

**CASTLE CAVENDISH FOUNDATION**

**(A company limited by guarantee)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2022**

**CASTLE CAVENDISH FOUNDATION  
(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2022**

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**CASTLE CAVENDISH FOUNDATION**  
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**TRUSTEES' ANNUAL REPORT**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2022. The Trustees have opted to prepare the accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charities SORP (FRS 102).

**1. GOVERNING DOCUMENT**

Castle Cavendish Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association as amended on 26th November 2012. It is registered as a Charity with the Charity Commission. Anyone over the age of 16 can become a member of the Company, each of whom agrees to contribute a maximum of £1 in the event of the Charity winding-up.

**COMPANY REGISTRATION NO.** The company registration number is 04209702.

**CHARITY REGISTRATION NO.** The company is also registered with the Charity Commission. The registration number is 1119003.

**2. ORGANISATIONAL STRUCTURE**

Castle Cavendish Foundation (the Charity) has a Board of Trustees that governs and administers the organisation. Up to 15 Trustees are allowed on the Board at any one time. The Board meets every 6 weeks, and has the ability to appoint a Chief Executive to manage the day-to-day operations of the organisation. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and human resources.

The Charity has established a wholly owned trading subsidiary, Castle Cavendish Limited (the Trading Arm). This is administered by two non-executive directors, and operates on a commercial basis to maximise income, which is then donated through to the Charity.

**3. PUBLIC BENEFIT**

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing their aim and objectives and in planning their future activities. In particular, the Trustees consider how planned activities will contribute to the aim and objectives they have set.

In 2021/22, Castle Cavendish continued to provide a significant public benefit to the communities within the Charity's area of operation.

**4. MISSION & KEY AIMS & OBJECTIVES**

Castle Cavendish is seen as a new breed of organisation – a Social Impact Company. Covering some of the most diverse and disadvantaged parts of Nottingham, it is committed to improving the 'quality of life' in those areas. It uses its assets, its buildings, its people, its expertise and its funding to make a difference, and to improve people's lives, it will support the business community and the voluntary sector to grow and develop, enhancing social and economic conditions for the wider community.

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**TRUSTEES' ANNUAL REPORT**

**5. TRUSTEES**

Members of the Board of Trustees and also directors for company law purposes. The Trustees during the year ended 31 March 2022 were as follows: -

Mark Spouge	(Chair)
Shoaib Khan	
Parveen Begum	
Zane Powers	
Alex Scurtu	(Retired 17 November 2021)
Jay Ludditt	
Fadzai Gambanga	
Gurpal Singh Basra	
John Ydlibi	
Sahin Bengisu	(Appointed 28 April 2021)

During 2021/22, Craig Elder, Gurpal Basra and Dave Brennan acted as non-executive directors of the trading arm (CCL).

**6. PRINCIPAL OFFICE**

The principal office is Castle Cavendish Works, Dorking Road, Radford, Nottingham, NG7 5PN.

**7. RELEVANT ORGANISATIONS**

**Bankers**

Natwest Plc  
536 Valley Road  
Basford  
Nottingham  
NG5 1LF

**Auditors**

Rogers Spencer  
Newstead House  
Pelham Road  
Nottingham  
NG5 1AP



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**TRUSTEES' ANNUAL REPORT**

**8. ANNUAL REVIEW**

**Overview:**

Last year saw society try to recover from the Coronavirus Pandemic, a global event that is still ongoing, touching the lives of nearly everyone, and potentially changing the way we work, play and interact forever. Under these uncertain and unprecedented times, Castle Cavendish continued to provide its services to the best of its abilities, supporting and funding many of the front-line voluntary and community sector (VCS) groups, and also ensuring that our properties and associated business workspaces were thriving and viable, yet as safe as possible.

In total, Castle Cavendish funded 48 VCS groups to the tune of £452k, delivering more than 100 projects, events or other community-based activities. This programme of community support to some of the most vulnerable residents was primarily enabled through the Area Based Grant (ABG) and Holiday Activity Fund (HAF) funded by Nottingham City Council, along with other funding sourced by Castle Cavendish. To provide core support for this, Castle Cavendish through its trading arm, managed its properties and workspace in an effective and efficient manner. As occupancy levels increased to post-Pandemic levels Castle Cavendish has posted a credible trading net profit of £86k.

The impact of our funding support, our co-ordination and facilitation and our management of our assets, can be seen in our "Impact Report". Overall, Castle Cavendish has been able to respond to the challenges presented by the post-Pandemic world. It has withstood the economic downturn, and achieved a sizable trading profit, whilst making a significant impact in the communities it serves in one of the most critical years.

**Providing Support to the VCS**

**Play & Youth** – Following the Pandemic our community partners have worked on developing new ways of engaging and interacting with young children and young people, including Whatsapp groups, zoom parties and creating online content via platforms such as Youtube and Tiktok. This has complemented the support we have provided to universal youth centre provision and the targeted outreach work. In total, Castle Cavendish has funded 25 VCS groups.

**Holiday Activity** – Following the Pandemic, Castle Cavendish was successful in being part of the City-wide Holiday Activity Fund (HAF) programme supported by the Department of Education. Aimed at tackling child hunger during the school holidays, the programme focused on providing free activities and food for children in receipt of free school meals. Delivered in partnership with 10 of our Play & Youth community partners, our HAF programme provided over 240 hours of free activities and distributed almost 3,300 meals during the school holidays.

**Employment & Skills** – With record numbers of people being made redundant and the unemployment rates rising sharply they could only offer essential support via virtual meetings and telephone contact. Inequalities around digital inclusion were most sharply felt amongst the unemployed and this has been recognised by our community partners by providing devices, data packages and IT training to local jobseekers. To support this process, Castle Cavendish has invested £76k into 5 VCS groups specialising in delivering community-based employability support.

**Community Development & Engagement** – Castle Cavendish has recognised that this was an important theme in the post-Pandemic world, as our local social infrastructure required re-building, and many VCS groups found themselves on the frontline of the response to the pandemic. Over 65 local VCS groups received some form of support and engagement costing £59k and ranging from one-to-one advice on specific issues such as crisis management, funding applications and best practise; to wider, more general support delivered across the network via email bulletins and virtual meetings.

**Loneliness & Isolation** – Castle Cavendish recognised that loneliness and isolation is one of the biggest factors caused by Pandemic, especially in those deemed as senior citizens. To address this, Castle Cavendish distributed almost £33k in grants to support projects and events tackling this issue.

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**TRUSTEES' ANNUAL REPORT**

**8. ANNUAL REVIEW (continued)**

Even before 2021-22, Castle Cavendish realised the importance of supporting ways to reduce this and provided a grant of £20k to support the Radford Care Group in the development of its new building at Prospect Street. This modern and purpose-built facility will play a key role in supporting senior citizens to have positive and active lifestyles.

