

THE CHARITY SERVICE LIMITED

A company limited by guarantee and a registered charity

Reports and Financial Statements for the year ended 31 March 2011

The Charity Service Limited

Reports and financial statements for the year ended 31 March 2011

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The Charity Service Limited
Legal and administrative information

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Registration

Charity registration number 1011293
Company registration number 2538910

Trustees

Gavin R Bushell LL.B
Paul A Chorlton FCCA
Richard G Dyson MA FCA – Chairman
John S Eckersley BA (Hons) MBA Chartered FCSI
Lesley Doran CPA (appointed 25 May 2011)

Chief executive and Company Secretary

Catherine Stuart-Jervis MA (appointed 11 April 2011)
Michael Colin FCA (retired 31 May 2011)

Registered office and place of business

3rd Floor, 64 Bridge Street, Manchester M3 3BN

Independent Auditors

Haines Watts (Lancashire) LLP, 3rd Floor, Northern Assurance Buildings, Albert Square,
9-21 Princess Street, Manchester M2 4DN

Bankers

The Royal Bank of Scotland plc, St Ann Street, Manchester M60 2SS
Yorkshire Bank, 9/11 Yorkshire Street, Rochdale OL16 1BL
Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB
Zenith Bank (Sierra Leone) Limited, 18-20 Rawdon Street, Freetown, Sierra Leone

Legal advisers

Cobbetts LLP, 58 Mosley Street, Manchester, M2 3HZ

Investment advisers

Castlefield Investment Partners LLP, 1 Portland Street, Manchester M1 3BE

What we do

We provide services to other charities and voluntary organisations and their supporters to help them take advantage of incentives provided by Government in a relevant, cost effective way. This is mainly by providing solutions to charities and their donors in the collection and distribution of funds which attract tax reliefs in the UK.

Some of the ways in which we achieve these objectives are:

By acting as a corporate trustee to a number of charitable trusts to provide continuity, experience and ensure regulatory compliance.

We offer 'back office' services to charities, giving them direct access to our dedicated charity accounting systems with the security systems already established.

By sharing our expertise and experience in governance, risk assessment/management and trust administration and share those skills with other charities.

By sharing our considerable experience in administering grant-making trusts on behalf of benefactors either with their involvement or autonomously.

By offering traditional services such as Gift Aid recovery and savings accounts, payroll giving administration, personal and corporate charitable trust creation and assisting web based fund raising with an exclusively charitable background.

In each of the last 10 years, The Charity Service has distributed over £1,000,000 to charities on behalf of donors and settlors. In the year under review it distributed £1,595,278 whilst the comparative figure in 2010 was £1,140,751.

Our legal status

The Charity Service is a company limited by guarantee. It is also registered as a charity with The Charity Commission in England and Wales. In addition, it is a Trust Corporation within the meaning of section 68(18) Trustee Act 1925.

How we work

Being a Charity and, understanding the current and changing legislation and social and economic environment in which we work, we seek to deliver secure, cost effective, up to date and relevant solutions to the charities we serve as well as the people who work to support those charities financially.

We aim to cover our costs each year and to remain sustainable, rather than to accumulate reserves. We pay no bonuses to staff and have no shareholders to whom we need to pay dividends.

I reflected last year on emerging concerns for the sector in the then economic climate. These challenges have continued into the current year and are, perhaps, more relevant than ever before. Many charities and community groups are facing cuts in public spending support and are seeing a decline in the amount of donations. In addition, emerging technology and online donating, combined with more aggressive marketing techniques, mean that large national charities have the resources to take improved advantage of available funding. As a relatively small charity, we recognised that we needed to review our vision and mission to focus our activity to help smaller charitable organisations to encourage donations and make more of every gift.

In response, we have undertaken a strategic review and have agreed three main aims for the coming year. We are looking to increase the impact of our services through marketing and partnership working – making it easier to access our services. In addition we are seeking to utilise our unique position to create links and networks between businesses and charitable organisations as part of the emerging corporate social responsibility agenda. Thirdly, we have recognised that we shall need to modify and integrate our expanding range of services to reflect and respond to current need.

