

CASTLE CAVENDISH FOUNDATION

(A company limited by guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

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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 2023. 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 18th November 2020. 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 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 2022-23, 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 sees itself as 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 by using its assets, its buildings, its people, its expertise and its funding to make a difference. Its mission is to improve people's lives in Nottingham by supporting the voluntary and business sectors to grow and develop in an ethical and sustainable way.

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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 2023 were as follows: -

Mark Spouge	(Chair)
Shoaib Khan	
Parveen Begum	
Zane Powers	
Jay Ludditt	
Fadzai Gambanga	
Gurpal Singh Basra	(Retired 30 th September 2022)
John Ydlibi	
Bengisu Sahin	

During 2022/23, Craig Elder, John Ydlibi and Dave Brennan acted as non-executive directors of the trading arm (CCL). Gurpal Basra Singh resigned as non-executive director on 30th September 2022.

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 Castle Cavendish make a significant impact to the communities it serves. Even taking into account the challenging times – the global turbulence, an economic depression, higher utility costs and increasing inflation - we have continued to manage our property portfolio effectively through our trading arm, generating a relatively high level of revenue and managing our cost base efficiently, thereby posting a sizeable profit.

This surplus, along with public grant from the likes of Nottingham City Council, has enabled us to support many of the grassroots voluntary and community sector (VCS) groups to deliver outstanding services to our communities, whilst coping with the cost-of-living crisis.

Supporting our Communities

As in previous years, a large proportion of our external funding comes from Nottingham City Council via the Area Based Grant (ABG). Unfortunately, this has suffered a further reduction this year of approx.14%. Yet despite this reduction, we have continued to work effectively with our trusted delivery partners to achieve relatively high levels of outputs, which has delivered outcomes that have made a significant impact to our communities.

Children & Young People:

There has been a continued emphasis on supporting activities for Children and Young People (C&YP). We were able to work with 17 local VCS trusted delivery partners to provide more “things to do and places to go” for local C&YP than ever before. From youth groups, playschemes, sports clubs and physical activity sessions to forestry schools, dance classes, fitness boot camps and much more, we developed and supported over 30 x Play (for 5-11 yr olds) or Youth (for 11-17 yr olds) projects across the City last year, offering an unmatched range of out-of-school activities for C&YP throughout school term-times.

Complementing this has been our support for families over the school holidays through the Holiday Activity Fund. This is funded by the Department for Education's Holiday Activity & Food Programme for tackling holiday hunger, targeting the support towards low-income households with children eligible for Free School Meals. By working closely with our ABG Play & Youth partnership, alongside some new providers, we were able to deliver 1,280 hrs of holiday provision and over 850 free meals to some of our City's most vulnerable families.

Employment & Skills:

Also seen as a top priority is supporting local jobseekers to overcome problems of poor literacy and numeracy, enhance their language and IT skills, and access training opportunities designed to help improve their employment prospects. We have therefore worked closely with several specialist Employment & Skills (E&S) providers, utilising our ABG funding as match, enabling them to access European Social Funding (ESF) and deliver a high-quality intensive support offer for 16-24 yr olds. Overall, 84 local jobseekers have been supported into sustainable, long-term employment of 6 months or more.

We also worked in partnership to deliver a range of open access weekly “Work Clubs” from the network of local libraries. These sessions provide both group and 1-2-1 support for local jobseekers not eligible for the ESF supported projects and were able to support a further 63 local jobseekers into work.

Alongside those main E&S outputs, we also offered a range of accredited and informal ESOL (English for Speakers of Other Languages) classes, IT literacy courses, a community Jobs Fair and various other initiatives that all helped local communities overcome their barriers to employment.

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TRUSTEES' ANNUAL REPORT

8. ANNUAL REVIEW (continued)

Health & Wellbeing:

Last year saw a further emphasis of our charitable work towards improving the health and wellbeing of our residents. Indeed, a need analysis provided us with some startling insight into the health disparities faced by some of our communities.

As a result, we successfully secured additional grant funding from Nottingham City Council to support the delivery of various health and wellbeing activities and outputs, and used this funding we engaged key individuals and trusted delivery partners embedded within those communities to develop a number of unique and innovative projects, including: seated exercise classes; walking football; bespoke community cricket and netball projects; community eating projects; creative arts sessions; along with projects that helped people access local parks, green spaces and nature reserves. All these activities were particularly successful in helping those with limited mobility, loneliness and isolation, social anxiety and other low-level mental health issues to improve their overall health and wellbeing.

Small Group Support:

We also provided bespoke advice and support for over 30 local VCS groups over the last year. Whether it is through phone calls or emails, we have responded to questions and queries and resolved them quickly. Indeed, one query asking one question can lead to other work, so it genuinely is the case that 'one thing leads to another' as the saying goes.

We also have provided more in-depth support and guidance to a number of small groups: enabling them to draft up a working constitution; guide them through the CIO, CIC, Charitable Trust application process; ensure that they have evidence of need; they have support from other people competent and willing act as trustees or directors; they adopt relevant policies and procedures; and they develop a sustainable funding plan.