**Food Insecurity** – Prior to the pandemic we were already seeing a year-on-year rise in the number of people reliant on foodbanks but this has now grown exponentially. Food insecurity also became an issue for many elderly or clinically vulnerable people who struggled simply because they were unable to leave the house to purchase food. As a result, we have worked with 3 local VCS partners and awarded a total of £4,500 in grant support to address this issue.

**Managing our Properties Successfully**

Castle Cavendish, through its trading arm (Castle Cavendish Ltd), continued to manage its property base through difficult and changing circumstances. The resulting economic downturn led to a downturn in occupancy rates. However, this has only been a temporary phase, as the increasing role of remote/hybrid working ensured that our business centres – Castle Cavendish Works and Castle Cavendish Enterprise Centre – provided a flexible workspace approach that has been increasing in demand. Indeed, at Castle Cavendish Works, for example, occupancy declined from 95% to 68% occupancy in 2020-21, but by the end of 2021-22 that figure had risen back to 88%. Both business centres are now flourishing and looking 'fit for purpose', especially now that Castle Cavendish Enterprise Centre has had its long awaited, and rather impressive, entrance canopy installed.

However, the same cannot be said for Castle Cavendish properties on Alfreton Road. These retail properties on a 1930's shopping parade do benefit from being on a strategic corridor coming in and out of the City, but retail businesses are more inclined to come and go, especially given the economic conditions. Although occupancy levels have remained high, there has been a 'churn' of business tenants, and the debt accrued has increased, due to rental arrears. This is understandable, and Castle Cavendish are assisting and supporting these retail tenants through various payment arrangements. As a result, Castle Cavendish has a 'bad debt provisions' of £72k that has been built-in to our Balance Sheet.

In regards Tennyson Hall, this renovated school building provides an impressive feature on Forest Road West. Although changes in tenants have taken place, the building is still fully let on a commercial basis to 2 key VCS groups who operate across the City.

Impressively, given the economic downturn, the revenue generated for the full year reached £529k. This may not be as much as in the pre-Pandemic years; however, it is still excellent given the unprecedented and extra ordinary circumstances. In regards costs, this has likewise been reduced, and came in at £444k. Taking into account depreciation and other accountancy entries, this provides a net profit of just over £86k, with a net return of 16.2%.

Although our business centres are matching up to emerging work practices, which bode well for the future, it was also felt that Castle Cavendish should respond to the developing ESG agenda within the business world. As a result, a range of internal operational changes were developed at Castle Cavendish Works, and it was formally launched as Nottingham's Ethical Business Centre on 1<sup>st</sup> April 2022.

**Developing Our External Relationships:**

As part of our role as Area Lead Organisation for Nottingham City Council, covering area 2, 4 & 5, our external work with key stakeholders and community partners is ongoing, especially creating and nurturing the new relationships associated with the Holiday Activity Fund programme. An example of this is the arrangements that have been developed and established in the Berridge Ward with Djanogly Learning Trust and Nottinghamshire County Cricket Club on the use of Haydn Road Campus, with its under-used sports field, Multi-Use Games Area and Pavilion.

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**TRUSTEES' ANNUAL REPORT**

**8. ANNUAL REVIEW (continue)**

**Financial:**

Therefore, taking into account all our activities, Castle Cavendish's overall income for 2021-22 was £1.087m, compared to the £905k the previous year. The income generated for our charitable activities represents 50.2% and 49.8% for our trading activities. This compares with the previous year of 48.4% of income generated by our charitable activities and 46.3% from our trading activities.

Castle Cavendish's overall expenditure in 2021-22 was £1.114m, compared to £1.044m in 2020-21. Of the overall costs, 54.4% of our costs have been associated with our charitable projects and grants, with 40.9% related to our property management. In the previous year, this was 52.6% and 42.6%. In regards Governance costs, these have decreased from 5.0% last year to 4.7% this year, which is remarkably low and good value for money.

In regards our management costs, we have worked hard to ensure that this is as low as possible. For 2021-22, this now stands at 10.8%, compared to 9.2% in the previous year (2020-21). However, once project co-ordination and management fees are taken into account, the net management costs come in at just 2.4%.

**Governance:**

In terms of governance, 2021-22 has seen the Board of Trustees start to meet face-to-face following the previous years, remote working arrangements. Throughout the year, it made a number of key decisions. Here are just a few of them:

- In May 2021, it set out an overall Business Plan for 2021-22, taking into account various scenarios regarding the post-Pandemic situation.
- In July 2021, it reviewed the progress and performance in the quarter 1 period.
- In September, the Board approved the Draft Consolidated Accounts & Trustees Report for 2020-21, and also agreed to develop Castle Cavendish Works as a 'Ethical Business Centre'.
- In October 2021, Trustees reviewed progress and performance for the quarter 2 period.
- In November 2021, Castle Cavendish held its Annual General Meeting, where the Charity's Company Accounts were passed, following the Audit by Rogers Spencer.
- In February 2022, it reviewed the progress and performance in the quarter 3 period, and also undertook a Banking Review.

**Compliance:**

Castle Cavendish has met all its reporting requirements, including its audited Company Account & Financial Statement through to Companies House, its Annual Report through to the Charity Commission, and Grant Claims to external funding bodies, such as Nottingham City Council.

**Going Forward:**

As we come out of the pandemic, Castle Cavendish's trading activities has increased significantly, improving its occupancy levels to close to pre-pandemic levels and increasing its profitability. Although there has been an increase in the number of business tenants struggling to pay their rent, and indeed survive, especially at Alfreton Road, it is felt that this can be accommodated within the existing 'bad debt provisions' in the balance sheet. As in previous years, this profit is transferred (via a dividend) to support Castle Cavendish's charitable activities.

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**8. ANNUAL REVIEW (continued)**

This financial support from our trading activities combines with our external funding in order for Castle Cavendish to provide its charitable activities, primarily by co-ordinating, managing and distributing funding to the VCS. A major source of this external funding is Nottingham City Council, and in December 2021 it confirmed that it would extend the Area Based Grant for Area 2, Area 4 and 5 for a further year into 2022-23, resulting in a combined total of £344k of ABG funding. In addition, Castle Cavendish's successful management of the Holiday Activity Fund in 2021 has paid dividends, as in March 2022 it was confirmed that Castle Cavendish would continue its role in 2022, accessing up to £111k of grant support. Recently, Nottingham City Council have also agreed to provide Castle Cavendish with £40k of grant to deliver part of the Community Vaccine Champions programme. All in all, it is anticipated that over £500k of external grant will be accessed in 2022-23.

