Audit fees – current year	4,000	-	4,000
Audit fees – prior year	<u>510</u>	=	<u>510</u>
	<u>4,510</u>	=	<u>4,510</u>
	<u>18,516</u>	<u>12,172</u>	<u>30,688</u>
	£	£	£

Year ended 31 March 2018

Direct costs			
Staff costs (note 11)	6,891	-	6,891
Support costs			
Staff costs (note 11)	1,838	-	1,838
Management costs	-	14,899	14,899
Computer costs	3,267	-	3,267
Office costs	1,506	-	1,506
Other sundry costs	<u>1,164</u>	<u>350</u>	<u>1,514</u>
	7,775	15,249	23,024
Governance costs			
Audit fees – current year	3,540	-	3,540
Audit fees – prior year	<u>1,950</u>	=	<u>1,950</u>
	<u>5,490</u>	=	<u>5,490</u>
	<u>20,156</u>	<u>15,249</u>	<u>35,405</u>

9. Net income (expenditure)

Net income/(expenditure is stated after charging:

	2019	2018
	£	£
Audit fees – current year	4,000	3,540
Audit fees – prior year	510	1,950
Depreciation – owned assets	-	268

10. Trustees' remuneration and benefits and expenses

No Trustee received or waived any remuneration or other benefits for the year ended 31 March 2019 (2018: none).
One Trustee received £117 (2018: £79) for out of pocket expenses

The Charity Service Limited

Notes to the Financial Statements - continued

11. Staff costs

	2019	2018
	£	£
Salaries	9,906	9,315
Pensions costs	496	474
Pensions over-accrual in previous year	-	(601)
Total key management personnel remuneration	<u>10,402</u>	<u>9,188</u>

The average monthly number of employees during the year was as follows:

	2019	2018
Part time	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

Total staffing is approximately 0.15 full time equivalent.

12. Tangible fixed assets

	Computer Equipment £
Cost	
At 1 April 2018 and 31 March 2019	<u>802</u>
Depreciation	
At 1 April 2018 and 31 March 2019	<u>802</u>
Net book amount	
At 1 April 2018 and 31 March 2019	<u>£Nil</u>

13. Fixed asset investments

	Listed investments	
	2019	2018
	£	£
Market value		
At 1 April	1,707,316	1,300,507
Additions at cost	968,623	1,241,253
Carrying value of investments sold	(102,625)	(813,452)
Unrealised gains (losses)	<u>45,998</u>	<u>(20,992)</u>
At 31 March	<u>2,619,312</u>	<u>1,707,316</u>
	2019	2018
	£	£
Analysis of investments		
UK Equities and Equity Funds	294,625	272,166
Global Equities and Equity Funds	365,460	392,071
UK Fixed Interest	171,288	185,079
Multi-Asset Funds	1,681,018	764,588
Other Assets	28,444	25,099
Direct Property and Funds	<u>78,477</u>	<u>68,313</u>
	<u>2,619,312</u>	<u>1,707,316</u>
	2019	2018
	£	£
Historic cost of investments	<u>2,534,903</u>	<u>1,668,747</u>

The Charity Service Limited

Notes to the Financial Statements – continued

14. Debtors		2019	2018
		£	£
Trade debtors		2,946	-
Other debtors		7,858	6,061
Prepayments and accrued income		<u>393</u>	<u>429</u>
		<u>11,197</u>	<u>6,490</u>
15. Current asset investments		2019	2018
		£	£
Cash accounts with investment manager		<u>118,921</u>	<u>48,417</u>
16. Creditors: amounts falling due within one year		2019	2018
		£	£
Trade creditors		-	-
Social security and other taxes		115	125
Other creditors		2,947	-
Accrued expenses		<u>6,962</u>	<u>6,032</u>
		<u>10,024</u>	<u>6,157</u>
17. Analysis of net assets between funds			
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
<i>As at 31 March 2019</i>			
Fixed assets			
Investments	158,485	2,460,827	2,619,312
Current assets	219,966	469,553	689,519
Current liabilities	<u>(4,225)</u>	<u>(5,799)</u>	<u>(10,024)</u>
	<u>374,226</u>	<u>2,924,581</u>	<u>3,298,807</u>
<i>As at 31 March 2018</i>			
Fixed assets			
Investments	157,500	1,549,816	1,707,316
Current assets	168,977	153,607	322,584
Current liabilities	<u>(3,852)</u>	<u>(2,305)</u>	<u>(6,157)</u>
	<u>322,625</u>	<u>1,701,118</u>	<u>2,023,743</u>