We have invested in developing new services that allow charities to utilise online donating and help them with financial management systems that do not require them to utilise their own funds to set up. In addition we can offer expert and assured help to receive and process donations taking advantage of government incentives. We also continue to offer advice and support to donors to make the most of their gift and to access our unique links into the third sector. We are very proud that The Charity Service is able to respond positively and flexibly to the changing government landscape.

At the same time we recognise that, whilst we do not seek to accrue reserves, we need to ensure our own sustainability. We have therefore improved our systems and our fee based services offered to organisations and individuals to set up and manage trusts effectively using our own charitable status and the advantages this brings in terms of cost and assurance. We have also expanded the range and dynamism of our payroll giving services to make them more attractive and flexible and are looking to work in partnership with businesses to advance their corporate social responsibility agenda priorities, utilising our unique infrastructure and position that crosses sectors. This is very much in line with Big Society thinking.

As Chairman, I have recognised that we need to improve our public profile and, to this end, we have been extremely lucky that Mr Arthur Burden OBE and Mr Afzal Khan CBE have agreed to become Patrons for The Charity Service to help us. Arthur, a previous Chairman of The Charity Service, is a committed enthusiast for the charitable sector and Afzal brings a wealth of experience both in the charitable sector and as a previous Lord Mayor of Manchester. I am grateful to both gentlemen for taking on this role and for agreeing to help us to promote our services as widely as possible.

It has been a busy year and I would like to thank the board of trustees for their continued support and expertise and to welcome Lesley Doran who joins us this year. As noted in the Trustees' Report, we have recently changed our Chief Executive and I would like to thank our retiring Chief Executive, Michael Colin, whose hard work and skill has refined our IT systems to enable us to move forward fit for purpose, and to welcome Catherine Stuart-Jervis who comes to us with a broad background in charity management and governance.

Whilst I recognise that there are challenges to our organisation, I am confident that we have a clear plan and a skilled and committed staff and trustee team that will steer us towards achieving our overall vision which is to help support a diverse and thriving third sector.



RG Dyson
Chairman
13 December 2011

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and the financial statements for the year ended 31 March 2011. The legal and administrative information on page 2 forms part of this report. The financial statements are prepared to comply with current statutory requirements, the company's Memorandum and Articles of Association and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

The Board

During the year Richard Dyson, Gavin Bushell, John Eckersley and Paul Chorlton served as the Board of Trustees (referred to as the Council of Management in the Memorandum of Association). In May 2011 Lesley Doran was elected to the Board as an additional Trustee. Her experience and skills will complement those of the existing Trustees and she is a very welcome new Board member.

Organisational structure and decision-making

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. It meets quarterly as a matter of course and additionally when circumstances require.

All Trustees give of their time freely and no Trustee has received any remuneration or claimed reimbursement of expenses either in this or the preceding year. Trustees are required to disclose all relevant interests to the other Trustees and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest may arise.

Responsibility for day-to-day management matters and the implementation of policy is delegated to the Chief Executive, who is supported by a small team. The Chief Executive reports regularly to Trustees and meets with the Chairman between meetings.

During the year both the Trustees and our Chief Executive recognised that his experience and skill set, which had brought the charity's administration systems and performance significantly forward, were not appropriate for the development of new services and marketing the strengths and experience of The Charity Service. By mutual agreement, they initiated a search for a new Chief Executive and recruited Catherine Stuart-Jervis, who succeeded Michael Colin on 11 April 2011.

The Trustees are grateful to Michael for all his hard work on behalf of The Charity Service both as Chief Executive and, prior to that appointment, as Trustee. Catherine has considerable experience in the third sector and the Trustees consider that her appointment will enable The Charity Service to face the challenges and opportunities facing it with confidence.

Appointment of Trustees and Induction

Applications for appointment as a Trustee are currently invited through the existing networks of the trustees who, with the involvement of the Chief Executive, select, interview and propose suitable candidates for the role of Trustee to the whole Board for approval. Appointments are made according to relevant skills, competencies and experience. Appropriate induction is provided into the work of The Charity Service as new Trustees are recruited.

Employees

The staff of the Charity play a key role in the success of the organisation and the Trustees are proud of their excellent work and the strong relationship that they have built with users of our service. The Trustees are committed to supporting and managing our staff effectively.