Along with maximising grant funding to our community partners in the VCS, this level of grant will fund Castle Cavendish to deliver its charitable activities directly, as well as generating significant management fees. Potentially this could be up to £75k, and will cover at least two-thirds of the core support costs that are required to manage the organisation. The other third is covered by its trading arm contribution outlined above. This business model approach ensures that Castle Cavendish can continue as a 'going concern', even if external grant is significantly reduced, as long as restructuring takes place to match-up to the funds available.

In March 2022, Castle Cavendish's Trustees had a Strategic Planning Workshop to consider the organisations future role and remit, given the potential that the Area Based Grant will no longer be provided on the same basis from 2023 onwards. The Workshop concluded that Castle Cavendish should see 2022-23 as a year in transition, and:

- Seek opportunities to provide direct delivery, but not in competition with local VCS groups.
- Develop our role as the 'go to' agency to manage and run community buildings.
- Establish a new funding strategy that looks at maximising grant income through collaboration with key community partners as well as tendering for contracts to deliver services.
- Seek to raise additional finance for our trading activities through social investment/social bonds and generating equity capital.
- Enhance our ethical and sustainable credentials.

The Trustees also decided to revise the organisations Mission Statement and Key Aims to be more reflective of the current needs and requirements of the communities it serves, setting down a number of relevant and ambitious priorities, delivered through a series of working principles. This Strategic Prospectus, combined with annual Financial Plans, will replace the previous Business Plan approach, so as the organisation can be more agile and flexible, responding to future opportunities as they come forward.

As we look forward to 2023-24, the organisation has exciting plans on how to take forward its future role in: firstly, distributing grant to the VCS; and secondly, managing community spaces and buildings, with discussions with Nottingham City Council, as one of the key stakeholders and funders, going particularly well. The latter role has also ensured that the organisation has engaged other key stakeholders associated with education, health and sport and active lifestyle that could widen the scope of funding and diversify its income streams.

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**9. PAY POLICY FOR SENIOR STAFF**

The trustees consider the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing, controlling running and operating the Foundation on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 17 to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in similar sectors.

**10. RISK MANAGEMENT**

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary Castle Cavendish Limited face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for both the charity and its Subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditor balances to ensure sufficient working capital by the Foundation and its subsidiary company.

**11. RESERVES POLICY**

The Charity holds a general reserve from income received in previous years, along with income generated from its trading subsidiary (CCL) and donated through. It has the ability to use these reserves each year to contribute to investments, grants and the running of the organisation, in line with the Charity's Reserve Policy.

As of 31<sup>st</sup> March 2022, the organisation's Current Assets are made up of 'Debtors' (£72k) and 'Cash in Bank' (£89k), amounting to £161k. This is offset by Liabilities (falling in one year) of £121k. The approved Reserves Policy identifies that, under the current circumstances, the estimated level of reserves should be at least £101k, and action is being taken to increase current assets and reduce our liabilities, thereby increasing our level of reserves.

**12. TRUSTEE INDUCTION & TRAINING**

New Trustees are provided with a Trustee Handbook, and undergo an orientation process to brief them on the Charity and their role as a Trustee, including:

- legal obligations under Charity and company law;
- the content of the Memorandum and Articles of Association;
- the committee and decision making process;
- the latest business plan; and
- the performance of the Charity.

Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.



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**TRUSTEES' ANNUAL REPORT**

**13. RELATED PARTIES**

In 2021-22, Castle Cavendish had a strategic relationship with Nottingham City Council, as the main funder of the ABG Programme. From an operational point of view, it had contractual relationship, through grant agreements, with 27 VCS groups.

**14. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of Castle Cavendish Foundation for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing financial statements, the Trustees 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Board of Trustees adopted the Charity Governance Code in October 2018. This sets out seven key principles of good governance:

1. **Organisational Purpose:**  
The Board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.
2. **Leadership:**  
The Board provides effective, strategic leadership in line with the charity's aims and values.
3. **Integrity:**  
The Board acts with integrity adopting values and creating a culture which help achieve the organisations charitable purposes. The Board is aware of the importance of the public's confidence and trust in charities, and Trustees undertake their duties accordingly.

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**TRUSTEES' ANNUAL REPORT**

**14. STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)**

4. **Decision-making, risk and control:**  
The Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.
5. **Board effectiveness:**  
The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.
6. **Diversity:**  
The Board's approach to diversity supports its effectiveness, leadership and decision-making.
7. **Openness and accountability:**  
The Board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

**15. AUDITORS**

A resolution will be proposed at the Annual General Meeting that Rogers Spencer be re-appointed as auditors to the charity for the ensuing year.

Approved by the Board of Trustees on 16/11/22 and signed on its behalf by



**Mark Spouge**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CASTLE CAVENDISH FOUNDATION (A company limited by guarantee)**

**Independent Auditor's Report to the members and Trustees of Castle Cavendish Foundation (a company limited by guarantee)**

**Opinion**

We have audited the financial statements of Castle Cavendish Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the group statement of financial activities, the group and parent charitable company balance sheet, the group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

As mentioned within the Investments note (note 9), the long term investment properties, which represent 96% of fixed assets and 87% of gross assets, have been valued by the Trustees as at 31 March 2022. The last professional valuation was undertaken by Savills in 2013. Due to unknown future impact with regard to Covid-19, there is less certainty attached to any valuation at this time.

We do not modify our opinion with regard to this matter.

**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 group's or parent charitable company'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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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**Other information**

The other information comprises the information included in the trustees' 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, except to the extent otherwise explicitly stated in our report, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CASTLE CAVENDISH FOUNDATION (A company limited by guarantee)**

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge and experience of the charity sector and grant providers;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the group's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**Use of our report**

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



.....

**Melvin Bailey FCCA DChA (Senior Statutory Auditor)  
For and on behalf of Rogers Spencer**

Date 18/11/22

**Chartered Certified Accountant  
Statutory Auditor**

**Newstead House  
Pelham Road  
Nottingham NG5 1AP**

Rogers Spencer is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**~ INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
<b><u>INCOME AND ENDOWMENTS FROM</u></b>					
Income from charitable activities:					
Grants receivable	3a	-	545,196	545,196	438,710
Income from trading activities:					
Rent and room hire		415,862	-	415,862	330,489
Other property income		81,972	-	81,972	51,734
Service charges		32,051	-	32,051	31,278
Other grants receivable		-	11,857	11,857	6,140
		<u>529,885</u>	<u>11,857</u>	<u>541,742</u>	<u>419,641</u>
Other income -- Government Covid support	4	-	-	-	47,602
<b><u>TOTAL INCOME</u></b>		<u>529,885</u>	<u>557,053</u>	<u>1,086,938</u>	<u>905,953</u>
<b><u>EXPENDITURE ON</u></b>					
Raising funds	5a	15,293	-	15,293	1,373
Charitable activities	5c	574,852	523,643	1,098,495	1,042,954
<b><u>TOTAL EXPENDITURE</u></b>		<u>590,145</u>	<u>523,643</u>	<u>1,113,788</u>	<u>1,044,327</u>
<b><u>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</u></b>		(60,260)	33,410	(26,850)	(138,374)
Transfers between funds		<u>33,713</u>	<u>(33,713)</u>	-	-
<b><u>NET MOVEMENT IN FUNDS</u></b>		<u>(26,547)</u>	<u>(303)</u>	<u>(26,850)</u>	<u>(138,374)</u>
Fund balances brought forward		<u>1,538,584</u>	<u>26,852</u>	<u>1,565,436</u>	<u>1,703,810</u>
<b><u>FUND BALANCES CARRIED FORWARD</u></b>		<u>1,512,037</u>	<u>26,549</u>	<u>1,538,586</u>	<u>1,565,436</u>

The consolidated statement of financial activities contains all the gains and losses recognised in current and previous period.

