



Hot Chocolate Trust

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

Financial Accounts for the year ended 31 December 2022

Hot Chocolate Trust

Scottish Charity Number SC 035714

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Trustees' Annual Report for the year ended 31 December 2022

The trustees are pleased to present their annual report and financial statements for the year ended 31st December 2022. 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 12-25 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 25 years of age (although open group work is restricted to young people aged up to 21 years).

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. In “normal times”, youth work includes 3 open sessions per week attended by approximately 150 young people each fortnight, small group work, individual support, holiday programmes and residential. In 2022 as the impacts of the pandemic years unfolded we saw rapid and substantial growth in both the number of young people engaging with Hot Chocolate, the number of new engagements, the prevalence of complex needs among the young people and the severity of those needs. All four elements saw record levels of demand which required new responses which are described below.

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 amplifying young people’s voices, through sharing training, coaching, development processes and tools developed in our youth work, 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; cooking; minibus driving and DIY.

Achievements and Performance

Since 2001 Hot Chocolate has been using holistic and innovative approaches to support young people on their own terms, grow their confidence and capacity, do extraordinary things together and amplify their voices to affect wider change.

The young people (between 300-400 each year) come from all across Dundee: marginalized in their own neighbourhoods, the city centre is their place. Often wary of programmed and institutional settings, in Hot Chocolate they find opportunities to grow in self-knowledge and self-worth, and develop agency and self-efficacy through relational, collaborative working.

- 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 the 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.

“In here you actually feel like you are part of a wee community.” ***“I was so scared of talking to people... just coming here, I’m just so much more confident.”***

As noted above, 2022 saw many more young people spending time in Dundee city centre and we saw an unprecedented rise in the numbers of young people engaging and in the prevalence, complexity and severity of the needs they were facing and seeking support with.

In response we prioritized resources into open youth work, expanding our team to build safety and stabilization in open sessions despite the larger numbers and rises in interpersonal/inter-group conflicts. We then, consulting and innovating with young people, re-designed Tuesday open sessions to offer multiple, Bookable Spaces for smaller groups and detached youth workers engaging with other young people on the city centre streets. Where in 2021 we worked with around 300 young people, this year we recorded positive outcomes with 420 named young people, and engaged with more than 500.

“In the past year I’ve moved into my own flat and I’m settled here now, I wouldn’t have managed without the help of team though.” **“Study group was a peaceful, calm environment for me. Life at home can be chaotic”**

There were:

- 121 open youth work sessions and 93 Bookable Spaces with 445 young people (compared to 157 sessions with 229 last year)
- 21 detached youth work sessions (c.f. 24 in 2021).
- 573 Individual support sessions with 96 young people (c.f. 445 1:1s with 77 YP last year)
- 164 group work sessions with 179 young people (c.f. 151 groups with 133 YP in 2021)
- 1 residential weekend giving 6 YP the chance to enjoy outdoor pursuits at Barcapel.

Youth workers listen to young people in all these different types of youth work and identify together the needs and ambitions which young people want to work on. In open sessions last year we noted that the most frequent topics of conversations were (ranked in order) education, mental health, confidence, friendships, family, and employment.

“We made pizzas, then we ate the pizzas. It was a good time to just get to know other people and chat about things we wouldn’t be able to chat about in our lives normally” *“HC provides safe space for young people to be open and vulnerable, talk about whatever matters to them and, through doing so, feel loved and respected.” Kevin Ditcham, ASIST Trainer*

In all youth work we continually 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 2022 we recorded evidence to show:

- 310 young people grew in self-knowledge (191 last year)
- 297 young people increased their self-worth (181 last year)
- 385 young people improved their social skills (215)
- 256 young people increased their understanding of their impact on their lives and communities (172)
- 240 young people acted to positively impact their lives and communities (164)
- 156 young people improved their ability to look ahead, plan and stick to goals (136)
- 192 young people moved towards/into positive destinations in education, employment and training (139)
- 38 young people deepened their understanding of their spirituality and/or God (34)

