

THE LATVIAN WELFARE TRUST

England & Wales · Charity number 1124661

Details

Status	Registered
Legal form	Charitable company
Company number	05853180
Registered	2008-06-21
Register	View on the Charity Commission register

Contact

Address	Latvian Welfare Trust Cathorpe Manor Lilbourne Road Cathorpe Lutterworth LE17 6DF
Phone	07703611883
Email	info@daugavasvanagi.co.uk
Website	www.daugavasvanagi.co.uk

Activities

Objects: THE CHARITY'S OBJECTS (THE "OBJECTS") ARE:(A) TO CONTINUE THE WORK OF THE LATVIAN WELFARE FUND AS IT IS ESTABLISHED IN THE UNITED KINGDOM FOR THE BENEFIT OF MEN, WOMEN AND CHILDREN OF LATVIAN NATIONALITY AND THEIR DESCENDANTS THROUGHOUT THE WORLD BUT ESPECIALLY IN THE UNITED KINGDOM AND LATVIA ("LATVIAN PEOPLE") TO THE EXTENT (ONLY) THAT SUCH WORK IS EXCLUSIVELY CHARITABLE ACCORDING TO THE LAWS OF ENGLAND IN FORCE FROM TIME TO TIME AND IN PARTICULAR:(I) TO RELIEVE FINANCIAL HARDSHIP, SICKNESS AND POOR HEALTH AMONGST LATVIAN PEOPLE;(II) TO ADVANCE THE EDUCATION OF THE PUBLIC ABOUT THE COUNTRY OF LATVIA AND ITS PEOPLE, PAST AND PRESENT;(III) TO ADVANCE THE EDUCATION OF LATVIAN PEOPLE IN LATVIA AND IN THE UNITED KINGDOM;(IV) TO CONSERVE FOR THE BENEFIT OF ALL PEOPLES EVERYWHERE ANCIENT AND MODERN BUILDINGS, MONUMENTS, ARCHIVES AND WORKS OF ART WHICH ARE OF HISTORICAL OR CULTURAL IMPORTANCE TO LATVIA AND LATVIAN PEOPLE AND WHICH IT IS DESIRABLE TO PRESERVE FOR THE PUBLIC BENEFIT; AND (V) TO ORGANISE AND PROMOTE SOCIAL EVENTS AND RECREATIONAL ACTIVITIES FOR THE BENEFIT OF LATVIAN PEOPLE WHO HAVE A NEED FOR SUCH FACILITIES BY REASON OF THEIR AGE, INFIRMITY, FINANCIAL HARDSHIP AND HARDSHIP CAUSED BY SOCIAL OR ECONOMIC CIRCUMSTANCES WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.

Activities: A social and cultural organisation working with Latvian men, women and children and their descendants throughout the world, but primarily within the UK and Latvia. Creation of social and cultural centres at which Latvians can live and meet for traditional and more general activities. These centres include libraries and archives of information about our activities. Scholarships for students.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL AND OVERSEAS
- Latvia
- City Of Westminster
- Leicestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£197,349	£261,083	-	-
2023-12-31	£478,317	£706,716	-	-
2022-12-31	£1,418,541	£1,792,978	£11,428,362	40
2021-12-31	£921,253	£1,261,327	£11,808,776	44
2020-12-31	£710,926	£1,325,819	£11,952,833	66

Trustees

Name	Role	Appointed
Karoline Isabella Zobens-East	Chair	2016-06-11
Baiba Freimane		2020-03-08
Edite Browell		2024-03-09
Elina Beet		2024-03-09
Ella Osa		2021-10-02
Ivars Keiss		2026-03-07
Miks Vizbulis		2017-03-12
Rita Harrison		2025-03-09
Stafans Bagienskis		2026-03-07

THE LATVIAN WELFARE TRUST

England & Wales - Charity number 1124661

Accounts

Charity registration number 1124661 (England and Wales)

Company registration number 05853180

THE LATVIAN WELFARE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE LATVIAN WELFARE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Vizbulis Ms Kl Zobens East Mrs E Browell Mrs B Freimane Mrs L Liepina Mrs E Osa Mr J Voitkevics Mrs R Harrison Mrs E Beet	(Appointed 9 March 2024) (Appointed 9 March 2024) (Appointed 9 March 2025) (Appointed 9 March 2024)
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Secretary	Mrs E Beet
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Charity number (England and Wales)	1124661
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Company number	05853180
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Registered office	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire England LE17 6DF
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Independent examiner	Cottons Accountants LLP Chestnut Field House Chestnut Field Rugby Warwickshire United Kingdom CV21 2PD
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Solicitors	Brethertons LLP Montague House 2 Clifton Road Rugby Warwickshire CV21 3PX
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THE LATVIAN WELFARE TRUST

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THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

a. Objectives and Aims

The Latvian Welfare Trust's public benefit respectively charitable activities have significantly increased in the scale in recent years, because of the increase in numbers of Latvians living in the UK. However, these activities build on what was in place initially when the charity was formed focusing on:

- support for Latvian community and Latvian cultural activities in the UK, especially through our two major centres, Catthorpe and London.
- charitable support for Latvians in need, both in the UK and abroad (Latvia).

The maintenance of the London and Catthorpe centres is of great psychological and practical significance to the Latvian community in Britain. The centres contain not only facilities but also works of art and important historical books and documents. It is fundamental to and makes possible our charitable activities. Hence, making a success of the trading activities supports the continued existence of the two centres.

Our staff and our volunteers deserve our sincere gratitude for their huge added efforts they put into our organisation.

Overview of our cultural centres

Catthorpe Manor (also the registered office for the Trust) is an estate with several function rooms and outbuildings, most of which are leased out to its subsidiary trading company, DVF Estate Ltd. The London house is a six-storey building with a community hall and hotel business leased out to its subsidiary trading company DVF London Ltd.

The Catthorpe centre provides:

- **Sheltered accommodation** for elderly Latvians.
- **Rented rooms, apartments, and houses** for those wanting to live in a Latvian community.
- **Library and documentary archive** about Latvians in the UK, used by professionals from Latvia.
- **Cultural activities:** Home to a Latvian choir, two folk dancing troupes, and a folklore ensemble.
- **Children's summer camps** for Latvian and Estonian communities.
- **Traditional functions and gatherings** facilities.
- **Function rooms, hotel, and bar** for community use and public hire for events like weddings and conferences.

The London Centre provides:

- **Guest house** and Central London venue for Latvian social and traditional activities.
- **Library and social club.**
- **Accommodation** for Latvian students and paying guests.
- **Facilities for Latvian Sunday school and language classes.**
- **Meeting place** for Latvian business groups, including the Latvian Chamber of Commerce.

This centre serves as a vibrant hub for the Latvian community, offering a wide range of services and facilities.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Both Centres also:

- Hosts guests from the Latvian parliament and provide the opportunity for Latvian nationals to meet with government representatives.
- Provide function rooms to hold annual general meetings or similar gatherings for other Latvian community organisations.
- Provide a function room and facilities for three Latvian folk dancing groups and choir, as well as for concerts, theatre productions and other social events.
- Host charitable activities run or supported by the Trust.
- However, Location of the event is defined by the Customer and could be held anywhere.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

These are the charitable, public benefit, activities undertaken in 2024, grouped according to the charity's objects:

1. Advance the education of Latvian people in Latvia and in the United Kingdom independently and with Assistance of other organisations.

- Support those Latvians living in the sheltered housing at Catthorpe
- Donations to the DV CV (the DV Central Committee in Riga, Latvia) are used to support war veterans and their widows living in Latvia, helping to provide medication and other necessities.

2. Advance the education of Latvian people in Latvia and in the United Kingdom independently and with Assistance of other organisations.

- With assistance of the Latvian Education Foundation, help to support the children's Saturday or Sunday schools across the UK providing them lessons in Latvian history, language and traditions
- An annual donation to the European Latvian Association of EUR 1,300 supports an organisation active primarily in Education and cultural areas.
- Providing facilities at both Catthorpe and the London centre for Latvian cultural activities and meetings, including rehearsals for dancers, choirs, and theatre groups. The groups rehearse for particular events for both Latvian and non-Latvian audiences. The total subsidy value for both centres is in the region of £78,000 in 2024.

3. Advance the education of Latvian people in Latvia and in the United Kingdom independently and with Assistance of other organisations.

- With assistance of the Latvian Education Foundation, help to support the children's Saturday or Sunday schools across the UK providing them lessons in Latvian history, language, and traditions.
- An annual donation to the European Latvian Association of EUR 1,300 supports an organisation active primarily in education and cultural areas.
- Providing facilities at both Catthorpe and the London centre for Latvian cultural activities and meetings, including rehearsals for dancers, choirs, and theatre groups. The groups rehearse for particular events for both Latvian and non-Latvian audiences. The total subsidy value for both centres is in the region of £78,000 in 2024.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

At Cattothorpe the subsidy value was £36,830 for the following activities including:

- Choir Rehearsals
- Folk-Dance Classes (two different dance groups)
- Conductor masterclasses
- 2 General Meetings of The Latvian Welfare Trust
- 2 meetings of the local branch of the LWT
- Camps mainly for children, lasting between 2 – 6 days
- Theatre group events of 1 – 6 days
- Traditional midsummer celebration over 4 days with additional days either side for set-up and clearing. This attracted over 4000 people.
- Estonian events
- Several school related events
- Provision of premises for the Latvian national elections and Independence Day celebrations

At the London centre the subsidy value for the following was £40,974 including:

- Children's folk dance group meetings
- DVF London branch events
- Folk dance group "Jautrais paris" rehearsals
- Folk dance group "Londona dejo" rehearsals
- Folk dance group "Salinieki" rehearsals
- "Koklu Zapte" folk band rehearsal (using traditional instruments similar to a zither)
- Latvian Language group meetings
- London Latvian choir rehearsals
- Latvian school days
- Children's arts & crafts sessions
- Theatre group meetings
- Provision of premises for the Latvian national elections and Independence Day celebrations

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4. To preserve ancient and modern buildings, monuments, archives and works of art of historical or cultural importance to Latvia and its people and is desirable to preserve for the public benefit and historic importance of the Baltic States.

- Part of the donation to the DVCV (the DV Central Committee) is used to support the Brothers' Cemetery in Lestene, Latvia, a military cemetery of great historical significance.
- The Catthorpe Estate contains and supports the work of a library and the documentary archive about Latvians in the UK dating from before WW2. The facilities are donated at a cost of some £10,000 p.a.
- Within the grounds of the Catthorpe Estate is a stone sculpture commemorating the fallen during war and the house displays several important Latvian works of art.
- The London centre there are works of art by Latvian artists that are historically significant to the Latvian nation and Latvian people.
- The London centre also has a library run by the Latvian National Council in Great Britain, but the maintenance of the premises is the responsibility of the Trust.
- The London centre has a store of Latvian folk costumes for use by various community groups and the Latvian School.

5. To organise and promote social events and recreational activities for the benefit of Latvian people who have a need for such facilities by reason of their age, infirmity, financial hardship, and hardship caused by social or economic circumstances with the object of improving their conditions of life.

- Planning events and activities are essential for meeting these objectives; regular meetings of the Trustees are required to ensure appropriate activities are available to the wider community.
- The Trustees' meetings were held online 10 times during 2024. Having meetings online rather than in person has proved to be highly effective, as meetings have tended to be more focussed and meeting costs have been all but eliminated.
- Particular attention is paid to traditional Latvian events, for example, Midsummer celebrations and Latvia's Independence Day. These are the times when the Latvian community feels the greatest need to connect with each other. The Latvian Ambassador to the UK also takes part in these events.
- Two annual general meetings were held at Catthorpe Manor enabling its members to review activities, participate in discussions, debates, raise issues of particular concern and make decisions by voting.
- Social media and a dedicated email address provide a means for our members and the wider community to not only share news but also to provide feedback and raise any problems they may need help with.
- The LWT aims to maintain good relationships with various organisations include the Latvian Diaspora Representatives in the UK and the Embassy of Latvia to the UK.
- In our London property we provide subsidies to students from Latvia in the form of accommodation in 8 rooms at a reduced rate. These students have been given the opportunity to study in the UK but who would not otherwise be able to afford the accommodation costs in London.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

Significant activities and achievements against objectives

While both UK centres employed paid staff through its subsidiary companies to carry out the normal day to day operational functions, most of the background work of the Trust is carried out by the Trustees and other volunteers from the Latvian community.

The role of volunteers is important and over the years their input has been invaluable, not least because of the cost savings. Apart from the Trustees, there are up to 100 other volunteers in any one year who contribute a wide range of skill and expertise, to advise for example about savings on utilities to practical help in clearing up the Estate. It has, however, become increasingly difficult to find suitable Trustees as this does require specific knowledge and time commitment. To reduce the pressure on the Trustees, the Board employs a full-time administrator, who takes on most of the administrative functions, and increases our presence on social media, supports the residents of the sheltered housing and increases the involvement of the diaspora in Trust activities. People who have moved from Latvia to the UK during the last 30 years now form a key part of the membership and the various committees, which is a positive sign for the future.

The Trust works closely with other Latvian organisations such as Latvian Diaspora Representatives in UK and the Latvian Lutheran Church as well as with the Embassy of Latvia to the UK. The Trust also supports the Latvian Educational Foundation, a joint charity established with the Latvian National Council, which helps to provide financial assistance to the growing number of weekend schools for Latvian children in the UK and supports various other educational and cultural activities.

In 2024 the subsidiaries donated all their profits to LWT which was used to support community groups and other charitable activities.

Financial review

A. Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Properties owned by LWT are leased to two separate subsidiaries DVF Estate Ltd and DVF London Ltd. Together with the Trustees, the trading company directors continued to develop a wide-ranging strategic review of the properties held within the lease. This involved looking for any other possible revenue streams without requiring significant capital investment. The purpose was to ensure that both the Trustees and the trading companies obtained the best possible outcomes from the use of its properties and that the needs of the Latvian community were met in line with the charitable objectives of the Trust. Any significant changes recommended would need to be approved by the members of the Trust.

The London property relies very much on the tourist industry whilst Catthorpe is an events venue, suitable for conferences and events.

During the summer months, the London guest house is at a 90% occupancy rate, but longer-term predictions are a little difficult as bookings are normally made weeks rather than months in advance. Nevertheless, there is growing demand in London for accommodation, so predictions are strong for continued growth in income levels.

The event hall in London is mostly used by Latvian community groups for choir and dance group rehearsals. The Directors of DVF London Ltd advertise the hall to other potential external customers to increase income.

The Latvian Welfare Trust is recognised by HMRC for Gift Aid, so Trustees have established a committee to increase efforts in attracting donations and claim Gift Aid where eligible.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

B. Reserves Policy

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

If required, additional reserves could be raised by disposal of a fixed asset. However, Trustees believe that such disposal would reduce the volume of charitable activities by the Trust and are not in favour of such action.

C. Principal Risks and Uncertainties

The charity's activities expose it to several financial risks including price risk, credit risk and liquidity risk.

The management changes and advanced financial controls that have been implemented are regarded as positive for the future viability of the new businesses.

D. Price Risk

The charity is exposed to price risk in the hotel and events industry, however the directors of its subsidiaries, reporting to the Trustees and in conjunction with the Trustees, regularly review and adjust the pricing structure to take account of competition and general market conditions to attract new customers.

E. Credit Risk

The charity has no significant concentration of credit risk, with exposure spread over a wide number of customers.

F. Liquidity Risk

There is currently one loan outstanding with a substantial balance in the reserves. The Trustees continue to seek improvements in the trade of its subsidiary undertakings to finance ongoing activities. A steady improvement in turnover is expected with the restructuring of the business at Catthorpe Manor and the demand for rooms in London guest house remains high.

G. Principal Funding

The principal funding sources are the trading activities from its subsidiary companies and rentals from the flats and houses on the Catthorpe estate. Income is also generated from the Garden Annex at Catthorpe Manor, which runs the sheltered housing accommodation and has several rooms to let.

H. Future Plans

Following the refurbishment of Catthorpe Manor in recent years, with the associated costs, it is not anticipated that any further major developments will be considered for some years, apart from upgrading the territory, allowing finances to stabilise. The guest house in London also continues to require regular maintenance.

We do not plan to invest further in the purchase of properties on the Catthorpe Estate at this time.

Structure, governance and management

A. Constitution

The Latvian Welfare Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

B. Governing Document

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

C. Recruitment and Appointment of New Trustees

New Trustees are appointed from suitable candidates who have the necessary language skills and experience in the specific requirements of the Trust. New Trustees undergo a briefing session to outline their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the business plans and recent financial summaries. The training needs of each Trustee are assessed on an individual basis, and any courses are arranged where appropriate.

D. Organisational Structure

The board of Trustees, comprising of no more than nine members, is elected from members and delegates of the Latvian Welfare Fund (also known as the DVF) branches and groups at the AGM held in March each year.

Election is on a rotation basis for a period of 3 years and Trustees are open to re-election at the end of that period. A general meeting is also held September/October each year. There have been reductions in the number of branches over previous years, in part due to changes in the rules governing branches and groups. A "branch" is required to have at least 20 members, whereas a "group" can be formed with at least 10 members.

None of the Trustees receive any remuneration or any other benefit from their work with the charity, nor are there any contractual relations between any Trustees and suppliers or contractors to any of the centres. The board of Trustees meets monthly to discuss general business and specific issues relating to the running of the centres in London and Calthorpe.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Vizbulis	
Ms KI Zobens East	
Mrs E Browell	(Appointed 9 March 2024)
Mrs B Freimane	
Mrs L Liepina	(Appointed 9 March 2024)
Mrs E Osa	
Mr J Voitkevics	
Mrs R Harrison	(Appointed 9 March 2025)
Mrs E Beet	(Appointed 9 March 2024)
Mr G Lerhs	(Resigned 7 November 2024)
Mr UJ Revelins	(Resigned 9 March 2024)
Mrs I Grickus	(Resigned 9 March 2024)

E. Wider Network

The Trust works closely with the Latvian Educational Foundation 1990 (charity no.1004578) by appointing two Trustees who, together with other Foundation Trustees, provide scholarships and support to Latvian weekend schools in the UK and grants to other educational and cultural programmes. In 2024 the Trust was represented by:

- Mrs B Freimane
- Mr J Voitkevics

F. Related Party Relationships

The Latvian Welfare Fund is considered to be a related party as the board of Trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

The Latvian Welfare Trust formed two 100% owned subsidiaries - DVF London Ltd and DVF Estate Ltd of which the profits are donated to the Trust.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Mr Miks Vizbulis became a Trustee on 12.03.2017 and has since 1 April 2017 rented property on the Catthorpe estate which is owned by The Latvian Welfare Trust but was leased to DVF Estate Ltd. He pays a commercial rent and receives no privileges. As the Trust owns and rents out several properties on the estate, occasionally using a letting agency, guidance on rents has been made available.

Mr Girts Lehrs was appointed a Trustee on 20 March 2022 and resigned on 7 November 2024. He was also a member of the team organising the Midsummer Festival at Catthorpe Manor. He received no payment from the fees charged to attendees and he had not been involved in any financial negotiations concerning the use of the land rented for the festival.

G. Risk Management

The Trustees have a risk management strategy which comprises:

- A monthly review of the financial and management risks that the charity and its centres may face
- Systems and procedures to mitigate those risks identified
- Detailed Health & Safety policies for the centres in London and Catthorpe.