The Charity Service Limited

Notes to the Financial Statements - continued

18. Movement in funds

	At 1 April 2018 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	At 31 March 2019 £
Unrestricted funds						
General fund	94,170	18,569	(19,047)	-	-	93,692
Designated funds						
Trustees' discretionary	<u>228,455</u>	<u>57,814</u>	<u>(6,720)</u>	<u>985</u>	=	<u>280,534</u>
Total unrestricted funds	322,625	76,383	(25,767)	985	-	374,266
Restricted funds						
The Human Rights & Nursing awards	676,029	16,320	(24,239)	9,339	-	677,449
George James Pennington Bequest	489,220	9,870	(11,790)	2,617	-	489,917
Martin Family Charitable Trust	23,065	471	(502)	116	-	23,150
Dick Camplin Educational Trust	11,152	16,541	(19,313)	-	-	8,380
Gables End Trust	451,680	9,329	(65,269)	11,998	-	407,738
Castlefield	4,046	-	(1,500)	-	-	2,546
Charity Cheque Accounts	45,926	-	(847)	-	-	45,079
Earthsong	-	1,250,000	(3,845)	24,167	-	1,270,322
L&N/Rustin	=	28	(28)	=	=	=
Total restricted funds	<u>1,701,118</u>	<u>1,302,559</u>	<u>(127,333)</u>	<u>48,237</u>	-	<u>2,924,581</u>
Total funds	<u>2,023,743</u>	<u>1,378,942</u>	<u>(153,100)</u>	<u>49,222</u>	=	<u>3,298,807</u>
<i>Year ended 31 March 2018</i>						
Unrestricted funds						
General fund	87,887	20,963	(20,680)	-	6,000	94,170
Designated funds						
Trustees' discretionary	162,880	3,886	(550)	(829)	63,068	228,455
Jack Goldberg	-	2,865	(2,865)	-	-	-
Total designated funds	<u>162,880</u>	<u>6,751</u>	<u>(3,415)</u>	<u>(829)</u>	<u>63,068</u>	<u>228,455</u>
Total unrestricted funds	<u>250,767</u>	<u>27,714</u>	<u>(24,095)</u>	<u>(829)</u>	<u>69,068</u>	<u>322,625</u>
Restricted funds						
The Human Rights & Nursing Awards	701,309	16,871	(28,008)	(11,643)	(2,500)	676,029
George James Pennington Bequest	488,237	8,774	(3,908)	(1,383)	(2,500)	489,220
Martin Family Charitable Trust	36,161	661	(13,074)	(183)	(500)	23,065
Dick Camplin Educational Trust	11,437	18,865	(18,650)	-	(500)	11,152
Gables End Trust	-	483,676	(8,513)	(23,483)	-	451,680
Castlefield	5,546	-	(1,500)	-	-	4,046
Charity Cheque Accounts	77,506	-	(562)	-	(31,018)	45,926
Lister & Nellan	2,516	31	(443)	(68)	(2,036)	-
Rustin	10,016	171	(846)	(100)	(9,241)	-
Redvar	17,470	-	-	-	(17,470)	-
My gift	(2,058)	5,361	-	-	(3,303)	-
Susie Baxter	<u>4,417</u>	=	<u>(4,417)</u>	=	=	=
Total restricted funds	<u>1,352,557</u>	<u>534,410</u>	<u>(79,921)</u>	<u>(36,860)</u>	<u>(69,068)</u>	<u>1,701,118</u>
Total funds	<u>1,603,324</u>	<u>562,124</u>	<u>(104,016)</u>	<u>(37,689)</u>	=	<u>2,023,743</u>

The Charity Service Limited

Notes to the Financial Statements - continued

18. Movement in funds – continued

Purposes of funds

Grants made from restricted funds are paid to recipients nominated by the donors.

Recipients of grants from designated funds are selected by the trustees of The Charity Service Limited, usually in response to applications from other charitable institutions.

The general fund receives its income from the fees charged by The Charity Service Limited and provides the resources to support the running of the charity.

Transfers between funds

There were no transfers between funds in the current year.

19. Related party disclosures

Mr J S Eckersley, a Trustee, is a partner in Castlefield Investment Partners LLP, with which the charity places its own investment business and the investment business of several charitable trusts managed by the charity and for which the charity is the sole trustee. During the year ended 31 March 2019, Castlefield Investment Partners LLP received investment management charges of £8,829 (2018: £10,264) and also collected contract charges of £750 (2018: £4,457). The contract charges related to fixed per-bargain settlement costs on investment sales of £125,663 (2018: £2,524,372) and purchases of £966,749 (2018: £2,617,436). The level of sales and purchases during the previous year was more significant than has typically been the case as the trustees decided to take advantage of the opportunity to consolidate a number of individual investments into a new collective investment fund, which was available during a limited offer period during the year.

20. Funds held as agent

In its previous role as a payroll giving agency, The Charity Service Limited, as agent for HMRC, held balances not yet disbursed to charities. On advice from HMRC the balances at the end of the year of £50,700 were transferred to the Trustees discretionary fund. The balances still held at 31 March 2019 amounted to £48 (2018: £53,310) these amounts did not appear on the balance sheet.

21. Funds held as trustee

The Charity Service Limited acts as sole trustee for the following charitable trusts.

Name	Registered Charity number	Objects
Chronicle Cinderella Home Fund	233536	Providing convalescent or recuperative holidays for sick and convalescent children of poor persons
Manchester and Salford Medical Charities Fund	223079	The trust makes grants to charities in the Manchester and Salford area, particularly for the provision of comforts, amenities and assistance to the poor, the sick and the infirm
David Budenberg Charitable Trust	1006640	Grant making
The Richard Budenberg Charitable Trust	267673	Awards grants to charities

In this capacity, it is the custodian trustee for the investment portfolios held by the above trusts and managed By Castlefield Investment Partners LLP.