***“It’s a get away. “This place is
When I come here, I really important to
don’t think about me. So with my
family problems or ideas mattering in
anything, except a place where I
having fun. love being - it’s
It’s an escape” cool.”***

Young people and Hot Chocolate Team work hard every year to build effective youth work together, navigating our way through whatever life throws at us. Over the years this continuing reflective practice has built a wealth of resources and innovation which equip us for further innovation and for sustaining the consistent, effective approaches which young people tell us they need. We also aim to share these resources with others who want to support young people and communities in their own work.

We were pleased to host 18 informal learning visits and conversations in 2022, with partners from locations as exotic as Kirriemuir, Aberdeenshire, Hertfordshire, Shetland, Switzerland, and Florida. We made contributions to podcasts including CLD Talks and The Leaders Council Podcast, and learning events with partners including Dundee University, Scottish Government and YouthLink Scotland.

Our two largest pieces of work were the continued development of our teaching relationship with Dundee University, with the innovative youth work module we teach together to first-year community education undergraduates receiving fresh acclaim, and the launch of Teckle Data. Teckle Data is the culmination of a decade's innovative practice integrating our monitoring and evaluation processes with our youth work values and practice to produce a unique tool for capturing and evidencing impact in complex, community-based work. After redeveloping our bespoke database tool as an online application and successful beta-testing we launched Teckle Data as a commercially available service for other youth and community organizations. We were delighted to gain our first subscribers and to be invited to present our practice and learning in contexts including

the London Conference on Critical Thought, YouthLink Scotland's National Policy Convention, Children in Scotland's National Conference, and a blog feature by Evaluation Support Scotland. Lots more information, including the reason for the name, can be found at www.teckledata.org.uk

“HC was always giving me a reason to keep going.” *“It can be school, college, or anything you need to talk about. It helps me to get things off my chest, and if I need any support about anything, it helps.”*

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 and Bookable Spaces sessions, small group and individual support, art and music projects, as well as engaging young people in outdoor activities. During periods of Covid restrictions, all activities have adapted to best meet young people's needs in accordance with the government guidance applicable at the time. We have been grateful for funding to facilitate our changed working methods during the pandemic.

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 and developing our sought-after monitoring and evaluation database tool as a saleable online service, 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, particularly through use of the church building for youth work spaces and offices.

Reserves policy

At the year end, Hot Chocolate holds £409,165 (2021 - £407,154) in reserves, of which £171,224 is unrestricted and of this, free reserves not invested in fixed assets amounted to £155,663. No material amounts have been designated.

The funds at the year end place Hot Chocolate in a satisfactory position as we commence 2023. 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 maintained a sufficient level of reserves in 2022, 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 £145K for 2022).

Going concern

Despite the continuing challenges of the COVID pandemic, we are pleased to report that we have managed to maintain adequate reserves. A shift by funders towards short-term funding (less than 12 months) has meant that more time has needed to be dedicated to fundraising, servicing and reporting on grants. Grant fundraising continues to be a priority to ensure we can carry on working alongside the young people in the best way possible, and in 2022 we prioritised seeking longer-term grants (1-3 years duration) to redress this balance. We are continuing to do this in 2023. We are also continuing to develop income generation through training and practice development for other agencies, and through Teckle Data, our online monitoring and evaluation database application. We continue to seek opportunities to increase our income through individual donors and community fundraising.

Hot Chocolate Trust has more than 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 two development sessions which include addressing directors' training needs as individuals and as a group.

From January 2020, a new pay scale for staff was put in place resulting from a comprehensive pay review, benchmarking salaries against skills and pay for employers of a similar size in Scotland.

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.

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, extended projects, and strategy are all 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 (one post currently vacant), use of the building and provision of some of our volunteers.

