



Hot Chocolate Trust

Scottish Charity Number SC 035714
Company Limited by Guarantee Number SC 384635

Financial Accounts for the year ended 31 December 2019

Hot Chocolate Trust

Scottish Charity Number SC 035714

Company Limited by Guarantee Number SC 384635

Trustees' Annual Report for the year ended 31 December 2019

The trustees are pleased to present their annual report and financial statements for the year ended 31st December 2019. These are also prepared to fulfil the requirements of a directors' report and accounts for Companies Act purposes.

Objectives and activities

Hot Chocolate Trust's charitable objects are:

- (a) the advancement and promotion of the education, welfare and holistic development of young people, including the provision of recreational facilities and the provision of locations which are open, responsive and safe to facilitate young people growing to full maturity as individuals, positive change makers, community builders and mature citizens, such advancement and promotion being from a Christian perspective;
- and
- (b) the advancement of education primarily but not exclusively in the City of Dundee through relationships built on trust and respect, which are organic and reciprocal, promoting the emotional, mental, spiritual and physical well-being of those suffering from the consequences of deprivation, poverty, social exclusion, poor health, abuse or unemployment in order to advance the development of community.

Hot Chocolate Trust is a creative and innovative youth work organization based in the Steeple Church, Dundee. Since 2001, Hot Chocolate has worked with thousands of young people aged 12-21 who hang out in the city centre, building relationships and supporting them towards adulthood and positive futures. How we work is simple. There are a few key things we think are really important, and so we always try to do youth work in a way that reflects them:

- 1) viewing young people as whole people: supporting their holistic development which realises physical, mental, emotional, social and spiritual potential;
- 2) growing a community with young people which is open, accepting and safe;
- 3) building relationships based on respect and trust, relationships which are voluntary and two-way;
- 4) ensuring that plans and activities are owned by young people, adapt with the culture, and bring positive change for all involved;
- 5) embracing a culture of reflective learning where we learn from our own experiences (even our mistakes);
- 6) knowing what we're good at - and not so good at: working with other people and organizations who can provide specialist opportunities for young people that we couldn't make happen on our own.

Hot Chocolate is open to all young people without prejudice or distinction of gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race including colour, nationality, ethnic or national origin, religion or belief, sex, sexuality or sexual orientation. The only restrictions are of age – from secondary school up to 21 years of age (although we do sometimes continue to work with older young people on an individual basis according to need).

Hot Chocolate Trust has two aspects to its work: youth work with young people is our overwhelming priority, and wider impact work has grown out of this. Youth work includes 3 open sessions per week attended by approximately 150 young people each fortnight, small group work, individual support, holiday programmes and residentials. Wider impact work seeks to improve young people's experiences beyond Dundee through sharing the youth work practices, resources and tools which have been developed within Hot Chocolate. This is achieved through training, coaching, development processes

and tools, and amplifying young people's voices, as well as informally through wider relationships with practitioners, decision-makers and policy makers.

In addition to paid staff, Hot Chocolate is grateful to the large number of volunteers who participate in lots of different aspects of the project: all types of youth work; team development; team leading; representing Hot Chocolate in a variety of settings and sharing its work and learning; cooking; minibus driving and DIY.

Achievements and Performance

Since 2001 Hot Chocolate has been supporting isolated, wary young people to take up and sustain opportunities that become transformative, building the vision and resources to live fuller, healthier lives. The young people, (between 350-400 each year) come from all across Dundee: marginalized in their own neighbourhoods; the city centre is their place.

- We build community with young people, rather than provide services for them, giving them the trust, responsibility, and support to decide, plan, and implement activities day by day with team and to shape longer-term plans.
- We create collaborative opportunities for young people to take their place in the cultural, economic, and political life of their city.
- We build long-term relationships so we're there when young people lift their heads, ready for more: the right support at the right moment. We give responsive, holistic support and connect with specialist agencies.

"Since coming here my life's started to get more stable"
Jared, 21

"I needed a safe space. That's what this place has been for me... knowing that I could escape and be (kinda) free from worry."
Anon

In 2019 Hot Chocolate's youth workers worked with approximately 400 young people, of whom 171 were new to the organization.

There were:

- 168 open youth work sessions (with nearly 400 different young people)
- 482 Individual support sessions (with 84 different young people)
- 161 group work sessions (with 152 different young people)
- 5 residential trips and 2 "non-residential" weekends (with 34 different young people)

Highlights from the year's youth work included:

- 4 young people and 2 youth workers joining a cultural exchange to Zambia with Creative Scotland and the British Council.
- Activism ranging from meetings with Scottish and UK politicians, to in depth conversations with civil servants (Scottish Government's Children and Young People's Mental Health Unit; Bank of England's Deputy Governor on economic experiences and prospects), to environmental protest and actions.
- Creative performances (e.g. concerts with Tinderbox Orchestra), inputs (e.g. to Shpeel, Biome Collective's installation at the London Design Biennale), and experiments (e.g. the Wall of Resistance with Dundee Print Collective).

- *Home fae Home* is a new project, supported by Life Changes Trust, which began to explore the physical spaces of Hot Chocolate with young people, an architect, a designer, and a consultant psychologist to understand how physical spaces interact with experiences of trauma and enable young people to direct physical improvements to our youth work building over the next two years.