All activities are continuing activities.

The notes on pages 19 to 36 form part of these financial statements.

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**~ INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**PRIOR YEAR ONLY:**

	Note	Unrestricted £	Restricted £	Total 2021 £
<b><u>INCOME AND ENDOWMENTS FROM</u></b>				
Income from charitable activities:				
Grants receivable	3b	-	438,710	438,710
Income from trading activities:				
Rent and room hire		330,489	-	330,489
Other property income		51,734	-	51,734
Service charges		31,278	-	31,278
Other grants receivable		6,140	-	6,140
		<u>419,641</u>	<u>-</u>	<u>419,641</u>
Other income – Government Covid Support	4	<u>47,602</u>	<u>-</u>	<u>47,602</u>
<b><u>TOTAL INCOME</u></b>		<b><u>467,243</u></b>	<b><u>438,710</u></b>	<b><u>905,953</u></b>
<b><u>EXPENDITURE ON</u></b>				
Raising funds	5b	1,373	-	1,373
Charitable activities	5d	<u>610,366</u>	<u>432,588</u>	<u>1,042,954</u>
<b><u>TOTAL EXPENDITURE</u></b>		<b><u>611,739</u></b>	<b><u>432,588</u></b>	<b><u>1,044,327</u></b>
<b><u>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</u></b>		<b>(144,496)</b>	<b>6,122</b>	<b>(138,374)</b>
Transfers between funds		<u>60,156</u>	<u>(60,156)</u>	<u>-</u>
<b><u>NET MOVEMENT IN FUNDS</u></b>		<b>(84,340)</b>	<b>(54,034)</b>	<b>(138,374)</b>
Fund balances brought forward		<u>1,622,924</u>	<u>80,886</u>	<u>1,703,810</u>
<b><u>FUND BALANCES CARRIED FORWARD</u></b>		<b><u>1,538,584</u></b>	<b><u>26,852</u></b>	<b><u>1,565,436</u></b>

All activities are continuing activities.

The notes on pages 19 to 36 form part of these financial statements.

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022**

	Note	2022	2021
		£	£
<b><u>FIXED ASSETS</u></b>			
Tangible fixed assets	8a	51,242	59,768
Investments	9	<u>1,548,052</u>	<u>1,532,502</u>
		1,599,294	1,592,270
<b><u>CURRENT ASSETS</u></b>			
Debtors	10	83,681	66,340
Cash at bank and in hand		<u>88,539</u>	<u>136,195</u>
		172,220	202,535
<b><u>LIABILITIES:</u></b> Amounts falling due within one year	11	<u>(121,966)</u>	<u>(107,256)</u>
<b><u>NET CURRENT ASSETS / (LIABILITIES)</u></b>		<u>50,254</u>	<u>95,279</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		1,649,548	1,687,549
<b><u>LIABILITIES:</u></b> Amounts falling due after more than one year	12	<u>(110,962)</u>	<u>(122,113)</u>
<b><u>NET ASSETS</u></b>		<u>1,538,586</u>	<u>1,565,436</u>
<b><u>FUNDS</u></b>			
<b>Unrestricted</b>			
General funds	14	1,512,037	1,538,584
<b>Restricted</b>	13	<u>26,549</u>	<u>26,852</u>
<b>Total funds</b>		<u>1,538,586</u>	<u>1,565,436</u>

The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board of Trustees on 16/11/22 and signed on its behalf by

  
Mark Spouge  
Chair of Trustees

Company Number 04209702

The notes on pages 19 to 36 form part of these financial statements.

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**BALANCE SHEET AS AT 31ST MARCH 2022 (CHARITY ONLY)**

	Note	2022 £	2021 £
<b><u>FIXED ASSETS</u></b>			
Tangible fixed assets	8b	27,700	37,983
Investments	9	<u>1,548,152</u>	<u>1,532,602</u>
		1,575,852	1,570,585
<b><u>CURRENT ASSETS</u></b>			
Debtors	10	70,905	62,486
Cash at bank and in hand		<u>16,157</u>	<u>64,569</u>
		87,062	127,055
<b><u>LIABILITIES:</u></b> Amounts falling due within one year	11	<u>(19,766)</u>	<u>(16,492)</u>
<b><u>NET CURRENT ASSETS / (LIABILITIES)</u></b>		<u>67,296</u>	<u>110,563</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		1,643,148	1,681,148
<b><u>LIABILITIES:</u></b> Amounts falling due after more than one year	12	<u>(110,962)</u>	<u>(122,113)</u>
<b><u>NET ASSETS</u></b>		<u>1,532,186</u>	<u>1,559,035</u>
<b><u>FUNDS</u></b>			
<b>Unrestricted</b>			
General funds	14	1,505,637	1,532,183
<b>Restricted</b>	13	<u>26,549</u>	<u>26,852</u>
<b>Total funds</b>		<u>1,532,186</u>	<u>1,559,035</u>

The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board of Trustees on 16/11/22 and signed on its behalf by

  
Mark Spouge  
Chair of Trustees

Company Number 04209702

The notes on pages 19 to 36 form part of these financial statements.

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

	Note	2022 £	2021 £
<b>Cashflows from operating activities</b>			
Cash generated from/(absorbed by) operations	20	(10,618)	(345,309)
Interest paid		<u>(4,817)</u>	<u>(6,335)</u>
<b>Net cash (outflow)/ inflow from operating activities</b>		<u>(15,435)</u>	<u>(351,644)</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(21,071)	(15,733)
Sale proceeds		<u>-</u>	<u>375,000</u>
<b>Net cash received/(used) in investing activities</b>		<u>(21,071)</u>	<u>359,267</u>
<b>Financing activities</b>			
Repayment of bank loans		(11,150)	(5,247)
<b>Net cash received/ (used) in financing activities</b>		<u>(11,150)</u>	<u>(5,247)</u>
<b>Net decrease in cash and cash equivalents</b>		(47,656)	2,376
Cash and cash equivalents at beginning of the year		<u>136,195</u>	<u>133,819</u>
<b>Cash and cash equivalents at end of year</b>		<u>88,539</u>	<u>136,195</u>



**CASTLE CAVENDISH FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The charity is limited by guarantee and was incorporated in England & Wales. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

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

**Basis of consolidation**

The consolidated financial statements include the financial statements of the parent charitable company and its subsidiary company Castle Cavendish Limited.