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 Piers Bowser	
Dr Shona Dobbie	Vice-Chairperson
Mr Stephen Elwell-Sutton	Resigned January 2023
Mrs Debbie Fellows	Resigned January 2023
Mrs Sheena Gibson	Appointed March 2022
Mr Alan Harper	Treasurer
Mr David Johnstone	Resigned August 2022
Mrs Chris Lafferty	Chairperson
Ms Pamela Mellstrom	Vice-Chairperson
Dr Ruth Murdoch	
Mr David Osfield	Appointed March 2022
Mrs Angela Simpson	Appointed August 2022

Advisers to the Board	Mr David Close (Executive Director)
	Ms Charis Robertson (Assistant Director)
	Ms Claudia Richardson (Finance and Operations Manager)

Auditor	Mr Murray Dalgety CA
	Bird Simpson and Co.
	144 Nethergate, Dundee DD1 4EB

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 29 June 2023.



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 (FRS 102);
- 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.

HOT CHOCOLATE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOT CHOCOLATE TRUST

Opinion

We have audited the financial statements of Hot Chocolate Trust (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2022 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

HOT CHOCOLATE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOT CHOCOLATE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

At the planning stage, we assess the risk of material misstatement and any such irregularities and design audit procedures tailored to these risks which will be followed to ensure that we are capable of meeting our responsibilities in this area. Factors relevant to our assessment, which have a positive impact on the capability of our procedures to detect such irregularities, are the size of the entity, the complexity of the entity's operations and our understanding of their regulatory and control environments.

The staff working on this audit assignment have been fully briefed in relation to the charity's activities, including the regulatory regime in which they operate.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HOT CHOCOLATE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOT CHOCOLATE TRUST

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Review of correspondence with regulators including OSCR and the Health and Safety Executive, reviewing legal fee invoices and board minutes.

A further description of our responsibilities is available 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 charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Murray Dalgety (Senior Statutory Auditor)
for and on behalf of Bird Simpson & Co.

30th June 2023
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Chartered Accountants
Statutory Auditor

144 Nethergate, Dundee DD1 4EB

Bird Simpson & Co. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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 2022

	Note	Unrestricted Funds	Restricted Funds	2022	Unrestricted Funds	Restricted Funds	2021
		£	£	£	£	£	£
Income from							
Donations and legacies	3	175,909	455,144	631,053	194,244	469,138	663,382
Charitable activities	4	11,495	-	11,495	13,310	-	13,310
Other trading activities	5	10	-	10	-	-	-
Investments	6	5,080	-	5,080	-	-	-
Total		192,494	455,144	647,638	207,554	469,138	676,692
Expenditure on							
Raising funds	7	8,994	22,389	31,383	12,240	17,243	29,483
Charitable activities	8	198,954	415,290	614,244	153,480	375,986	529,466
Total		207,948	437,679	645,627	165,720	393,229	558,949
Net (expenditure) / income / Net movement in funds	10	(15,454)	17,465	2,011	41,834	75,909	117,743
Reconciliation of funds							
Total Funds Brought Forward		186,678	220,476	407,154	144,844	144,567	289,411
Total Funds Carried Forward		171,224	237,941	409,165	186,678	220,476	407,154

Hot Chocolate Trust
Scottish Charity SC035714, Company Limited by Guarantee SC 384635
Balance Sheet at 31 December 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Restricted Funds £	2021 £
Fixed Assets							
Intangible Assets	14	14,886	-	14,886	15,426	-	15,426
Tangible Assets	15	675	19,021	19,696	1,215	18,718	19,933
Total Fixed Assets		15,561	19,021	34,582	16,641	18,718	35,359
Current Assets							
Debtors	16	8,147	25,694	33,841	7,566	26,342	33,908
Cash at Bank and in Hand		158,520	253,252	411,772	173,253	231,098	404,351
Total Current Assets		166,667	278,946	445,613	180,819	257,440	438,259
Creditors Falling Due Within One Year	17	11,004	60,026	71,030	10,782	55,682	66,464
Net Current Assets		155,663	218,920	374,583	170,037	201,758	371,795
Total Net Assets		171,224	237,941	409,165	186,678	220,476	407,154
Funds of the Charity							
Restricted Funds	18	-	237,941	237,941	-	220,476	220,476
Unrestricted Funds		171,224	-	171,224	186,678	-	186,678
Total Charity Funds		171,224	237,941	409,165	186,678	220,476	407,154