Indeed, in April 2022, we provided advice and guidance to a number of boaters from the Castle Marina as they were struggling to be heard when they raise issues and concerns individually about safety and standards on the Marina, itself. By supporting them to set up a constituted group and put forward a collective voice their points were taken on board. We also supported Skilled Hands, also one of our business tenants, in reviewing their legal structure and setting up a CIC. This will, hopefully, put them in a better position to access funding. We have also supported groups with funding applications, including Signpost to Polish Success (SPS), who have now reached the second stage of their NLCF Funding application.

We also provide a regular e-bulletin focused on funding opportunities for small groups, and share information on issues that affect directly the local VCS, including a bank of resources that we can distribute on email. That said, our one-to-one interactions and meeting people face-to-face remains a vital and unique part of our service.

Managing our Properties

Castle Cavendish, through its trading arm (Castle Cavendish Ltd), continues to manage its property base through tough economic conditions. Although, the post-pandemic world and the economic downturn led to temporary reduction in occupancy rates, this has now been completely reversed and business tenants have returned in increasing numbers, especially in relation to our two business centres - Castle Cavendish Works and Castle Cavendish Enterprise Centre. The increasing role of remote/hybrid working ensured that they provided a relevant flexible workspace approach, with easy-in and easy out terms, alongside a virtual tenancy offer, has matched up to the increasing demand, with both business centres now having occupancy rates close to 100%. Alongside this has been the increasing use of our meeting spaces, with the hustle and bustle of our communal areas once again making them ideal places to do business. Indeed, it was great to see one of our previous business tenants (Approach Personnel) coming back to hire out one of our conference suites over the summer months, whilst its own premises was being refurbished.

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TRUSTEES' ANNUAL REPORT

8. ANNUAL REVIEW (continued)

Although our business centres are matching up to business needs and priorities, it was also felt right that Castle Cavendish should also respond to the developing Environment, Social and Governance (ESG) agenda. As a result, we have worked hard to change to match up to these requirements and in April 2022 we formally launched Castle Cavendish Works as Nottingham's Ethical Business Centre. This has seen us adopt a range of measures to change the way the facility is operated and managed, through 'Our Core Essentials' prospectus. In particular: how we select new business tenants with a social purpose; how we procure our supplies from local sources; how we try to reduce our environmental impact; how we support B2B workshops; and how we expect our businesses to act and operate with each other. All with the focus of achieving the triple bottom line of social, environmental and financial returns.

Importantly, a key component of the Ethical Business Centre approach is to reduce our negative impact on the environment. Through an Environmental Impact Framework, worked up with help and assistance from Nottingham Trent University, we are now taking steps to minimise Castle Cavendish Works energy usage, water consumption, waste and CO2 emissions, whilst switching to sustainable products and materials and promoting sustainable transport. The new Cycle Shelter, EV charging points and conversion to an average of 75% renewable energy at our business centre are notable signs of progress. Moreover, Castle Cavendish itself has invested in a brand new fully electric van, following a free trial organised by the City Council, that will ensure our property maintenance service is reducing its carbon footprint. It is anticipated that the approach taken at Castle Cavendish Works could be rolled out to our other properties, and aid us in our quest to become Carbon Neutral by 2028.

In regards our other retail and commercial properties, we have continued to see high occupancy levels. Tennyson Hall currently hosts two VCS Organisations – Belong and Signpost to Polish Success. Both bodies are benefiting from occupying a key landmark building with upgraded facilities tailored to their needs right in the heart of Radford. Close nearby on Alfreton Road, our retail units make up a very impressive shopping parade. That said, the prevailing retail conditions are particularly challenging for most of our retail tenants. Only through our close relationship with them, fully understanding their financial capabilities, have we been able to minimise our occupancy churn.

Impressively, given the economic downturn, the revenue generated for the full year reached £616k. This is excellent given the unprecedented and extraordinary circumstances since 2020. In regards costs, this has come in at £546k. Taking into account depreciation and other accountancy entries, this gives us an operating profit of just under £74k.

Developing Partnerships:

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 has been ongoing throughout the year, especially creating and nurturing the relationships associated with new VCS delivery partners relating to our HAF programme.

Last year also saw us develop a partnership with the Djanogly Learning Trust, Nottinghamshire County Cricket Club and Nottingham Free School in relation to the development and management of the Haydn Road Pavilion & Sports Ground.

Performing Financially:

In 2022-23, Castle Cavendish's overall income rose to £1.134m, compared to last year's £1.087m. The revenue generated by our trading activities represents 54% with 46% income coming from external grant income. This compares with the previous year's figures of 48% and 52%, respectively. Castle Cavendish's overall expenditure in 2022-23 was £1.078m, compared to a higher figure of £1.114m in 2021-22. The split between the costs of our trading activities and our charitable work is now shared at 50/50.

In regards our core management costs, we have worked hard to ensure that this is as low as possible, and that what costs are incurred are supported through management fees and project delivery charges. Indeed, approx. 94% of our core management costs have been covered through external grant. In terms of governance costs, for 2022-23 this stand at just under £42k, compared to £52k in the previous year.