The Trustees are aware that financial sustainability is the main risk for the charity. Key elements in the management of financial risk are budgets to highlight expected business trends, together with assessment of monthly financial summaries against budget and close attention to cash flow. Additional attention has also been focussed on the more general non-financial risks arising from fire, health and safety, and food hygiene. Particular attention is given to the operation of the sheltered accommodation at Catthorpe for the well-being of its residents.

Trustees are committed to the standards outlined in the Charity Commission's Charity Governance Code.

H. Fundraising

The charity has no fundraising activities requiring disclosure under Section 162 of Charities Act 2011

I. Remuneration Policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our objectives. Our aim is to pay competitively in the not-for-profit sector within the context of affordability.

The trustees' report was approved by the Board of Trustees.



Ms KI Zobens East
Trustee

26 September 2025

THE LATVIAN WELFARE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE LATVIAN WELFARE TRUST

I report to the trustees on my examination of the financial statements of The Latvian Welfare Trust (the trust) for the year ended 31 December 2024.

Responsibilities and basis of report

As the trustees of the trust (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the trust are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the trust's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the trust as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



James Melvin BA BFP FCA

Cottons Accountants LLP

Chestnut Field House

Chestnut Field

Rugby

Warwickshire

CV21 2PD

United Kingdom

Date:
26/09/2025

CS420000-1057-5207-9294-08DDFD05121E

THE LATVIAN WELFARE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income and endowments from:			
Donations and legacies	3	41,000	54,250
Other trading activities	4	48,349	39,464
Investments	5	108,000	75,000
Other income	6	-	309,603
Total income		<u>197,349</u>	<u>478,317</u>
Expenditure on:			
Raising funds	7	51,642	-
Charitable activities	8	209,441	706,717
Total expenditure		<u>261,083</u>	<u>706,717</u>
Net expenditure and movement in funds		(63,734)	(228,400)
Reconciliation of funds:			
Fund balances at 1 January 2024		<u>11,101,089</u>	<u>11,329,489</u>
Fund balances at 31 December 2024		<u>11,037,355</u>	<u>11,101,089</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE LATVIAN WELFARE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investment property	14	11,332,956		11,332,956	
Investments	15		2		2
			<u>11,332,958</u>		<u>11,332,958</u>
Current assets					
Debtors	17	29,725		12,975	
Cash at bank and in hand		28,094		20,974	
		<u>57,819</u>		<u>33,949</u>	
Creditors: amounts falling due within one year	18	<u>(353,422)</u>		<u>(265,818)</u>	
Net current liabilities			<u>(295,603)</u>		<u>(231,869)</u>
Total assets less current liabilities			<u>11,037,355</u>		<u>11,101,089</u>
The funds of the trust					
Unrestricted funds	21	11,037,355		11,101,089	
		<u>11,037,355</u>		<u>11,101,089</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 26 September 2025



Ms KI Zobens East
Trustee

Company registration number 05853180 (England and Wales)

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Latvian Welfare Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Catthorpe Manor, Lilbourne Road, Catthorpe, Leicestershire, LE17 6DF, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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 trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The Latvian Welfare Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. The trustees acknowledge that at the year end date, the Trust had net current liabilities, however, subsequent to the year end donations have been received by the two subsidiaries. Furthermore, the Trust continues to benefit from support from the wider Latvian community. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% on Cost
-----------------------	-------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the trust'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.

Key sources of estimation uncertainty

Investment Properties

The valuation of the Trust's property portfolio, is the most material area of estimation due to its inherent subjectivity, reliance on assumptions and sensitivity to market fluctuations.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	41,000	54,250

4 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Non-charitable trading activities	48,349	39,464

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	108,000	75,000

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of intangible fixed assets	-	309,603

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Staff costs	51,642	-

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Expenditure on charitable activities

	Activities undertaken directly 2024 £	Activities undertaken directly 2023 £
Direct costs		
Staff costs	39,555	96,417
Depreciation and impairment	-	484
Catthorpe Manor charitable activities	132,590	590,239
	<u>172,145</u>	<u>687,140</u>
Share of support and governance costs (see note 9)		
Governance	37,296	19,577
	<u>209,441</u>	<u>706,717</u>
Analysis by fund		
Unrestricted funds	<u>209,441</u>	<u>706,717</u>

9 Support costs allocated to activities

	2024 £	2023 £
Finance	377	423
Other	1,172	(6,811)
Governance costs	35,747	25,965
	<u>37,296</u>	<u>19,577</u>
Analysed between:		
Activities undertaken directly	<u>37,296</u>	<u>19,577</u>

10 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	8,100	-
Depreciation of owned tangible fixed assets	-	484
Loss/(profit) on disposal of intangible assets	-	(309,603)
	<u>8,100</u>	<u>(309,119)</u>

11 Trustees

During the year, no Trustees received any remuneration or other benefits (2023 - £Nil)

During the year ended 31 December 2024, expenses totalling £1,068 were reimbursed or paid directly to 4 Trustees (2023 - £100, 1 Trustee).

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	5	2

Employment costs

	2024 £	2023 £
Wages and salaries	84,092	86,014
Social security costs	4,918	8,098
Other pension costs	2,187	2,305
	<u>91,197</u>	<u>96,417</u>

There were no employees whose annual remuneration was more than £60,000.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Investment property

	2024 £
Fair value	
At 1 January 2024 and 31 December 2024	<u>11,332,956</u>

72 Queensborough Terrace was valued on a fair market value basis on 3rd March 2022 by Savills, with a valuation of £6,000,000 being provided retrospectively as at 31 December 2021.

Catthorpe Manor was valued at £4,450,000 by Holt Commercial at market value on 28 August 2020. The valuation includes a special consideration regarding the uncertainty of the current market as a result of the Covid-19 pandemic and reliance was therefore placed on transactions which took place prior to lockdown.

3 Bungalows on the estate at Catthorpe were purchased between 2020 and 2021 for a total cost of £882,956. The Board believe there has been no material changes in valuation since acquisition.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2024 £	2023 £
Historic cost	<u>4,700,000</u>	<u>4,700,000</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2024 & 31 December 2024	2
Carrying amount	
At 31 December 2024	2
At 31 December 2023	2

16 Subsidiaries

Separate company financial statements are required to be prepared by law. The Trust qualifies for exemption from the requirement to prepare consolidated financial statements under s.139 of the Charities Act 2011 and s.399 of the Companies Act 2006.

Details of the trust's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
DVF Estate LTD	England and Wales	Management and operation of the Catthorpe Manor Estate	Ordinary	100.00	
DVF London LTD	England and Wales	Operation of a hotel and guest house	Ordinary	100.00	

The investments in subsidiaries are all stated at cost.

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	8,826	1,520
Amounts owed by subsidiary undertakings	19,298	11,317
Prepayments and accrued income	1,601	138
	<u>29,725</u>	<u>12,975</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

18 Creditors: amounts falling due within one year

	2024	2023
	£	£
Borrowings	243,850	175,000
Other taxation and social security	-	2,668
Trade creditors	37,387	29,410
Amounts owed to subsidiary undertakings	25,807	10,880
Other creditors	37,500	37,980
Accruals and deferred income	8,878	9,880
	<u>353,422</u>	<u>265,818</u>

19 Loans and overdrafts

	2024	2023
	£	£
Other loans	<u>243,850</u>	<u>175,000</u>
Payable within one year	<u>243,850</u>	<u>175,000</u>

The loans are interest free and repayable on demand.

20 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>2,187</u>	<u>2,305</u>

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund.

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	10,351,089	197,349	(261,083)	10,287,355
Revaluation reserve	750,000	-	-	750,000
	<u>11,101,089</u>	<u>197,349</u>	<u>(261,083)</u>	<u>11,037,355</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Unrestricted funds (Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	10,579,489	478,317	(706,717)	10,351,089
Revaluation reserve	750,000	-	-	750,000

22 Operating lease commitments

Lessor

At the reporting end date the trust had contracted with tenants for the following minimum lease payments:

	2024 £	2023 £
Within one year	132,000	-
Between two and five years	396,000	-
	<u>528,000</u>	<u>-</u>

23 Related party transactions

Transactions with related parties

Transactions with the subsidiary companies are set out below.

	2024 £	2023 £
Rents receivable from LWT Trading UK Limited	-	75,000
Interest receivable from LWT Trading UK Limited	-	309,063
Rents receivable from DVF Estate Ltd	36,000	-
Rents receivable from DVF London Ltd	72,000	-
	<u>108,000</u>	<u>384,063</u>

The Trust was owed £19,298 (2023: £11,317) from DVF Estate Ltd at the year end.

The Trust owed £25,807 (2023: £10,880) to DVF London Ltd at the year end.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 Related party transactions

(Continued)

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Transactions with The Latvian Welfare Fund are listed below along with the outstanding balances at the year end.

	Amounts owed to related parties	
	2024	2023
	£	£
Leeds branch loan outstanding creditor balance	175,000	175,000
Leeds branch loan interest paid	5,658	5,658
Latvian Welfare Fund loan	68,850	-
	<u>249,508</u>	<u>180,658</u>

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More Information

For more information on electronic signatures and to validate this document was signed by the parties listed above, please visit www.fusesign.com

THE LATVIAN WELFARE TRUST

England & Wales - Charity number 1124661

Accounts

Charity registration number 1124661

Company registration number 05853180 (England and Wales)

THE LATVIAN WELFARE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE LATVIAN WELFARE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Vizbulis Ms KI Zobens East Mrs B Freimane Mr G Lerhs E Osa Mr J Voitkevics Mrs E Beet Mrs E Browell Mrs L Liepina	(Appointed 9 March 2024) (Appointed 9 March 2024) (Appointed 9 March 2024)
Secretary	Mrs E Beet	
Charity number	1124661	
Company number	05853180	
Registered office	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire England LE17 6DF	
Auditor	Cottons Accountants LLP Chestnut Field House Chestnut Field Rugby Warwickshire United Kingdom CV21 2PD	
Solicitors	Brethertons LLP Montague House 2 Clifton Road Rugby Warwickshire CV21 3PX	

THE LATVIAN WELFARE TRUST

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THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees of the Latvian Welfare Trust present their annual report together with the audited financial statements of the Charity for the year ending 31 December 2023.

The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

The Latvian Welfare Trust's public benefit (respectively, charitable activities) has significantly increased in scale in recent years because of the increase in numbers of Latvians living in the UK. However, these activities build on what was in place initially when the Charity was formed focusing on:

- support for the Latvian community and Latvian cultural activities in the UK, especially through our two major centres, Catthorpe and London.
- charitable support for Latvians in need, both in the UK and abroad (Latvia).

The maintaining of the London and Catthorpe centres is of great psychological and practical significance to the Latvian community in Britain. The centres contain not only facilities but also works of art and important historical books and documents. It is fundamental to and makes possible our charitable activities. Hence, making a success of the trading activities supports the continued existence of the two centres.

All of the above, of course, was unexpectedly and severely impacted by the Covid pandemic from March 2020 onwards and well into 2021. Latvian community schools, summer camps, church services, folk dancing groups, choirs, and folklore ensembles, which are the mainstay of our public benefit activity were effectively closed down and only gradually restarted their activities in the latter part of 2021. Trading activities to support our centres were also severely impacted and resulted in loss of income.

Our staff in particular, and our volunteers deserve our sincere gratitude for their huge added efforts they put in to get us through the crisis.

Overview of our Cultural Centres

Catthorpe Manor (also the registered office for the Trust) has a 20-room hotel, a restaurant and several function rooms and outbuildings, most of which were leased out to its subsidiary trading company, LWT Trading UK Ltd.

The Catthorpe centre provides:

- **Sheltered accommodation** for elderly Latvians.
- **Rented rooms, apartments, and houses** for those wanting to live in a Latvian community.
- **Library and documentary archive** about Latvians in the UK, used by professionals from Latvia.
- **Cultural activities:** Home to a Latvian choir, two folk dancing troupes, and a folklore ensemble.
- **Children's summer camps** for Latvian and Estonian communities.
- **Traditional functions and gatherings** facilities.
- **Function rooms, hotel, and bar** for community use and public hire for events like weddings and conferences.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The London centre provides:

- **Guest house** and Central London venue for Latvian social and traditional activities.
- **Library and social club.**
- **Accommodation** for Latvian students and paying guests.
- **Facilities for Latvian Sunday school and language classes.**
- **Meeting place** for Latvian business groups, including the Latvian Chamber of Commerce.

This centre serves as a vibrant hub for the Latvian community, offering a wide range of services and facilities.

Both Centres also:

- *Host guests from the Latvian parliament and provide the opportunity for Latvian nationals to meet with government representatives.*
- *Provide function rooms to hold annual general meetings or similar gatherings for other Latvian community organisations and groups.*
- *Provide a function room and facilities for three Latvian folk dancing groups and choir, as well as for concerts, theatre productions and other social events.*
- *Hold charitable activities run or supported by the Trust.*
- *However, the location of the event is defined by the Customer and could be held anywhere.*

3. Advance the education of Latvian people in Latvia and in the United Kingdom independently and with assistance of other organisations:

- With assistance of the Latvian Education Foundation, help to support the children's Saturday or Sunday schools across the UK providing them lessons in Latvian history, language, and traditions.
- A donation to the European Latvian Association of EUR 1,300 supports an organisation active primarily in education and cultural areas, as well as supporting the Latvian diaspora community across Europe.
- Providing facilities at both Catthorpe and the London centre for Latvian cultural activities and meetings, including rehearsals for dancers, choirs, and theatre groups. The groups rehearse for particular events for both Latvian and non-Latvian audiences. The total subsidy value for both centres is in the region of £77,000 for 2023.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

At Cattothorpe the subsidy value was £40,094 for the following activities:

- Choir Rehearsals
- Folk-Dance Classes (two different dance groups)
- Masterclasses for choral conductors
- 2 General Meetings of The Latvian Welfare Trust
- 2 meetings of the local branch of the LWT
- Camps mainly for children, lasting between 2 – 6 days.
- Theatre group events of 1 – 6 days
- Traditional midsummer celebration over 4 days with additional days either side for set-up and clearing. This attracted over 4000 people.
- Estonian events
- Several school related events
- Provision of premises for the Latvian national elections and Independence Day celebrations

At the London centre the subsidy value for the following was £37,310 including:

- Children's folk dance group meetings
- DVF London branch events
- Folk dance group "Jautrais paris" rehearsals
- Folk dance group "Londona dejo" rehearsals
- Folk dance group "Salinieki" rehearsals
- "Koklu Zapte" folk group rehearsal (using traditional instruments similar to a zither)
- Latvian Language group meetings
- London Latvian choir rehearsals
- Latvian school days
- Children's arts & crafts sessions
- Theatre group meetings
- Provision of premises for the Latvian national elections and Independence Day celebrations

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4. To preserve ancient and modern buildings, monuments, archives and works of art of historical or cultural importance to Latvia and its people and is desirable to preserve for the public benefit and historic importance of the Baltic States:

- Part of the donation to the DV CV (the DV Central Committee) is used to support the Brothers' Cemetery in Lestene, Latvia, a military cemetery of great historical significance.
- The Catthorpe Estate contains and supports the work of a library and the documentary archive about Latvians in the UK dating from before WW2. The facilities are donated at a cost of some £10,000 p.a.
- Within the grounds of the Catthorpe Estate is a stone sculpture commemorating the fallen during war and the house displays several important Latvian works of art.
- The London centre there are works of art by Latvian artists that are historically significant to the Latvian nation and Latvian people.
- The London centre has a library run by the Latvian National Council in Great Britain, but the maintenance of the premises is the responsibility of the Trust.
- The London centre has a store of Latvian Folk costumes for use by various community groups and the Latvian School.

5. To organise and promote social events and recreational activities for the benefit of Latvian people who have a need for such facilities by reason of their age, infirmity, financial hardship, and hardship caused by social or economic circumstances with the objective of improving their conditions of life:

- Planning events and activities are essential for meeting these objectives; regular meetings of the trustees are required to ensure appropriate activities are available to the wider community. Since the pandemic, most face-to-face meetings have been abandoned in favour of video meetings.
- Regular trustees' meetings were held online ten times in 2023, with additional meetings arranged when required for specific issues. This has proved to be highly effective, as meetings have tended to be more focussed and meeting costs have been all but eliminated.
- Particular attention is paid to traditional Latvian events, for example, Midsummer celebrations and Latvia's Independence Day. These are the times when the Latvian community feels the greatest need to connect with each other. The Latvian Ambassador to the UK also takes part in these events.
- Two General meetings were held at Catthorpe Manor enabling the Trusts members to review activities, participate in discussions, debates, raise issues of particular concern and make decisions by voting.
- Social media and a dedicated email address provides a means for our members and the wider community to not only share news but also to provide feedback and raise any problems they may need help with.
- The Trust aims to maintain good relationships with the Latvian National Council in Britain, Latvian Diaspora Representatives in the UK and the Embassy of Latvia to the UK.
- In the London property, the Trust provides subsidies in the form of accommodation of 8 rooms at a reduced rate for students from Latvia who have been given the opportunity to study in the UK but who would not otherwise be able to afford the additional accommodation costs.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

While both UK centres employ paid staff through its subsidiary companies to carry out the normal day to day operational functions, most of the background work of the Trust is carried out by the trustees and other volunteers from the Latvian community.

The role of volunteers is important and over the years their input has been invaluable, not least because of the cost savings. Apart from the trustees, there are up to 100 other volunteers in any one year who contribute a wide range of skills and expertise, for example to advise about savings on utilities, to practical help in clearing up the Estate. It has, however, become increasingly difficult to find suitable trustees as this does require specific knowledge and time commitment. To reduce the pressure on the trustees, the Board of Trustees employs a full-time administrator, who takes on most of the administrative functions, and increases our presence on social media, supports the residents of the sheltered housing and increases the involvement of the diaspora in Trust activities. People who have moved from Latvia to the UK during the last 30 years now form a key part of the membership and the various committees, which is a positive sign for the future.

The Trust works closely with other Latvian organisations such as the Latvian National Council in Great Britain (LNC), Latvian Diaspora Representatives in UK and the Latvian Lutheran Church as well as with the Embassy of Latvia to the UK. The Trust also supports the Latvian Educational Foundation, a joint charity established with the LNC, which helps to provide financial assistance to the growing number of weekend schools for Latvian children in the UK and supports various other educational and cultural activities.

Following the pandemic some cultural activities have not returned, but in others there was an increase in activity mainly in preparation for the much-awaited Song and Dance Festival in Latvia at the end of June 2023 for which participation is highly competitive. The wedding business at Catthorpe gradually improved during the year as couples were finally permitted to be joined by friends and family, but the size of the events reduced. Much work was done to build relationships with local companies to increase the use of conference facilities and hotel accommodation.

In London the return of tourists did much to accelerate the overall improvement of the guest house.

Close attention was paid to income generation at both UK centres, as our trading activities there are required not only to generate profit, but to maintain and improve the centres, which are regarded as key to our charitable activities. At Catthorpe, over the years, we have invested in four bungalows to increase the rental income. These, together with a number of flats on the estate are all generating income.

During 2022 it became apparent that neither the outsourcing accountancy nor the changes in the presentation of the accounting information were as helpful as expected and it was decided to bring the control of accounts for both the Trust and the subsidiary company back in-house. This was achieved at the end of 2022 with the appointment of a Financial Controller whose responsibilities include not only the trading subsidiary accounts in Catthorpe and London but also those of the Trust. The first three months of 2023 already showed this to be a positive move with both greater engagement by the Financial Controller in all aspects of the business as well as greater clarity of the group's finances.