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 15 June 2023
Signed by two trustees on behalf of all the trustees


Chris Lafferty
Chairperson


Shona Dobbie
Vice-Chairperson

The notes on pages 17 to 27 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 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>6,041</u>	<u>147,321</u>
Cash flows from investing activities			
Bank interest		5,080	-
Investment in intangible assets		(1,998)	(15,940)
Purchase of property, plant and equipment		<u>(2,160)</u>	<u>(17,649)</u>
Net cash provided by / (used in) investing activities		<u>922</u>	<u>(33,589)</u>
Cash flows from financing activities			
Repayments of borrowing		(2,602)	(3,141)
Cash inflows from new borrowing		<u>3,060</u>	<u>2,602</u>
Net cash provided by / (used in) financing activities		<u>458</u>	<u>(539)</u>
Change in cash and cash equivalents in the reporting period		7,421	113,193
Cash and cash equivalents at the beginning of the reporting period		<u>404,351</u>	<u>291,158</u>
Cash and cash equivalents at the end of the reporting period		<u><u>411,772</u></u>	<u><u>404,351</u></u>

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

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) (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.

e) Interest receivable

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

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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) Intangible fixed assets

Intangible assets are recognised when they can bring future economic benefits to the charity. They are valued at cost and are amortised on a straight line basis over the expected period of benefit.

j) 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.

k) 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.

l) Cash at bank and in hand

This includes cash held and the balance of instant access, notice and term accounts held with Virgin Money and through the Charities Aid Foundation Deposit Platform run by Flagstone.

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m) 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.

n) 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.

o) Pensions

From November 2016, the charity has been subject to automatic enrolment legislation. Prior to November 2016, 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.

p) Judgements in applying accounting policies and key sources of estimation

In the application of the charitable company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether leases entered into by the charitable company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Intangible and tangible fixed assets are amortised or depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

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.

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3 Analysis of income from donations

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	£	£	£	£
Grants from other charities	62,596	290,112	352,708	25,497	291,100	316,597
Government grants	-	165,032	165,032	46,381	178,038	224,419
Gift aid donations and tax reclaimed	14,350	-	14,350	29,299	-	29,299
Other donations	10,463	-	10,463	18,367	-	18,367
Donated services	88,500	-	88,500	74,700	-	74,700
Total income from donations	<u>175,909</u>	<u>455,144</u>	<u>631,053</u>	<u>194,244</u>	<u>469,138</u>	<u>663,382</u>

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.

The unrestricted grants in 2021 include claims under the HMRC Job Retention Scheme.

Dundee Youth Work Network, of which Hot Chocolate Trust is a member, co-operated in a joint fundraising campaign called 29,000 Reasons in 2021. The campaign was administered by Hot Chocolate. "Other donations" of £18,367 include £6,831 raised by this campaign. Costs incurred amounted to £538 as noted in note 7. £5,244 was distributed to other members of the network as noted in note 8. £699 represents HCT's share of the net funds raised. £350 was gifted by a member back to HCT, and so not distributed. Thus the total net benefit received by HCT was £1049.

4 Income from Charitable Activities

	2022	2021
	£	£
Income generated by youth work	280	200
Wider Impact Income	11,215	13,110
Total income from charitable activities	<u>11,495</u>	<u>13,310</u>

Wider Impact income is from student teaching and supervision, education consultancy and sales of our Teckle Data monitoring and evaluation database.