Overall, taking all the above into account, the result is that we have achieved a net surplus of £56k.

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TRUSTEES' ANNUAL REPORT

8. ANNUAL REVIEW (continued)

Delivering Good Governance:

In terms of governance, the Board of Trustees met throughout the year, and made a number of key decisions. Here are just a few of them:

- In May it set out a new Strategic Prospectus for the organisation, alongside a detailed financial budget for 2022-23. It also agreed a new Safeguarding Policy.
- In August it reviewed the progress and performance in the quarter 1 period, and agreed a provisional business plan for Haydn Road.
- In September the Board approved the Draft Consolidated Accounts & Trustees Report for 2021-22.
- In October Trustees reviewed progress and performance for the quarter 2 period, alongside a review and assessment of the energy price increase on our properties.
- In November 2022, Castle Cavendish held its Annual General Meeting, where the Charity's Company Accounts were passed, following the Audit by Rogers Spencer.
- In February 2023, it reviewed the progress and performance in the quarter 3 period.

Ensuring 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 progress through these challenging times, 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 commercial tenants struggling to pay their rent, and indeed survive, especially at Alferton Road, the level of bad debt has actually reduced. What 'bad debt' there is can be accommodated within the balance sheet. As in previous years, this profit is transferred (via a dividend) to support Castle Cavendish's charitable activities.

The financial support from our trading activities combines with our external grant income for Castle Cavendish to provide its charitable activities, primarily by co-ordinating, managing and distributing funding to our trusted delivery partners in the VCS. A major source of this external funding is Nottingham City Council, and in January 2023 it confirmed that, albeit reduced in size, it would extend the Area Based Grant for Area 2, Area 4 and 5 for a further 12 months. This shall provide Castle Cavendish with a combined Area Based Grant of £297k. In addition, Castle Cavendish's successful management of the HAF programme in 2022 has paid dividends and in February 2023 it was confirmed that Castle Cavendish would continue its role in 2023, accessing up to £111k of grant support. Overall, it is anticipated that we will be aiming to access nearly £450k of external grant in 2023-24.

Along with maximising grant funding to our trusted delivery 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 will provide up to £65k, and will cover at least 50% of the core management costs that are required to manage the organisation. The other half is covered by its trading arm contribution. 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.

As we look forward to 2023-24, the organisation has exciting plans on how to take forward its future role in, especially in regards managing community spaces and buildings. A Lease Agreement has now been signed with the landowners of the Haydn Road Pavilion & Sports Ground that will ensure we make a significant impact to communities nearby and further afield, developing partnerships and programmes associated with education, health and sport and active lifestyle which should widen the scope of funding and diversify its income streams.

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TRUSTEES' ANNUAL REPORT

9. PAY POLICY FOR SENIOR STAFF

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 15 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 Charity 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 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 31st March 2023, the organisation's Current Assets are made up of 'Debtors' (£105k) and 'Cash in Bank' (£123k) amounts to £228k. This is offset by Liabilities (falling in one year) of £130k. The approved Reserves Policy identifies that, under the current circumstances, the estimated level of reserves should be at least £100k, and action will be undertaken 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 2022-23, 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.

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 onand 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 2023 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 2023, 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 8), the long term investment properties, which represent 97% of fixed assets and 85% of gross assets, have been valued by the Trustees as at 31 March 2023. The last professional valuation was undertaken by Savills in 2013.

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
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Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 8 & 9, 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. 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:

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 2023

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
<u>INCOME AND ENDOWMENTS FROM</u>					
Income from charitable activities:					
Grants receivable	3a	-	518,303	518,303	545,196
Income from trading activities:					
Rent and room hire		464,971	-	464,971	415,862
Other property income		104,831	-	104,831	81,972
Service charges		46,498	-	46,498	32,051
Other grants receivable		-	-	-	11,857
		<u>616,300</u>	<u>-</u>	<u>616,300</u>	<u>541,742</u>
<u>TOTAL INCOME</u>		<u>616,300</u>	<u>518,303</u>	<u>1,134,603</u>	<u>1,086,938</u>
<u>EXPENDITURE ON</u>					
Raising funds	4a	12,215	-	12,215	15,293
Charitable activities	4c	<u>600,147</u>	<u>466,086</u>	<u>1,066,233</u>	<u>1,098,495</u>
<u>TOTAL EXPENDITURE</u>		<u>612,362</u>	<u>466,086</u>	<u>1,078,448</u>	<u>1,113,788</u>
<u>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</u>		3,938	52,217	56,155	(26,850)
Transfers between funds		-	-	-	-
<u>NET MOVEMENT IN FUNDS</u>		3,938	52,217	56,155	(26,850)
Fund balances brought forward		<u>1,512,037</u>	<u>26,549</u>	<u>1,538,586</u>	<u>1,565,436</u>
<u>FUND BALANCES CARRIED FORWARD</u>		<u>1,515,975</u>	<u>78,766</u>	<u>1,594,741</u>	<u>1,538,586</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 2023

PRIOR YEAR ONLY:

	Note	Unrestricted £	Restricted £	Total 2022 £
<u>INCOME AND ENDOWMENTS FROM</u>				
Income from charitable activities:				
Grants receivable	3b	-	545,196	545,196
Income from trading activities:				
Rent and room hire		415,862	-	415,862
Other property income		81,972	-	81,972
Service charges		32,051	-	32,051
Other grants receivable		-	11,857	-
		<u>529,885</u>	<u>11,857</u>	<u>541,742</u>
<u>TOTAL INCOME</u>		<u>529,885</u>	<u>557,053</u>	<u>1,086,938</u>
<u>EXPENDITURE ON</u>				
Raising funds	4b	15,293	-	15,293
Charitable activities	4d	<u>574,852</u>	<u>523,643</u>	<u>1,098,495</u>
<u>TOTAL EXPENDITURE</u>		<u>590,145</u>	<u>523,643</u>	<u>1,113,788</u>
<u>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</u>		(60,260)	33,410	(26,850)
Transfers between funds		<u>33,713</u>	<u>(33,713)</u>	-
<u>NET MOVEMENT IN FUNDS</u>		(26,547)	(303)	(26,850)
Fund balances brought forward		<u>1,538,584</u>	<u>26,852</u>	<u>1,565,436</u>
<u>FUND BALANCES CARRIED FORWARD</u>		<u>1,512,037</u>	<u>26,549</u>	<u>1,538,586</u>

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 2023

	Note	2023	2022
		£	£
<u>FIXED ASSETS</u>			
Tangible fixed assets	7a	48,458	51,242
Investments	8	<u>1,548,052</u>	<u>1,548,052</u>
		1,596,510	1,599,294
<u>CURRENT ASSETS</u>			
Debtors	9	105,448	83,681
Cash at bank and in hand		<u>122,939</u>	<u>88,539</u>
		228,387	172,220
<u>LIABILITIES:</u> Amounts falling due within one year	10	<u>(130,836)</u>	<u>(121,966)</u>
<u>NET CURRENT ASSETS / (LIABILITIES)</u>		<u>97,551</u>	<u>50,254</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1,694,061	1,649,548
<u>LIABILITIES:</u> Amounts falling due after more than one year	11	<u>(99,320)</u>	<u>(110,962)</u>
<u>NET ASSETS</u>		<u>1,594,741</u>	<u>1,538,586</u>
<u>FUNDS</u>			
Unrestricted			
General funds	13	1,515,975	1,512,037
Restricted	12	<u>78,766</u>	<u>26,549</u>
Total funds		<u>1,594,741</u>	<u>1,538,586</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 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 2023 (CHARITY ONLY)

	Note	2023	2022
		£	£
<u>FIXED ASSETS</u>			
Tangible fixed assets	7b	20,404	27,700
Investments	8	<u>1,548,152</u>	<u>1,548,152</u>
		1,568,556	1,575,852
<u>CURRENT ASSETS</u>			
Debtors	9	104,096	70,905
Cash at bank and in hand		<u>43,033</u>	<u>16,157</u>
		147,129	87,062
<u>LIABILITIES:</u> Amounts falling due within one year	10	<u>(28,024)</u>	<u>(19,766)</u>
<u>NET CURRENT ASSETS / (LIABILITIES)</u>		<u>119,105</u>	<u>67,296</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1,687,661	1,643,148
<u>LIABILITIES:</u> Amounts falling due after more than one year	11	<u>(99,320)</u>	<u>(110,962)</u>
<u>NET ASSETS</u>		<u>1,588,341</u>	<u>1,532,186</u>
<u>FUNDS</u>			
Unrestricted			
General funds	13	1,509,575	1,505,637
Restricted	12	<u>78,766</u>	<u>26,549</u>
Total funds		<u>1,588,341</u>	<u>1,532,186</u>

As permitted by s408 of the Companies Act 2006, the parent charitable company has not presented its own statement of financial activities and related notes. The parent charitable company's surplus for the year was £56,155 (2022: £26,850 deficit).

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 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 2023

	Note	2023 £	2022 £
Cashflows from operating activities			
Cash generated from/(absorbed by) operations	18	62,902	(10,618)
Interest paid		<u>(4,084)</u>	<u>(4,817)</u>
Net cash inflow /(outflow) from operating activities		<u>58,818</u>	<u>(15,435)</u>
Investing activities			
Purchase of tangible fixed assets		<u>(12,775)</u>	<u>(21,071)</u>
Net cash (used) /received in investing activities		<u>(12,775)</u>	<u>(21,071)</u>
Financing activities			
Repayment of bank loans		<u>(11,643)</u>	<u>(11,150)</u>
Net cash (used) /received in financing activities		<u>(11,643)</u>	<u>(11,150)</u>
Net increase /(decrease) in cash and cash equivalents		34,400	(47,656)
Cash and cash equivalents at beginning of the year		<u>88,539</u>	<u>136,195</u>
Cash and cash equivalents at end of year		<u>122,939</u>	<u>88,539</u>

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

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. It is anticipated that future 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 2023-24 is 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 2023-24. However, as energy costs increase, the trading activities may well be affected.