Our Senior Youth Worker, Eilaine Coffey, was also named as Scotland's Youth Worker of the Year at the National Youth Work Awards.

"I knew that if it was being done by HC it would be probably one of the best experiences of my life" **Toni, 21**

"You get a total sense of pride and achievement." **Mya, 18**

In all our youth work we reflect with young people on their lives, journeys, experiences, learning, and how they are changing. These reflections, along with youth workers' observations, are recorded, whenever possible, in our bespoke monitoring and evaluation process and form the basis to evidence the impact which being involved with Hot Chocolate has in young people's lives.

In 2019 we recorded evidence to show:

- 190 young people grew in self-knowledge
- 174 young people increased their self-worth
- 218 young people improved their social skills
- 187 young people increased their understanding of their impact on their lives and communities
- 165 young people acted to positively impact their lives and communities
- 140 young people improved their ability to look ahead, plan and stick to goals
- 44 young people deepened their understanding of their spirituality and/or Christianity

"It's good that everyone gets together to socialize. Everyone else anyway – I don't like socializing that much." **Cameron, 17**

"I've always found it ironic how all the gays and goths congregates in a church... there's always been a mutual respect" **Tegan, 17**

Hot Chocolate also supported 179 different young people towards positive destinations in education, employment and training, and we were delighted to see:

- 86 young people gain new confidence, skills, and experience through volunteering.
- 33 young people start new jobs.
- 30 young people begin new education placements.
- 6 young people start training placements.
- 32 young people sustained their jobs or education when, without support, they would have dropped out.

“You don’t get spoon fed here. We get pushed to be proactive, think for ourselves and make things happen”
Ruairidh, 18

“It’s impossible to explain, being in the moment and enjoying life. It’s amazing.”
Michael, 18

During 2019 we continued to work hard to strengthen Hot Chocolate Trust as an effective charity, including invaluable support from Charities Aid Foundation’s Resilience Programme:

- Commissioning a detailed, independent pay review to introduce a new pay structure ensuring that all HCT staff are well and fairly paid for their (hard and skilful) work.
- Introduced a new Employees Handbook and revised/improved numerous policies alongside this (including Health & Safety, Care & Protection, Data Protection, Recruitment & Induction, etc.)
- Review, restructuring and expansion of our Risk Register.
- Review, remediation, and improvement of our IT platform including improvement of cybersecurity, network and wifi, and working systems (e.g. migration to MS Office 365). These actions have continued into 2020.
- We also re-designed our office workspaces with our team and professional design advice to improve their working environment and wellbeing.

We strengthened our youth work directly through creating a new Senior Youth Worker role and promoting Eilaine Coffey to the new role of Youth Work Manager and Complex Needs Lead. This revised structure equips us to meet the demands of rising levels of mental ill health, precarious housing, suicidality and other complex needs amongst young people, both through our universal youth work, our bespoke individual responses, and our connections with specialist services around Dundee.

“We love working with Hot Chocolate because they put positive relationships as the number one priority”
Jed Milroy, Tinderbox Collective

“I miss you guys but I still hear the team’s voice in my head saying ‘Jack, what are your options here?’”
Jack, 23

Alongside our youth work Hot Chocolate Trust seeks to amplify the voices of young people to inform and shape our wider sector and society, and to share the learning and resources we have accumulated.

In 2019, then, we were pleased to host learning visits and conversations with 17 groups or charities ranging from local community groups to national charities and focussing variously on youth work approaches, charity systems, fundraising, theology in action, and monitoring and evaluation.

We welcomed 7 research studies/conversations with youth workers and/or young people from Scottish Government, Creative Scotland, University of Dundee, CAMHS, as well as individual research students and politicians. These studies and conversations included young people’s experiences of mental health and associated services, homelessness and related services, Gender Recognition Act, impact of arts on young people, and theology and Community Learning & Development.

We were invited to contribute through workshop or presentations to Scottish Throughcare & Aftercare Fund and, later, Angus Presbytery (Church of Scotland) “Big Day Out” festival on our youth work approaches; Creative Scotland’s practice development day on building partnerships with non-arts

organizations; Evaluation Support Scotland's Data Storage training on our monitoring and evaluation practice and database application; a talk to accompany our chapter in "The Golden Mean" at its launch; and 5 workshops/presentations to the World Community Development Conference ranging across intersectionality, mental health, youth work, monitoring & evaluation, and arts engagement with communities.

With the Church of Scotland we served on an expert group facilitating development of a new national grant-funding body.

With University of Dundee we delivered a module for first-year students on youth work practice, a second-year class on monitoring and evaluation, and hosted two student placements, all within their Community Education degree course.

Independently, we ran two training days in Dundee and Glasgow with 24 participants from organizations ranging from local charities, universities, to professional practice bodies on developing innovative monitoring and evaluation approaches.