5 Income from other trading activities

	2022	2021
	£	£
Non-primary purpose trading	10	-
Total income from other trading activities	<u>10</u>	<u>-</u>

6 Income from investments

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

7 Analysis of expenditure: Raising funds

Type of spending

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	£	£	£	£
Direct staff costs	6,628	21,783	28,411	9,365	16,179	25,544
Training and organisational development	164	125	289	127	68	195
Other fund raising costs	134	-	134	1,118	-	1,118
Building usage	764	-	764	729	-	729
Support costs	1,304	481	1,785	901	996	1,897
	<u>8,994</u>	<u>22,389</u>	<u>31,383</u>	<u>12,240</u>	<u>17,243</u>	<u>29,483</u>

Other fundraising costs in 2021 of £1,118 include £538 for the 29,000 Reasons campaign described in note 3.

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8 Analysis of expenditure: Charitable activities

Type of spending	Youth Work	Wider Impact	2022	Youth Work	Wider Impact	2021
	£	£	£	£	£	£
Direct staff costs	352,571	18,286	370,857	302,398	11,941	314,339
Direct youth work costs	50,180	-	50,180	37,770	-	37,770
Direct wider impact costs	-	5,715	5,715	-	5,597	5,597
Team expenses	4,009	-	4,009	1,904	-	1,904
Training and organisational development	5,807	227	6,034	5,023	301	5,324
Building usage	84,794	593	85,387	70,239	1,115	71,354
Support costs	88,602	3,460	92,062	86,208	6,970	93,178
	585,963	28,281	614,244	503,542	25,924	529,466

Direct wider impact costs in 2021 of £5,597 include the £5,244 raised by the 29,000 Reasons fundraising campaign as described in note 3 and distributed to other members of the Dundee Youth Work Network.

9 Analysis of resources expended: Support costs

Type of spending	Raising Funds	Youth Work	Wider Impact	2022	Raising Funds	Youth Work	Wider Impact	2021
	£	£	£	£	£	£	£	£
Direct staff costs	-	50,958	1,990	52,948	-	47,752	3,861	51,613
Training and organisational development	124	2,472	97	2,693	73	1,389	112	1,574
Office running costs and other core costs	823	16,467	643	17,933	985	18,875	1,526	21,386
Repairs and maintenance	143	2,872	112	3,127	187	3,588	290	4,065
Building usage	-	1,926	75	2,001	-	2,106	170	2,276
Governance	695	13,907	543	15,145	652	12,498	1,011	14,161
	1,785	88,602	3,460	93,847	1,897	86,208	6,970	95,075

Governance costs can be further broken down as follows:

	Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	£	£	£	£	£	£
Direct staff costs	2,620	9,057	11,677	3,148	7,593	10,741
Capacity building and direct governance costs	48	-	48	48	-	48
Training and organisational development	75	57	132	59	32	91
Auditor's costs	2,940	-	2,940	2,940	-	2,940
Building usage	348	-	348	341	-	341
	6,031	9,114	15,145	6,536	7,625	14,161

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.

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10 Net income / (expenditure) for the year

This is stated after charging

	2022	2021
	£	£
Amortisation	2,538	514
Depreciation	2,397	4,844
Auditor's costs	2,940	2,940
	<u>2,940</u>	<u>2,940</u>

11 Trustees' remuneration, benefits and expenses

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

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

12 Auditor's and other financial fees

£2,940 has been accrued for the audit of the 2022 accounts by Bird Simpson (2021 £2,940).

13 Staffing

Staff costs	2022	2021
	£	£
Gross salaries	393,513	352,913
Employer's National Insurance	36,797	31,423
Pension costs	38,463	34,437
Employment allowance (NICs rebate)	(5,000)	(4,000)
	<u>463,773</u>	<u>414,773</u>

The average head count of staff employed during the year was 16.3 (9.2 full-time and 7.1 part-time). (2021: 15.1 (8.3 full-time and 6.8 part-time)).