Risk management

An in depth risk assessment was carried out in November 2006 and any steps felt necessary were implemented. This exercise was repeated in May 2010 and again any steps felt necessary were implemented. A disaster recovery assessment was undertaken in March 2011. Based on these assessments, the Trustees believe that robust systems exist, particularly as the computer server containing core data has been outsourced to a highly respected provider with strong security provisions which a small organisation would have difficulty in affording. A Business Continuity Plan runs in parallel from 2011 which will be updated annually along with a Risk Register to provide added assurance. Staff are required to undertake Home Risk Assessments to comply with our duty of care.

Objectives and activities for the public benefit

As determined by its Memorandum of Association, the principal objectives of The Charity Service are "to benefit any charitable institutions or charitable purposes wheresoever the same shall be established by provision of advice and assistance".

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Net income of the Designated fund is available for grants at the discretion of the Trustees who give priority to charities providing services to children and those concerned with disability. Any benefit received by the charities to which grants are made from the Designated fund is purely incidental to the objects of The Charity Service. Grants from Restricted funds are made in accordance with the wishes of the donor of the funds or the criteria contained in the governing documents of closed charities, which transferred their assets to this charity.

Strategic goals

We have undertaken a Strategic Review to reassess our service provision, mission and sustainability. The Trustees have agreed a one year plan to be reviewed in May 2012.

The plan sets out our clear intentions to continue to provide assured services to charities and donors and to increase both the range and accessibility of our services. In addition we have a clear strategy to integrate our service systems to ensure we have robust and automated practices that make us fit for purpose. We have agreed to invest in upgrading some of our IT capabilities to achieve this aim.

Further to this we have developed a marketing strategy with two clear objectives – firstly, to ensure that charities and donors alike are aware of the services we offer and the advantages of working with us and, secondly, to try to secure further fee paying customers to reach the proposed income targets within the strategic plan.

We shall also continue to be environmentally aware by adding to the steps we have already taken, which include:

- Recycling wherever possible – and we recognise that this does at times have some cost implication especially in time committed to sorting waste, and
- Endeavouring to reduce paper usage further. We are already communicating and storing as many of our documents electronically as possible.

Achievements and performance

The biggest single change that has been made in the year has been to vacate our offices and move to a single work desk in central Manchester, which is staffed on a rota basis. The benefits have been:-

- a modern, dynamic and cost effective model for charity management
- reduction in accommodation costs;
- transfer of our server to a professionally managed centre resulting in increased security and benefiting from the high level of off site backup.
- staff enjoying working predominantly from home.
- environmental improvement by:-
 - a) reducing staff travel of some 20,000 miles each year; and
 - b) less paper used by scanning documents for sharing and electronic communication

We are pleased to have maintained our service levels in that:

- All properly identified charitable funds received by the end of the working month for distribution are sent to the beneficiary charities by the tenth working day of the following month.
- Charities are notified electronically of the donations they are to receive and the donors' names (except where anonymity is requested) - without charge to the charity.
- All payments are made electronically with significant improvement in both efficiency and internal control. The last full year in which we used cheques, we issued more than 4,850. This involved envelopes, postage and people time, Trustee signing and staff packing envelopes. In 2010/11 we issued fewer than 50 cheques and those were mainly to beneficiaries of grants that we awarded.
- We have increased the range of governance services and support offered to charities. We have put this into practice with recommendations to charities overseas.

The lunch meetings were launched as anticipated and have raised our profile in the professional community of Greater Manchester.

Plans for future periods

We continue to seek additional ways of generating revenue to The Charity Service which will, at the same time, meet with our vision and mission. Included in this is the need to increase the volume of donations and remunerated charitable activity from our existing clients. Our Trustees, staff and supporters are all working hard to the same end.

Reserves and reserves policy

The reserves consist of three components, namely the *General fund* which is available to The Charity Service for its day to day running, the *Designated fund* which represents a legacy to The Charity Service for its own use as well as distribution to appropriate charitable causes by the Trustees and the *Restricted fund* which are funds held by the Charity to be applied in specific ways identified by the donor.