"It took me about a year to unpack what had happened to me, to understand my emotions and make sense of myself" **Anon**
"HC's helped me through really hard times. Nobody tries to fix me here, they get alongside and help me work it out" **Hannah, 19**

From a conversation between 4 young people (YP), 1 youth worker (YW) and 1 MSP:

YP 1: *this place has helped me way more than mental health services ever had.*

YP 2: *yeah, totally. Me too.*

YW: *wow, I've never had that conversation with you about this. What is it about here that you've found helpful?*

YP 1: *you don't talk down to us.*

YP 2: *you treat us as equals.*

YP 1: *you don't try to fix us.*

YP 2: *you see us as human beings.*

YW: *ooft. I'm glad you feel that way. Well, we certainly try.*

MSP: *I've been coming here for a good few years now, and I've heard similar things every time I've come. I think it's because you experience love here. Services can't offer love.*

YP: **YEAH!!**

"Hot Chocolate is the bee's knees" **Paul, 18**
"Hot Chocolate made me feel not alone and not unhappy" **Eden, 17**

For further insights into Hot Chocolate's work over the year, please see our youth work annual report https://www.hotchocolate.org.uk/resources/RESIST2019_Digi.pdf

Financial Review

Hot Chocolate Trust is grateful to both existing and new funders for their generous grants, and to our individual donors, who have enabled our work to continue and expand during the period. Hot Chocolate aims to keep a level of reserves sufficient to fund the planned activities.

As Hot Chocolate's work has grown over the years, further staff members have been employed, and funding has been sought associated with each new post. Our greatest area of expenditure is salaries, as so much of our youth work depends on spending time with young people and building relationships with them.

Individual grants have been received for general youth work and specific activities enabling Hot Chocolate to run our regular open sessions, small group and individual support, art and music projects, as well as engaging young people in outdoor activities and weekends away.

A major risk for Hot Chocolate is the possibility of failing to secure sufficient grant funding to continue its activities. In response to this risk, Hot Chocolate is continuing to engage in paid Wider Impact work, for example training and coaching, as a means of both achieving our charitable objects and earning income at the same time. This area will be further developed in future years.

Hot Chocolate is grateful to The Steeple Church for its continued support through use of the church building for youth work spaces and offices.

Reserves policy

At the year end, Hot Chocolate holds £197,127 (2018 - £182,883) in reserves, of which £154,608 is unrestricted and of this, free reserves not invested in fixed assets amounted to £151,350. No material amounts have been designated.

The funds at the year end place Hot Chocolate in a strong position as we commence 2020. As with most charities, Hot Chocolate Trust constantly needs to seek new sources of funding in order for the work to continue. Successful fundraising has led to an increase in Hot Chocolate's reserves in 2019, and further fundraising will be required in the forthcoming months.

The directors regularly monitor the level of unrestricted reserves, as these are vital in allowing Hot Chocolate flexibility in its work. The directors have achieved the target of building unrestricted reserves to a level of 3 months' budgeted cash spending (approximately £123,555 for 2019).

Going concern

During the COVID pandemic, we are pleased to report that we have not lost any funding. Where it has been appropriate, we have applied for specific COVID-related grants and funding. Our normal fundraising continues to be a priority to ensure we can carry on working alongside the young people in the best way possible. Hot Chocolate Trust has 20 years of fundraising experience, following a stable strategy with a proven track record and with an experienced fundraising team with noted expertise. The directors are therefore not aware of any circumstances or material uncertainties which would lead to the winding up of Hot Chocolate Trust, and thus are confident in its status as a going concern.

Structure, Governance and Management

Hot Chocolate Trust was originally constituted as a trust, its trust deed dated 15th June, 2004. On 30th September, 2010, the trust transferred all assets and liabilities to a company limited by guarantee, also called Hot Chocolate Trust. Hot Chocolate Trust is governed by its Memorandum dated 31st August, 2010 and its Articles of Association as amended on 9th June, 2015.

New directors of the Board (trustees) are appointed if they receive 75% of directors' votes at a quorate board meeting. A normal term of office for a director is 3 years, at the end of which the director can either stand down or continue. The organization will offer each director an informal meeting at 3 year intervals where an opportunity will be offered to exchange views on how best the director can contribute to the future priorities and work of the board. A director can resign before their term of office has been completed.

The directors meet quarterly. In addition to these meetings, sub-groups have been set up to oversee various aspects of the project: People and Development; and Finance, Risk and Physical Resources. These sub-groups meet between the quarterly Board meetings, and report back to the Board.

The directors come from a wide range of professions and churches bringing varied professional, youth work, voluntary sector, finance, legal and human resources experience. The directors do not receive remuneration for their role as directors / trustees.

Induction and training for directors is overseen by the chairperson according to the Directors Handbook, which sets out the role and responsibilities of directors. In addition to the quarterly board and sub-group meetings, the board holds an annual Development Day which includes addressing directors' training needs as individuals and as a group.

Staff are paid within a pay scale set by the directors which was based historically on the Scottish Joint Council pay scale. Management staff are paid within their band on this pay scale. Any movement within the pay scale is subject to the decision of the board following the annual appraisal process. The remuneration of the highest paid staff member is detailed in note 13 to the accounts. From January 2020, a new pay scale is in force resulting from a comprehensive pay review, benchmarking salaries against skills and pay for employers of a similar size in Scotland.

The role of the directors is a strategic one, with day-to-day operational decisions delegated to the Executive Director. The Board and the Executive Director form the key governance and management of the charity. Consultation is vital to all that is done at Hot Chocolate. Day to day youth work, residentials and extended projects are undertaken with young people involved at every level of planning and delivery.