Financial review

a. Going Concern

The Charity and its subsidiary LWT Trading UK Limited continued to make losses in the year 2023. As a result, on 20 September 2023 followed the closure of the Catthorpe Manor business and subsequent Creditors Voluntary Liquidation of LWT Trading UK Limited. The trustees completed a restructuring of the operations which resulted in two new subsidiaries being formed, one to manage the London business and the other to manage the Catthorpe estate. This has proved to be the right decision as both subsidiaries are currently operating with small profit.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Budgets for the Trust and its trading subsidiaries were initially set by their respective General Managers in conjunction with one of the trading company directors. Budgets were then discussed at trading company Board meetings where all Directors, both General Managers, the Company Secretary and the Trust Chairman are present. As required, other trustees may be invited to attend. Since the restructuring budgets have been reviewed and continue to be reviewed on a regular basis.

Budgets are monitored monthly and may be adjusted if necessary. Budgets are shared with the trustees and the trustees are kept informed at their monthly Board meetings of the financial situation of the business. Cash flow is monitored weekly by the Financial Controller in conjunction with the trustees and Directors of the subsidiaries. Potential Cash flow risks are discussed initially with the trading company's Directors and, if necessary, referred to the trustees.

All properties owned by the Trust were leased to the trading company. After restructuring, properties are leased to two separate subsidiaries DVF Estate Ltd and DVF London Ltd. Together with the trustees, the trading company directors continued to develop a wide-ranging strategic review of the properties held within the lease. This involved looking for any other possible revenue streams without requiring significant capital investment. The purpose was to ensure that both the trustees and the trading companies obtained the best possible outcomes from the use of its properties and that the needs of the Latvian community were met in line with the charitable objectives of the Trust. Any significant changes recommended would need to be approved by the members of the Trust.

The London property relies very much on the tourist industry which has returned to pre-pandemic levels, whilst Catthorpe is an events venue, suitable for conferences and events.

With the overseas tourist market open again by the end of 2022, the London guest house saw a strong demand for rooms which continued into 2023. During the summer months, the London guest house returned to 90% occupancy rate, but longer-term predictions are a little difficult as bookings are normally made weeks rather than months in advance. Nevertheless, there is growing demand in London for accommodation, so predictions are strong for continued growth in income levels.

The event hall in London is mostly used by Latvian community groups for choir and dance group rehearsals, although is sometimes hired out by non-Latvian groups. The Directors of DVF London Ltd are advertising the hall for other potential external customers to increase income.

Towards the end of 2022 the General Manager of the Catthorpe Estate gave notice of his departure, and a new General Manager was appointed with effect from 1 February 2023. He identified areas of the business which could be developed to generate additional revenue. A new business plan for Catthorpe Manor was developed and this, together with the accounts function returning in-house, provided both the trading company directors and the trustees a greater level of confidence in the trading company becoming profitable by 2024.

Individually, the business in the London centre continued to thrive, but the Catthorpe centre had, for a number of reasons failed to make a profit. Nevertheless, it has continued to be strategically important centre of culture to the UK Latvian community. The trustees and the members of the Trust were sufficiently encouraged by the new plans for Catthorpe Manor to be more optimistic that it could finally return to profit. However, it required some further investment in order for the new business plan to be realised.

However, at the end of May 2023, the Charity Commission provided a report in which it expressed its concerns about various aspects of the Trust's management processes together with an action plan, which included a requirement to provide "LWT Trading UK Ltd with no additional funds without a good reason". In these circumstances, the trustees agreed to pause any plans to provide any additional investment funds the trading company had requested in order to fully understand the Charity Commission's position and in order to take legal advice.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

This situation significantly affected the newly developed business plans at Catthorpe Manor and was a considerable disappointment to the Directors of the trading company, who had been optimistic about the future of the Catthorpe Manor business. By August 2023 the Directors of the trading company were signalling that cash flow was becoming a problem and in September they took legal advice about the future of the company, which on 20 September resulted in the closure of the Catthorpe Manor business and the subsequent formal liquidation (Creditors' Voluntary Liquidation) of LWT Trading UK Ltd on 12 October 2023. Although the London centre was part of the trading company, it was self-sufficient financially, and the appointed Insolvency Practitioner advised that it could continue to trade until other arrangements could be made. Before the formal liquidation of the trading company, the Trust was able to seize all the assets of the trading company and the leases for the London centre and Catthorpe Manor were surrendered voluntarily. The leases had no commercial value as a clause within the agreement prevented them from being sold on. Whilst this did not compensate for the debt which had accumulated to the Trust over many years, the Trust's independent Insolvency Practitioner believed that the trustees had no other option and had acted in the best interests of the charity in very difficult circumstances.

The trustees had the responsibility of deciding how best to move forward and maintain the integrity of both venues. Numerous meetings were held, over 15 in total, to discuss the options available. The trustees agreed that the London centre should run independently of Catthorpe as it had been profitable for many years, but its profits had been supporting the Catthorpe centre. For this reason, DVF London Ltd was formed with a Director from the trustee board appointed. At Catthorpe the trustees agreed to form another new company, DVF Estate Ltd, to manage the rental properties and to plan a strategy for the hotel. Although the Trust itself could manage the rental properties as these were effectively investment properties, the trustees felt that it was important to protect the charity and its assets. Most of the rented properties are old and require frequent maintenance. When setting up the new companies, the trustees followed Charity Commission recommendations, to include at least one trustee as a Director for each of subsidiaries. All Directors are from the local Latvian community and, the same as the trustees, are working in a voluntary capacity to maintain the estate to ensure that it is kept in the best possible condition whilst the subsidiaries improve their financial independence and stability of their trading activities.

Despite the above, the Charity Commission felt the trustees had failed to follow the Charities Commissions' advice and mismanaged the Charity in the period between 2021 and 2023 by continuing to financially support the trading subsidiary LWT Trading UK Ltd in the form of a loan. As a result, on 24 June 2024 the Charity Commission issued an official warning to the trustees appointed in or before 2021 and were continuing to serve the Charity at the time of the Charity Commission decision. Two of the trustees, Chair I Grickus and Treasurer U Revelins, had resigned on 9 March 2024. Newly appointed trustees, including a new Treasurer, have experience in finance and business, which will greatly support the Board of Trustees when making any financial decisions. Trustees continue to review existing operations and to look for additional income opportunities as well as possible cost saving actions. A select committee is preparing evidence for Charity Commission that appropriate action has been taken to have sufficient oversight and control of the operations of DVF London Ltd and DVF Estate Ltd.

Financially, the Latvian Welfare Fund (DVF), a non-incorporated membership organisation, has agreed to donate up to £200,000 to the Trust to help it through the transition period should it be needed. In 2023 the donation received was £51,500. At the time of approving the financial statements, the DVF London Ltd continues to be self-sufficient and generating a profit, and DVF Estate Ltd is generating a small profit.

The Latvian Welfare Trust is recognised by HMRC for Gift Aid, so trustees have selected a committee to increase efforts in attracting donations and claim Gift Aid where eligible.

b. Reserves Policy

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

If required, additional reserves could be raised by the disposal of a fixed asset. However, the trustees believe that such disposal would reduce the volume of Charitable activities by the Trust and are not in favour of such action.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

c. Principal Risks and Uncertainties

The Charity's activities expose it to a number of financial risks including price risk, credit risk and liquidity risk.

The impact of the pandemic restrictions on all activities, has by its very nature raised questions about the viability of the trading business. A review of different scenarios led to the conclusion that the future plans are sustainable.

The management changes that have been implemented are regarded as positive for the future viability of the new businesses.

d. Price Risk

The Charity is exposed to price risk in the hotel and events industry, however the Directors of its subsidiaries, reporting to the trustees and in conjunction with the trustees, regularly review and adjust the pricing structure to take account of competition and general market conditions to attract new customers.

e. Credit Risk

The Charity has no significant concentration of credit risk, with exposure spread over a wide number of customers.

f. Liquidity Risk

There is currently one loan outstanding with a substantial balance in the reserves. The trustees continue to seek improvements in the trade of its subsidiary undertakings to finance ongoing activities. A steady improvement in turnover is expected with the restructuring of the business at Catthorpe Manor and the demand for rooms in London guest house increasing.

g. Principal Funding

The principal funding sources are the trading activities from its subsidiary companies and rentals from the flats and houses on the Catthorpe estate. Income is also generated from the Garden Annex at Catthorpe Manor, which runs the sheltered housing accommodation and has several rooms to let.

h. Future Plans

Following the refurbishment of Catthorpe Manor in recent years, with the associated costs, it is not anticipated that any further major developments will be considered for some years, apart from general upgrading of the territory, allowing finances to stabilise. The guest house in London also continues to require regular maintenance.

We do not plan to invest further in the purchase of properties on the Catthorpe Estate at this time.

Structure, governance and management

a. Constitution

The Latvian Welfare Trust is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

b. Governing Document

The Charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

c. Recruitment and Appointment of New Trustees

New trustees are appointed from suitable candidates who have the necessary language skills and experience in the specific requirements of the trust. New trustees undergo a briefing session to outline their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the business plans and recent financial summaries. The training needs of each trustee are assessed on an individual basis and any courses are arranged where appropriate.

d. Organisational Structure

The Board of Trustees, comprising of no more than nine members, is elected from members and delegates of the Latvian Welfare Fund (also known as the DVF) branches and groups at the AGM held in March each year.

Election is on a staggered, rotation basis for a period of 3 years and trustees are open to re-election at the end of that period. A General Meeting is also held September/October each year. There have been reductions in the number of branches over previous years, in part due to changes in the rules governing branches and groups. A branch is required to have at least 20 members, whereas a group can be formed with at least 10 members.

None of the trustees receive any remuneration or any other benefit from their work with the Charity, nor are there any contractual relations between any trustees and suppliers or contractors to any of the centres. The Board of Trustees meets monthly to discuss general business and specific issues relating to the running of the centres in London and Catthorpe.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs E Brauele	(Resigned 11 September 2023)
Mrs I Grickus	(Resigned 9 March 2024)
Mr UJ Revelins	(Resigned 9 March 2024)
Mr M Vizbulis	
Ms KI Zobens East	
Mrs B Freimane	
Mr G Lerhs	
E Osa	
Mr J Voitkevics	
Mrs E Beet	(Appointed 9 March 2024)
Mrs E Browell	(Appointed 9 March 2024)
Mrs L Liepina	(Appointed 9 March 2024)

e. Wider Network

The Trust works closely with the Latvian Educational Foundation 1990 (charity no.1004578) by appointing two trustees who, together with other Foundation trustees, provide scholarships and support to Latvian weekend schools in the UK and grants to other educational and cultural programmes. In 2023 the Trust was represented by:

- Mrs B Freimane
- Mr J Voitkevics

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

f. Related Party Relationships

The Latvian Welfare Fund is considered to be a related party as the Board of Trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Furthermore, The Latvian Welfare Trust had one trading subsidiary: LWT Trading UK Limited in the UK, which on 12 October 2023 went into liquidation. It subsequently formed two new subsidiaries, namely, DVF London Ltd and DVF Estate Ltd.

Mr Miks Vizbulis became a trustee on 12 March 2017 and has since 1 April 2017 rented property on the Catthorpe estate which is owned by The Latvian Welfare Trust but was leased to LWT Trading UK Ltd. He pays a commercial rent and receives no privileges. Under a new lease to be signed before the end of November 2023, this property will be leased to DVF Estate Ltd. As the Trust owns and rents out several properties on the estate, occasionally using a letting agency, guidance on rents has been made available.

Mr Girts Lehrs was appointed a trustee on 20 March 2022 and is also a member of the team organising the Midsummer Festival at Catthorpe Manor. He receives no payment from the fees charged to attendees and he has not been involved in any financial negotiations concerning the use of the land rented for the festival.

g. Risk Management

The Trustees have a risk management strategy which comprises of:

- A monthly review of the financial and management risks that the charity and its centres may face.
- Systems and procedures to mitigate those risks identified.
- Detailed Health & Safety policies for the centres, London and Catthorpe.

The trustees are aware that financial sustainability is the main risk for the charity. Key elements in the management of financial risk are budgets to highlight expected business trends, together with assessment of monthly financial summaries against budget and close attention to cash flow. Additional attention has also been focussed on the more general non-financial risks arising from fire, health and safety, and food hygiene. Particular attention is given to the operation of the sheltered accommodation at Catthorpe for the well-being of its residents.

The trustees are committed to the standards outlined in the Charity Commission's Charity Governance Code.

h. Fundraising

The Charity has no fundraising activities requiring disclosure under Section 162 of Charities Act 2011.

i. Remuneration Policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our objectives. Our aim is to pay competitively in the not-for-profit sector within the context of affordability.

Statement of trustees' responsibilities

The trustees (who are also the directors of the Charity 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. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

THE LATVIAN WELFARE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP (FRS 102).
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

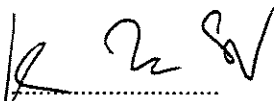
In accordance with the company's articles, a resolution proposing that Cottons Accountants LLP be appointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that the trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

The trustees' report was approved by the Board of Trustees.



Ms KI Zobens East
Trustee

Date: 26th September 2024

THE LATVIAN WELFARE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

Opinion

We have audited the financial statements of The Latvian Welfare Trust (the 'trust') for the year ended 31 December 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE LATVIAN WELFARE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks 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 charity through discussions with trustees and other management, and from our commercial knowledge and experience of the industry;
- 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 company, including the Companies Act 2006, taxation legislation, 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 charity'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 factual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- maintaining professional skepticism throughout the audit.

THE LATVIAN WELFARE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

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 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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

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.

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

Use of our report

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



Mark Palmer BSc BFP FCA (Senior Statutory Auditor)
for and on behalf of Cottons Accountants LLP

27 September 2024

Chartered Accountants
Statutory Auditor

Chestnut Field House
Chestnut Field
Rugby
Warwickshire
United Kingdom
CV21 2PD

THE LATVIAN WELFARE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income and endowments from:			
Grants and donations	3	54,250	12,667
Other trading activities	4	1,159,714	1,175,636
Investments	5	227,929	213,977
Other income	6	86,876	16,261
Total income		<u>1,528,769</u>	<u>1,418,541</u>
Expenditure on:			
Raising funds	7	1,648,884	1,493,123
Charitable activities	8	218,556	299,855
Total expenditure		<u>1,867,440</u>	<u>1,792,978</u>
Net gains/(losses) on investments	13	-	(5,977)
Net expenditure and movement in funds		<u>(338,671)</u>	<u>(380,414)</u>
Reconciliation of funds:			
Fund balances at 1 January 2023		<u>11,428,362</u>	<u>11,808,776</u>
Fund balances at 31 December 2023		<u>11,089,691</u>	<u>11,428,362</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 42 form part of these financial statements.

THE LATVIAN WELFARE TRUST

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Income and endowments from:		
Grants and donations	54,250	-
Other trading activities	39,464	15,926
Investments	75,000	100,000
Other income	309,603	152,799
	<u>478,317</u>	<u>268,725</u>
Total income in the reporting period	478,317	268,725
Total expenditure from income funds	706,716	828,417
	<u>706,716</u>	<u>828,417</u>
Net expenditure for the year	<u>(228,399)</u>	<u>(559,692)</u>

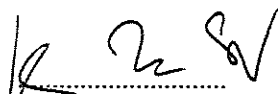
THE LATVIAN WELFARE TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15	10,450,000		10,458,731	
Investment property	16	882,956		882,956	
		<u>11,332,956</u>		<u>11,341,687</u>	
Current assets					
Stocks	19	1,462		4,000	
Debtors	20	22,777		53,821	
Cash at bank and in hand		56,090		385,519	
		<u>80,329</u>		<u>443,340</u>	
Creditors: amounts falling due within one year	21	(323,594)		(356,665)	
Net current (liabilities)/assets		<u>(243,265)</u>		<u>86,675</u>	
Total assets less current liabilities		<u>11,089,691</u>		<u>11,428,362</u>	
Income funds					
<u>Unrestricted funds - general</u>					
General unrestricted funds	23	10,339,691		10,678,362	
Revaluation reserve		750,000		750,000	
		<u>11,089,691</u>		<u>11,428,362</u>	
		<u>11,089,691</u>		<u>11,428,362</u>	

The financial statements were approved by the Trustees on 26th September 2024


.....
Ms Kl Zobens East
Trustee

Company registration number 05853180

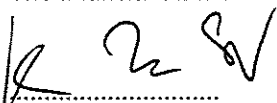
THE LATVIAN WELFARE TRUST

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		-		484
Investment property	16		11,332,956		11,332,956
Investments	17		2		100
			<u>11,332,958</u>		<u>11,333,540</u>
Current assets					
Debtors	20	12,975		-	
Cash at bank and in hand		20,974		337,263	
		<u>33,949</u>		<u>337,263</u>	
Creditors: amounts falling due within one year	21	<u>(265,818)</u>		<u>(341,315)</u>	
Net current liabilities			<u>(231,869)</u>		<u>(4,052)</u>
Total assets less current liabilities			<u>11,101,089</u>		<u>11,329,488</u>
Total net assets			<u>11,101,089</u>		<u>11,329,488</u>
Charity funds					
Unrestricted funds			11,101,089		11,329,488
Total funds			<u>11,101,089</u>		<u>11,329,488</u>

The financial statements were approved by the trustees on 26th September 2024


.....
Ms Kl Zobens East
Trustee

Company registration number 05853180 (England and Wales)

THE LATVIAN WELFARE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(645,600)		(616,419)
Investing activities					
Proceeds from disposal of subsidiaries		86,876		-	
Purchase of tangible fixed assets		(3,851)		(7,527)	
Proceeds from disposal of tangible fixed assets		5,217		-	
Investment income received		227,929		213,977	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			316,171		206,450
Financing activities					
Proceeds from borrowings		-		57,058	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			-		57,058
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(329,429)		(352,911)
Cash and cash equivalents at beginning of year			385,519		738,430
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>56,090</u>		<u>385,519</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Trust is a company limited by guarantee (registered number: 05853180) which is registered in England and Wales. It registered as a charity on 21st June 2008 and its charity registration number is 1124661. The registered office and principle place of business is Catthorpe Manor, Lilbourne Road, Catthorpe, Leicestershire, LE17 6DF.

The principal activity is to relieve financial hardship, sickness and poor health amongst Latvian people, to advance the education of the public about the country of Latvia and its people, as well as the education of Latvian people in Latvia and in the UK, and to conserve, for the benefit of all peoples everywhere, ancient and modern buildings, monuments, archives and works of art which are of historical and cultural importance to Latvia and the Latvian people. The charity also organise and promote social events and recreational activities for the benefit of Latvian people.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Latvian Welfare Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 Going concern

The Charity and its subsidiary LWT Trading UK Limited continued to make losses in the year. As a result, on 20 September 2023 followed the closure of the Catthorpe Manor business and subsequent Creditors Voluntary Liquidation of LWT Trading UK Limited.

The Trustees completed a restructuring of the operations which resulted in two new subsidiaries being formed, one to manage the London business and the other to manage the Catthorpe estate. This has proved to be the right decision as both subsidiaries are currently operating with small profit.

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Included within the incoming resources are the trading income from its trading subsidiaries, LWT Trading UK Limited, DVF Estate Ltd, DVF London Ltd.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Plant and equipment	25% on cost
Fixtures and fittings	20% on cost
Computers	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The freehold property Catthorpe Manor & 72 Queensborough Terrace has not been depreciated during the year under review, this is because the freehold property is leased to its trading subsidiary DVF London Ltd from The Latvian Welfare Trust on a long term lease and, as permitted by the Charities SORP (FRS 102) is treated as an investment property.