**Going concern**

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Although the Charitable group draws upon grants from the Local Authority and other potential funders, it equally generates a significant amount of income through its trading subsidiary. As society comes out of the pandemic, it is anticipated that the changing business requirements lend itself to the flexible workspace opportunities that exist at both Castle Cavendish Works and Castle Cavendish Enterprise Centre. Indeed, the initial forecasted trading profit for 2022-23 was estimated to be in the order of £90k, due to a steady growth in usage and occupancy. Indeed, it is anticipated that occupancy levels will reach their optimum in 2022-23. However, as energy costs increase, the trading activities may well be affected, and a net profit of £77k is more likely.

In May 2022, the Board of Trustees approved a Strategic Prospectus for the next few years, alongside a Financial Budget for 2022-23 which builds in the trading subsidiary income and expenditure forecasts, alongside an anticipated grant programme worth up to £500k, fully supported through external funders. Even with the significant task of managing this grant programme and the cost associated with this role, it is anticipated that the Charitable group will generate a net surplus in 2022-23.

However, it should be noted that there are some question marks over grant funds in the future, especially in regards the Area Based Grant from 2023 onwards, as well as the level of funds to be allocated. The cost of delivering aspects of the Area Based Grant and managing its distribution is covered through an element of the Area Based Grant itself, alongside a percentage Management Fee. Obviously, with some uncertainty surrounding this matter, the potential fees generated and the 'in-house' project delivery grant are difficult to estimate. The Board of Trustees are well aware of this issue and have a risk management approach which will respond to the prevailing circumstances, scaling up or scaling up, depending on the grant funds that are awarded.

However, as previously noted, if the trading subsidiary matches up to optimum levels in 2022-23, and there is no reason why this should not happen given the current trends, then trading profits will be substantial. This donation to the Charitable group, will ensure that the governance costs and management responsibilities for the group as a whole will be properly supported on an ongoing basis.

As we look forward to 2023-24, the organisation has exciting plans on how to take forward its future role in: firstly, distributing grant to the VCS; and secondly, managing community spaces and buildings, with discussions with Nottingham City Council, as one of the key stakeholders and funders, going particularly well. The latter role has also ensured that the organisation has engaged other key stakeholders associated with education, health and sport and active lifestyle that could widen the scope of funding and diversify its income streams.

**CASTLE CAVENDISH FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**1. ACCOUNTING POLICIES (continued)**

**Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

**Income**

All income is included in the SOFA when the charity is legally entitled to the income, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue grants', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Gifts in kind donated are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

All capital grants received in respect of any depreciated assets are credited to deferred income and amortised to the profit and loss account over the useful economic life of the assets to which they relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**Expenditure and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

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 the promotional costs to the charity.
- Expenditure on charitable activities includes all costs undertaken to further the purposes of the charity and their associated support costs, including costs of governance.

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

**Taxation**

The Trust is a registered Charity and is exempt from taxation. Its subsidiary company, Castle Cavendish Limited, is liable to corporation taxation on its profits however. Any tax incurred is charged to resources expended.

**CASTLE CAVENDISH FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**1. ACCOUNTING POLICIES (continued)**

**Fixed assets and depreciation**

Tangible fixed assets are stated at the lower of cost less accumulated depreciation and valuation.

Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Computer equipment	33 1/3% straight line basis
Fixtures, fittings, vehicles and equipment	15% straight line basis

**Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

**2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the group's accounting policies, the trustees 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**3a. GRANTS RECEIVABLE**

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Nottingham City Council: Area 2 Grant	-	175,283	175,283	168,016
Nottingham City Council: Area 4 Grant	-	144,345	144,345	137,570
Nottingham City Council: Area 5 Grant	-	126,842	126,842	120,656
Nottingham City Council: 51 Holiday Activity Fund	-	98,726	98,726	-
Breaking Barriers Building Bridges	-	-	-	12,468
	<u>-</u>	<u>545,196</u>	<u>545,196</u>	<u>438,710</u>

**3b. GRANTS RECEIVABLE (Prior year)**

	Unrestricted funds	Restricted funds	Total 2021
	£	£	£
Nottingham City Council: Area 2 Grant	-	168,016	168,016
Nottingham City Council: Area 4 Grant	-	137,570	137,570
Nottingham City Council: Area 5 Grant	-	120,656	120,656
Breaking Barriers Building Bridges	-	12,468	12,468
	<u>-</u>	<u>438,710</u>	<u>438,710</u>

**4. OTHER INCOME – COVID SUPPORT**  
(unrestricted)

	Total 2022	Total 2021
	£	£
Furlough income	-	37,602
Business Support grant	<u>-</u>	<u>10,000</u>
	<u>-</u>	<u>47,602</u>

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

<b>5a. RAISING FUNDS</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>	
	£	£	£	
Advertising and promotion	<u>15,293</u>	-	<u>15,293</u>	
	<u>15,293</u>	-	<u>15,293</u>	
<b>5b. RAISING FUNDS (Prior year)</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>		
	£	£		
Advertising and promotion	<u>1,373</u>	-		
	<u>1,373</u>	-		
<b>5c. CHARITABLE ACTIVITIES</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	£	£	£	£
Staff costs	201,571	71,609	273,180	280,286
Repairs and maintenance	71,951	-	71,951	39,989
Premises security	3,998	-	3,998	1,941
Computer costs	3,506	-	3,506	-
Heat, light, water and telephone	54,267	-	54,267	49,205
Insurance	10,849	-	10,849	12,147
Motor and travel	349	-	349	511
Printing, postage and stationery	9,919	-	9,919	3,454
Training	525	-	525	-
Service charges	30,432	-	30,432	30,639
Legal and professional fees	13,149	-	13,149	10,060
Accountancy fees	4,076	-	4,076	3,865
Equipment leasing	6,730	-	6,730	4,978
Rent and rates	80,412	-	80,412	77,953
Sundry expenses	1,338	-	1,338	831
Bad debts	(2,199)	-	(2,199)	10,623
Bank charges	1,152	-	1,152	1,039
Grant payments (Note 5i)	-	452,034	452,034	405,763
Loan interest	4,817	-	4,817	6,335
Governance (Note 5e)	52,373	-	52,373	51,807
Depreciation	14,047	-	14,047	24,829
Unrecoverable VAT	11,590	-	11,590	5,922
Loss on sale of property	-	-	-	20,777
	<u>574,852</u>	<u>523,643</u>	<u>1,098,495</u>	<u>1,042,954</u>