The youth work of Hot Chocolate was initiated by The Steeple Church in 2001, and the organization is immensely grateful for the ongoing support of The Steeple by means of 2 nominated directors, use of the building and provision of some of our volunteers.

We note with deep sadness the death of our Chairperson, Tony Boffey, in March 2020. Tony had been involved in Hot Chocolate for over 10 years and will be sorely missed. For a fuller reflection on his contribution, please see our youth work annual report

https://www.hotchocolate.org.uk/resources/RESIST2019_Digi.pdf.

Reference and administrative details

Charity Name	Hot Chocolate Trust
Charity registration number	SC 035714
Company number	SC 384635
Principal address	The Steeple, Nethergate, Dundee DD1 4DG.
Registered office	The Steeple, Nethergate, Dundee DD1 4DG.

Charity Trustees / Directors of the Board

Mr Tony Boffey	Chairperson, died March 2020
Mr Piers Bowser	
Mrs Julia Brown	resigned August 2019
Dr Shona Dobbie	appointed September 2019, Vice-Chairperson from May 2020
Mr Stephen Elwell-Sutton	
Mrs Deborah Farley	resigned August 2019
Mrs Debbie Fellows	
Mr Alan Harper	appointed February 2020, Treasurer
Mr David Johnstone	
Mrs Chris Lafferty	Chairperson from April 2020
Mr Richard McCallum	Vice-Chairperson and Treasurer, resigned December 2019
Mrs Amy McDonald	Vice-Chairperson
Ms Pamela Mellstrom	

Advisers to the Board

Mr David Close (Executive Director)
Ms Charis Robertson (Assistant Director)
Ms Claudia Richardson (Finance and Operations Manager)
Mrs Julia Brown (HR consultant) (from August 2019)

Auditor

Fiona Morgan CA
MHA Henderson Loggie
45 Queens Road, Aberdeen AB15 4ZN

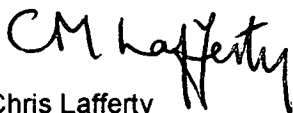
So far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware. Each director has taken all steps they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with FRS102 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 (effective 1 January 2019) and with the provisions applicable to companies under the small companies' regime.

Declaration

The directors / trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees on 20th August 2020.



Chris Lafferty
Chairperson

Statement of directors' responsibilities

The directors (who are the trustees of the charity for the purposes of charity law) are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Trustees of Hot Chocolate Trust

Opinion

We have audited the financial statements of Hot Chocolate Trust for the period ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charity'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 other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Independent Auditor's Report to the Trustees of Hot Chocolate Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.



Fiona Morgan (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie
Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
45 Queens Road
Aberdeen
AB15 4ZN

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

21st August, 2020

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Statement of Financial Activities (including income and expenditure account)
for the year ended 31 December 2019

	Note	Unrestricted Funds	Restricted Funds	2019	Unrestricted Funds	Restricted Funds	2018
		£	£	£	£	£	£
Income from							
Donations and legacies	3	136,499	425,973	562,472	131,164	401,203	532,367
Charitable activities	4	9,004	-	9,004	11,805	-	11,805
Other trading activities	5	25	-	25	213	-	213
Investments	6	1,232	-	1,232	918	-	918
Total		146,760	425,973	572,733	144,100	401,203	545,303
Expenditure on							
Raising funds	7	7,248	15,869	23,117	1,672	20,746	22,418
Charitable activities	8	127,578	407,794	535,372	96,851	413,580	510,431
Total		134,826	423,663	558,489	98,523	434,326	532,849
Net income / (expenditure) / Net movement in funds	10	11,934	2,310	14,244	45,577	(33,123)	12,454
Reconciliation of funds							
Total Funds Brought Forward		142,674	40,209	182,883	97,097	73,332	170,429
Total Funds Carried Forward		154,608	42,519	197,127	142,674	40,209	182,883

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Balance Sheet at 31 December 2019

	Note	Unrestricted Funds £	Restricted Funds £	2019 £	Unrestricted Funds £	Restricted Funds £	2018 £
Fixed Assets							
Tangible Assets	14	3,258	9,978	13,236	2,064	13,998	16,062
Total Fixed Assets		3,258	9,970	13,236	2,064	13,998	16,062
Current Assets							
Debtors	15	1,529	23,166	24,695	550	19,398	19,948
Cash at Bank and in Hand		158,226	40,890	199,116	150,976	77,219	228,195
Total Current Assets		159,755	64,056	223,811	151,526	96,617	248,143
Creditors Falling Due Within One Year	16	8,405	31,515	39,920	10,916	70,406	81,322
Net Current Assets		151,350	32,541	183,891	140,610	26,211	166,821
Total Net Assets		154,608	42,519	197,127	142,674	40,209	182,883
Funds of the Charity							
Restricted Funds	17	-	42,519	42,519	-	40,209	40,209
Unrestricted Funds		154,608	-	154,608	142,674	-	142,674
Total Charity Funds		154,608	42,519	197,127	142,674	40,209	182,883

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees / Directors on 20th August, 2020
Signed by one trustee on behalf of all the trustees



Chris Lafferty
Chairperson

The notes on pages 16 to 25 form part of these financial statements.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Statement of Cash Flows for the year ended 31 December 2019