The Trust owns various historical works of art and sculptures. These assets were gifted to the Trust and are fully depreciated. They have therefore not been split out as Heritage Assets in the financial statements.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the trust'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.

3 Income from grants and donations

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Grants	54,250	12,667

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Hotel, events and conference income	1,159,714	1,175,636

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	227,929	213,977

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of subsidiary	86,876	-
Other income	-	15,926
CJRS income	-	335
	<u>86,876</u>	<u>16,261</u>

LWT Trading UK Limited went into liquidation on 23rd October 2023. A profit on disposal of the subsidiary of £86,876 has been recognised at this date.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Expenditure on raising funds

LWT Trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Trading costs		
Cost of sales	169,049	107,236
Administration expenses	778,679	574,124
Interest payable	-	267
Staff costs	678,209	783,080
Depreciation and impairment	22,947	28,416
	<u>1,648,884</u>	<u>1,493,123</u>

8 Expenditure on charitable activities

	Activities undertaken directly 2023 £	Activities undertaken directly 2022 £
Direct costs		
Catthorpe Manor charitable activities	198,979	204,910
Share of support and governance costs (see note 9)		
Support	19,577	94,945
	<u>218,556</u>	<u>299,855</u>
Analysis by fund		
Unrestricted funds	<u>218,556</u>	<u>299,855</u>

9 Support costs allocated to activities

	2023 £	2022 £
Finance	423	336
Other	(6,811)	63,834
Governance costs	25,965	30,775
	<u>19,577</u>	<u>94,945</u>
Analysed between:		
Catthorpe Manor charitable activities	<u>19,577</u>	<u>94,945</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023	2022
	£	£
For audit services		
Audit of the financial statements of the charity	23,700	25,350
	<u> </u>	<u> </u>

11 Trustees

During the year, no Trustees received any remuneration or other benefits (2022 - £Nil)

During the year ended 31 December 2023, expenses totalling £100 were reimbursed or paid directly to 1 Trustee (2022 - £698, 1 Trustee). The expenses reimbursed in the year related to fuel costs.

12 Employees

The average monthly number of employees during the year was:

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Management	2	1	2	1
Hotel, events and conference	22	46	-	-
	<u>24</u>	<u>47</u>	<u>2</u>	<u>1</u>

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Employment costs				
Wages and salaries	620,122	772,811	86,014	60,241
Social security costs	45,780	54,557	8,098	2,441
Other pension costs	12,307	15,125	2,305	3,931
	<u>678,209</u>	<u>842,493</u>	<u>96,416</u>	<u>66,613</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	Group 2023 Number	Group 2022 Number
In the band £60,001 - £70,000	-	1
	<u> </u>	<u> </u>

The employee benefits of Key Management Personnel amounted to £100,660 (2022 - £81,052).

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investment properties	-	(5,977)

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

15 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2023	10,450,000	12,276	248,830	8,192	10,719,298
Additions	-	3,160	-	691	3,851
Disposals	-	(15,436)	(186,068)	(8,883)	(210,387)
At 31 December 2023	10,450,000	-	62,762	-	10,512,762
Depreciation and impairment					
At 1 January 2023	-	10,712	242,131	7,724	260,567
Depreciation charged in the year	-	551	6,465	349	7,365
Eliminated in respect of disposals	-	(11,263)	(185,834)	(8,073)	(205,170)
At 31 December 2023	-	-	62,762	-	62,762
Carrying amount					
At 31 December 2023	10,450,000	-	-	-	10,450,000
At 31 December 2022	10,450,000	1,564	6,699	468	10,458,731

15 Tangible fixed assets

Charity

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	325,127	1,600	326,727
At 31 December 2023	325,127	1,600	326,727

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Tangible fixed assets (Continued)

Depreciation and impairment			
At 1 January 2023	324,643	1,600	326,243
Depreciation charged in the year	484	-	484
At 31 December 2023	325,127	-	326,727
Carrying amount			
At 31 December 2023	-	-	-
At 31 December 2022	484	-	484

16 Investment property

Group

2023
£

Fair value

At 1 January 2023 and 31 December 2023

882,956

Charity

2023
£

Fair value

At 31 January 2022 and 31 December 2022

11,332,956

72 Queensborough Terrace was valued on a fair market basis on 3rd March 2022 by Savills, with a valuation of £6,000,000 being provided retrospectively as at 31 December 2021.

Catthorpe Manor was valued at £4,450,000 by Holt Commercial at market value on 28 August 2020. The valuation includes a special consideration regarding the uncertainty of the current market as a result of the Covid-19 pandemic and reliance was therefore placed on transactions which took place prior to lock down.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Group 2023 £	Group 2022 £	Company 2023 £	Group 2022 £
Historic cost	4,700,000	4,700,000	4,700,000	4,700,000

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	100
Additions	2
Disposals	(100)
At 31 December 2023	<u>2</u>
Carrying amount	
At 31 December 2023	<u>2</u>
At 31 December 2022	<u><u>100</u></u>

18 Subsidiaries

Details of the trust's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
DVF Estate LTD	England and Wales	Operation of a hotel and weddings venue	Ordinary	100.00	
DVF London LTD	England and Wales	Operation of a hotel and weddings venue	Ordinary	100.00	

LWT Trading UK Ltd was a subsidiary of the Charity until 23rd October 2023 when it entered liquidation.

DVF London Ltd & DVF Estate Ltd are new subsidiaries of the Charity that were incorporated on 26th September 2023 and 27th September 2023 respectively.

19 Stocks

	2023 £	2022 £
Stocks	<u>1,462</u>	<u>4,000</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Debtors	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	5,340	14,267	1,520	-
Amounts owed by subsidiary undertakings	-	-	11,317	-
Other debtors	11,609	21,613	-	-
Prepayments and accrued income	5,828	17,941	138	-
	<u>22,777</u>	<u>53,821</u>	<u>12,975</u>	<u>-</u>
21 Creditors: amounts falling due within one year	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	175,000	175,000	175,000	175,000
Other taxation and social security	23,726	28,314	2,668	402
Trade creditors	53,218	68,934	29,410	1,800
Amounts owed to fellow group undertakings	-	-	10,880	149,635
Other creditors	41,295	62,694	37,980	178
Accruals and deferred income	30,355	21,723	9,880	14,300
	<u>323,594</u>	<u>356,665</u>	<u>265,818</u>	<u>341,315</u>

Included in other loans are the following balances outstanding with The Latvian Welfare Fund:
Leeds branch £175,000 (2022: £175,000)

22 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	<u>12,307</u>	<u>11,194</u>

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Unrestricted funds

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General fund	9,508,492	86,876	(218,556)	-	9,376,812
Revaluation reserve	3,846,807	-	-	-	3,846,807
Funds retained with non- charitable subsidiaries	(1,926,937)	1,441,893	(1,648,884)	-	(2,133,928)
	<u>11,428,362</u>	<u>1,528,769</u>	<u>(1,867,440)</u>	<u>-</u>	<u>11,089,691</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General fund	9,758,884	49,463	(299,855)	-	9,508,492
Revaluation reserve	3,852,784	-	-	(5,977)	3,846,807
Funds retained with non- charitable subsidiaries	(1,802,892)	1,369,078	(1,493,123)	-	(1,926,937)
	<u>11,808,776</u>	<u>1,418,541</u>	<u>(1,792,978)</u>	<u>(5,977)</u>	<u>11,428,362</u>

24 Related party transactions

Transactions with related parties

Transactions with the subsidiary companies are set out below.

The loan balance outstanding at the year end owed from LWT Trading UK Limited was £4,645,742 (2022: £4,384,330). An additional provision of £395,476 has been recognised against this balance at the year end in the Charity (2022: £562,099).

The trading balance outstanding at the year end owed to LWT Trading UK Limited was £Nil (2022: £149,636).

	2023 £	2022 £
Rents receivable from LWT Trading UK Limited	75,000	100,000
Interest receivable from LWT Trading UK Limited	309,603	152,799
	<u>384,603</u>	<u>252,799</u>

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Related party transactions

(Continued)

The Trust was owed £11,317 from DVF Estate Ltd at the year end.

The Trust owed £10,880 to DVF London at the year end.

During the year, M Vizbulis, who is a Trustee, resided in one of the properties owned by the Trust and paid rent totalling £14,720 (2022: £13,920). There were no outstanding balances as at the year end (2022: £Nil).

During the year, the Trust made purchases totalling £Nil (2022: £1,403) from Amber Food and Catering Ltd, a company of which M Vizbulis is also a director. There were no outstanding balances as at the year end (2022: £Nil).

During the year, the Trust received £Nil (2022: £13,690) from Berzes Strazdi, an entity of which G Lerhs is also a director, in relation to the Midsummer Festival. At the year end, a balance of £Nil (2022: £13,050) was owed from Berzes Strazdi to the Trust.

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Transactions with The Latvian Welfare Fund are listed below along with the outstanding balances at the year end.

	Amounts owed to related parties	
	2023	2022
	£	£
Leeds branch loan outstanding creditor balance	175,000	175,000
Leeds branch loan interest paid	5,658	5,658
	<u>180,658</u>	<u>180,658</u>

In addition, the Latvian Welfare Trust receives rental income from two properties which are owned by The Latvian Welfare Fund. Total rental income received during the year is £Nil (2022: £19,500). There were no outstanding balances as at the year end (2022: £Nil).

A provision of £Nil (2022: £42,058) has been made against amounts due from The Latvian Welfare Fund.

During the year, £37,500 was transferred into the Latvian Welfare Trust from 2 Trustees that both resigned on 9th March 2024. This balance was still outstanding at the year end.

THE LATVIAN WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25	Cash generated from operations	2023	2022
		£	£
	Deficit for the year	(338,671)	(380,414)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(227,929)	(213,977)
	Gain on disposal of intangible assets	(86,876)	-
	Fair value gains and losses on investment properties	-	5,977
	Depreciation and impairment of tangible fixed assets	7,365	10,578
	Movements in working capital:		
	Decrease in stocks	2,538	3,500
	Decrease/(increase) in debtors	31,044	(10,511)
	(Decrease) in creditors	(33,071)	(31,572)
	Cash absorbed by operations	(645,600)	(616,419)

26	Analysis of changes in net debt	At 1 January	Cash flows	At 31 December
		2023		2023
		£	£	£
	Cash at bank and in hand	385,519	(329,429)	56,090
	Loans falling due within one year	(175,000)	-	(175,000)
		<u>210,519</u>	<u>(329,429)</u>	<u>(118,910)</u>

27 Auditor's liability limitation agreement

Upon appointment of Cottons Accountants LLP as auditors, the company entered into a liability limitation agreement with the auditors and this was approved by resolution of the members on 23rd May 2024. Liability is limited to the lesser of 20 times the audit fee or £395,000. In accordance with section 537 of Companies Act 2006, if the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable as determined by that section, the agreement shall have effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in respect of the audit of the financial statements for the year ended 31st December 2023.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws and restrictions.

THE LATVIAN WELFARE TRUST

England & Wales - Charity number 1124661

Accounts

Registered number: 05853180
Charity number: 1124661

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

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THE LATVIAN WELFARE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	UJ Revelins Mrs I Grickus Ms K I Zobens East M Vizbulis Mrs E Brauele (resigned 11 September 2023) B Freimane A Namsone Hatone (resigned 20 March 2022) E Osa J Voitkevics G Lerhs (appointed 20 March 2022)
Company registered number	05853180
Charity registered number	1124661
Registered office	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF
Company secretary	UJ Revelins
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Solicitors	Brethertons LLP Montague House 2 Clifton Road Rugby Warwickshire CV21 3PX

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 January 2022 to 31 December 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Objectives and Aims

The Latvian Welfare Trust's public benefit, charitable activities have significantly increased in scale in recent years, because of the huge increase in numbers of Latvians living in the UK. However, these activities build on what was put in place when the charity was formed focusing on:

- support for Latvian community and Latvian cultural activities in the UK, especially through our two major centres, Catthorpe and London;
- charitable support for Latvians in need, both in the UK and abroad (primarily now in Latvia).

The maintenance of the London and Catthorpe centres is of great psychological and practical significance to the Latvian community in Britain. The centres contain not only facilities but also works of art and important historical books and documents. It is fundamental to and makes possible our charitable activities. Hence, making a success of the trading activities that support the continued existence of the two centres takes a significant effort and focus.

All of the above, of course, was severely impacted by the Covid pandemic from March 2020 onwards and well into 2021. Latvian community schools, summer camps, church services, folk dancing groups, choirs, and folklore ensembles, which are the mainstay of our public benefit activity were effectively closed down and only gradually restarted their activities in the latter part of 2021. The annual midsummer festival, usually attended by 3-4,000 people, was cancelled for a second year running. We are pleased that we managed to keep our old people in the Catthorpe sheltered accommodation facility secure and cared for throughout the period. Trading activities to support our centres were also severely impacted, but thanks to Central and Local Government support, in particular the furlough scheme in 2020 – 2021 as well as a range of grants, we were able to reduce the financial impact.

With hindsight, we were very fortunate to have disposed of our hotel in Riga, Latvia, in 2019. It would have been almost impossible for the board to have dealt with the effects of the pandemic there at the same time as dealing with it in the UK.

We were able to continue building works and physical improvements to our two centres, because the Covid crisis had less impact on building activities and the lack of business activities meant work could be completed more quickly.

Our staff in particular, and our volunteers deserve our sincere thanks for the huge additional effort they put in to get us through the crisis.

Overview of our cultural centres

Catthorpe Manor is the registered office for the Trust, has a 20-room hotel, a restaurant and several function rooms and outbuildings, most of which are leased out to its subsidiary trading company, LWT Trading UK Ltd. The centre:

- Provides sheltered accommodation for elderly Latvians.
- Provides rented rooms, apartments and houses for other tenants wishing to live in a Latvian community.

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

- Houses a library and the documentary archive about Latvians in the UK, which is also used and accessed by librarians, historians, and archivists from Latvia.
- Is home to the Catthorpe Latvian choir, two folk dancing troupes and a folklore ensemble.
- Provides facilities for three children's annual summer camps for the Latvian and Estonian communities.
- Provides facilities for a number of traditional Latvian functions and gatherings each year.
- Houses a number of function rooms, a hotel and bar, which are used by the Latvian community and through its trading company, are hired out to the wider public for weddings, parties, business meetings and conferences..

The London centre operates as a guest house, but also performs the important role of providing a Central London venue for Latvians to meet for traditional and social activities. Its location is particularly attractive to visitors from Latvia and other countries. The centre:

- Houses a library and social club with bar.
- Provides rooms for use by Latvian students attending colleges in London, and for paying guests for overnight stays.
- Provides facilities for the Latvian Sunday school.
- Provides facilities for Latvian language classes.
- Provides a meeting place for Latvian business groups, including the Latvian Chamber of Commerce
- Hosts guests from the Latvian parliament and provides the opportunity for Latvian nationals to meet with their representatives.
- Provides a function room and facilities for three Latvian folk dancing groups and choir, as well as for concerts, theatre productions and other social events.

Charitable activities run or supported by the Trust

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

These are the charitable, public benefit, activities undertaken in 2022, grouped according to the charity's objects:

1. to relieve financial hardship, sickness, and poor health amongst Latvian People
 - Support those Latvians living in the sheltered housing at Catthorpe (approximately £60,000 p.a. NB this is a best estimate, as it consists of a number of linked transactions and shared costs between the Trust and its Trading Company).
 - Most of the EUR 5535 donation in 2022 to the DV CV (the DV Central Committee in Riga, Latvia) is used to support veterans and widows living in Latvia, helping to provide medication and other necessities.
2. to advance the education of the public about the country of Latvia and its people, past and present.
 - The board continues to improve the communications side of LWT's work, with the significant input of a full-time administrator. Our presence on social media has greatly raised our profile, reaching out to the wider public.
 - The trustees commissioned a film at a cost of £7,500 telling the story of Latvians in the United Kingdom from their arrival just after the second world war to today. The first part was issued in December 2022 with further parts in February 2023 and April 2023. It has English subtitles. Latvian TV has been given the rights to show the film in Latvia, which is planned at the end of 2023, and it has been distributed to sister organisations in North America, Australia, and Europe.
3. to advance the education of Latvian people in Latvia and in the United Kingdom
 - A donation to the European Latvian Association of EUR 1,300 supports an organisation active primarily in education and cultural areas.
 - The board of the Latvian Education Foundation consists of trustees and members of the Latvian National Council and helps to support the children's Saturday or Sunday schools across the UK providing them lessons in Latvian history, language, and traditions.

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

- Providing facilities at both Catthorpe and the London centre for Latvian cultural activities and meetings, including rehearsals for dancers, choirs, and theatre groups. The groups rehearse for particular events for both Latvian and non-Latvian audiences. The total subsidy value for both centres is in the region of £65,000.
 - At Catthorpe the subsidy value for the following was £32,998 including:
 - 7 Choir Rehearsals
 - 165 Folk-Dance Classes (two different dance groups)
 - 2 General Meetings of The Latvian Welfare Trust
 - 2 meetings of the local branch of the LWT
 - 7 camps mainly for children last 2 – 6 days
 - 3 theatre group events of 1 – 6 days
 - Traditional midsummer celebration over 4 days with days either side for set-up and clearing. This attracted over 4000 people.
 - 3 Estonian events
 - Several school related events
 - Provision of premises for the Latvian national elections and Independence Day celebrations
 - At the London centre the subsidy value for the following was £31,608 including:
 - 16 Children's folk dance group meetings
 - 5 DVF London branch events
 - 39 Folk dance group "Jautrais p?ris" rehearsals
 - 3 Folk dance group "Londona dejo" rehearsals
 - 39 Folk dance group "Salinieki" rehearsals
 - 28 "Koklu Zapte" band rehearsal (using traditional instruments similar to a zither)
 - 28 Latvian Language group meetings
 - 49 London Latvian choir rehearsals
 - 18 Latvian school days
 - 9 Children's arts & crafts sessions
 - 9 Theatre group meetings
 - Provision of premises for the Latvian national elections and Independence Day celebrations
 - Following a meeting with representatives of the Charities Commission, it was suggested that the Trust may be paying reduced fees for using premises run by its subsidiary company LWT Trading UK Ltd. A review was subsequently undertaken to ensure that in future all fees which are charged to the Trust are at the same commercial rate as those charged to other users.
4. to conserve for the benefit of all peoples everywhere ancient and modern buildings, monuments, archives and works of art which are of historical or cultural importance to Latvia and Latvian People and which it is desirable to preserve for the public benefit;
- Part of the EUR 5535 donation to the DV CV (the DV Central Committee) is used to support the Brothers' Cemetery in Lestene, Latvia, a military cemetery of great historical significance.
 - The Catthorpe Estate contains and supports the work of a library and the documentary archive about Latvians in the UK dating from before WW2. The facilities are donated at a cost of some £10,000 p.a.
 - Within the grounds of the Catthorpe Estate is a stone sculpture commemorating the fallen and the house contains several important Latvian works of art.
 - The London centre also contains some important Latvian works of art.
 - The London centre has a library which is run by the Latvian National Council in Great Britain, but the maintenance of the premises is the responsibility of the Trust.
 - The London centre contains a store of Latvian Folk costumes for use by various groups and the Latvian School
5. to organise and promote social events and recreational activities for the benefit of Latvian People who have a need for such facilities by reason of their age, infirmity, financial hardship, and hardship caused by

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

social or economic circumstances with the object of improving their conditions of life.