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

5d. <u>CHARITABLE ACTIVITIES (Prior year)</u>	Unrestricted funds £	Restricted funds £	Total 2021 £
Staff costs	233,151	46,825	279,976
Repairs and maintenance	39,989	-	39,989
Premises security	1,941	-	1,941
Heat, light, water and telephone	49,205	-	49,205
Insurance	12,147	-	12,147
Motor and travel	511	-	511
Printing, postage and stationery	3,764	-	3,764
Service charges	30,639	-	30,639
Legal and professional fees	10,060	-	10,060
Accountancy fees	3,865	-	3,865
Equipment leasing	4,978	-	4,978
Rent and rates	77,953	-	77,953
Sundry expenses	831	-	831
Bad debts	10,623	-	10,623
Bank charges	1,039	-	1,039
Grant payments (Note 5i)	20,000	385,763	405,763
Loan interest	6,335	-	6,335
Governance (Note 5f)	51,807	-	51,807
Depreciation	24,829	-	24,829
Unrecoverable VAT	5,922	-	5,922
Loss on sale of property	<u>20,777</u>	<u>-</u>	<u>20,777</u>
	<u>610,366</u>	<u>432,588</u>	<u>1,042,954</u>

5e. <u>GOVERNANCE COSTS</u>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Staff costs	46,373	-	46,373	46,107
Audit fees	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>5,700</u>
	<u>52,373</u>	<u>-</u>	<u>52,373</u>	<u>51,807</u>

5f. <u>GOVERNANCE COSTS (Prior year)</u>	Unrestricted funds £	Restricted funds £	Total 2021 £
Staff costs	46,107	-	46,107
Audit fees	<u>5,700</u>	<u>-</u>	<u>5,700</u>
	<u>51,807</u>	<u>-</u>	<u>51,807</u>

**CASTLE CAVENDISH FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

**5g. TOTAL RESOURCES EXPENDED**

	<u>Basis of allocation</u>	<u>Projects and grants</u>	<u>Property management</u>	<u>Governance</u>	<b>2022</b>	<b>2021</b>
<b>Costs directly allocated to activities</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	Direct	93,482	179,699	46,373	319,554	326,083
Advertising	Direct	14,523	770	-	15,293	1,373
Premises costs	Direct	17,982	237,434	-	255,416	211,873
Travel	Direct	78	271	-	349	511
Hire of equipment	Direct	-	6,730	-	6,730	4,978
Printing, stationery etc	Direct	623	9,296	-	9,919	3,764
Depreciation	Direct	6,389	7,658	-	14,047	24,829
Legal and professional	Direct	3,805	13,420	6,000	23,225	19,625
Bank charges	Direct	15	1,137	-	1,152	1,039
Bad and doubtful debts	Direct	-	(2,199)	-	(2,199)	10,623
Grant payments	Direct	452,034	-	-	452,034	405,763
Unrecoverable VAT	Direct	11,587	-	-	11,587	5,922
Loss on sale of property	Direct	-	-	-	-	20,777
Other costs	Direct	<u>4,880</u>	<u>1,801</u>	<u>-</u>	<u>6,681</u>	<u>7,167</u>
		<u>605,398</u>	<u>456,017</u>	<u>52,373</u>	<u>1,113,788</u>	<u>1,044,327</u>

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**5h. TOTAL RESOURCES EXPENDED (Prior year)**

	<u>Basis of allocation</u>	<u>Projects and grants</u>	<u>Property management</u>	<u>Governance</u>	<u>2021</u>
<b>Costs directly allocated to activities</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	Direct	96,757	183,219	46,107	326,083
Advertising	Direct	1,373	-	-	1,373
Premises costs	Direct	3,904	207,969	-	211,873
Travel	Direct	46	465	-	511
Hire of equipment	Direct	-	4,978	-	4,978
Printing, stationery etc	Direct	532	3,232	-	3,764
Depreciation	Direct	7,252	17,577	-	24,829
Legal and professional	Direct	3,768	10,157	5,700	19,625
Bank charges	Direct	19	1,020	-	1,039
Bad and doubtful debts	Direct	-	10,623	-	10,623
Grant payments	Direct	405,763	-	-	405,763
Unrecoverable VAT	Direct	-	5,922	-	5,922
Loss on sale of property	Direct	20,777	-	-	20,777
Other costs	Direct	<u>6,761</u>	<u>406</u>	<u>-</u>	<u>7,167</u>
		<u>546,952</u>	<u>445,568</u>	<u>51,807</u>	<u>1,044,327</u>



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**51. GRANT PAYMENTS**

Grants were awarded to the following organisations during the year:

	2022 £	2021 £
<b>Unrestricted Grants:</b>		
Radford Care Group	-	20,000
<b>Total Unrestricted Grants</b>	<u>-</u>	<u>20,000</u>
<b>Restricted Grants:</b>		
Take 1 Studios	7,500	13,500
Signpost to Polish Success	8,000	4,000
A-Star Sports Development	7,720	4,005
Notts Club for Young People	18,970	2,040
The Lenton Centre	5,160	7,375
Primary (Nottingham Studios)	3,000	-
Switch Up CIC	12,200	19,100
Nottingham Health & Education Support	17,500	12,500
The Pythian Club	29,825	39,107
Hyson Green Youth Club	22,800	14,500
Building Bridges Breaking Barriers	23,708	15,828
East African Education Centre	2,250	3,750
Nottingham Bikeworks	10,525	5,750
Fearless Youth Association	9,025	1,820
Freedom Foundation	14,600	-
Helping Kids Achieve	3,000	-
Basford Rd Baptist Church	750	-
The Toy Library	34,191	27,000
Daniyaal's Martial Arts Academy	-	800
Inspire-Succeed CIC	8,300	-
Skills Exchange	400	-
OnPoint Distribution	1,540	-
Think Children	-	5,350
Positively Empowered Kids	5,610	-
Empleo	14,325	23,875
Notts County Football in the Community	3,000	2,778
9 <sup>th</sup> Nottingham Girls Brigade	-	250
SALTAR	1,000	-
Community Based Fitness	5,000	10,000
Sherwood Playgroup	6,660	9,000
Senior Support Group	4,000	-
<b>Restricted grants carried forward</b>	<b>280,559</b>	<b>222,328</b>

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**51. GRANT PAYMENTS (continued)**