In May 2023, the Board of Trustees approved a Financial Plan for 2023-24 which builds in the trading subsidiary income and expenditure forecasts, alongside an anticipated grant programme worth up to £450k, fully supported through external grant funding. 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 still generate a net surplus in 2023-24.

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 2024 onwards, as well as the level of funds to be allocated. The cost of delivering aspects of the City Council's 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 2023-24, and there is no reason why this should not happen given the current trends, then trading profits will be substantial. This dividend 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.

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

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 2023

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 2023**

3a. GRANTS RECEIVABLE

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Area Based Grant - Area 2	-	134,520	134,520	175,283
Area Based Grant - Area 4	-	110,776	110,776	144,345
Area Based Grant - Area 5	-	97,344	97,344	126,842
Holiday Activity Fund	-	117,243	117,243	98,726
Community Vaccine Champions	-	45,000	45,000	-
The Bestwood Partnership	-	13,420	13,420	-
	<u>-</u>	<u>518,303</u>	<u>518,303</u>	<u>545,196</u>

3b. GRANTS RECEIVABLE (Prior year)

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Area Based Grant - Area 2	-	175,283	175,283
Area Based Grant - Area 4	-	144,345	144,345
Area Based Grant - Area 5	-	126,842	126,842
Holiday Activity Fund	-	98,726	98,726
	<u>-</u>	<u>545,196</u>	<u>545,196</u>

4a. RAISING FUNDS

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Advertising and promotion	12,215	-	12,215
	<u>12,215</u>	<u>-</u>	<u>12,215</u>

4b. RAISING FUNDS (Prior year)

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Advertising and promotion	15,293	-	15,293
	<u>15,293</u>	<u>-</u>	<u>15,293</u>

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

4c. <u>CHARITABLE ACTIVITIES</u>	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Staff costs	200,397	103,556	303,953	273,180
Repairs and maintenance	75,179	-	75,179	71,951
Premises security	11,225	-	11,225	3,998
Computer costs	317	-	317	3,506
Heat, light, water and telephone	69,076	-	69,076	54,267
Insurance	15,201	-	15,201	10,849
Motor and travel	3,440	-	3,440	349
Printing, postage and stationery	13,347	-	13,347	9,919
Training	-	-	-	525
Service charges	43,467	-	43,467	30,432
Legal and professional fees	16,671	-	16,671	13,149
Accountancy fees	4,080	-	4,080	4,076
Equipment leasing	6,860	-	6,860	6,730
Rent and rates	85,371	-	85,371	80,412
Sundry expenses	1,582	-	1,582	1,338
Bad debts	(12,290)	-	(12,290)	(2,199)
Bank charges	1,257	-	1,257	1,152
Grant payments (Note 4i)	-	362,530	362,530	452,034
Loan interest	4,084	-	4,084	4,817
Governance (Note 4e)	41,941	-	41,941	52,373
Depreciation	15,560	-	15,560	14,047
Unrecoverable VAT	<u>3,382</u>	<u>-</u>	<u>3,382</u>	<u>11,590</u>
	<u>600,147</u>	<u>466,086</u>	<u>1,066,233</u>	<u>1,098,495</u>

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023**

4d. CHARITABLE ACTIVITIES (Prior year)	Unrestricted funds £	Restricted funds £	Total 2022 £
Staff costs	201,571	71,609	273,180
Repairs and maintenance	71,951	-	71,951
Premises security	3,998	-	3,998
Heat, light, water and telephone	54,267	-	54,267
Insurance	10,849	-	10,849
Motor and travel	349	-	349
Printing, postage and stationery	9,919	-	9,919
Training	525	-	525
Service charges	30,432	-	30,432
Legal and professional fees	13,149	-	13,149
Accountancy fees	4,076	-	4,076
Equipment leasing	6,730	-	6,730
Rent and rates	80,412	-	80,412
Sundry expenses	1,338	-	1,338
Bad debts	(2,199)	-	(2,199)
Bank charges	1,152	-	1,152
Grant payments (Note 4i)	-	452,034	452,034
Loan interest	4,817	-	4,817
Governance (Note 4f)	52,373	-	52,373
Depreciation	14,047	-	14,047
Unrecoverable VAT	11,590	-	11,590
	<u>574,852</u>	<u>523,643</u>	<u>1,098,495</u>

4e. GOVERNANCE COSTS	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Staff costs	34,841	-	34,841	46,373
Audit fees	<u>7,100</u>	<u>-</u>	<u>7,100</u>	<u>6,000</u>
	<u>41,941</u>	<u>-</u>	<u>41,941</u>	<u>52,373</u>

4f. GOVERNANCE COSTS (Prior year)	Unrestricted funds £	Restricted funds £	Total 2022 £
Staff costs	46,373	-	46,373
Audit fees	<u>6,000</u>	<u>-</u>	<u>6,000</u>
	<u>52,373</u>	<u>-</u>	<u>52,373</u>