- Planning events and activities is essential to meeting these objectives and regular meetings of the Trustees are required to ensure appropriate activities are available to the wider community. Since the pandemic, most face-to-face meetings have been abandoned in favour of video meetings.
- The trustees met by video link 9 times during 2022. This has proved to be very effective, as meetings have tended to be more focussed and meeting costs have been all but eliminated.
- Particular attention is paid to traditional Latvian events, for example, Midsummer celebrations and Latvia's Independence Day. These are the times when the Latvian community feels the greatest need to connect with each other. The Latvian Ambassador to the UK is also involved with these events.
- Our branches also provide support and activities specifically geared to their local communities, which are promoted through our social media.
- Two General meetings were held at Catthorpe Manor enabling members to raise issues of particular concern.
- Social media and a dedicated email address provides a means for our members and the wider community to give feedback and raise any problems they need help with.
- We maintain good relationships with the Latvian National Council in Britain and the Embassy of Latvia to the UK.
- In our London property, we provide 8 rooms at a reduced rate particularly for students from Latvia who have been given the opportunity to study in the UK but who would not otherwise be able to afford the additional accommodation costs.

Achievements and performance

a. Achievement and Performance

While both UK centres employ paid staff through its subsidiary company to carry out the normal day to day operational functions, most of the background work of the Trust is carried out by the trustees and other volunteers from the Latvian community.

The role of volunteers is important and over the years their input has been invaluable, not least because of the cost savings. Apart from the trustees, there are up to 100 other volunteers in any one year who contribute a wide range of expertise, to advice about savings on utilities to practical help in clearing up the estate. It has, however, become increasingly difficult to find suitable trustees as this does require a time commitment. To reduce the pressure on the trustees, the Board employs a full-time administrator, who takes on most of the administrative functions, and increases our presence on social media, supports the residents of the sheltered housing and increases the involvement of the diaspora in Trust activities. People who have moved from Latvia to the UK in more recent years now form a key component of the membership and the various committees, which is a positive sign for the future.

The Trust works closely with other Latvian organisations such as the Latvian National Council in Great Britain (LNC) and the Latvian Lutheran Church as well as with the Embassy of Latvia to the UK. The Trust also supports the Latvian Educational Foundation, a joint charity established with the LNC, which helps to provide financial assistance to the growing number of weekend schools for Latvian children in the UK and supports various other educational and cultural activities.

Following the pandemic some cultural activities have not returned, but in others there was an increase in activity mainly in preparation for the much-awaited Song and Dance Festival in Latvia at the end of June 2023 for which participation is highly competitive. The wedding business at Catthorpe improved during the year as couples were finally permitted to be joined by friends and family, but the size of the events reduced. Much work was done to build relationships with local companies to increase the use of conference facilities and hotel accommodation. In London the return of tourists did much to accelerate the overall improvement in the guest house.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

Close attention was paid to income generation at both UK centres, as our trading activities there are required not only to generate profit, but to maintain and improve the centres, which are regarded as key to our charitable activities. At Catthorpe, over the years, we have invested in four bungalows to increase the rental income. These, together with a number of flats on the estate are all generating income.

b. Key performance indicators

Just prior to the pandemic it was decided to outsource much of the financial processing and as the pandemic developed, the opportunity was then taken to change the way in which financial information was presented in order to monitor better the performance of the various cost centres. However, during 2022 it became apparent that neither the outsourcing project nor the changes in the presentation of the accounting information were as helpful as expected and it was decided to bring the control of accounts for both the Trust and the subsidiary company back in house. This was achieved at the end of 2022 with the appointment of a Financial Controller whose responsibilities include not only the trading subsidiary accounts in Catthorpe and London but also those of the Trust. The first three months of 2023 showed this to be a positive move with both greater engagement by the Financial Controller in all aspects of the business as well as greater clarity of the group's finances.

The financial statements show accumulated funds of £11,428,362, (2021: £11,808,776) of which deficits exist for the funds retained within non-charitable subsidiaries of £1,926,937 (2021: £1,988,967).

Financial review

a. Going concern

Budgets for the London house and Catthorpe Manor were initially set by their respective General Managers in conjunction with one of the trading company directors. Budgets were then discussed at trading company Board meetings where all directors, both general managers, the Company Secretary and the Trust Chairman are present. As required, other trustees may be invited to attend. Budgets are monitored monthly and may be adjusted if necessary. Budgets are shared with the trustees and the trustees are kept informed at their monthly meetings of the financial situation of the business. Cash flow is monitored daily by the Company Secretary in conjunction with the accounts administrator employed by LWT Trading UK Ltd. Cash flow problems are discussed initially with the trading company's directors and, if necessary, referred to the trustees. This has been particularly relevant as the trading company sought to recover from the effects of the pandemic as the trustees had to consider to what extent they could help to support the trading company financially in a challenging environment. The hospitality industry has been particularly adversely affected.

All properties purchased by the Trust were leased to the trading company. Together with the trustees, the trading company directors continued to develop a wide-ranging strategic review of the properties held within the lease. The purpose was to ensure that both the trustees and the trading company obtained the best possible outcomes from the use of its properties and that the needs of the Latvian community were met in line with the charitable objectives of the Trust. Any significant changes recommended would need to be approved by the members of the Trust.

The London property relies very much on the tourist industry which has returned to pre-pandemic levels, whilst Catthorpe is an events venue, suitable for conferences and weddings, with the hotel and restaurant supporting these events. 2022 was looking positive at Catthorpe with a strong growth in the wedding and conference markets, but demand reduced during the closing months of the year and 2023 became increasingly uncertain. With the overseas tourist market open again, the London guest house saw a strong demand for rooms which has continued into 2023. During the summer months, the London guest house returned to 90% occupancy rate,

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

but longer-term predictions are a little difficult as bookings are normally made weeks rather than months in advance. Nevertheless, there is much positivity.

Towards the end of 2022 the General Manager of the Catthorpe Estate gave notice of his departure and a new General Manager was appointed with effect from 1 February 2023. He identified areas of the business which could be developed to generate additional revenue. A new business plan for Catthorpe Manor was developed and this, together with the accounts function returning in-house, provided both the trading company directors and the trustees a greater level of confidence in the trading company becoming profitable by 2024.

Individually, the business in the London centre continued to thrive, but the Catthorpe centre had, for a number of reasons failed to make a profit. Nevertheless, it has continued to be strategically important to the UK Latvian community. The trustees and the members of the Trust were sufficiently encouraged by the new plans for Catthorpe Manor to be more optimistic that it could finally return to profit. However, it required some further investment in order for the new business plan to be realised. Following a series of EGMs which allowed the members of the Trust to express their views and give full support to the trustees to agree to provide additional investment in the new business plan for Catthorpe Manor with the view that this part of the business would return to profit and thus allow for the outstanding debt by the trading company to start to be reduced.

However, at the end of May 2023, the Charity Commission provided a report in which it expressed its concerns about various aspects of the Trust's management processes together with an action plan, which included a requirement to provide "LWT Trading UK Ltd with no additional funds without good reason". In these circumstances, the Trustees agreed to pause any plans to provide any additional investment funds the trading company had requested in order to fully understand the Charity Commission's position and in order to take legal advice.

This situation significantly affected the newly developed business plans at Catthorpe Manor and was a considerable disappointment to the directors of the trading company, who had been optimistic about the future of the Catthorpe Manor business. By August 2023 the directors of the trading company were signalling that cash flow was becoming a problem and in September they took legal advice about the future of the company, which on 20th September resulted in the closure of the Catthorpe Manor business and the subsequent formal liquidation (Creditors' Voluntary Liquidation) of LWT Trading UK Ltd on 12th October. Although the London centre was a part of the trading company, it was self-sufficient financially, and the appointed Insolvency Practitioner advised that it could continue to trade until other arrangements could be made. Before the formal liquidation of the trading company, the Trust was able to seize all the assets of the trading company and the leases for the London centre and Catthorpe Manor were surrendered voluntarily. The leases had no commercial value as a clause within the agreement prevented them from being sold on. Whilst this did not compensate for the debt which had accumulated to the Trust over many years, the Trust's independent Insolvency Practitioner believed that the trustees had no other option and had acted in the best interests of the charity in very difficult circumstances.

The trustees had the responsibility of deciding how best to move forward and maintain the integrity of both venues. Numerous meetings were held, over 15 in total, to discuss the options available. The trustees agreed that the London centre should run independently of Catthorpe as it had been profitable for many years, but its profits had been supporting the Catthorpe centre. For this reason, DVF London Ltd was formed with a director from the trustee board appointed temporarily. At Catthorpe the trustees agreed to form another new company, DVF Estate Ltd, to manage the rental properties and to plan a strategy for the hotel. Although the Trust itself could manage the rental properties as these were effectively investment properties, the trustees felt that it was important to protect the charity and its assets. Most of the rented properties are old and require frequent maintenance. Once all the requirements to set up the new companies have been met, the trustees plan to develop a process for the election of the directors of these companies, which will include a trustee as recommended by the Charities Commission. Until such time, the trustees have formed a small management team to work with the director of each company.

Since it became known publicly that the hotel at Catthorpe Manor had closed, there have been a number of

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

expressions of interest in leasing or buying the hotel and restaurant, which are currently being explored. At the same time, the trustees are considering other possible options but no conclusions or decisions have yet been reached as very careful consideration needs to be given to all potential options. In the meantime, the local Latvian community and the trustees are working in a voluntary capacity to maintain the estate to ensure that it is kept in the best possible condition whilst all the options are being carefully considered.

Financially, the Latvian Welfare Fund (DVF), a non-incorporated membership organisation, has agreed to donate up to £200,000 to the Trust to help it through the transition period. By that time, not only will the London house continue to be self-sufficient and be generating a profit, but the Catthorpe Estate should also be, at the very least, in a break-even position and, in time, generating a profit.

b. Reserves policy

The trustees consider it prudent to maintain reserves in the general fund at six months of the current annual operating costs. The trustees believe that this should normally be sufficient to ensure that any unbudgeted or emergency expenditure will be sufficiently covered.

However, since the pandemic it has not been possible to sustain the requisite level of reserves and it could be another year before finances have stabilised.

At the year end the consolidated total reserves were £11,428,362 (2021: £11,808,776). All reserves were unrestricted. Reserves held relating to fixed assets that could only be realised by their disposal totalled £11,341,687 (2021: £11,350,715). Free reserves at the year end, after making allowance for fixed assets were £86,675 (2021: £458,061).

c. Principal Risks and Uncertainties

The charity's activities expose it to a number of financial risks including price risk, credit risk and liquidity risk. The impact of the virus restrictions on all activities, has by its very nature raised questions about the viability of the trading business. A review of different scenarios led to the conclusion that the future plans are sustainable. The management changes that have been implemented are regarded as positive for the future viability of the new businesses.

d. Price Risk

The charity is exposed to price risk in the hotel and events industry, however the directors of its subsidiaries, reporting to the trustees and in conjunction with the trustees, regularly review and adjust the pricing structure to take account of competition and general market conditions to attract new customers.

e. Credit Risk

The charity has no significant concentration of credit risk, with exposure spread over a wide number of customers.

f. Liquidity Risk

There is currently one loan outstanding with a substantial balance in the reserves. The trustees continue to seek improvements in the trade of its subsidiary undertakings to finance ongoing activities. A steady improvement in turnover is expected with the restructuring of the business at Catthorpe Manor and the demand for rooms in London guest house increasing.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

g. Principal funding

The principal funding sources are the trading activities from its subsidiary companies and rentals from the flats and houses on the Catthorpe estate. Income is also generated from the Garden Annex at Catthorpe Manor, which runs the sheltered housing accommodation and has several rooms to let.

h. Future Plans

Following the refurbishment of Catthorpe Manor, with the associated costs, it is not anticipated that any further major developments will be considered for some years, apart from upgrading the territory, allowing finances to stabilise. The guest house in London also continues to require regular maintenance.

We do not plan to invest further in the purchase of properties on the Catthorpe Estate at this time.

Structure, governance and management

a. Constitution

The Latvian Welfare Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Governing Document

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

c. Recruitment and Appointment of New Trustees

New trustees are appointed from suitable candidates who have the necessary language skills and experience in the specific cultural requirements of the trust. New trustees undergo a briefing session to outline their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the business plans and recent financial summaries. The training needs of each trustee are assessed on an individual basis and any courses are arranged where appropriate.

d. Organisational Structure

The board of trustees, comprising of no more than nine members, is elected from members and delegates of the Latvian Welfare Fund (also known as the DVF) branches and groups at the AGM held in March each year. Election is on a rotation basis for a period of 3 years and trustees are open to re-election at the end of that period. A General Meeting is also held September each year. There have been reductions in the number of branches over previous years, in part due to changes in the rules governing branches and groups. A Branch is required to have at least 20 members, whereas a Group can be formed with at least 10 members.

None of the trustees receive any remuneration or any other benefit from their work with the Charity, nor are there any contractual relations between any trustees and suppliers or contractors to any of the centres. The board of trustees meets monthly to discuss general business and specific issues relating to the running of the centres in London and Catthorpe.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

e. Wider Network

The Trust works closely with the Latvian Educational Foundation 1990 (charity no.1004578) by appointing two trustees who, together with other Foundation trustees, provide scholarships and support to Latvian weekend schools in the UK and grants to other educational and cultural programmes. In 2022 the Trust was represented by:

- Mrs B Freimane
- Mr J Voitkevics

f. Related party relationships

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014. Furthermore, The Latvian Welfare Trust had one trading subsidiary: LWT Trading UK Limited in the UK, which on 12th October 2023 went into liquidation. It subsequently formed two new subsidiaries, namely, DVF London Ltd and DVF Estate Ltd.

Mr Miks Vizbulis became a trustee on 12.03.2017 and has since 1 April 2017 rented property on the Catthorpe estate which is owned by The Latvian Welfare Trust but was leased to LWT Trading UK Ltd. He pays a commercial rent and receives no privileges. Under a new lease to be signed before the end of November 2023, this property will be leased to DVF Estate Ltd. As the Trust owns and rents out several properties on the estate, occasionally using a letting agency, guidance on rents has been made available.

Mr Girts Lehrs was appointed a trustee on 20 March 2022 and is also a member of the team organising the Midsummer Festival at Catthorpe Manor. He receives no payment from the fees charged to attendees and he has not been involved in any financial negotiations concerning the use of the land rented for the Festival.

g. Risk management

The Trustees have a risk management strategy which comprises:

- A monthly review of the financial and management risks that the charity and its centres may face
- Systems and procedures to mitigate those risks identified
- Detailed Health & Safety policies for the centres, London and Catthorpe.

The Trustees are aware that financial sustainability is the main risk for the charity. Key elements in the management of financial risk are budgets to highlight expected business trends, together with assessment of monthly financial summaries against budget and close attention to cash flow. Additional attention has also been focussed on the more general non-financial risks arising from fire, health and safety, and food hygiene. Particular attention is given to the operation of the sheltered accommodation at Catthorpe for the well-being of its residents.

Trustees are committed to the standards outlined in the Charity Commission's Charity Governance Code.

h. Fundraising

The Charity has no fundraising activities requiring disclosure under Section 162 of Charities Act 2011.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

i. Remuneration policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our objectives. Our aim is to pay competitively in the not-for-profit sector within the context of affordability.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor (continued)

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mrs I Grickus

Date: 23/01/24.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

Opinion

We have audited the financial statements of The Latvian Welfare Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the parent charitable company's affairs as at 31 December 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.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, 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.

Opinion 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Charity Commission legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: recognition of weddings, events and room income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and going concern.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review of Charity Commission correspondence, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Use of our report

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

Kerry Brown

Kerry Brown (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 23 January 2024

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Grants and donations	3	12,667	12,667	91,970
Other trading activities	3	1,175,636	1,175,636	447,562
Investments	4	213,977	213,977	234,188
Other income	5	16,261	16,261	147,533
Total income		1,418,541	1,418,541	921,253
Expenditure on:				
Raising funds - trading activities	6	1,493,123	1,493,123	1,168,759
Charitable activities	7	299,855	299,855	92,568
Total expenditure		1,792,978	1,792,978	1,261,327
Net movement in funds before other recognised losses		(374,437)	(374,437)	(340,074)
Other recognised gains/(losses):				
(Losses)/gains on revaluation of fixed assets		(5,977)	(5,977)	196,017
Net movement in funds		(380,414)	(380,414)	(144,057)
Reconciliation of funds:				
Total funds brought forward		11,808,776	11,808,776	11,952,833
Net movement in funds		(380,414)	(380,414)	(144,057)
Total funds carried forward		11,428,362	11,428,362	11,808,776

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 42 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	10,458,731	10,467,759
Investment property	13	882,956	882,956
		<u>11,341,687</u>	<u>11,350,715</u>
Current assets			
Stocks	15	4,000	7,500
Debtors	16	53,821	43,310
Cash at bank and in hand		385,519	738,430
		<u>443,340</u>	<u>789,240</u>
Creditors: amounts falling due within one year	17	(356,665)	(331,179)
Net current assets		<u>86,675</u>	<u>458,061</u>
Total assets less current liabilities		<u>11,428,362</u>	<u>11,808,776</u>
Total net assets		<u><u>11,428,362</u></u>	<u><u>11,808,776</u></u>
Charity funds			
Unrestricted funds	18	11,428,362	11,808,776
Total funds		<u><u>11,428,362</u></u>	<u><u>11,808,776</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs I Grickus

Date: 23/01/24

The notes on pages 21 to 42 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	484	3,823
Investments	14	100	100
Investment property	13	11,332,956	11,332,956
		<u>11,333,540</u>	<u>11,336,879</u>
Current assets			
Debtors	16	-	152
Cash at bank and in hand		337,263	711,712
		<u>337,263</u>	<u>711,864</u>
Creditors: amounts falling due within one year	17	(341,315)	(159,563)
Net current liabilities / assets		<u>(4,052)</u>	<u>552,301</u>
Total assets less current liabilities		<u>11,329,488</u>	<u>11,889,180</u>
Total net assets		<u><u>11,329,488</u></u>	<u><u>11,889,180</u></u>
Charity funds			
Unrestricted funds	18	11,329,488	11,889,180
Total funds		<u><u>11,329,488</u></u>	<u><u>11,889,180</u></u>

The Charity's net movement in funds for the year was £(559,692) (2021 - £(3,428,072)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

23/01/24

Mrs I Grickus

The notes on pages 21 to 42 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	(345,384)	(293,428)
Cash flows from investing activities			
Purchase of tangible fixed assets and investment property		(7,527)	(449,593)
Net cash used in investing activities		(7,527)	(449,593)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		738,430	1,481,451
Cash and cash equivalents at the end of the year	22	385,519	738,430

The notes on pages 21 to 42 form part of these financial statements

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Trust is a company limited by guarantee (registered number: 05853180) which is registered in England and Wales. It registered as a charity on 21st June 2008 and its charity registration number is 1124661. The registered office and principal place of business is Catthorpe Manor, Lilbourne Road, Catthorpe, Leicestershire, LE17 6DF.