Average number of full-time equivalent employees in the year

Area of Work	2022	2021
Fundraising	0.6	0.5
Youth Work	11.0	9.8
Wider Impact	0.4	0.8
Support	1.7	1.8
Total	<u>13.7</u>	<u>12.9</u>

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

The Executive Director (who is an employee and not on the board of directors) received employee benefits (including employer's NI and pension contributions) for the year of £56,379 (2021: £49,835).

Defined contribution pension scheme

Hot Chocolate Trust is subject to pensions automatic enrolment legislation.

The pension scheme cost £38,463 this year (2021: £34,437).

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14 Intangible fixed assets

Hot Chocolate Trust developed a monitoring and evaluation database for our own use. Further development has taken place that will enable us to sell this to other charities as a "Software as a Service" tool. The further development work and legal fees have been capitalised as an intangible asset, to be amortised over 7 years.

Cost

	2022	2021
	£	£
At beginning of the year	15,940	-
Additions	1,998	15,940
Disposals	-	-
At end of the year	<u>17,938</u>	<u>15,940</u>

Amortisation - 7 year period

	2022	2021
	£	£
At beginning of the year	514	-
Amortisation for the period	2,538	514
Disposals	-	-
At end of the year	<u>3,052</u>	<u>514</u>

Net book value

	2022	2021
	£	£
At beginning of the year	15,426	-
At end of the year	14,886	15,426

15 Tangible fixed assets

Cost

	Computer equipment	Camera & music equipment	Other equipment	Tenant's Improvements	2022
	£	£	£	£	£
At beginning of the year	11,324	6,951	26,539	15,707	60,521
Additions	-	-	-	2,160	2,160
Disposals	-	-	-	-	-
At end of the year	<u>11,324</u>	<u>6,951</u>	<u>26,539</u>	<u>17,867</u>	<u>62,681</u>

Depreciation

	Straight line basis				2022
	3 year life	8 year life	5 year life	20 year life	
	£	£	£	£	£
At beginning of the year	11,324	5,870	23,051	343	40,588
Depreciation for the period	-	386	1,207	804	2,397
Disposals	-	-	-	-	-
At end of the year	<u>11,324</u>	<u>6,256</u>	<u>24,258</u>	<u>1,147</u>	<u>42,985</u>

Net book value

	£	£	£	£	2022
	£	£	£	£	£
At beginning of the year	-	1,081	3,488	15,364	19,933
At end of the year	-	695	2,281	16,720	19,696

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Cost	Computer	Camera	Other	Tenant's	2021
	equipment	& music equipment	equipment	Improve- ments	
	£	£	£	£	£
At beginning of the year	12,278	6,951	24,597	-	43,826
Additions	-	-	1,942	15,707	17,649
Disposals	(954)	-	-	-	(954)
At end of the year	11,324	6,951	26,539	15,707	60,521

Depreciation	Straight line basis				2021
	3 year life	8 year life	5 year life	20 year life	
	£	£	£	£	£
At beginning of the year	12,022	5,451	19,225	-	36,698
Depreciation for the period	256	419	3,826	343	4,844
Disposals	(954)	-	-	-	(954)
At end of the year	11,324	5,870	23,051	343	40,588

Net book value	£	£	£	£	2021
At beginning of the year	256	1,500	5,372	-	7,128
At end of the year	-	1,081	3,488	15,364	19,933

16 Debtors and prepayments

Analysis of debtors	Amounts falling due within one year	
	2022	2021
	£	£
Debtors	20,533	8,032
Prepayments	7,989	4,617
Accrued income	5,319	21,259
Total	33,841	33,908

17 Creditors and accruals

Analysis of creditors	Amounts falling due within one year	
	2022	2021
	£	£
Company credit cards	3,060	2,602
Trade creditors	423	1,786
Accruals	7,521	8,134
Deferred income	60,026	53,942
Total	71,030	66,464

Deferred income	2022	2021
	£	£
Opening deferred income	53,942	28,578
Deferred income released in the year	(53,942)	(28,578)
Income deferred in the year	60,026	53,942
Closing deferred income	60,026	53,942