The Trustees consider that, based on an 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, project supervisors and charitable fund holders, it would take up to 18 months to hand over all those responsibilities should it become necessary and, whilst costs would be reduced, the charity should hold unrestricted funds, i.e. the General fund and the Designated fund, equivalent to 12 - 15 months budgeted expenditure approved by the Trustees for the following year. The Trustees adopted this policy on 7 August 2010 and review the policy annually to reassess the risks and reflect changes in the environment in which the Charity is operating and, for the purposes of assessing this risk based reserves policy, include both general and designated reserves in the calculation. The Trustees reviewed this policy and confirmed that it remains appropriate on 9 August 2011.

The unrestricted funds at 31 March 2011 of £396,955 (2010 - £367,908) represent approximately 28 (2010 - 27) months of budgeted expenditure approved by the Trustees for the following year.

Related parties

The Charity Service acts as sole corporate trustee of several small charities. It is also a member of appropriate professional and voluntary sector bodies. All Trustees, their families, business partners etc. are related parties by definition. Details of transactions with related parties are disclosed in note 8 to the financial statements.

Investment policy and returns

Under its Memorandum of Association, The Charity Service 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 charitable investments. The Charity Service's fixed asset investments are divided between those predominantly seeking income plus capital protection and those for seeking more of a balance between profit income and long term capital growth. During 2011 - 2012 a formal policy of short term money management will be developed to reflect the Trustees' concern not to expose funds to risk at any time.

Trustees' responsibilities

The Trustees, in their capacity as Directors, are responsible for preparing the Trustees' annual report, the Chairman's statement and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities 2005;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006;
- safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- the maintenance and integrity of the corporate and financial information included in the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Charity Service Limited
Report of the Trustees for the year ended 31 March 2011

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Auditor

Haines Watts (Lancashire) LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

A handwritten signature in black ink, reading "Catherine Stuart-Jervis". The signature is written in a cursive style with a large, prominent initial 'C'.

Catherine Stuart-Jervis MA
Company Secretary
13 December 2011

We have audited the financial statements of The Charity Service Limited for the year ended 31 March 2011 set out on pages 11 to 21. 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).

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 charity company's members those matters we are required to state to them in an auditor's 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011, 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, the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

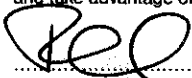
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


.....
Fiona Cresswell FCA
Senior Statutory Auditor

For and on behalf of:

Haines Watts (Lancashire) LLP, Statutory Auditor

3rd Floor, Northern Assurance Buildings, Albert Square, 9 - 21 Princess Street, Manchester M2 4DN

13 December 2011

The Charity Service Limited

Statement of financial activities for the year ended 31 March 2011

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	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations	2	127,753	16,050	143,803	69,869
<i>Activities for generating funds</i>					
Investment income	3	9,133	16,655	25,788	26,537
Incoming resources from charitable activities					
Donations	4	25,382	1,544,975	1,570,357	798,878
Accounting and management services		28,510	-	28,510	39,915
Payroll giving agency services		7,071	-	7,071	5,772
Total incoming resources		197,849	1,577,680	1,775,529	940,971
Resources expended					
Cost of generating funds		(3,218)	(7,631)	(10,849)	(13,600)
Charitable activities					
Grants		(2,500)	(940,672)	(943,172)	(729,227)
Costs attributable to the administration of voucher accounts and payroll giving schemes, to other grant making and to provision of services to other charities		(163,477)	(26,634)	(190,111)	(187,132)
Governance costs		(15,570)	-	(15,570)	(17,004)
Total resources expended	5	(184,765)	(974,937)	(1,159,702)	(946,963)
Net incoming (outgoing) resources before other recognised gains		13,084	602,743	615,827	(5,992)
Other recognised gains and losses					
Investment gains (losses)		15,963	32,902	48,865	197,554
Transfers between funds	7	-	-	-	-
Net movement in funds		29,047	635,645	664,692	191,562
Fund balances at 1 April 2010		367,908	1,446,295	1,814,203	1,622,641
Fund balances at 31 March 2011	15	396,955	2,081,940	2,478,895	1,814,203