The principal activity is to relieve financial hardship, sickness and poor health amongst Latvian people, to advance the education of the public about the country of Latvia and its people, as well as the education of Latvian people in Latvia and in the UK, and to conserve, for the benefit of all peoples everywhere, ancient and modern buildings, monuments, archives and works of art which are of historical and cultural importance to Latvia and the Latvian people. The Charity also organise and promote social events and recreational activities for the benefit of Latvian people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Latvian Welfare Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Going concern

The Charity and its subsidiary LWT Trading UK Limited has continued to make losses for the year ended 31 December 2022 and subsequently. As a result of the losses, LWT Trading UK Limited is reliant on financial support from the Charity. During August 2023, the Trustees ceased this support since they decided it was not longer in the best interests of the Charity to continue with it. The directors of LWT Trading UK Limited took legal advice about the future of the company, which on 20 September 2023 resulted in the closure of the Catthorpe Manor business and the subsequent formal liquidation (Creditors' Voluntary Liquidation) of LWT Trading UK Limited. The Trustees completed a restructuring of the operations which resulted in two new subsidiaries being formed, one to manage the London business and the other to manage the Catthorpe estate. Currently, the London hotel business remains operational but the Catthorpe hotel remains closed and the Trustees are considering options for the commercial application of this property. The London hotel business is profitable but the costs of maintaining the Catthorpe Estate until options for the use of this property has been determined is resulting in continued losses. The Latvian Welfare Fund (DVF), a non-incorporated membership organisation, has agreed to donate up to £200,000 to the Trust to help it through the transition period, of which approximately £30,000 has been received to date.

The trustees consider it appropriate to prepare the financial statements on a going concern basis. They do, however, acknowledge that the restructuring of the Catthorpe estate may not be successful and that the donation from the DVF may not be sufficient to fund the cash flow requirements during the transition period. The Trustees accept that this constitutes material uncertainty over the Trust's ability to continue as a going concern.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Included within the incoming resources are the trading income from its trading subsidiary, LWT Trading UK Limited.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

During the year, the Trust had approximately 100 individuals volunteer at the Charity. Their donated time has not been accounted for.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 20% on cost
Plant and machinery	- 25% on cost
Computer equipment	- 33% on cost

The freehold property Cattothorpe Manor & 72 Queensborough Terrace has not been depreciated during the year under review, this is because the freehold property is leased to its trading subsidiary LWT Trading UK Limited from The Latvian Welfare Trust on a long term lease and, as permitted by the Charities SORP (FRS 102) is treated as an investment property.

The Trust owns various historical works of art and sculptures. These assets were gifted to the Trust and are fully depreciated. They have therefore not been split out as Heritage Assets in the financial statements.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 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 Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Grants	12,667	12,667
	12,667	12,667
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	542	542
Grants	91,428	91,428
	91,970	91,970
Income from non charitable trading activities		
	Unrestricted funds 2022 £	Total funds 2022 £
Hotel, events and conference income	1,175,636	1,175,636
	1,175,636	1,175,636
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Hotel, events and conference income	447,562	447,562
	447,562	447,562

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Rents receivable	213,977	213,977

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Rents receivable	234,188	234,188

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
CJRS income	335	335
Other income	15,926	15,926
	16,261	16,261

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
CJRS income	122,632	122,632
Other income	11	11
Insurance claims receivable	24,890	24,890
	147,533	147,533

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Expenditure on raising funds

LWT Trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Cost of sales	107,236	107,236
Administration expenses	574,124	574,124
Interest payable	267	267
Administration staff costs	783,080	783,080
Depreciation	28,416	28,416
	<u>1,493,123</u>	<u>1,493,123</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Cost of sales	83,969	83,969
Administration expenses	396,331	396,331
Interest payable	228	228
Administration staff costs	644,129	644,129
Depreciation	44,102	44,102
	<u>1,168,759</u>	<u>1,168,759</u>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Catthorpe Manor charitable activities	299,855	299,855

	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Catthorpe Manor charitable activities	92,568	92,568

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Catthorpe Manor activities	204,910	94,945	299,855

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Catthorpe Manor activities	73,055	19,513	92,568

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Catthorpe Manor 2022 £	Total funds 2022 £
Governance costs	30,775	30,775
Finance	336	336
Other	63,834	63,834
	<hr/> 94,945 <hr/>	<hr/> 94,945 <hr/>
	<i>Catthorpe Manor 2021 £</i>	<i>Total funds 2021 £</i>
Governance costs	9,816	9,816
Finance	320	320
Other	9,377	9,377
	<hr/> 19,513 <hr/>	<hr/> 19,513 <hr/>

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £25,350 (2021 - £18,500).

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Staff costs

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Wages and salaries	772,811	605,515	60,241	18,414
Social security costs	54,557	41,592	2,441	1,352
Contribution to defined contribution pension schemes	15,125	9,961	3,931	373
	<u>842,493</u>	<u>657,068</u>	<u>66,613</u>	<u>20,139</u>

During the year, no (2021: £Nil) termination payments have been made to any employees (2021: Nil).

The average number of persons employed by the Charity during the year was as follows:

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	No.	No.	No.	No.
Management	1	1	1	1
Hotel, events and conference	46	43	-	-
	<u>47</u>	<u>44</u>	<u>1</u>	<u>1</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022	<i>Group 2021</i>
	No.	No.
In the band £60,001 - £70,000	1	1

The employee benefits of Key Management Personnel amounted to £81,052 (2021 - £66,552).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, expenses totalling £698 were reimbursed or paid directly to 1 Trustee (2021 - £768, 4 Trustees). The expenses reimbursed in the prior year related to postage and travel expenses.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery and motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	10,450,000	10,726	248,830	8,192	10,717,748
Additions	-	1,550	-	-	1,550
At 31 December 2022	<u>10,450,000</u>	<u>12,276</u>	<u>248,830</u>	<u>8,192</u>	<u>10,719,298</u>
Depreciation					
At 1 January 2022	-	10,483	231,899	7,607	249,989
Charge for the year	-	229	10,232	117	10,578
At 31 December 2022	<u>-</u>	<u>10,712</u>	<u>242,131</u>	<u>7,724</u>	<u>260,567</u>
Net book value					
At 31 December 2022	<u><u>10,450,000</u></u>	<u><u>1,564</u></u>	<u><u>6,699</u></u>	<u><u>468</u></u>	<u><u>10,458,731</u></u>
<i>At 31 December 2021</i>	<u><u>10,450,000</u></u>	<u><u>243</u></u>	<u><u>16,931</u></u>	<u><u>585</u></u>	<u><u>10,467,759</u></u>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	325,127	1,600	326,727
At 31 December 2022	<u>325,127</u>	<u>1,600</u>	<u>326,727</u>
Depreciation			
At 1 January 2022	321,304	1,600	322,904
Charge for the year	3,339	-	3,339
At 31 December 2022	<u>324,643</u>	<u>1,600</u>	<u>326,243</u>
Net book value			
At 31 December 2022	<u>484</u>	-	<u>484</u>
<i>At 31 December 2021</i>	<u>3,823</u>	-	<u>3,823</u>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Investment property

Group

**Freehold
investment
property
£**

Valuation

At 1 January 2022

882,956

At 31 December 2022

882,956

Charity

**Freehold
investment
property
£**

Valuation

At 1 January 2022

11,332,956

At 31 December 2022

11,332,956

72 Queensborough Terrace was valued on a fair market basis on 3rd March 2022 by Savills, with a valuation of £6,000,000 being provided retrospectively as at 31 December 2021.

Catthorpe Manor was valued at £4,450,000 by Holt Commercial at market value on 28 August 2020. The valuation includes a special consideration regarding the uncertainty of the current market as a result of the Covid-19 pandemic and reliance was therefore placed on transactions which took place prior to lock down.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Historic cost	4,700,000	<i>4,700,000</i>	4,700,000	<i>4,700,000</i>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 January 2022	100
At 31 December 2022	100
	100
Net book value	
At 31 December 2022	100
At 31 December 2021	100
	100

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
LWT Trading UK Limited	08798565	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF	Operation of a hotel and weddings venue

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets / (liabilities) £
LWT Trading UK Limited	1,369,078	(1,745,922)	(376,844)	(2,365,811)

15. Stocks

	Group 2022 £	<i>Group 2021 £</i>
Stocks	4,000	<i>7,500</i>

16. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due within one year				
Trade debtors	14,267	23,023	-	-
Other debtors	21,613	3,438	-	152
Prepayments and accrued income	17,941	16,849	-	-
	53,821	<i>43,310</i>	-	<i>152</i>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Other loans	175,000	117,942	175,000	117,942
Deposits received in advance	59,409	79,883	-	-
Trade creditors	68,934	81,497	1,800	-
Amounts owed to group undertakings	-	-	149,635	27,919
Other taxation and social security	28,314	15,210	402	338
Other creditors	3,285	5,155	178	614
Accruals and deferred income	21,723	31,492	14,300	12,750
	356,665	331,179	341,315	159,563

Included in other loans are the following balances outstanding with The Latvian Welfare Fund:
Leeds branch £175,000 (2021: £175,000)
Debtor balance £Nil (2021: £57,058).

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General fund	9,758,884	49,463	(299,855)	-	9,508,492
Revaluation reserve	3,852,784	-	-	(5,977)	3,846,807
Funds retained within non-charitable subsidiaries	(1,802,892)	1,369,078	(1,493,123)	-	(1,926,937)
	<u>11,808,776</u>	<u>1,418,541</u>	<u>(1,792,978)</u>	<u>(5,977)</u>	<u>11,428,362</u>

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
Unrestricted funds					
General fund	9,850,899	553	(92,568)	-	9,758,884
Revaluation reserve	3,656,767	-	-	196,017	3,852,784
Funds retained within non-charitable subsidiaries	(1,554,833)	920,700	(1,168,759)	-	(1,802,892)
	<u>11,952,833</u>	<u>921,253</u>	<u>(1,261,327)</u>	<u>196,017</u>	<u>11,808,776</u>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022	Income	Expenditure	Gains/ (Losses)	Balance at 31 December 2022
	£	£	£	£	£
General funds	<u>11,808,776</u>	<u>1,418,541</u>	<u>(1,792,978)</u>	<u>(5,977)</u>	<u>11,428,362</u>

Summary of funds - prior year

	<i>Balance at 1 January 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 December 2021</i>
	£	£	£	£	£
General funds	<u>11,952,833</u>	<u>921,253</u>	<u>(1,261,327)</u>	<u>196,017</u>	<u>11,808,776</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022	Total funds 2022
	£	£
Tangible fixed assets	10,458,731	10,458,731
Investment property	882,956	882,956
Current assets	443,340	443,340
Creditors due within one year	(356,665)	(356,665)
Total	<u>11,428,362</u>	<u>11,428,362</u>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	10,467,759	10,467,759
Investment property	882,956	882,956
Current assets	789,240	789,240
Creditors due within one year	(331,179)	(331,179)
Total	<u>11,808,776</u>	<u>11,808,776</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	<i>Group 2022 £</i>	<i>Group 2021 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	<u>(374,437)</u>	<u>(340,074)</u>
Adjustments for:		
Depreciation charges	10,578	29,413
Decrease in stocks	3,500	-
Decrease/(increase) in debtors	(10,511)	45,437
Increase/(decrease) in creditors	(31,572)	6,796
Increase/(decrease) in other loans	57,058	(35,000)
Net cash used in operating activities	<u>(345,384)</u>	<u>(293,428)</u>

22. Analysis of cash and cash equivalents

	<i>Group 2022 £</i>	<i>Group 2021 £</i>
Cash in hand	385,519	738,430
Total cash and cash equivalents	<u>385,519</u>	<u>738,430</u>

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	738,430	(352,911)	-	385,519
Debt due within 1 year	(117,942)	-	(57,058)	(175,000)
	<u>620,488</u>	<u>(352,911)</u>	<u>(57,058)</u>	<u>210,519</u>

24. Related party transactions

Transactions with the subsidiary company are set out below.

The loan balance outstanding at the year end owed from LWT Trading UK Limited was £4,384,330 (2021: £3,822,232). An additional provision of £562,099 has been recognised against this balance at the year end in the Charity (2021: £3,822,232).

The trading balance outstanding at the year end owed to LWT Trading UK Limited was £149,636 (2021: £27,919).

	2022 £	2021 £
Rents receivable from LWT Trading UK Limited	100,000	100,000
Interest receivable from LWT Trading UK Limited	152,799	86,175
	<u>252,799</u>	<u>186,175</u>

During the year, M Vizbulis, who is a Trustee, resided in one of the properties owned by the Trust and paid rent totalling £13,920 (2021: £13,200). There were no outstanding balances as at the year end (2021: NIL).

During the year, the Trust made purchases totalling £1,403 (2021: £Nil) from Amber Food and Catering Ltd, a company of which M Vizbulis is also a director. There were no outstanding balances as at the year end (2021: NIL).

During the prior year, the Trust has purchased a bungalow for £332,961 from a close family member of a Trustee. No such purchases were made with related parties in 2022.

During the year, the Trust received £13,690 from Berzes Strazdi, an entity of which G Lehrs is also a director, in relation to the Midsummer Festival. At the year end, a balance of £13,050 was owed from Berzes Strazdi to the Trust.

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Related party transactions (continued)

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Transactions with The Latvian Welfare Fund are listed below along with the outstanding balances at the year end.

	2022	<i>2021</i>
	£	£
Leeds branch loan outstanding creditor balance	175,000	<i>175,000</i>
Leeds branch loan interest paid	5,658	<i>4,548</i>
Outstanding debtor balance	-	<i>57,058</i>
	=====	=====

In addition, The Latvian Welfare Trust receives rental income from two properties which are owned by The Latvian Welfare Fund. Total rental income received during the year is £19,500 (2021:£16,600). There were no outstanding balances as at the year end (2021: Nil).

A provision of £42,058 has been made against amounts due from The Latvian Welfare Fund.

There were no other related party transactions during the year.

25. Post balance sheet events

Since November 2022, the Trust has been in correspondence with the Charity Commission regarding their enquiries. This correspondence has been ongoing since the year end.

On 20th September 2023, the Catthorpe Manor business was closed and LWT Trading UK Ltd entered formal liquidation (Creditors' Voluntary Liquidation) on 12th October 2023.

The London centre operations and the Catthorpe Manor estate operations have been transferred to two new subsidiaries, DVF London Ltd (company number 15165756) and DVF Estate Ltd (company number 15169795).

Given the closure of Catthorpe Manor, impairment of the estate has been considered and is a non-adjusting event. As such, an adjustment to recognise any impairment has not been included in the accounts as at 31 December 2022.

THE LATVIAN WELFARE TRUST

England & Wales - Charity number 1124661

Accounts

Registered number: 05853180
Charity number: 1124661

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

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THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	K Ligers (resigned 2 October 2021) UJ Revelins Mrs I Grickus IAJ Sinka (resigned 2 October 2021) Ms K I Zobens East M Vizbulis Mrs E Brauele B Freimane A Namsone Hatone (resigned 20 March 2022) E Osa (appointed 2 October 2021) J Voitkevics (appointed 2 October 2021) G Lerhs (appointed 20 March 2022)
Company registered number	05853180
Charity registered number	1124661
Registered office	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF
Company secretary	UJ Revelins
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Solicitors	Brethertons LLP Montague House 2 Clifton Road Rugby Warwickshire CV21 3PX

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 January 2021 to 31 December 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Objectives and Aims

The Latvian Welfare Trust's public benefit, charitable activities have significantly increased in scale in recent years, because of the huge increase in numbers of Latvians living in the UK. In their nature, however, these activities build on what was put in place when the charity was formed, over 75 years ago, focusing on:

- support for Latvian community and Latvian cultural activities in the UK, especially through our two major centres, Catthorpe and London;
- charitable support for Latvians in need, both in the UK and abroad (primarily now in Latvia).

The maintenance of the London and Catthorpe centres is of great psychological and practical significance to the Latvian community in Britain. The centres contain not only facilities but also works of art and important historical books and documents. It is fundamental to and makes possible our charitable activities. Hence, making a success of the trading activities that support the continued existence of the two centres takes a significant effort and focus.

All of the above, of course, was severely impacted by the Covid pandemic, from March 2020 onwards. Latvian community schools, summer camps, church services, folk dancing groups, choirs and folklore ensembles, which are the mainstay of our public benefit activity were effectively closed down. The annual midsummer festival, usually attended by 3-4,000 people was cancelled for a second year running. We are proud that we managed to keep our old people in the Catthorpe sheltered accommodation facility secure and cared for throughout the period. Trading activities to support our centres were also severely impacted, but thanks to Central and Local Government support, in particular the furlough scheme in 2020 – 2021 as well as a range of grants, we were able to reduce the financial impact.

With hindsight, we were very fortunate in having disposed of our hotel in Riga, Latvia, in 2019. It would have been almost impossible for the board to have dealt with the effects of the pandemic there at the same time as dealing with it in the UK.

We were able to continue building works and physical improvements to our two centres, because the Covid crisis had less impact on building activities and the lack of business activities meant work could be completed more quickly.

Our staff, in particular, and our volunteers deserve our sincere thanks for the huge additional effort they put in to get us through the crisis.

Overview of our cultural centres

Catthorpe Manor is the registered office and administration centre for the Trust, has a 20 room hotel, a restaurant and several function rooms and outbuildings, some of which are rented out. The centre:

- Provides sheltered accommodation for elderly Latvians
- Provides rented rooms, apartments and houses for other tenants wishing to live in a Latvian community
- Houses a library and the documentary archive about Latvians in the UK, which is also used and accessed by librarians, historians and archivists from Latvia

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

- Is home to the Cattothorpe Latvian choir, a Latvian Saturday school, three folk dancing troupes for both adults and children and a folklore ensemble
- Provides facilities for three children's annual summer camps for the Latvian and Estonian communities
- Provides facilities for a number of traditional Latvian functions and gatherings each year
- Provides facilities for regular church services
- Houses a number of function rooms, a hotel and bar, which are used by the Latvian community and are also hired out to the wider public for weddings, parties, business meetings and conferences.

The London centre operates as a guest house, but also performs the important role of providing a Central London venue for Latvians to meet for traditional and social activities. Its location is particularly attractive to visitors from Latvia and other countries. The centre:

- Houses a library and social club with bar
- Provides rooms for use by Latvian students attending colleges in London, and for paying guests for overnight stays
- Provides facilities for the Latvian Sunday school
- Provides facilities for Latvian language classes
- Provides a meeting place for Latvian business groups, including the Latvian Chamber of Commerce
- Hosts guests from the Latvian parliament and provides the opportunity for Latvian nationals to meet with their representatives
- Provides a function room and facilities for three Latvian folk dancing groups and choir, as well as for concerts, theatre productions and other social events.