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18 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
Alexander Moncur Trust	Building development costs
AllChurches Trust	Salary costs
BBC Children in Need	Salary, youth work and cost of living bonus
Benefact Trust	Building development costs
Boots UK Ltd and Boots the Chemist Social Club	Youth work
CashBack for Communities Youth Work Fund	Salary, youth work and core costs
CashBack for Creativities: Open Arts Fund	Youth work
City Centre & Harbour Community Fund	Youth work
Comic Relief	Salary, youth work and training costs
Common Good Fund	Salary and youth work costs
Communities Recovery Fund	Salary, youth work and core costs
Community Innovation Fund	Salary and youth work costs
Creative Scotland: Recovery Fund for Cultural Organisations	Salary costs
Creative Scotland: Youth Arts Access Fund	Salary and youth work costs
Creative Scotland: Youth Music Initiative	Youth work
DCC Community Mental Health and Wellbeing Framework	Salary, youth work and management costs
DCC Summer of Play 2021	Salary and youth work costs
Dr Guthrie's Association	Salary costs
Dundee Trust	Youth work
DVVA Communities Mental Health and Wellbeing Fund	Salary and youth work costs
Gannochy Trust	Salary 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
National Voluntary Youth Work Organisations Support Fund	Training costs
Northwood Charitable Trust	Building development costs
Paul Hamlyn Foundation	Salary costs
Peter Vardy Foundation	Youth mental health and wellbeing
Rank Foundation	Salary and training costs
Robertson Trust	Core costs
Souter Charitable Trust	Youth work
STV Children's Appeal	Building development costs
Swire Charitable Trust	Salary costs
Tesco Bags for Help	Youth work
The Baird Trust	Building development and core costs
The Listening Fund	Salary costs
The National Lottery Community Fund: Young Start	Salary costs
The Ragdoll Foundation	Salary and youth work costs
The Ryvoan Trust	Salary costs
The William Syson Foundation	Salary costs
Tudor Trust	Salary, training and core costs
Your Voice Your Choice Dundee	Core costs
Youth Work Education Recovery Fund	Salary and youth work costs
YouthLink Scotland Social Isolation and Loneliness Fund	Salary and youth work costs