The notes on page 14 to 21 form part of these financial statements

The Charity Service Limited
Balance sheet as at 31 March 2011

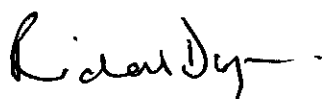
Company Number 2538910

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	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	10	362	878
Investments	11	898,568	848,393
		<u>898,930</u>	<u>849,271</u>
Current assets			
Investments	12	40,828	42,084
Debtors	13	153,897	70,756
Bank and cash balances		1,542,056	1,012,069
		<u>1,736,781</u>	<u>1,124,909</u>
Creditors: amounts falling due within one year	14	(156,816)	(159,977)
Net current assets		<u>1,579,965</u>	<u>964,932</u>
Net assets		<u>2,478,895</u>	<u>1,814,203</u>
Unrestricted funds			
Designated fund	15	365,020	346,671
General fund	15	31,935	21,237
		<u>396,955</u>	<u>367,908</u>
Restricted funds	15	2,081,940	1,446,295
Total funds		<u>2,478,895</u>	<u>1,814,203</u>

These financial statements have been prepared in accordance with the provisions applicable to the small companies regime.

Approved and authorised for issue by the Council of Management on 13 December 2011 and signed on its behalf by



RG Dyson
Chairman

The notes on page 14 to 21 form part of these financial statements

The Charity Service Limited

Income and expenditure account for the year ended 31 March 2011

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		2011	2010
	Notes	£	£
Total income		1,775,529	940,971
Total expenditure	5	(1,159,702)	(946,963)
		<u>615,827</u>	<u>(5,992)</u>
Net gains on investment assets		5,105	1,095
Surplus (deficit) for the year		<u><u>620,932</u></u>	<u><u>(4,897)</u></u>

All income and expenditure was derived from continuing activities and this account includes all realised gains and losses recognised in the year.

The notes on pages 14 to 21 form part of these financial statements.

1 The principal accounting policies are summarised below. These policies have been applied consistently throughout the year and the preceding year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

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

The Designated fund represents legacies to The Charity Service for its own use and for distribution to appropriate charitable causes by the trustees.

The Trustees cannot use restricted funds at their discretion, but must use them for the specific purposes which were the subject of restrictions imposed by the donors.

(c) Incoming resources

Incoming resources are included in the Statement of Financial Activities when the Charity is entitled to receive them and the value, in the case of shares, is based on the most reliable data to calculate or estimate the market value at the date of each donation.

Voluntary income

Voluntary income usually consists of small donations, which are accounted for when received. We are not a legacy seeking organisation but will account for any legacies as soon as we have been able to obtain a reliable estimate of the value of any bequest.

Investment income

Dividends are included in the Statement of Financial Activities when they become due and payable. Interest is accounted for as it accrues.

Income from charitable activities

Donations received as part of the charity's charitable activities are given by participators in the TCS charity voucher scheme. They are accounted for when they are received. Other income resulting from charitable activities is in the form of fees for work done and is included as it is earned.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. The Charity is not registered for VAT, which is included with the item of expense to which it relates as it cannot be recovered.

- i Costs of generating funds consist of expenditure incurred for the purpose of attracting donations, grants and investment income.
- ii Governance costs consist of expenditure incurred in meeting the constitutional and statutory requirements and include the audit fees and costs linked to the strategic management of the Charity.

- iii The Charity's charitable activities consist essentially of normal office routines, carried out by its staff and resulting in benefit for many other charities. A high proportion of total personnel costs and office overheads, including rent, telephone, stationery and IT expenses, are attributable to such activities.
- iv Costs are allocated to categories on a basis which reflects the use of the resource. Very few costs can be allocated directly and most expenditure is allocated on the basis of the estimated staff time devoted to each.
- v Grants are voluntary payments made to charitable institutions. Grants nominated by donors are accounted for when they are paid. Other grants are recorded when they have been approved and any conditions attached by the trustees have been satisfied.

(e) Fixed assets

Tangible fixed assets costing more than £500 are capitalised and stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost on a straight line basis over the expected useful life, which in the case of computer equipment and operating software is believed to be 3 years. All other tangible assets have been written off as having no realisable value.