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

4g. TOTAL RESOURCES EXPENDED

	<u>Basis of allocation</u>	<u>Projects and grants</u>	<u>Property management</u>	<u>Governance</u>	2023	2022
Costs directly allocated to activities		£	£	£	£	£
Staff costs	Direct	97,094	206,859	34,841	338,794	319,554
Advertising	Direct	7,951	4,264	-	12,215	15,293
Premises costs	Direct	3,549	296,287	-	299,836	255,416
Travel	Direct	110	3,331	-	3,441	349
Hire of equipment	Direct	-	6,860	-	6,860	6,730
Printing, stationery etc	Direct	152	13,195	-	13,347	9,919
Depreciation	Direct	7,296	8,263	-	15,559	14,047
Legal and professional	Direct	7,094	13,657	7,100	27,851	23,225
Bank charges	Direct	45	1,212	-	1,257	1,152
Bad and doubtful debts	Direct	-	(12,290)	-	(12,290)	(2,199)
Grant payments	Direct	362,530	-	-	362,530	452,034
Unrecoverable VAT	Direct	3,381	-	-	3,381	11,587
Other costs	Direct	<u>4,937</u>	<u>730</u>	<u>-</u>	<u>5,667</u>	<u>6,681</u>
		<u>494,139</u>	<u>542,368</u>	<u>41,941</u>	<u>1,078,448</u>	<u>1,113,788</u>

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023**

4h. TOTAL RESOURCES EXPENDED (Prior year)

		<u>Basis of allocation</u>	<u>Projects and grants</u>	<u>Property management</u>	<u>Governance</u>	2022
Costs directly allocated to activities		£	£	£	£	
Staff costs	Direct	93,482	179,699	46,373		319,554
Advertising	Direct	14,523	770	-		15,293
Premises costs	Direct	17,982	237,434	-		255,416
Travel	Direct	78	271	-		349
Hire of equipment	Direct	-	6,730	-		6,730
Printing, stationery etc	Direct	623	9,296	-		9,919
Depreciation	Direct	6,389	7,658	-		14,047
Legal and professional	Direct	3,805	13,420	6,000		23,225
Bank charges	Direct	15	1,137	-		1,152
Bad and doubtful debts	Direct	-	(2,199)	-		(2,199)
Grant payments	Direct	452,034	-	-		452,034
Unrecoverable VAT	Direct	11,587	-	-		11,587
Other costs	Direct	<u>4,880</u>	<u>1,801</u>	<u>-</u>		<u>6,681</u>
		<u>605,398</u>	<u>456,017</u>	<u>52,373</u>		<u>1,113,788</u>

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023**

4i. GRANT PAYMENTS

Grants were awarded to the following organisations during the year:

	2023	2022
	£	£
Restricted Grants:		
Take 1 Studios	12,600	7,500
Signpost to Polish Success	10,450	8,000
A-Star Sports Development	-	7,720
Notts Club for Young People	4,180	18,970
The Lenton Centre	7,960	5,160
Primary (Nottingham Studios)	-	3,000
Switch Up CIC	9,525	12,200
Nottingham Health & Education Support	-	17,500
The Pythian Club	-	29,825
Hyson Green Youth Club	9,300	22,800
Building Bridges Breaking Barriers	8,000	23,708
East African Education Centre	3,000	2,250
Nottingham Bikeworks	-	10,525
Fearless Youth Association	-	9,025
Freedom Foundation	9,205	14,600
Helping Kids Achieve	5,000	3,000
Basford Rd Baptist Church	750	750
The Toy Library	62,615	34,191
Inspire-Succeed CIC	-	8,300
Skills Exchange	-	400
OnPoint Distribution	-	1,540
Positively Empowered Kids	2,100	5,610
Empleo	19,100	14,325
Notts County Football in the Community	4,700	3,000
SALTAR	-	1,000
Community Based Fitness	4,415	5,000
Sherwood Playgroup	6,400	6,660
Sikh Community & Youth Services	1,900	-
Queen's Walk Community Association	595	-
The Vine Community Centre	2,500	-
Senior Support Group	-	4,000
	<hr/>	<hr/>
Restricted grants carried forward	184,295	280,559

CASTLE CAVENDISH FOUNDATION
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

4i. GRANT PAYMENTS (continued)

	2023	2022
	£	£
Restricted grants brought forward	184,295	280,559
Belong	20,000	18,250
Hoop Dreams Basketball Club	5,500	8,340
When Women Gather	1,900	6,000
AJ Sports	22,235	30,100
Wild Things	8,700	10,150
Wollaton Park Community Association	-	1,500
Windmill Community Gardens	2,000	7,000
Women in Tandem	2,180	8,040
The Bridges Community Trust	10,500	34,425
The Bestwood Partnership	21,500	21,100
Djanogly Learning Trust	-	4,000
Welcome to Education project	-	1,780
Djanogly Lettings	940	400
Vanclaron CIC	3,320	4,100
Himmah	-	1,600
Jawaid Khaliq Boxing Academy	-	1,520
Leadership, Empowerment & Diversity (LED)	-	1,800
Mother's Voices	-	770
AKA Health Wealth & Oneness	24,080	9,600
St Aidan's Church	2,010	1,000
Nottingham Health & Education Centre	7,520	-
Nottinghamshire County Cricket Club	2,660	-
Nottingham Forest Community Trust	8,550	-
Trent Bridge Community Trust	34,640	-
Total Restricted Grants	<u>362,530</u>	<u>452,034</u>