	Note	2019	2018
		£	£
Cash flows from operating activities			
Net cash (used in) operating activities	22	<u>(23,804)</u>	<u>(6,968)</u>
Cash flows from investing activities			
Bank interest		1,232	918
Purchase of property, plant and equipment		<u>(4,093)</u>	<u>(1,498)</u>
Net cash (used in) investing activities		<u>(2,861)</u>	<u>(580)</u>
Cash flows from financing activities			
Repayments of borrowing		(5,152)	(1,113)
Cash inflows from new borrowing		<u>2,738</u>	<u>5,152</u>
Net cash (used in) / provided by investing activities		<u>(2,414)</u>	<u>4,039</u>
Change in cash and cash equivalents in the reporting period		(29,079)	(3,509)
Cash and cash equivalents at the beginning of the reporting period		<u>228,195</u>	<u>231,704</u>
Cash and cash equivalents at the end of the reporting period		<u><u>199,116</u></u>	<u><u>228,195</u></u>

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared 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) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

b) Preparation of the accounts on a going concern basis

During the COVID pandemic, we are pleased to report that we have not lost any funding. Where it has been appropriate, we have applied for specific COVID-related grants and funding. Our normal fundraising continues to be a priority to ensure we can carry on working alongside the young people in the best way possible. Hot Chocolate Trust has 20 years of fundraising experience, following a stable strategy with a proven track record and with an experienced fundraising team with noted expertise. The directors are therefore not aware of any circumstances or material uncertainties which would lead to the winding up of Hot Chocolate Trust, and thus are confident in its status as a going concern.

c) Income

Incoming resources are recognised when the criteria of entitlement are met, receipt is probable and the income can be reliably measured. Incoming resources with related expenditure are reported gross in the Statement of Financial Activity (SoFA).

Grants and other income received to fund the purchase of fixed assets are recognised as income in the year of receipt and reported within restricted reserves. Thereafter the restricted reserve is reduced on an annual basis at the same rate as the depreciation on the assets to which the grants relate.

Government and other grants towards revenue expenditure are credited to revenue in the period to which they relate.

d) Donated services and facilities

Donated services and facilities are only included in incoming resources (with an equivalent amount in resources expended) when the criteria of entitlement are met, receipt is probable and the benefit to the charity is reliably measurable and material. The value placed on these resources is the estimated open market value. In accordance with the Charities SORP (FRS 102), the value of voluntary help received is not included in the accounts but is described in the trustees' annual report.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

e) Interest receivable

Investment income is in the form of bank interest and is included in the accounts when receivable.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are grants and donations which must be spent as specified by the donor.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise making grant applications, specific activities to raise funds and non-charitable trading, along with associated support costs.
- Expenditure on charitable activities comprises the costs of youth work and wider impact work as described in the trustees' report, along with associated support costs.
- Other expenditure represents those items not falling under any other heading.

Hot Chocolate Trust is not registered for VAT. Expenditure is therefore allocated to activities gross of VAT.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include tasks such as finance, personnel, payroll and governance. These costs have been allocated between the cost of raising funds and expenditure on charitable activities on the basis outlined in note 9.

i) Tangible fixed assets

Assets are capitalised above a de minimis level reviewed and agreed by the Treasurer on an annual basis. They are valued at cost and depreciation is charged on a straight line basis. Computer equipment is depreciated over 3 years, camera and music equipment over 8 years and other equipment over 5 years.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash at bank and in hand

This includes cash held and the balance of instant access accounts held with the Clydesdale Bank.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured at their settlement value.

n) Pensions

From November 2016, the charity has been subject to automatic enrolment legislation. Previously, eligible staff were able to opt in to the scheme. The charity agrees to contribute 10% of salary while the employee contributes 3.75% of salary. The scheme is a group personal pension operated by The Royal London Mutual Insurance Society Limited. The charity is responsible for collecting and paying over the contributions. The cost of the scheme is detailed in note 13.

2 Legal status of Hot Chocolate Trust

Hot Chocolate Trust is a company limited by guarantee which is incorporated in Scotland and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

3 Analysis of income from donations

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Grants from other charities	41,759	312,746	354,505	31,200	293,152	324,352
Government grants	-	113,227	113,227	-	108,051	108,051
Gift aid donations	9,663	-	9,663	10,658	-	10,658
Tax reclaimed	2,416	-	2,416	2,665	-	2,665
Other donations	5,133	-	5,133	9,811	-	9,811
Donated services	77,528	-	77,528	76,830	-	76,830
Total income from donations	136,499	425,973	562,472	131,164	401,203	532,367

Government grants are received to support various aspects of our youth work and other costs, some of which are administered by third parties. Although we report on our outcomes to funders, the grants are not service-level agreements. There are no unfulfilled conditions or other contingencies attached to the grants recognised as income. There have been no other forms of government assistance.

4 Income from Charitable Activities

	2019	2018
	£	£
Income generated by youth work	419	496
Wider Impact Income	8,585	11,161
Other primary purpose charitable trading	-	148
Total income from charitable activities	9,004	11,805

Income generated by youth work is from deposits received from young people for the Ardeonaig residential weekend, our Exodus summer programme tuck shop and from income generated during young people's work experience.

Wider Impact income is from student supervision and education consultancy.