(f) Investments

Listed investments are stated at market value or the Trustees' estimate of market value, where there are restrictions on disposal or other factors which have made disposals difficult. Unlisted investments are stated at the Trustees' estimate of their market value and provision made for any impairment in value. Net gains and losses are included in the Statement of Financial Activities.

2 Voluntary income: Donations	2011	2010
	£	£
Grants from charitable trusts	8,050	15,063
Corporate donations	8,000	7,141
Sponsorship	5,000	9,000
Legacy received	-	-
Donations from individuals	122,753	38,665
	<u>143,803</u>	<u>69,869</u>
3 Investment income	2011	2010
	£	£
Interest on bank deposits	4,219	2,645
Interest from bonds and bond funds	7,259	7,071
Distributions from equity funds	14,310	16,821
	<u>25,788</u>	<u>26,537</u>
4 Donations resulting from charitable activities	2011	2010
	£	£
Monies received for disbursement to charities nominated by the donors.	1,544,975	778,073
Monies received as contributions to the costs of voucher account administration	25,382	20,805
Shares given for disposal, the proceeds to be disbursed to charities nominated by donors	-	-
	<u>1,570,357</u>	<u>798,878</u>

5 Total resources expended

	Gener- ating funds	Charitable work	Gover- nance	Support costs	2011 Total	2010 Total
	£	£	£	£	£	£
Staff costs	2,297	108,504	8,039	-	118,840	108,705
Travel	-	32,238	-	1,909	34,147	18,962
Management costs	-	16,792	-	12	16,804	26,016
Office occupation	-	-	-	5,335	5,335	7,979
Communications	-	-	-	5,953	5,953	3,626
Audit	-	-	5,100	-	5,100	5,569
Insurance	-	-	-	570	570	703
Promotion	7,876	-	-	3,700	11,576	22,736
Legal fees	-	-	-	-	-	1,898
Accountancy	-	-	-	-	-	-
Equipment and repairs	-	-	-	10,158	10,158	9,331
Miscellaneous	-	-	65	2,587	2,652	867
Bank charges	-	619	-	3,717	4,336	2,560
Depreciation	-	-	-	1,059	1,059	8,784
	<u>10,173</u>	<u>158,153</u>	<u>13,204</u>	<u>35,000</u>	<u>216,530</u>	<u>217,736</u>
Support costs	676	31,958	2,366	(35,000)	-	-
Total costs	<u>10,849</u>	<u>190,111</u>	<u>15,570</u>	<u>-</u>	<u>216,530</u>	<u>217,736</u>
Grants					943,172	729,227
Total resources expended					<u>1,159,702</u>	<u>946,963</u>

Each member of the staff devotes most of his/her time to direct charitable activities, but some smaller proportion of their time to one or more other categories of work. Staff costs have been allocated according to estimates of time spent on each. None of the Charity's other resources is dedicated to any particular category and all expenses are allocated initially to support costs, unless directly attributable to another category. Support costs are allocated in proportion to the staff costs allocated to each of the three functional categories.

Information about grants is provided on pages 20 and 21.

6 Staff

Staff costs were as follows:	2011	2010
	£	£
Salaries	107,740	99,530
Social security costs	10,100	9,150
Temporary agency staff	1,000	25
	<u>118,840</u>	<u>108,705</u>

The average number of employees each year was	<u>5</u>	<u>4</u>
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No employees earned more than £60,000 in the year (2010 - None)

7 Transfers

There have been no transfers between restricted and general reserves in either this or the last accounting years.

8 Trustees' remuneration and related party transactions

No Trustee received or waived any emoluments during the year (2010 - None) nor was any Trustee re-imbursed for any out-of-pocket expenses incurred (2010 - Nil).

Mr J S Eckersley, a Trustee, is a partner in a limited liability partnership with which the Charity places its own investment business and the investment business of several charitable trusts managed by the Charity. The Charity Service Limited is the sole trustee of each of those charitable trusts. The limited liability partnership received no commission in the year (2010 - £0) on transactions which in 2011 had a value of £885,820 (2010 - £419,876).

Mr Gavin Bushell was a partner in Cobbetts LLP, the Charity's lawyers, until 31 January 2011, since which date he has been a consultant to that firm. Neither the firm nor Mr Bushell received any remuneration in 2011 or 2010.