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5. STAFF COSTS AND TRUSTEES REMUNERATION

	Total 2023 £	Total 2022 £
Wages and salaries	302,151	288,674
Social security costs	25,683	21,204
Pension costs	<u>10,960</u>	<u>9,676</u>
	<u>338,794</u>	<u>319,554</u>

The number of employees whose annual remuneration (staff costs and pension contributions) was £60,000 or more were:

	2023 Number	2022 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

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

	Number 2023	Number 2022
Charitable activities	12	12
Governance	<u>1</u>	<u>1</u>
	<u>13</u>	<u>13</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:

	Total 2023 £	Total 2022 £
Aggregate compensation	<u>67,788</u>	<u>65,638</u>

6. TRUSTEES INDEMNITY INSURANCE

The charity paid £465 (2022: £829) during the year in respect of indemnity insurance for Trustees.

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FOR THE YEAR ENDED 31ST MARCH 2023

7a. TANGIBLE FIXED ASSETS (Group)

	Computer equipment £	Fixtures, fittings, vehicles & equipment £	Total £
<u>COST</u>			
Brought forward at 1 April 2022	55,339	217,190	272,529
Transfer to investment property	-	-	-
Additions	1,373	11,402	12,775
Disposals	-	-	-
At 31 March 2023	<u>56,712</u>	<u>228,592</u>	<u>285,304</u>
<u>DEPRECIATION</u>			
Brought forward at 1 April 2022	53,398	167,889	221,287
Transfer to investment property	-	-	-
Charge for the year	853	14,706	15,559
Eliminated on disposals	-	-	-
At 31 March 2023	<u>54,251</u>	<u>182,595</u>	<u>236,846</u>
<u>NET BOOK VALUE</u>			
At 31 March 2023	<u>2,461</u>	<u>45,997</u>	<u>48,458</u>
At 31 March 2022	<u>1,941</u>	<u>49,301</u>	<u>51,242</u>

7b. TANGIBLE FIXED ASSETS (Charity)

	Computer equipment £	Fixtures, fittings, vehicles & equipment £	Total £
<u>COST</u>			
Brought forward at 1 April 2022	19,024	99,231	118,255
Transfer to investment property	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>19,024</u>	<u>99,231</u>	<u>118,255</u>
<u>DEPRECIATION</u>			
Brought forward at 1 April 2022	18,149	72,406	90,555
Transfer to investment property	-	-	-
Charge for the year	362	6,934	7,296
Eliminated on disposals	-	-	-
At 31 March 2023	<u>18,511</u>	<u>79,340</u>	<u>97,851</u>
<u>NET BOOK VALUE</u>			
At 31 March 2023	<u>513</u>	<u>19,891</u>	<u>20,404</u>
At 31 March 2022	<u>875</u>	<u>26,825</u>	<u>27,700</u>

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

8. <u>INVESTMENTS</u>	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<u>FIXED ASSETS</u>				
Investment Properties:				
Cost/valuation b/f	1,548,052	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>1,548,052</u>	<u>1,548,052</u>	<u>1,548,052</u>
Shares in Subsidiary Undertaking:	-	-	100	100
	<u>1,548,052</u>	<u>1,532,502</u>	<u>1,548,152</u>	<u>1,548,152</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 2023.

The shares relate to one hundred shares (2022: 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.

9. <u>DEBTORS</u>	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	62,405	32,235	-	-
Amounts owed from subsidiary undertakings	-	-	21,733	24,171
Other debtors	<u>43,043</u>	<u>51,446</u>	<u>82,363</u>	<u>46,734</u>
	<u>105,448</u>	<u>83,681</u>	<u>104,063</u>	<u>70,905</u>

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	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
10. <u>LIABILITIES:</u> Amounts falling due with one year				
Trade creditors	37,428	33,450	9,193	2,266
Taxation and social security	12,020	773	772	773
Accruals and deferred income	47,656	55,938	6,500	5,650
Bank loans and overdrafts	11,559	11,077	11,559	11,077
Other creditors	<u>22,173</u>	<u>20,728</u>	<u>-</u>	<u>-</u>
	<u>130,836</u>	<u>121,966</u>	<u>28,024</u>	<u>19,766</u>

Deferred income of £19,227 (2022: £21,247) is included within accruals and deferred income and represents the amounts prepaid by tenants.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
11. <u>LIABILITIES:</u> Amounts falling due after one year				
Bank loans and overdrafts	<u>99,320</u>	<u>110,962</u>	<u>99,320</u>	<u>110,962</u>
Amounts included above which fall due after five years are as follows:				
Payable by instalments	<u>61,562</u>	<u>61,753</u>	<u>61,562</u>	<u>61,753</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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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12. RESTRICTED FUNDS

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Area Based Grant (Areas 2, 4 & 5)	26,549	342,640	301,128	-	68,061
Community Vaccine Champions	-	45,000	40,155	,4,320	9,165
The Bestwood Partnership	-	13,420	-	(13,420)	-
Holiday Activity Fund	-	117,243	124,803	9,100	1,540
	<u>26,549</u>	<u>518,303</u>	<u>466,086</u>	<u>-</u>	<u>78,766</u>

RESTRICTED FUNDS (Prior year)

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Area Based Grant (Areas 2, 4 & 5)	26,852	446,470	413,060	(33,713)	26,549
The Kickstart Scheme	-	11,857	11,857	-	-
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>

Area Based Grants:

Nottingham City Council has provided grant funding to cover Areas 2, 4 & 5's ABG Programmes that will fund the associated costs of delivering a range of community-based activities that will support children & young people, train and support people into work, support the elderly and most vulnerable, and support the growth and development of the local community and voluntary sector.