Charitable activities run or supported by the Trust

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

These are the charitable, public benefit, activities undertaken in 2021, grouped according to the charity's objects:

- 1) to relieve financial hardship, sickness and poor health amongst Latvian People;
 - Support to the Latvian care home at Cattothorpe (approximately £50,000. NB this is a best estimate, as it consists of a number of linked transactions and shared costs between the Trust and its Trading Company).
 - Most of the €5,481 donation in 2021 to the DV CV (the DV Central Committee in Riga, Latvia) is used to support veterans and widows living in Latvia, helping to provide medication and other necessities
 - A donation of €500 to provide Christmas treats for Latvian military serving in Kosovo
 - A donation of €300 to support the publication of the biography of Major Ernests Laumanis, an important figure in Latvian military history
- 2) to advance the education of the public about the country of Latvia and its people, past and present;
 - Since the autumn of 2020, the board has greatly improved the communications side of LWT's work, with the appointment of our new full-time administrator. Our presence on social media has greatly raised our profile, reaching out to the wider public.
- 3) to advance the education of Latvian People in Latvia and in the United Kingdom;
 - A donation to the European Latvian Association of €1,300 was used to support an organisation active primarily in education and cultural areas
 - A donation of £7,600 to The Latvian Education Foundation helps to support the children's Saturday or Sunday schools across the UK providing them lessons in Latvian history, language, and traditions.
 - The purchase of a Father Christmas outfit for £76 to help teach young children some of the traditions of Christmas

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

- Providing facilities at both Catthorpe and the London centre for Latvian cultural activities and meetings, including rehearsals for dancers, choirs, and theatre groups. The groups are rehearsing for particular events for both Latvians and non-Latvians. Covid restrictions meant that these could only effectively recommence in September 2021.
 - At Catthorpe the subsidy value for the following was £4,730
 - 3 Choir Rehearsals
 - 58 Folk-Dance Classes (three different dance groups)
 - Meeting of the Latvian National Council
 - General Meeting of The Latvian Welfare Trust
 - At the London centre the subsidy value for the following was £8,078:
 - 5 Children's folk dance group meetings
 - 5 DVF London branch events
 - 9 Folk dance group "Jautrais p?ris" rehearsals
 - 12 Folk dance group "Londona dejo" rehearsals
 - 12 Folk dance group "Salinieki" rehearsals
 - "Koklu Zapte" band rehearsal (traditional instrument similar to a zither)
 - 14 Latvian Language group meetings
 - 18 London Latvian choir rehearsals
 - 3 Children's arts & crafts sessions
 - Charity event "Latvia and its children" in aid of children with cancer
- 4) to conserve for the benefit of all peoples everywhere ancient and modern buildings, monuments, archives and works of art which are of historical or cultural importance to Latvia and Latvian People and which it is desirable to preserve for the public benefit; and
- Part of the €5,481 donation to the DV CV (the DV Central Committee) is used to support the Brothers' Cemetery in Lestene, Latvia (this is a military cemetery of great historical value)
 - The Catthorpe Estate contains and supports the work of a library and the documentary archive about Latvians in the UK dating from before WW2. The facilities are donated at a cost of some £10,000 p.a.
 - Within the grounds of the Catthorpe Estate is a stone sculpture commemorating the fallen and the house contains a number of important Latvian works of art
 - The London centre contains some important Latvian works of art
 - The London centre has a library which is run by the Latvian National Council in Great Britain, but the maintenance of the premises is the responsibility of the Trust.
 - The London centre contains a store of Latvian Folk costumes for use by various groups and the Latvian School
- 5) to organise and promote social events and recreational activities for the benefit of Latvian People who have a need for such facilities by reason of their age, infirmity, financial hardship and hardship caused by social or economic circumstances with the object of improving their conditions of life.
- Planning events and activities is essential to meeting these objectives and regular meetings of the Trustees are required to ensure appropriate activities are available to the wider community. During the pandemic, face to face meetings had to be abandoned but meetings have continued to take place via video-links.
 - The trustees met by video link 12 times during 2021. This has proved to be very effective, as meetings have tended to be more focussed and meeting costs have been all but eliminated.
 - Particular attention is paid to traditional Latvian events, for example, Midsummer celebrations and Latvia's Independence Day. These are the times when the Latvian community feels the greatest need to connect to each other.
 - Our branches also provide support and activities specifically geared to their local communities, which are promoted through our social media.
 - With the lifting of restrictions, we were able to hold one face to face General meeting at which members were able to raise issues of particular concern.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

- Social media and a dedicated email address provides a means for our members and the wider community to give feedback and raise any problems they need help with.
- Our elderly sheltered housing residents have been particularly vulnerable during 2020 and 2021 and every effort has been made to protect them as well to ensure that they are not entirely isolated, by providing a safe means by which they can celebrate their birthdays and Latvia's traditional events.
- We maintain good relationships with the Latvian National Council in Britain and the Embassy of Latvia to the UK.
- In our London property, we provide 8 rooms at a reduced rate particularly for students from Latvia who have been given the opportunity to study in the UK but who would not otherwise be able to afford the additional accommodation costs.

Achievements and performance

a. Achievement and Performance

While both UK centres employ paid staff to carry out the normal day to day operational functions, most of the background work of the Trust is carried out by the trustees and other volunteers from the Latvian community.

The role of volunteers is important and over the years their input has been invaluable, not least because of the cost savings, but it has become increasingly difficult to find suitable people. As we reported in 2020, to reduce the pressure on the Trustees, the Board advertised and employed an administrator, with the objectives of taking on administrative functions, improving marketing, supporting the residents of the sheltered housing and increasing the involvement of the diaspora in Trust activities. People who have moved from Latvia to the UK in more recent years now form a key component of the membership and the various committees, which is a positive sign for the future.

The Trust works closely with other Latvian organisations such as the Latvian National Council in Great Britain (LNC) and the Latvian Lutheran Church as well as with the Embassy of Latvia to the UK. The Trust also supports the Latvian Educational Foundation, a joint charity established with the LNC, which helps to provide financial assistance to the growing number of weekend schools for Latvian children in the UK and supports various other educational and cultural activities.

The Covid situation struck at the heart of our commercial and cultural activities. Weddings and the hotel business essentially stopped, as had the community schools, dance groups and so on. The Government's furlough and other support schemes enabled us to keep the centres going through the various lockdown periods and prevented the need for major redundancies. We were able, thankfully, to keep the elderly in the sheltered accommodation safe through the most dangerous period of lockdown. The Trust's strong financial position after the sale of the Riga hotel has enabled good use of this period for capital improvements to the centres with no disruption to what would have normally been a busy business period.

A new business plan for the Catthorpe estate was due to be implemented in 2020 but this was delayed until the summer of 2021. The focus is now on sales of weddings, conferences and other social events, with the hotel and restaurant facilities meeting additional needs. There is strong evidence that this change is having a positive effect.

We have made changes to the responsibilities for various aspects of our day-to-day activities between the Trust and its Trading Company and from January 2021, the governance and oversight has been simplified.

Close attention continues to be paid to income generation at both UK centres, as our trading activities there are required not only to generate profit, but to maintain and improve the centres, which we regard as key to our charitable activities. At Catthorpe we have invested in three bungalows for rental income bringing the total to four. In addition, the Trading company manages two additional bungalows on the estate which were purchased

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

in the name of the Latvian Welfare Fund (also known as the DVF). We have refurbished a number of flats on the estate, all of which are now generating income. Significant improvements to community-used facilities have been made, particularly the refurbishment of the Baltic Lodge and this meets our charitable obligations to the Latvian community in the UK.

b. Key performance indicators

In previous years the Trustees have used KPI's to measure and monitor how the subsidiary trading company was performing or improving. However, these have not been considered to be helpful during the pandemic period because of the uncertainty in the industry and the changing government guidelines. A comparison with the previous year at Catthorpe Manor and 72 Queensborough Terrace has not been useful as both were forced to close in the early part of the year with the result that business activities in both venues were greatly reduced at that time. In London, tourists were slow to return and in Catthorpe a new business plan was put in place, delayed from March 2020. Business activities resumed in July 2021 with a certain amount of caution, with next 3 months showing a slow return to normal business. However, November and December are the quiet months in our business.

The financial statements show accumulated funds of £11,808,776 (2020: £11,952,833) of which deficits exist for the funds retained within non-charitable subsidiaries of £1,988,967 (2020: £1,554,833).

Financial review

a. Going concern

The directors of LWT Trading UK Ltd and the Trustees of The Latvian Welfare Trust meet almost monthly to monitor the progress of the business activities. Because of the continuing impact of Covid-19 for the first six months of 2021, business activities have been severely limited. However, during the first few months of 2021 we were able to take advantage of several grants and furlough payments and costs were reduced to the minimum. The continuation of restrictions during the first half of 2021 were a huge planning challenge to the trading company and a continued risk to the business given the overall state of the hospitality sector.

During 2020 the directors of the trading company had taken the opportunity to examine staffing levels and roles at both venues, to adjust its business model at Catthorpe Manor to reflect more closely the market demand (as we saw it in 2019), and to consolidate the rented properties on the estate. All properties purchased by the Trust were placed under the responsibility of the trading company. Together with the Trustees, the trading company directors are continuing to discuss a wide-ranging strategy review of its properties. The purpose is to ensure that both the Trustees and the trading company are obtaining the best possible outcomes from the use of its properties and that the needs of the Latvian community are met in line with the charitable objectives of the Trust. Any significant changes recommended will need to be approved by the members of the Trust.

Budgets for the London house and Catthorpe Manor are initially set by their respective General Managers in conjunction with one of the directors – Leslie East in London and Ilze Grickus in Catthorpe. Budgets are then discussed at trading company Board meetings where all directors, both general managers, the Company Secretary and the Trust Chairman are present. As required, other Trustees may be invited to attend. Budgets are monitored monthly and may be adjusted if necessary. The Trustees are kept informed at their monthly meetings of the financial situation of the business. Cash flow is monitored daily by the Company Secretary in conjunction with Cottons accountants, who manage the day-to-day accounts processes. Cash flow problems are discussed initially with the trading company's chairman and, if necessary, referred to the Trust chairman. This has been particularly relevant during the pandemic as the Trustees had to consider to what extent it could help to support the trading company financially in a constantly changing environment and an uncertain future.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Several 2021 budgets were developed to reflect possible scenarios as there was no clarity when business could fully resume. These were reviewed at trading company board meetings to ensure that the changes to government policies are reflected and that business could restart promptly.

The London property relies very much on the tourist industry, whilst Catthorpe is an events venue, primarily for conferences and weddings, with the hotel and restaurant supporting these events. Both have been adversely affected by government restrictions. The second half of the year is proving quite buoyant at Catthorpe and the trading company has not had to borrow from the Trust during 2021 but it was expected that the trading company would, nevertheless, return a loss, albeit greatly reduced from 2019. 2022 is looking more positive at Catthorpe with a strong growth in the wedding and conference markets. With the overseas tourist market opening up again, the London guest house is seeing a strong demand for rooms and during the summer months, the London guest house has returned to 85% occupancy rate. However, steeply rising inflation is affecting all areas of the business and the hospitality sector is particularly vulnerable. The trading company expects to return a loss in 2022, albeit reduced from pre-pandemic levels.

b. Reserves policy

The trustees consider it prudent to maintain reserves in the general fund at six months of the current annual operating costs. The trustees believe that this should normally be sufficient to ensure that any unbudgeted or emergency expenditure will be sufficiently covered. A separate reserve has been set up with the NatWest Bank for funds from the sale of the Riga hotel.

However, during the pandemic it has not been possible to sustain the requisite level of reserves and it could be another two years before finances have stabilised. Following sale of the hotel, a separate reserve was set up and maintained.

At the year end the consolidated total reserves were £11,808,776 (2020: £11,952,833). All reserves were unrestricted. Reserves held relating to fixed assets that could only be realised by their disposal totalled £11,350,715 (2020: £10,734,518). Free reserves at the year end after making allowance for fixed assets were £458,061 (2020: £1,218,315).

c. Principal Risks and Uncertainties

The charity's activities expose it to a number of financial risks including price risk, credit risk and liquidity risk. The impact of the virus restrictions on all activities, has by its very nature raised questions about the viability of the trading business. A review of different scenarios led to the conclusion that the current and future plans are sustainable. The steady improvement in business, since restructuring, shows a positive improvement and, now that the virus issues have abated, is showing strong growth.

d. Price Risk

The charity is exposed to price risk in the hotel and events industry, however the directors of its subsidiaries, reporting to the trustees and in conjunction with the trustees, regularly review and adjust the pricing structure to take account of competition and general market conditions to attract new customers. During the periods of lock down due to the virus, pricing has been particularly challenging in order to attract customers but, although there continues to be some volatility, prices are now returning to normal.

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

e. Credit Risk

The charity has no significant concentration of credit risk, with exposure spread over a wide number of customers.

f. Liquidity Risk

There is currently one loan outstanding with a substantial balance in the reserves. The trustees continue to seek improvements in the trade of its subsidiary undertakings to finance ongoing activities. A steady improvement in turnover is visible and expected to continue with the Catthorpe wedding and conference business expanding and the demand for rooms in London guest house increasing.

g. Principal funding

The principal funding sources are the trading activities from its subsidiary company, LWT Trading UK Limited and rentals from the flats and houses on the Catthorpe estate. Income is also generated from the Garden Annex at Catthorpe Manor, which runs the sheltered housing accommodation and has several rooms to let.

h. Future Plans

Following the refurbishment of Catthorpe Manor, with the associated costs, it is not anticipated that any further major developments will be considered for some years, apart from upgrading the territory, allowing finances to stabilise. The guest house in London also continues to require regular maintenance.

We have continued with our strategy to buy residential houses on the Catthorpe estate to generate rental income, but we do not plan to invest further at this time in order to preserve our reserves.

Structure, governance and management

a. Constitution

The Latvian Welfare Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Governing Document

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

c. Recruitment and Appointment of New Trustees

New trustees are appointed from suitable candidates who have the necessary language skills and experience in the specific cultural requirements of the trust. New trustees undergo a briefing session to outline their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the business plans and recent financial summaries. The training needs of each trustee are assessed on an individual basis and any courses are arranged where appropriate.

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

d. Organisational Structure

The board of trustees, comprising of no more than nine members, is elected from members and delegates of the Latvian Welfare Fund (also known as the DVF) branches and groups at the AGM held in March each year. Election is on a rotation basis for a period of 3 years and trustees are open to re-election at the end of that period. Because of the pandemic, no AGM was held in March 2021 as there was an unwillingness of the members and delegates to hold it via a video link. The AGM was deferred until October 2021 at which 9 branches were represented by 25 delegates. There have been reductions in the number of branches over previous years, due to changes in the rules governing branches and groups. A Branch is required to have at least 20 members, whereas a Group can be formed with at least 10 members.

The day to day management of the Charity is delegated to the General Manager.

None of the trustees receive any remuneration or any other benefit from their work with the Charity, nor are there any contractual relations between any trustees and suppliers or contractors to any of the centres. The board of trustees meets monthly to discuss general business and specific issues relating to the running of the centres in London and Catthorpe.

e. Wider Network

The Trust works closely with the Latvian Educational Foundation 1990 (charity no.1004578) by appointing two trustees who, together with other Foundation trustees, provide scholarships and support to Latvian weekend schools in the UK and grants to other educational and cultural programmes. In 2021 the Trust was represented by:

- Mrs I Grickus
- Mrs B Freimane

f. Related party relationships

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014. Furthermore, The Latvian Welfare Trust has one trading subsidiary: LWT Trading UK Limited in the UK.

Miks Vizbulis became a trustee on 12 March 2017 and has since 1 April 2017 rented property on the Catthorpe estate which is owned by The Latvian Welfare Trust but leased to LWT Trading UK Ltd. He pays a commercial rent and receives no privileges. As the Trust owns and rents out several properties on the estate, occasionally using a letting agency, guidance on rents has been made available.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

g. Risk management

The Trustees have a risk management strategy which comprises:

- A monthly review of the financial and management risks that the charity and its centres may face
- Systems and procedures to mitigate those risks identified
- Detailed Health & Safety policies for the centres, London and Catthorpe.

The Trustees are aware that financial sustainability is the main risk for the charity. Key elements in the management of financial risk are budgets to highlight expected business trends, together with assessment of monthly financial summaries against budget and close attention to cash flow. Additional attention has also been focussed on the more general non-financial risks arising from fire, health and safety, and food hygiene. Particular attention is given to the operation of the sheltered accommodation at Catthorpe for the well-being of its residents.

Trustees are committed to the standards outlined in the Charity Commission's Charity Governance Code.

h. Fundraising

The Charity has no fundraising activities requiring disclosure under Section 162 of Charities Act 2011.

i. Remuneration policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our objectives. Our aim is to pay competitively in the not-for-profit sector within the context of affordability.

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



UJ Revelins

(Trustee)

Date: 20/12/2022

THE LATVIAN WELFARE TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

Opinion

We have audited the financial statements of The Latvian Welfare Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 December 2021 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.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the 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.

THE LATVIAN WELFARE TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinion 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE LATVIAN WELFARE TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 the 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

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities SORP, Taxation legislation, health and safety and employment law.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

THE LATVIAN WELFARE TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Use of our report

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

Kerry Brown

Kerry Brown (senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 20 December 2022

THE LATVIAN WELFARE TRUST
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Grants and donations	3	91,970	91,970	68,400
Other trading activities		447,562	447,562	370,888
Investments	4	234,188	234,188	67,003
Other income	5	147,533	147,533	204,635
Total income		<u>921,253</u>	<u>921,253</u>	<u>710,926</u>
Expenditure on:				
Raising funds - trading activities	6	1,168,759	1,168,759	1,052,115
Charitable activities	7	92,568	92,568	273,704
Total expenditure		<u>1,261,327</u>	<u>1,261,327</u>	<u>1,325,819</u>
Net movement in funds before other recognised gains/(losses)		(340,074)	(340,074)	(614,893)
Other recognised gains/(losses):				
Gains/(losses) on revaluation of fixed assets	18	196,017	196,017	(636,033)
Net movement in funds		<u>(144,057)</u>	<u>(144,057)</u>	<u>(1,250,926)</u>
Reconciliation of funds:				
Total funds brought forward		11,952,833	11,952,833	13,203,759
Net movement in funds		(144,057)	(144,057)	(1,250,926)
Total funds carried forward		<u>11,808,776</u>	<u>11,808,776</u>	<u>11,952,833</u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 44 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	10,467,759	10,184,523
Investment property	13	882,956	549,995
		<u>11,350,715</u>	<u>10,734,518</u>
Current assets			
Stocks	15	7,500	7,500
Debtors	16	43,310	88,747
Cash at bank and in hand		738,430	1,481,451
		<u>789,240</u>	<u>1,577,698</u>
Creditors: amounts falling due within one year	17	(331,179)	(359,383)
Net current assets		<u>458,061</u>	<u>1,218,315</u>
Total assets less current liabilities		<u>11,808,776</u>	<u>11,952,833</u>
Total net assets		<u><u>11,808,776</u></u>	<u><u>11,952,833</u></u>

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	11,808,776	11,952,833
Total funds		<u>11,808,776</u>	<u>11,952,833</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



UJ Revelins
(Trustee)

Date: 20/12/2022

The notes on pages 22 to 44 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,823	9,901
Investments	14	100	100
Investment property	13	11,332,956	10,699,995
		<u>11,336,879</u>	<u>10,709,996</u>
Current assets			
Debtors	16	152	3,289,951
Cash at bank and in hand		711,712	1,472,335
		<u>711,864</u>	<u>4,762,286</u>
Creditors: amounts falling due within one year	17	(159,563)	(155,030)
Net current assets		<u>552,301</u>	<u>4,607,256</u>
Total assets less current liabilities		<u>11,889,180</u>	<u>15,317,252</u>
Total net assets		<u><u>11,889,180</u></u>	<u><u>15,317,252</u></u>

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	11,889,180	15,317,252
Total funds		<u>11,889,180</u>	<u>15,317,252</u>

The parent's loss for the financial year was £3,428,072 (2020: surplus £74,404).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



UJ Revelins

(Trustee)

Date:

20/12/2022

The notes on pages 22 to 44 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(293,428)	(803,850)
Cash flows from investing activities		
Dividends, interests and rents from investments	-	67,003
Purchase of tangible fixed assets and investment property	(449,593)	(710,698)
Net cash used in investing activities	(449,593)	(643,695)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(743,021)	(1,447,545)
Cash and cash equivalents at the beginning of the year	1,481,451	2,928,996
Cash and cash equivalents at the end of the year	<u>738,430</u>	<u>1,481,451</u>

The notes on pages 22 to 44 form part of these financial statements

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Trust is a company limited by guarantee (registered number: 05853180) which is registered in England and Wales. It registered as a charity on 21st June 2008 and its charity registration number is 1124661. The registered office and principal place of business is Catthorpe Manor, Lilbourne Road, Catthorpe, Leicestershire, LE17 6DF.