Several Trustees and members of their families use the Charity's services on the same terms as non-related parties.

9 Taxation

The Charity Service Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, providing that they are applied for its charitable objects.

10 Tangible fixed assets - computers

	2011 £	2010 £
Cost		
Brought forward at 1 April 2010	50,601	50,601
Additions	543	-
Carried forward at 31 March 2011	<u>51,144</u>	<u>50,601</u>
Depreciation		
Brought forward at 1 April 2010	49,723	40,939
Charge for the year	1,059	8,784
Carried forward at 31 March 2011	<u>50,782</u>	<u>49,723</u>
Net book value		
At 1 April 2010	<u>878</u>	<u>9,662</u>
At 31 March 2011	<u>362</u>	<u>878</u>

11 Fixed asset investments

	2011 £	2010 £
Market value brought forward at 1 April 2010	848,393	524,388
Carrying value of investments sold	(202,126)	(32,431)
Additions at cost	208,541	154,977
Net investment gains/(losses)	43,760	201,459
Market value carried forward at 31 March 2011	<u>898,568</u>	<u>848,393</u>
The historical cost of the investments (including market value on acquisition of investments acquired for no consideration) was	<u>877,312</u>	<u>842,706</u>

The Charity's fixed asset investments are all held for a total return on both income and capital.

The geographic split of investments is:	2011	2010
	£	£
UK Equity and Equity Funds	605,627	563,355
Global Equity and Equity Funds	31,181	84,576
UK Fixed Interest	203,837	200,462
Multi-Asset Funds	57,923	
	<u>898,568</u>	<u>848,393</u>

Funds held are:

Castlefield UK Equity	547,364	547,436
Premier Castlefield UK ALPHA	35,324	-
Premier Castlefield Smaller Co.	22,939	15,919
Castlefield Global Equity	-	84,576
DB X-Trackers MSCI USA Trn	31,181	-
UK Government stock 5% 2012	40,329	2,119
UK Government stock 5% 2014	60,049	60,508
UK Government stock 8% 2015	11,886	-
UK Government stock 5% 2018	-	52,986
UK Government stock 5% 2021	9,693	9,593
UK Government stock 5% 2025	12,080	11,758
UK Government 3.5% War Stock	3,643	3,555
iShares II FTSE All Stocks Gilts	29,708	29,269
iShares III FTSE UK Gilts	10,517	6,335
Gartmore	25,932	24,339
Premier Castlefield Managed Multi Asset	57,923	-
	<u>898,568</u>	<u>848,393</u>

12 Current asset investments	2011	2010
	£	£
Market value brought forward at 1 April 2010	7,441	12,441
Carrying value of investments sold	-	-
Additions		
Gifts at valuation	-	-
Net investment gains/(losses)	-	(5,000)
Market value carried forward at 31 March 2011	<u>7,441</u>	<u>7,441</u>
Brokers' capital cash accounts	<u>33,387</u>	<u>34,643</u>
Carried forward at 31 March 2011	<u>40,828</u>	<u>42,084</u>

These investments reflect donated shares in AIM companies that are held for sale. The market value at the balance sheet date is based on market price with due consideration given to other information available which could impact on their valuation. The carrying value above represents a discount of £5,682 from the quoted market price being the provision for impairment required to reflect the other market conditions which, in the Trustees opinion, impacts on the realisable value of investments.

13 Debtors	2011	2010
	£	£
Fees receivable	63,981	45,357
Income tax recoverable	85,004	22,030
Other miscellaneous debtors	3,650	350
Accrued investment income	579	579
Prepayments	683	2,440
	<u>153,897</u>	<u>70,756</u>

14 Creditors: amounts falling due within one year	2011	2010
	£	£
Purchase ledger balances	1,280	5,294
Payroll giving agency balances	110,135	110,308
Charities	36,481	34,572
Taxation and social security	2,630	2,867
Other creditors	521	1,416
Accrued expenses	5,769	5,520
	<u>156,816</u>	<u>159,977</u>