	2022 £	2021 £
Restricted grants brought forward	280,559	222,328
Belong	18,250	28,210
Hoop Dreams Basketball Club	8,340	-
When Women Gather	6,000	-
AJ Sports	30,100	20,500
Wild Things	10,150	-
Wollaton Park Community Association	1,500	375
Windmill Community Gardens	7,000	-
The Vine Community Centre	-	4,420
Women in Tandem	8,040	-
The Bridges Community Trust	34,425	45,071
Disability Support Nottingham	-	2,500
The Bestwood Partnership	21,100	27,824
Djanogly Learning Trust	4,000	-
Welcome to Education project	1,780	2,529
Djanogly Lettings	400	-
Radford Care Group	-	2,602
Radford Methodist Church	-	3,200
YogaEd	-	587
Nottinghamshire Police & Crime Commissioner	-	1,232
Vanclaron CIC	4,100	7,160
Himmah	1,600	11,200
Jawaid Khaliq Boxing Academy	1,520	-
Leadership, Empowerment & Diversity (LED)	1,800	-
Mother's Voices	770	-
AKA Health Wealth & Oneness	9,600	-
St Aidan's Church	1,000	-
Mesopotamia	-	6,025
<b>Total Restricted Grants</b>	<b>452,034</b>	<b>385,763</b>

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**6. STAFF COSTS AND TRUSTEES REMUNERATION**

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Wages and salaries	288,674	295,592
Social security costs	20,299	20,478
Pension costs	9,676	10,013
	<u>318,649</u>	<u>326,083</u>

No employee earned £60,000 p.a. or more.

Average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	<b>Number 2022</b>	<b>Number 2021</b>
Charitable activities	12	11
Governance	<u>1</u>	<u>1</u>
	<u>13</u>	<u>12</u>

None of the Trustees received remuneration during the year.  
No Trustee expenses were incurred in the year.

**Remuneration of key management personnel**  
Remuneration of key management personnel is as follows:

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Aggregate compensation	<u>65,638</u>	<u>103,274</u>

**7. TRUSTEES INDEMNITY INSURANCE**

The charity paid £829 (2021: £935) during the year in respect of indemnity insurance for Trustees.

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**8a. TANGIBLE FIXED ASSETS (Group)**

	Computer equipment £	Fixtures, fittings, vehicles & equipment £	Total £
<b><u>COST</u></b>			
Brought forward at 1 April 2021	53,123	213,885	267,008
Transfer to investment property	-	(4,980)	(4,980)
Additions	2,216	8,285	10,501
Disposals	-	-	-
At 31 March 2022	<u>55,339</u>	<u>217,190</u>	<u>272,529</u>
<b><u>DEPRECIATION</u></b>			
Brought forward at 1 April 2021	52,003	155,237	207,240
Transfer to investment property	-	(1,494)	(1,494)
Charge for the year	1,395	14,146	15,541
Eliminated on disposals	-	-	-
At 31 March 2022	<u>53,398</u>	<u>167,889</u>	<u>221,287</u>
<b><u>NET BOOK VALUE</u></b>			
At 31 March 2022	<u>1,941</u>	<u>49,301</u>	<u>51,242</u>
At 31 March 2021	<u>1,120</u>	<u>58,648</u>	<u>59,768</u>

**8b. TANGIBLE FIXED ASSETS (Charity)**

	Computer equipment £	Fixtures, fittings, vehicles & equipment £	Total £
<b><u>COST</u></b>			
Brought forward at 1 April 2021	17,938	104,211	122,149
Transfer to investment property	-	(4,980)	(4,980)
Additions	1,086	-	1,086
Disposals	-	-	-
At 31 March 2022	<u>19,024</u>	<u>99,231</u>	<u>118,255</u>
<b><u>DEPRECIATION</u></b>			
Brought forward at 1 April 2021	17,660	66,506	84,166
Transfer to investment property	-	(1,494)	(1,494)
Charge for the year	489	7,394	7,883
Eliminated on disposals	-	-	-
At 31 March 2022	<u>18,149</u>	<u>72,406</u>	<u>90,555</u>
<b><u>NET BOOK VALUE</u></b>			
At 31 March 2022	<u>875</u>	<u>26,825</u>	<u>27,700</u>
At 31 March 2021	<u>278</u>	<u>37,705</u>	<u>37,983</u>

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9. <u>INVESTMENTS</u>	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b><u>FIXED ASSETS</u></b>				
Investment Properties:				
Cost/valuation b/f	1,532,502	1,532,502	1,532,502	1,532,502
Additions	15,550	-	15,550	-
Disposals	-	-	-	-
Revaluations	-	-	-	-
Transfer to current assets	-	-	-	-
Cost/valuation c/f	<u>1,548,052</u>	<u>1,532,502</u>	<u>1,548,052</u>	<u>1,532,502</u>
Shares in Subsidiary Undertaking:	-	-	100	100
	<u>1,548,052</u>	<u>1,532,502</u>	<u>1,548,152</u>	<u>1,532,602</u>

The properties were last professionally revalued by Savills in 2013. The Trustees believe that there would be undue cost involved in attaining a further professional valuation and have instead opted to value the properties themselves individually at open market value as at 31 March 2022. However, under the current circumstances there will be less certainty in any valuation due to unknown future impact with regard to COVID-19.

The shares relate to one hundred shares (2021: one hundred shares) of £1 in Castle Cavendish Limited (company registration number 06113675) which is a wholly owned subsidiary of Castle Cavendish Foundation and the shares are stated at cost.

10. <u>DEBTORS</u>	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	32,235	26,154	-	-
Amounts owed from subsidiary undertakings	-	-	24,171	9,759
Other debtors	<u>51,446</u>	<u>40,186</u>	<u>46,734</u>	<u>52,727</u>
	<u>83,681</u>	<u>66,340</u>	<u>70,905</u>	<u>62,486</u>

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	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>11. LIABILITIES:</b> Amounts falling due with one year				
Trade creditors	33,450	31,272	2,266	292
Taxation and social security	773	2,072	773	-
Accruals and deferred income	55,938	29,809	5,650	5,585
Bank loans and overdrafts	11,077	10,615	11,077	10,615
Other creditors	20,728	33,488	-	-
	<u>121,966</u>	<u>107,256</u>	<u>19,766</u>	<u>16,492</u>

Deferred income of £21,247 (2021: £18,854) is included within accruals and deferred income and represents the amounts prepaid by tenants.

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>12. LIABILITIES:</b> Amounts falling due after one year				
Bank loans and overdrafts	<u>110,962</u>	<u>122,113</u>	<u>110,962</u>	<u>122,113</u>
Amounts included above which fall due after five years are as follows:				
Payable by instalments	<u>61,753</u>	<u>74,866</u>	<u>61,753</u>	<u>74,866</u>

The bank loans and overdrafts are secured by way of a legal charge dated 2 June 2016 over the Castle Cavendish Works property and a debenture dated 25 January 2016 over all assets of the company.