Community Vaccine Champion

The Community Vaccine Champions funding was from Nottingham City Council with the aim of supporting the delivery of innovative approaches to engaging members of the community to increase the uptake of vaccinations and to proactively address health inequalities.

The Bestwood Partnership

Throughout 2022-23 we developed and delivered several jointly-funded projects in partnership with a fellow Area-Lead Organisation, The Bestwood Partnership. This work focused on supporting the Holiday Activity Fund provision for children & young people, along with joint initiatives relating to the Community Vaccine Champions funding.

Holiday Activity Fund

This is a City-wide programme supported by the Department of Education's Holiday Activity & Food Programme, 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.

The Kickstart Scheme

This was government funding that tried to support 16-24 year olds on Universal Credit into work. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £	Restricted funds £	Total £
<u>GROUP</u>			
Tangible fixed assets and investments	1,596,510	-	1,596,510
Net current assets/(liabilities)	18,785	78,766	97,551
Long term liabilities	<u>(99,320)</u>	<u>-</u>	<u>(99,320)</u>
	<u>1,515,975</u>	<u>78,766</u>	<u>1,594,741</u>
<u>CHARITY</u>			
Tangible fixed assets and investments	1,568,556	-	1,568,556
Net current assets/(liabilities)	40,339	78,766	119,105
Long term liabilities	<u>(99,320)</u>	<u>-</u>	<u>(99,320)</u>
	<u>1,509,575</u>	<u>78,766</u>	<u>1,588,341</u>

13b. ANALYSIS OF NET ASSETS BETWEEN FUNDS (prior year)

	General funds £	Restricted funds £	Total £
<u>GROUP</u>			
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>
<u>CHARITY</u>			
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>

14. 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>	2023 £	2022 £
Income	616,300	529,886
Other income	-	11,857
Administrative expenses	<u>(546,395)</u>	<u>(450,029)</u>
Trading profit	<u>69,905</u>	<u>91,714</u>
Other operating costs	<u>4,026</u>	<u>(5,459)</u>
Net operating profit	<u>73,931</u>	<u>86,255</u>
Distribution to charity (CCF)	<u>(73,931)</u>	<u>(86,255)</u>
Profit for period	<u>-</u>	<u>-</u>

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14. SUBSIDIARY COMPANY (continued)

	2023	2022
	£	£
The aggregate of the assets, liabilities and funds was:		
Assets	204,974	159,126
Liabilities	<u>(198,474)</u>	<u>(152,626)</u>
Funds (representing 100 ordinary shares of £1)	<u>6,500</u>	<u>6,500</u>

15. RELATED PARTY TRANSACTIONS

During the year, various transactions took place between Castle Cavendish Foundation and Castle Cavendish Limited, a wholly owned subsidiary. There were also two related party transactions outside of the group.

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 £21,733 was owed from (2022: £24,171 was owed to) Castle Cavendish Limited by the Charity.

During the year, Castle Cavendish Limited has donated profits totalling £49,493 (2022: £86,255). £49,202 (2022: £26,255) of this remains due to Castle Cavendish Foundation at the balance sheet date, in addition to the above amounts.

C Elder, one of the directors of the subsidiary, is a partner at Browne Jacobson. Browne Jacobson provided legal services to Castle Cavendish Limited but C Elder was not involved in the services provided. The services provided during the year totalled £5,139 (2022: £nil).

Z Powers, who is a trustee of Castle Cavendish Foundation, provides marketing services through his business Altermata. This company provided marketing support to Castle Cavendish Limited and Castle Cavendish Foundation during the year totalling £10,202 (2022: £5,363).

16. FINANCIAL COMMITMENTS

As at 31 March 2023, the company was committed to making the following payments under non-cancellable operating leases relating to leased properties:

	2023	2022
	£	£
Operating leases which expire:		
Within one year	4,367	-
Between two and five years	6,914	-
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.

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17. 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 £10,960 (2022: £9,676).

18. CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Surplus /(Deficit) for the year	56,155	(26,850)
Adjustments for:		
Interest paid	4,084	4,817
Depreciation of tangible assets	15,561	15,541
Transfer to investment property	-	(1,494)
Movements in working capital:		
Increase in debtors	(21,767)	(17,342)
Increase in creditors	8,869	14,710
Cash generated from/(absorbed by) operations	<u>62,902</u>	<u>(10,618)</u>