15 Movements in funds	General fund	Designated fund	Restricted funds	Total funds 2011	Total funds 2010
	£	£	£	£	£
Brought forward 1 April 2010	21,237	346,671	1,446,295	1,814,203	1,622,641
Income	191,282	6,567	1,577,680	1,775,529	940,971
Expenditure	(182,265)	(2,500)	(974,937)	(1,159,702)	(946,963)
Net investment gains/(losses)	1,681	14,282	32,902	48,865	197,554
Transfers	-	-	-	-	-
Carried forward 31 March 2011	<u>31,935</u>	<u>365,020</u>	<u>2,081,940</u>	<u>2,478,895</u>	<u>1,814,203</u>

Restricted funds represent monies held whilst in transit to the charities nominated by donors through donations.

16 Net assets of the funds	General fund	Designated fund	Restricted funds	Net assets 2011	Net assets 2010
	£	£	£	£	£
Tangible fixed assets	362	-	-	362	878
Fixed asset investments	29,575	264,732	604,261	898,568	848,393
Debtors	68,397	1,664	83,836	153,897	70,756
Current asset investments	14	11,766	29,048	40,828	42,084
Bank	53,375	86,858	1,401,823	1,542,056	1,012,069
Creditors	(119,788)	-	(37,028)	(156,816)	(159,977)
	<u>31,935</u>	<u>365,020</u>	<u>2,081,940</u>	<u>2,478,895</u>	<u>1,814,203</u>

17 Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the beginning or the end of the year.

18 Other activities

In its role as an approved payroll giving agency the charity also collected £630,508 (2010 - £407,732) from donors for disbursement to other charities. The amount disbursed during the year was £630,681 (2010 - £382,489). These transactions are not included in the Statement of Financial Activities.

In the course of managing other trusts we periodically hold funds for them which at the year end amounted to £157,339 (2010 - £340,284). The funds are not included in these financial statements.

Grants payable fall into two broad categories: those which are nominated by donors of funds into a charity voucher account and those which are selected solely by the trustees, usually in response to applications by other charitable institutions. Grants are not ordinarily made to individuals. The total grants falling under each category were as follows:-

	£
Nominated by donors	939,672
Selected by the trustees	<u>3,500</u>
	<u><u>943,172</u></u>

Grants nominated by donors

The total of £939,672 consists of approximately 3,527 individual grants. Although the trustees have to be satisfied that each of these grants will be used for a charitable purpose before it is approved for payment, they are not concerned about the category of charitable activity into which it will fall. The charities which received more than £5,000, the number of individual grants they received and the total to which they amounted were as follows.

	Number of grants	Total received £
Children's Learning Services Sierra Leone	14	217,447
HOPE Sierra Leone	14	120,394
African Solutions to African Problems	3	113,000
Deeper Christian Life Ministry	297	67,221
Sierra Leone Educational Projects	10	17,391
Maccabee Foundation	2	16,112
Friends of Beis Yisroel Trust	8	15,804
Prisoners Families & Friends Service	2	10,271
Holy Trinity Parish Church CE Cowes	2	10,250
Sephardi Congregation of S.Manchester	62	10,211
The Arts & Sports Trust	1	10,000
South Manchester Synagogue	26	9,460
Progetto Continenti	103	7,796
Federation of Jewish Services	96	7,331
BFO Midreshet HaRova	4	7,001
Prison Advice and Care Trust	2	6,000
FO Bethlehem University	2	6,000
The Cambridge Nazareth Trust	2	6,000
CAFOD	7	5,975
Yeshurun Hebrew Congregation	30	5,752
UJIA United Jewish Israel Appeal	35	5,205
	<hr/>	
	722	674,621
Others less than £5,000	2,805	265,051
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	3,527	939,672

Grants selected solely by the trustees

The trustees do not make grants out of the general fund, only from the designated fund and two restricted funds. Their selections are limited to certain categories of charities by the terms of one of the restricted funds and, in the case of the other and the designated fund, they take account of criteria expressed informally by the providers of the funds. None of the grants exceeded £5,000. The purposes for which the grants were made were as follows:

	Total received
	£
Grants less than £5,000	<u>3,500</u>
	£
Children	2,000
Health	500
Old people	<u>1,000</u>
	<u>3,500</u>