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**13. RESTRICTED FUNDS**

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Nottingham City Council: Areas 2, 4 & 5	26,852	446,470	413,060	(33,713)	26,549
The Kickstart Scheme	-	11,857	11,857	-	-
Nottingham City Council: Holiday Activity Fund	-	98,726	98,726	-	-
	<u>26,852</u>	<u>557,053</u>	<u>523,643</u>	<u>(33,713)</u>	<u>26,549</u>

**RESTRICTED FUNDS (Prior year)**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Nottingham City Council: Areas 2, 4 & 5	80,886	426,242	420,120	(60,156)	26,852
Breaking Barriers Building Bridges	-	12,468	12,468	-	-
	<u>80,886</u>	<u>438,710</u>	<u>432,588</u>	<u>(60,156)</u>	<u>26,852</u>

**Area Based Grants:**

Nottingham City Council has provided grant funding to cover Areas 2, 4 & 5's ABG Programmes that will support the associated costs of delivering a range of community-based activities that support children & young people, jobseekers, the elderly & isolated and other vulnerable groups present in those areas.

**Breaking Barriers Building Bridges (BBBB)**

Community Roots project seeks to provide intensive 1-2-1 support activities to children, young people and their families in need of specialist support services. The project start date has been delayed until Q3 of 2020 although remote support has begun through use of phone, WhatsApp, video calls etc. allowing signposting to appropriate services and authorities. Castle Cavendish acted as the accountable body, accepting and accessing the funding from Nottinghamshire's Police & Crime Commissioner, on behalf of the BBBB.

**The Kickstart Scheme**

The Scheme provides government funding to create new jobs for 16-24 year olds on Universal Credit who are at risk of long-term unemployment. Funding covers 100% of the National Minimum Wage for 25 hours per week for a total of 6 months, alongside funding towards Employer National Insurance contributions and automatic enrolment pension contributions.

**Holiday Activity Fund**

The Holiday Activity Fund is a City-wide programme supported by the Department of Education, which is aimed at tackling child hunger during the school holidays. The programme is focused on providing free activities and food for children in receipt of free school meals and is delivered in partnership with Play & Youth community partners.

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**14a. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General funds £	Restricted funds £	Total £
<b>GROUP</b>			
Tangible fixed assets and investments	1,599,294	-	1,599,294
Net current assets/(liabilities)	23,706	26,549	50,255
Long term liabilities	<u>(110,963)</u>	<u>-</u>	<u>(110,963)</u>
	<u>1,512,037</u>	<u>26,549</u>	<u>1,538,586</u>
<b>CHARITY</b>			
Tangible fixed assets and investments	1,575,852	-	1,575,852
Net current assets/(liabilities)	40,748	26,549	67,297
Long term liabilities	<u>(110,963)</u>	<u>-</u>	<u>(110,963)</u>
	<u>1,505,637</u>	<u>26,549</u>	<u>1,532,186</u>

**14b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (prior year)**

	General funds £	Restricted funds £	Total £
<b>GROUP</b>			
Tangible fixed assets and investments	1,592,270	-	1,592,270
Net current assets/(liabilities)	68,427	26,852	95,279
Long term liabilities	<u>(122,113)</u>	<u>-</u>	<u>(122,113)</u>
	<u>1,538,584</u>	<u>26,852</u>	<u>1,565,436</u>
<b>CHARITY</b>			
Tangible fixed assets and investments	1,570,585	-	1,570,585
Net current assets/(liabilities)	83,711	26,852	110,563
Long term liabilities	<u>(122,113)</u>	<u>-</u>	<u>(122,113)</u>
	<u>1,532,183</u>	<u>26,852</u>	<u>1,559,035</u>

**15. SUBSIDIARY COMPANY**

The Charity owns the whole of the issued ordinary share capital of Castle Cavendish Limited, a company registered in England & Wales, company number 06113675. All activities have been consolidated on a line-by-line basis in the SOFA. Any total net profits will be gifted to the charity as and when the company begins to make a profit. A summary of the results of the subsidiary is shown below:

<u>Castle Cavendish Limited</u>	2022 £	2021 £
Income	529,886	425,861
Other income	11,857	43,227
Administrative expenses	<u>(450,029)</u>	<u>(411,448)</u>
Trading profit	<u>91,714</u>	<u>57,640</u>
Other operating costs	<u>(5,459)</u>	<u>(28,201)</u>
Net operating profit	<u>86,255</u>	<u>29,439</u>
Distribution to charity (CCF)	<u>(86,255)</u>	<u>(29,439)</u>
Profit for period	<u>-</u>	<u>-</u>



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**15. SUBSIDIARY COMPANY (continued)**

The aggregate of the assets, liabilities and funds was:

Assets	159,126	150,463
Liabilities	<u>(152,626)</u>	<u>(143,963)</u>
Funds (representing 100 ordinary shares of £1)	<u>6,500</u>	<u>6,500</u>

Castle Cavendish Limited exists solely to manage the property portfolio of Castle Cavendish Foundation.

**16. CAPITAL COMMITMENTS**

At the year end the charity had capital commitments contracted for of £nil (2021: £11,620).

**17. RELATED PARTY TRANSACTIONS**

During the year, various transactions took place between Castle Cavendish Foundation and Castle Cavendish Limited, a wholly owned subsidiary.

The subsidiary is a trading arm of the Charity and commercially manages its property portfolio, receiving income from property rentals, conference bookings, training sessions and room hire, whilst also acting as agent for the management of the rest of the investment property portfolio.

At the balance sheet date £24,171 was owed from (2021: £9,759 was owed to) Castle Cavendish Limited by the Charity.

During the year Castle Cavendish Limited has donated profits totalling £86,255 (2021: £43,439). £26,255 (2021: £9,759) of this remains due to Castle Cavendish Foundation at the balance sheet date, in addition to the above amounts.

**18. FINANCIAL COMMITMENTS**

As at 31 March 2022, the company was committed to making the following payments under non-cancellable operating leases relating to leased properties:

	2022 £	2021 £
Operating leases which expire:		
Within one year	-	-
Between two and five years	-	-
In over five years	<u>63,885</u>	<u>63,885</u>

The above includes an annual charge payable of £63,885 on a 125-year lease to 8 October 2131 with Nottingham City Council.

**19. PENSION COSTS**

**Defined Contribution Scheme:**

The charity operates a defined contribution scheme in respect of some staff. The scheme and its assets are held by independent managers and contributions were made from April 2016. Total contributions made during the year were £9,676 (2021: £10,013).

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**20. CASH GENERATED FROM OPERATIONS**

	2022 £	2021 £
Deficit for the year	(26,850)	(138,374)
Adjustments for:		
Interest paid	4,817	6,335
Depreciation of tangible assets	15,541	24,829
Transfer to investment property	(1,494)	-
Movements in working capital:		
Decrease/(increase) in debtors	(17,342)	(7,167)
Increase/(decrease) in creditors	14,710	(230,932)
Cash generated from/(absorbed by) operations	<u>(10,618)</u>	<u>(345,309)</u>