5 Income from other trading activities

	2019	2018
	£	£
Fundraising events	-	213
Non-primary purpose trading	25	-
Total income from other trading activities	25	213

6 Income from investments

This is interest received on funds in Hot Chocolate Trust's bank account.

7 Analysis of expenditure: Raising funds

Type of spending

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Direct staff costs	5,391	13,830	19,221	175	18,049	18,224
Direct building costs	1,209	-	1,209	1,215	-	1,215
Training and organisational development	159	269	428	157	445	602
Other fund raising costs	-	70	70	-	30	30
Support costs	489	1,700	2,189	125	2,222	2,347
Total	7,248	15,869	23,117	1,672	20,746	22,418

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

8 Analysis of expenditure: Charitable activities

Type of spending

	Youth Work	Wider Impact	2019	Youth Work	Wider Impact	2018
	£	£	£	£	£	£
Direct staff costs	282,721	9,496	292,217	270,770	8,387	279,157
Direct youth work costs	57,757	-	57,757	43,679	-	43,679
Direct wider impact costs	-	2,158	2,158	-	3,208	3,208
Team expenses	3,101	-	3,101	2,645	-	2,645
Training and organisational development	11,689	209	11,898	14,008	267	14,275
Building usage	70,728	638	71,366	70,729	600	71,329
Support costs	94,680	2,195	96,875	94,118	2,020	96,138
	520,676	14,696	535,372	495,949	14,482	510,431

It can also be analysed between unrestricted and restricted funds as follows:

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Direct staff costs	19,353	272,864	292,217	9,613	269,544	279,157
Direct youth work costs	711	57,046	57,757	1,050	42,629	43,679
Direct wider impact costs	2,158	-	2,158	3,208	-	3,208
Team expenses	14	3,087	3,101	-	2,645	2,645
Training and organisational development	5,225	6,673	11,898	3,894	10,381	14,275
Building usage	71,366	-	71,366	71,329	-	71,329
Support costs	28,751	68,124	96,875	7,757	88,381	96,138
	127,578	407,794	535,372	96,851	413,580	510,431

9 Analysis of resources expended: Support costs

We have been pleased in 2018 and 2019, through the CAF Resilience Programme, to have had capacity to invest time and resources in organisational development.

Type of spending

	Raising Funds	Youth Work	Wider Impact	2019	Raising Funds	Youth Work	Wider Impact	2018
	£	£	£	£	£	£	£	£
Staff costs	-	46,190	1,071	47,261	-	43,144	926	44,070
Building usage	-	2,337	54	2,391	-	2,363	51	2,414
Training and organisational development	685	14,452	335	15,472	880	18,224	391	19,495
Office running costs and other core costs	563	11,845	275	12,683	663	13,738	295	14,696
Repairs and maintenance	374	7,895	183	8,452	246	5,097	109	5,452
Governance	567	11,961	277	12,805	558	11,552	248	12,358
	2,189	94,680	2,195	99,064	2,347	94,118	2,020	98,485

It can also be analysed between unrestricted and restricted funds as follows:

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Staff costs	15,819	31,442	47,261	2,708	41,362	44,070
Building usage	2,391	-	2,391	2,414	-	2,414
Training and organisational development	2,054	13,418	15,472	506	18,989	19,495
Office running costs and other core costs	5,175	7,508	12,683	699	13,997	14,696
Repairs and maintenance	507	7,945	8,452	257	5,195	5,452
Governance	3,294	9,511	12,805	1,298	11,060	12,358
	29,240	69,824	99,064	7,882	90,603	98,485

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

Governance costs can be further broken down as follows:

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Staff costs	1,989	5,872	7,861	86	7,451	7,537
Building usage	1,234	-	1,234	1,142	-	1,142
Capacity building and direct governance costs	-	159	159	-	213	213
Training and organisational development	71	120	191	70	198	268
Auditor's / Independent examiner's costs	-	3,360	3,360	-	3,198	3,198
	<u>3,294</u>	<u>9,511</u>	<u>12,805</u>	<u>1,298</u>	<u>11,060</u>	<u>12,358</u>

Staff costs for each staff member are allocated to charitable activities, raising funds, support and governance according to hours worked.

Staff support costs are then allocated across charitable activities in the ratio of full time equivalent staff working directly in those areas.

Building usage costs are calculated separately for halls and offices.

Hall usage costs are allocated to youth work.

Office usage costs are allocated between raising funds, charitable activities, support and governance in accordance with staff hours worked.

The portion calculated as support costs is then allocated across the charitable activities in the ratio of full time equivalent staff working directly in those areas.

Other costs are allocated across raising funds and charitable activities in proportion to the number of full time equivalent staff in those areas.

10 Net income / (expenditure) for the year

This is stated after charging

	2019	2018
	£	£
Depreciation	6,919	6,313
Auditor's costs	<u>3,360</u>	<u>3,198</u>

11 Trustees' remuneration, benefits and expenses

No expenses were paid to trustees in carrying out their role.

While a trustee, Julia Brown, an HR consultant, was appointed by the board to perform a staff pay review and paid £2,688.

The appointment and payment were made in accordance with Hot Chocolate Trust's articles of association.

In line with legislation, the Trustees decided to purchase Trustees' assurance, which was paid for by Hot Chocolate Trust.