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Movements of major funds

Fund name	Fund balance	Incoming resources	Outgoing resources	Fund balance	Incoming resources	Outgoing resources	Fund balance
	31.12.20	2021	2021	31.12.21	2022	2022	31.12.22
	£	£	£	£	£	£	£
Alexander Moncur Trust	-	-	-	-	5,000	-	5,000
AllChurches Trust	5,758	-	5,758	-	-	-	-
BBC Children in Need	436	-	316	120	10,000	8,727	1,393
Benefact Trust	-	-	-	-	8,100	-	8,100
Boots UK Ltd and Boots the Chemist Social Club	1,408	-	1,408	-	-	-	-
CashBack for Communities Youth Work Fund	3,154	2,059	4,585	628	6,100	6,728	-
CashBack for Creativities: Open Arts Fund	563	-	174	389	-	173	216
City Centre & Harbour Community Fund	-	800	800	-	-	-	-
Comic Relief	2,309	10,676	12,985	-	-	-	-
Common Good Fund	5,064	-	5,064	-	-	-	-
Communities Recovery Fund	19,959	10,793	30,752	-	-	-	-
Community Innovation Fund	-	4,500	2,125	2,375	7,125	9,003	497
Creative Scotland: Recovery Fund for Cultural Organisations	-	-	-	-	16,162	16,162	-
Creative Scotland: Youth Arts Access Fund	-	26,996	19,915	7,081	3,000	10,081	-
Creative Scotland: Youth Music Initiative	904	-	213	691	-	213	478
DCC Community Mental Health and Wellbeing Framework	-	29,500	26,163	3,337	35,000	35,638	2,699
DCC Summer of Play 2021	-	4,825	4,383	442	-	100	342
Dr Guthrie's Association	-	-	-	-	1,500	1,500	-
Dundee Trust	656	-	219	437	-	219	218
DVVA Communities Mental Health and Wellbeing Fund	-	-	-	-	16,886	16,886	-
Gannochy Trust	-	25,000	16,010	8,990	25,000	25,656	8,334
Inspiring Scotland	22,515	45,071	65,913	1,673	59,575	59,507	1,741
Investing in Communities Fund	-	90,458	88,299	2,159	73,809	74,783	1,185
Life Changes Trust	57,549	94,354	11,031	140,872	6,330	22,400	124,802
MAKE Trust	-	15,000	-	15,000	-	15,000	-
National Voluntary Youth Work Organisations Support Fund	-	-	-	-	4,950	1,685	3,265
Northwood Charitable Trust	-	-	-	-	20,000	-	20,000
Paul Hamlyn Foundation	-	6,250	5,636	614	30,625	27,489	3,750
Peter Vardy Foundation	-	4,000	4,000	-	-	-	-
Rank Foundation	-	8,738	7,493	1,245	25,212	23,513	2,944
Robertson Trust	7,333	30,000	9,833	27,500	30,000	30,000	27,500
Souter Charitable Trust	-	3,000	-	3,000	-	3,000	-
STV Children's Appeal	-	2,000	2,000	-	20,229	435	19,794
Swire Charitable Trust	-	-	-	-	24,001	24,001	-
Tesco Bags for Help	1,000	-	117	883	-	200	683
The Baird Trust	750	-	750	-	5,000	-	5,000
The Listening Fund	-	2,211	2,211	-	-	-	-
The National Lottery Community Fund: Young Start	-	33,000	32,210	790	19,540	20,330	-
The Ragdoll Foundation	2,911	4,000	6,911	-	-	-	-
The Ryvoan Trust	3,800	-	3,800	-	-	-	-
The William Syson Foundation	-	5,000	3,750	1,250	-	1,250	-
Tudor Trust	-	2,000	2,000	-	-	-	-
Your Voice Your Choice Dundee	1,000	-	1,000	-	-	-	-
Youth Work Education Recovery Fund	7,498	3,407	10,905	-	-	-	-
YouthLink Scotland Social Isolation and Loneliness Fund	-	5,500	4,500	1,000	2,000	3,000	-
Total restricted funds	144,567	469,138	393,229	220,476	455,144	437,679	237,941

At the year end, the BBC Children in Need, CashBack for Creativities: Open Arts Fund, Creative Scotland: Youth Music Initiative, Dundee Trust, DCC Summer of Play, Investing in Communities Fund, Life Changes Trust and Tesco Bags for Help fund balances included a fixed asset less depreciation.

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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 £3,300 to The Steeple Church as a contribution towards the cost of utilities and repairs (2021: £3,200). This amount was agreed by the board.

Transactions relating to Trustees are declared in note 11.

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 £88,500 in the accounts, with an associated cost incurred (2021: £74,700).

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

	2022	2021
	£	£
Net income	2,011	117,743
Adjustments for		
Amortisation charge	2,538	514
Depreciation charge	2,397	4,844
Bank interest	(5,080)	-
Decrease / (Increase) in debtors	67	(2,569)
Increase / (Decrease) in creditors (excluding credit cards)	4,108	26,789
Net cash provided by operating activities	<u>6,041</u>	<u>147,321</u>

23 Analysis of changes in net debt

	Cash flows		Cash flows		
	At 31.12.20	2021	At 31.12.21	2022	At 31.12.22
	£	£	£	£	£
Cash at bank and in hand	291,158	113,193	404,351	7,421	411,772
Loans falling due within 1 year: credit cards	(3,141)	539	(2,602)	(458)	(3,060)
Total	<u>288,017</u>	<u>113,732</u>	<u>401,749</u>	<u>6,963</u>	<u>408,712</u>