12 Auditor's and other financial fees

£3,360 has been accrued for the audit of the 2019 accounts by Henderson Loggie (2018: £3,198)

13 Staffing

Staff costs	2019	2018
	£	£
Gross salaries	311,989	298,231
Employer's National Insurance	26,865	25,320
Pension costs	30,005	28,437
Employment allowance (NICs rebate)	<u>(3,000)</u>	<u>(3,000)</u>
	<u>365,859</u>	<u>348,988</u>
Recruitment	701	-
	<u><u>366,560</u></u>	<u><u>348,988</u></u>

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

The average head count of staff employed during the year was 14.8 (6.4 full-time and 8.4 part-time).
(2018: 15.4 (6.2 full-time and 9.2 part-time)).

Average number of full-time equivalent employees in the year

Area of Work	2019	2018
Fundraising	0.5	0.5
Youth Work	9.5	9.3
Wider Impact	0.2	0.2
Support	1.7	1.7
Total	11.9	11.7

No employee received employee benefits of more than £60,000.

The Executive Director (who is an employee and not on the board of directors) received gross salary for the year of £37,961, with employer pension contributions of £3,796 and employer's NI contributions of £4,055.

(2018: gross £35,759, employer's pension contributions £3,576, employer's NI £3,781.)

Defined contribution pension scheme

Hot Chocolate Trust is subject to pensions automatic enrolment legislation.

The pension scheme cost £30,005 this year (2018: £28,437).

14 Tangible fixed assets

Cost	Computer equipment	Camera & music equipment	Other equipment	2019	Computer equipment	Camera & music equipment	Other equipment	2018
	£	£	£	£	£	£	£	£
At beginning of the year	16,128	6,951	20,504	43,583	14,630	6,951	20,504	42,085
Additions	-	-	4,093	4,093	1,498	-	-	1,498
Disposals	(3,850)	-	-	(3,850)	-	-	-	-
At end of the year	12,278	6,951	24,597	43,826	16,128	6,951	20,504	43,583

Depreciation	Straight line basis			2019	Straight line basis			2018
	3 year life	8 year life	5 year life	£	3 year life	8 year life	5 year life	£
At beginning of the year	13,071	4,413	10,037	27,521	11,142	3,894	6,172	21,208
Depreciation for the period	1,851	519	4,549	6,919	1,929	519	3,865	6,313
Disposals	(3,850)	-	-	(3,850)	-	-	-	-
At end of the year	11,072	4,932	14,586	30,590	13,071	4,413	10,037	27,521

Net book value	2019			2018
	£	£	£	£
At beginning of the year	3,057	2,538	10,467	16,062
At end of the year	1,206	2,019	10,011	13,236

15 Debtors and prepayments

Analysis of debtors	Amounts falling due within one year	
	2019	2018
	£	£
Debtors	280	280
Prepayments	5,161	6,316
Accrued income	19,254	13,352
Total	24,695	19,948

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

16 Creditors and accruals

Analysis of creditors

**Amounts falling due
within one year**

	2019	2018
	£	£
Company credit cards	2,738	5,152
Trade creditors	330	589
Accruals	8,712	9,052
Deferred income	28,140	66,529
Total	39,920	81,322

Deferred income

	2019	2018
	£	£
Opening deferred income	66,529	86,676
Deferred income released in the year	(65,083)	(86,676)
Income deferred in the year	26,694	66,529
Closing deferred income	28,140	66,529

17 Restricted income funds

Hot Chocolate Trust received some grants for specific purposes or projects. These monies are held in the following restricted funds:

Fund name

Purpose

Aldi Scottish Sports Fund	Youth work
Angus Allnatt Foundation	Salary and youth work costs
BBC Children in Need	Salary, youth work, training and core costs
Boots UK Ltd and Boots the Chemist Social Club	Youth work
British Council	Salary costs
CAF Resilience	Salary and core costs
CashBack for Communities Youth Work Fund	Salary and youth work costs
CashBack for Creativities: Open Arts Fund	Youth work
CashBack for Creativity: Targeted Fund	Salary, youth work and training costs
Claverhouse Rotary Club	Youth work
Comic Relief	Salary, youth work, training and core costs
Corra Foundation	Salary costs
Creative Scotland: Time to Shine	Youth work
Creative Scotland: Youth Music Initiative	Salary, youth work and training costs
Dundee Trust	Youth work
Dundee Youth Fund	Youth work and team costs
Gannochy Trust	Salary, youth work and training costs
Inspiring Scotland	Salary and youth work costs
Investing in Communities Fund	Salary, youth work and core costs
Life Changes Trust	Salary, youth work and building development costs
MAKE Trust	Salary and core costs
People and Communities Fund	Salary, youth work and core costs
Robertson Trust	Core costs
Souter Charitable Trust	Youth work
The Baird Trust	Core costs
The Henry Smith Charity	Salary costs
The Joseph Rank Trust	Running costs
The Listening Fund	Salary costs
The Stafford Trust	Training costs
Tudor Trust	Salary costs
Young Start	Salary costs

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

Movements of major funds

Fund name	Fund balance 31.12.17 £	Incoming resources 2018 £	Outgoing resources 2018 £	Fund balance 31.12.18 £	Incoming resources 2019 £	Outgoing resources 2019 £	Fund balance 31.12.19 £
Aldi Scottish Sports Fund	31	-	31	-	-	-	-
Angus Allnatt Foundation	-	-	-	-	1,500	1,500	-
BBC Children in Need	-	38,134	37,020	1,114	39,137	38,650	1,601
Boots UK Ltd and Boots the Chemist Social Club	7,744	-	2,112	5,632	-	2,112	3,520
British Council	-	-	-	-	3,024	3,024	-
CAF Resilience	3,075	64,772	64,415	3,432	45,381	48,813	-
CashBack for Communities Youth Work Fund	-	10,004	10,004	-	6,414	4,098	2,316
CashBack for Creativities: Open Arts Fund	1,084	-	173	911	-	174	737
CashBack for Creativity: Targeted Fund	4,276	45,872	46,833	3,315	45,414	47,839	890
Claverhouse Rotary	-	-	-	-	500	500	-
Comic Relief	-	35,581	32,299	3,282	44,404	46,102	1,584
Corra Foundation	3,400	-	3,400	-	6,075	3,113	2,962
Creative Scotland: Time to Shine	228	-	91	137	-	91	46
Creative Scotland: Youth Music Initiative	8,580	15,484	21,698	2,366	20,000	21,111	1,255
Dundee Trust	-	1,094	-	1,094	-	219	875
Dundee Youth Fund	-	-	-	-	2,750	2,750	-
Gannochy Trust	-	20,000	20,000	-	25,000	25,000	-
Inspiring Scotland	1,417	30,231	30,585	1,063	18,750	19,104	709
Investing in Communities Fund	-	-	-	-	6,523	6,523	-
Life Changes Trust	-	-	-	-	35,152	23,178	11,974
MAKE Trust	4,402	22,340	26,442	300	5,093	4,454	939
People and Communities Fund	-	36,691	36,691	-	32,126	32,126	-
Robertson Trust	13,785	18,500	18,627	13,658	18,511	22,671	9,498
Souter Charitable Trust	4,060	-	4,060	-	-	-	-
The Baird Trust	3,750	-	1,000	2,750	5,000	4,137	3,613
The Henry Smith Charity	7,500	22,500	30,000	-	7,500	7,500	-
The Joseph Rank Trust	5,000	10,000	15,000	-	5,000	5,000	-
The Listening Fund	-	-	-	-	6,440	6,440	-
The Stafford Trust	5,000	-	3,845	1,155	-	1,155	-
Tudor Trust	-	30,000	30,000	-	30,000	30,000	-
Young Start	-	-	-	-	16,279	16,279	-
Total restricted funds	73,332	401,203	434,326	40,209	425,973	423,663	42,519

At the year end, the BBC Children in Need, Boots UK Ltd, CashBack for Creativities: Open Arts Fund, Creative Scotland: Time to Shine, Creative Scotland: Youth Music Initiative, Dundee Trust, Inspiring Scotland, Robertson Trust and The Baird Trust fund balances included a fixed asset less depreciation.

18 Analysis of net assets over funds

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Tangible fixed assets	3,258	9,978	13,236	2,064	13,998	16,062
Debtors	1,529	23,166	24,695	550	19,398	19,948
Cash	158,226	40,890	199,116	150,976	77,219	228,195
Creditors	(8,405)	(31,515)	(39,920)	(10,916)	(70,406)	(81,322)
	154,608	42,519	197,127	142,674	40,209	182,883

19 Transactions with related parties

The Steeple Church: Dundee (Church of Scotland) is considered to be a related party as two of Hot Chocolate Trust's trustees are nominated by The Steeple Church, thereby constituting "significant influence". The Steeple Church donates the use of the halls and office spaces to Hot Chocolate Trust (see note 20). Hot Chocolate Trust paid £2,500 to The Steeple Church as a contribution towards the cost of utilities and repairs (2018: £2,500). This amount was agreed by the board.

Transactions relating to trustees are declared in note 11.

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Notes to the Accounts

20 Use of halls and office space

Hot Chocolate Trust is grateful to The Steeple Church for the free use of halls for youth work, and the free use of office space it receives. These donated services have been valued for the year at £76,200 in the accounts, with an associated cost incurred (2018: £76,100).

21 Corporation Tax

As a registered charity, Hot Chocolate Trust is entitled to certain exemptions from corporation tax on income applied to the furtherance of its charitable objects.

22 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income	14,244	12,454
Adjustments for		
Depreciation charge	6,919	6,313
Bank interest	(1,232)	(918)
(Increase) in debtors	(4,747)	(7,722)
(Decrease) in creditors (excluding credit cards)	(38,988)	(17,095)
Net cash (used in) by operating activities	<u>(23,804)</u>	<u>(6,968)</u>

23 Analysis of changes in net debt

	Cash flows		Cash flows		
	At 31.12.17	2018	At 31.12.18	2019	At 31.12.19
	£	£	£	£	£
Cash at bank and in hand	231,704	(3,509)	228,195	(29,079)	199,116
Loans falling due within 1 year: credit cards	(1,113)	(4,039)	(5,152)	2,414	(2,738)
Total	<u>230,591</u>	<u>(7,548)</u>	<u>223,043</u>	<u>(26,665)</u>	<u>196,378</u>