The principal activity is to relieve financial hardship, sickness and poor health amongst Latvian people, to advance the education of the public about the country of Latvia and its people, as well as the education of Latvian people in Latvia and in the UK, and to conserve, for the benefit of all peoples everywhere, ancient and modern buildings, monuments, archives and works of art which are of historical and cultural importance to Latvia and the Latvian people. The Charity also organise and promote social events and recreational activities for the benefit of Latvian people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Latvian Welfare Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The Directors continued to monitor the impact of Covid-19 as, during the first six months of the year, government restrictions on business activity continued to apply. Advantage was taken of several grants which were made available as well as the furlough scheme. Sales activity was increased to ensure that, when all restrictions were lifted, the Company could maximise its business opportunities. An independent Hospitality Consultant has been engaged to assess what improvements can be made and what additional opportunities are available. The sale of the Riga hotel and the investment in easily convertible assets has provided the Trust and the Trading company with a cushion as the Trading company gradually returns to profit. The Directors are optimistic a breakeven position will be achieved in 2023. However, the Directors are very much aware of the rising costs of energy as well as a wide range of consumables, and alternative options are being actively pursued to try to minimise the impact of these costs.

The Directors have therefore concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Included within the incoming resources are the trading income from its trading subsidiary, LWT Trading UK Limited.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% on cost for buildings
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 20% on cost
Plant and machinery	- 25% on cost
Computer equipment	- 33% on cost

The freehold property Catthorpe Manor & 72 Queensborough Terrace has not been depreciated during the year under review, this is because the freehold property is leased to its trading subsidiary LWT Trading UK Limited from The Latvian Welfare Trust on a long term lease and, as permitted by the Charities SORP (FRS 102) is treated as an investment property.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 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 Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	542	542
Grants	91,428	91,428
	91,970	91,970
	91,970	91,970

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	18,400	18,400
Grants	50,000	50,000
	68,400	68,400
	68,400	68,400

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hotel, events and conference income	447,562	447,562
	447,562	447,562

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Rent income from Catthorpe Manor estate	46,676	46,676
Hotel, events and conference income	324,212	324,212
	370,888	370,888
	370,888	370,888

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Rents receivable	234,188	234,188
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Rents receivable	67,003	67,003

5. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
CJRS income	122,632	122,632
Other income	11	11
Insurance claims receivable	24,890	24,890
	147,533	147,533
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
CJRS income	194,435	194,435
Other income	10,200	10,200
	204,635	204,635

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Expenditure on raising funds

LWT Trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Cost of sales	83,969	83,969
Administration expenses	396,331	396,331
Interest payable	228	228
Administration staff costs	644,129	644,129
Depreciation	44,102	44,102
	1,168,759	1,168,759
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Cost of sales	90,962	90,962
Administration expenses	286,828	286,828
Interest payable	733	733
Administration staff costs	618,996	618,996
Depreciation	54,596	54,596
	1,052,115	1,052,115

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Catthorpe Manor charitable activities	92,568	92,568

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Catthorpe Manor charitable activities	273,704	273,704

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Catthorpe Manor activities	73,055	19,513	92,568

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Catthorpe Manor activities	219,097	54,607	273,704

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Catthorpe Manor 2021 £	Total funds 2021 £
Governance costs	9,816	9,816
Finance	320	320
Other	9,377	9,377
	<hr/> 19,513 <hr/>	<hr/> 19,513 <hr/>
	<i>Catthorpe Manor 2020 £</i>	<i>Total funds 2020 £</i>
Management	74	74
Governance costs	21,150	21,150
Finance	413	413
Other	32,970	32,970
	<hr/> 54,607 <hr/>	<hr/> 54,607 <hr/>

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £18,500 (2020 - £18,000).

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Staff costs

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Wages and salaries	605,515	<i>650,014</i>	18,414	<i>75,888</i>
Social security costs	41,592	<i>52,093</i>	1,352	<i>15,842</i>
Contribution to defined contribution pension schemes	9,961	<i>11,054</i>	373	<i>2,435</i>
	657,068	<i>713,161</i>	20,139	<i>94,165</i>

During the year, no termination payments have been made (2020: £11,107) to any employees (2020: 1).

The average number of persons employed by the Charity during the year was as follows:

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	No.	No.	No.	No.
Management	1	<i>5</i>	1	<i>5</i>
Hotel, events and conference	43	<i>61</i>	-	<i>-</i>
	44	<i>66</i>	1	<i>5</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021	<i>Group 2020</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>1</i>

The employee benefits of Key Management Personnel amounted to £66,552 (2020 - £66,372).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, expenses totalling £359 were reimbursed or paid directly to 2 Trustees (2020 - £768, 4 Trustees). The expenses reimbursed in the prior year related to postage and zoom expenses.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery and motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2021	10,150,000	10,449	237,162	7,488	10,405,099
Additions	103,983	277	11,668	704	116,632
Revaluations	196,017	-	-	-	196,017
At 31 December 2021	<u>10,450,000</u>	<u>10,726</u>	<u>248,830</u>	<u>8,192</u>	<u>10,717,748</u>
Depreciation					
At 1 January 2021	-	10,449	203,931	6,196	220,576
Charge for the year	-	34	27,968	1,411	29,413
At 31 December 2021	<u>-</u>	<u>10,483</u>	<u>231,899</u>	<u>7,607</u>	<u>249,989</u>
Net book value					
At 31 December 2021	<u>10,450,000</u>	<u>243</u>	<u>16,931</u>	<u>585</u>	<u>10,467,759</u>
<i>At 31 December 2020</i>	<u>10,150,000</u>	<u>-</u>	<u>33,231</u>	<u>1,292</u>	<u>10,184,523</u>

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2021	325,127	1,600	326,727
At 31 December 2021	<u>325,127</u>	<u>1,600</u>	<u>326,727</u>
Depreciation			
At 1 January 2021	315,226	1,600	316,826
Charge for the year	6,078	-	6,078
At 31 December 2021	<u>321,304</u>	<u>1,600</u>	<u>322,904</u>
Net book value			
At 31 December 2021	<u>3,823</u>	-	<u>3,823</u>
<i>At 31 December 2020</i>	<u>9,901</u>	-	<u>9,901</u>

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2021	549,995
Additions	332,961
At 31 December 2021	882,956

Charity

	Freehold investment property £
Valuation	
At 1 January 2021	10,699,995
Additions	332,961
Surplus on revaluation	300,000
At 31 December 2021	11,332,956

72 Queensborough Terrace was valued on a fair market basis on 3rd March 2022 by Savills, with a valuation of £6,000,000 being provided retrospectively as at 31 December 2021. A surplus of £300,000 has been recognised on the revaluation.

Catthorpe Manor was valued at £4,450,000 by Holt Commercial at market value on 28 August 2020. The valuation includes a special consideration regarding the uncertainty of the current market as a result of the Covid-19 pandemic and reliance was therefore placed on transactions which took place prior to lock down.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Company 2021 £	<i>Company 2020 £</i>
Historic cost	4,700,000	4,700,000

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	100
At 31 December 2021	100
Net book value	
At 31 December 2021	100
<i>At 31 December 2020</i>	<i>100</i>

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
LWT Trading UK Limited	08798565	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF	Operation of a hotel and weddings venue

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
LWT Trading UK Limited	920,700	(1,354,934)	(434,234)	(1,988,967)

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Stocks

	Group 2021	<i>Group 2020</i>
	£	£
Stocks	7,500	<i>7,500</i>

16. Debtors

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	-	<i>3,246,659</i>
	-	-	-	<i>3,246,659</i>
Due within one year				
Trade debtors	23,023	<i>29,062</i>	-	<i>7,850</i>
Amounts owed by group undertakings	-	-	-	<i>35,290</i>
Other debtors	3,438	<i>29,871</i>	152	<i>152</i>
Prepayments and accrued income	16,849	<i>29,814</i>	-	-
	43,310	<i>88,747</i>	152	<i>3,289,951</i>

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Other loans	117,942	<i>152,942</i>	117,942	<i>127,942</i>
Deposits received in advance	79,883	<i>118,055</i>	-	-
Trade creditors	81,497	<i>50,489</i>	-	<i>9,680</i>
Amounts owed to group undertakings	-	-	27,919	-
Other taxation and social security	15,210	<i>10,492</i>	338	<i>3,653</i>
Other creditors	5,155	<i>2,390</i>	614	<i>1,005</i>
Accruals and deferred income	31,492	<i>25,015</i>	12,750	<i>12,750</i>
	331,179	<i>359,383</i>	159,563	<i>155,030</i>

Included in other loans are the following balances outstanding with The Latvian Welfare Fund:

Leeds branch £175,000 (2020: £175,000)

Debtor balance £57,058 (2020: £57,058)

Payroll loan £Nil (2020: £10,000)

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
General fund	9,850,899	553	(92,568)	-	9,758,884
Revaluation reserve	3,656,767	-	-	196,017	3,852,784
Funds retained within non-charitable subsidiaries	(1,554,833)	920,700	(1,168,759)	-	(1,802,892)
	<u>11,952,833</u>	<u>921,253</u>	<u>(1,261,327)</u>	<u>196,017</u>	<u>11,808,776</u>

Statement of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
Unrestricted funds					
General fund	9,776,494	170,324	(95,919)	-	9,850,899
Revaluation reserve	4,292,800	-	-	(636,033)	3,656,767
Funds retained within non-charitable subsidiaries	(865,535)	540,602	(1,229,900)	-	(1,554,833)
	<u>13,203,759</u>	<u>710,926</u>	<u>(1,325,819)</u>	<u>(636,033)</u>	<u>11,952,833</u>

THE LATVIAN WELFARE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	11,952,833	921,253	(1,261,327)	196,017	11,808,776

Summary of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
General funds	<i>13,203,759</i>	<i>710,926</i>	<i>(1,325,819)</i>	<i>(636,033)</i>	<i>11,952,833</i>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,467,759	10,467,759
Investment property	882,956	882,956
Current assets	789,240	789,240
Creditors due within one year	(331,179)	(331,179)
Total	11,808,776	11,808,776

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	10,184,523	10,184,523
Investment property	549,995	549,995
Current assets	1,577,698	1,577,698
Creditors due within one year	(359,383)	(359,383)
Total	<u><u>11,952,833</u></u>	<u><u>11,952,833</u></u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	<i>Group 2020 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	<u>(340,074)</u>	<u>(614,893)</u>
Adjustments for:		
Depreciation charges	29,413	60,674
Dividends, interests and rents from investments	-	(67,003)
Decrease in stocks	-	1,061
Decrease/(increase) in debtors	45,437	(45,057)
Increase/(decrease) in creditors	6,796	(90,803)
Increase/(decrease) in other loans	(35,000)	(47,829)
Net cash used in operating activities	<u><u>(293,428)</u></u>	<u><u>(803,850)</u></u>

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FOR THE YEAR ENDED 31 DECEMBER 2021

22. Analysis of cash and cash equivalents

	Group 2021	<i>Group 2020</i>
	£	£
Cash in hand	738,430	1,481,451
Total cash and cash equivalents	738,430	1,481,451

23. Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	1,481,451	(743,021)	738,430
Debt due within 1 year	(152,942)	35,000	(117,942)
	1,328,509	(708,021)	620,488

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NOTES TO THE FINANCIAL STATEMENTS
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24. Related party transactions

Transactions with the subsidiary company are set out below.

The loan balance outstanding at the year end owed from LWT Trading UK Limited was £3,822,232 (2020: £3,281,949). A provision of £3,822,232 has been recognised against this balance at the year end in the Charity.

The trading balance outstanding at the year end owed to LWT Trading UK Limited was £27,919 (2020: £Nil).

	2021	<i>2020</i>
	£	£
Rents receivable from LWT Trading UK Limited	100,000	<i>100,000</i>
Interest receivable from LWT Trading UK Limited	86,175	<i>77,785</i>
	186,175	<i>177,785</i>
	186,175	<i>177,785</i>

During the year, M Vizbulis, who is a Trustee, resided in one of the properties owned by the Trust and paid rent totalling £13,200 (2020: £13,200). There were no outstanding balances as at the year end (2020: £525).

M Jansons, who was a Trustee in the prior year, resided in one of the properties owned by the Trust and paid rent totalling £Nil (2020: £1,800). There were no outstanding balances as at the year end (2020: Nil).

During the year, the Trust has purchased a bungalow for £332,961 from a close family member of a Trustee.

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Transactions with The Latvian Welfare Fund are listed below along with the outstanding balances at the year end.

	2021	<i>2020</i>
	£	£
Residents money donation	-	<i>18,350</i>
Leeds branch loan outstanding creditor balance	175,000	<i>175,000</i>
Leeds branch loan interest paid	4,548	<i>4,833</i>
Nottingham branch loan interest paid	-	<i>2,273</i>
Outstanding debtor balance	57,058	<i>57,058</i>
Payroll loan outstanding creditor balance	-	<i>35,000</i>
	57,058	<i>57,058</i>
	57,058	<i>57,058</i>

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In addition, The Latvian Welfare Trust receives rental income from two properties which are owned by The Latvian Welfare Fund. Total rental income received during the year is £16,600 (2020: £12,617). There were no outstanding balances as at the year end (2020: Nil).

There were no other related party transactions during the year.

THE LATVIAN WELFARE TRUST

England & Wales - Charity number 1124661

Accounts

Registered number: 05853180
Charity number: 1124661

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE LATVIAN WELFARE TRUST
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THE LATVIAN WELFARE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	K Ligers (resigned 2 October 2021) UJ Revelins Mrs I Grickus IAJ Sinka (resigned 2 October 2021) Ms K I Zobens East M Vizbulis M Jansons (resigned 8 March 2020) Mrs E Brauele Mrs D Dundure Kluce (resigned 8 November 2020) B Freimane (appointed 8 March 2020) A Namsone Hatone (appointed 8 November 2020) E Osa (appointed 2 October 2021) J Voitkevics (appointed 2 October 2021)
Company registered number	05853180
Charity registered number	1124661
Registered office	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF
Company secretary	UJ Revelins
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Solicitors	Brethertons LLP Montague House 2 Clifton Road Rugby Warwickshire CV21 3PX

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 January 2020 to 31 December 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Objectives and Aims

The Latvian Welfare Trust's public benefit, charitable activities have significantly increased in scale in recent years, because of the huge increase in numbers of Latvians living in the UK. In their nature, however, these activities build on what was put in place when the charity was formed, over 75 years ago, focusing on:

- support for Latvian community and Latvian cultural activities in the UK, especially through our two major centres, Catthorpe and London;
- charitable support for Latvians in need, both in the UK and abroad (primarily now in Latvia).

The maintenance of the London and Catthorpe centres is of great psychological and practical significance to the Latvian community in Britain. The centres contain not only facilities but also works of art and important historical books and documents. It is fundamental to and makes possible our charitable activities. Hence, making a success of the trading activities that support the continued existence of the two centres takes a significant effort and focus.

All of the above, of course, was severely impacted by the Covid pandemic, from March 2020 onwards. Latvian community schools, summer camps, church services, folk dancing groups, choirs and folklore ensembles, which are the mainstay of our public benefit activity were effectively closed down. The annual midsummer festival, usually attended by 3-4,000 people was cancelled. We are proud that we managed to keep our old people in the Catthorpe sheltered accommodation facility secure and cared for throughout the period. Trading activities to support our centres were also severely impacted, but thanks to Central and Local Government support, in particular the furlough scheme, we were able to reduce the financial impact.

With hindsight, we were very fortunate in having disposed of our hotel in Riga, Latvia, in 2019. It would have been almost impossible for the board to have dealt with the effects of the pandemic there at the same time as dealing with it in the UK.

We were able to continue building works and physical improvements to our two centres, because the Covid crisis had less impact on building activities.

Our staff, in particular, and our volunteers were amazing, putting in a huge additional effort to get us through the crisis.

Overview of our cultural centres

Catthorpe Manor is the registered office and administration centre for the Trust, has a 20 room hotel, a restaurant and several function rooms and outbuildings, some of which are rented out. The centre:

- Provides sheltered accommodation for elderly Latvians
- Provides rooms for other tenants wishing to live in a Latvian community
- Houses a library and the documentary archive about Latvians in the UK, which is also used and accessed by librarians, historians and archivists from Latvia
- Is home to the Catthorpe Latvian choir, a Latvian Saturday school. three folk dancing troupes and folklore ensemble
- Provides facilities for three children's annual summer camps for the Latvian and Estonian communities
- Provides facilities for a number of traditional functions and gatherings each year

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

- Provides facilities for regular church services
- Houses a number of function rooms, a hotel and bar, which are used by the Latvian community and are also hired out to the wider public for weddings, parties, business meetings and conferences.

The London centre operates as a guest house, but also performs the important role of providing a Central London venue for Latvians to meet for traditional and social activities. Its location is particularly attractive to visitors from Latvia and other countries. The centre:

- Houses a library and social club with bar
- Provides rooms for use by Latvian students attending colleges in London, and for paying guests for overnight stays
- Provides facilities for the Latvian Sunday school
- Provides facilities for Latvian language classes
- Provides a meeting place for Latvian business groups, including the Latvian Chamber of Commerce
- Provides a function room and facilities for three Latvian folk dancing groups and choir, as well as for concerts, theatre productions and other social events.

Charitable activities run or supported by the Trust

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

These are the charitable, public benefit, activities undertaken in 2020, grouped according to the charity's objects:

- 1) to relieve financial hardship, sickness and poor health amongst Latvian People;
 - Support to the Latvian care home at Catthorpe (approximately £50,000)
 - Most of the €8750 donation in 2020 to the DV CV (the DV Central Committee) is used to support veterans and widows living in Latvia
 - Support of €10000 to the Namejs military charity in Latvia was used, primarily, to subsidise summer camps for the children or orphans of Latvian service men and women.
- 2) to advance the education of the public about the country of Latvia and its people, past and present;
 - In 2020, the board has greatly improved the communications side of LWT's work, with the involvement of our new full-time administrator. A new Facebook, Instagram and Twitter presence, reaching out to the wider public has been set up.
 - On the 31st of October we organised a Diaspora Conference, widely attended using Zoom, aimed at promoting Latvia's external image and reaching out to British spouses/partners of Latvians living in the UK.
- 3) to advance the education of Latvian People in Latvia and in the United Kingdom;
 - The donation to the European Latvian Association of €1,300 was used to support an organisation active primarily in education and cultural areas
 - At Catthorpe through 2020:
 - 6 Choir Rehearsals
 - 26 Folk-Dance Classes (two different dance groups)
 - 1 dance seminar for all UK groups
 - 21 Piano Lessons
 - 4 School Classes
 - At the London Centre through 2020:
 - 10 "Jautrais p?ris" Senior Folk-dance lessons
 - 11 "Londona Dejo" Folk-dance lessons
 - 8 "Salinieki" Folk-dance lessons
 - 4 Children's Folk-dance lessons
 - 8 Latvian Language classes
 - 9 Latvian Choir rehearsals

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

- 12 London Latvian School classes
- At the London Centre through 2020:
 - 10 "Jautrais p?ris" Senior Folk-dance lessons
 - 11 "Londona Dejo" Folk-dance lessons
 - 8 "Salinieki" Folk-dance lessons
 - 4 Children's Folk-dance lessons
 - 8 Latvian Language classes
 - 9 Latvian Choir rehearsals
 - 12 London Latvian School classes
- 4) to conserve for the benefit of all peoples everywhere ancient and modern buildings, monuments, archives and works of art which are of historical or cultural importance to Latvia and Latvian People and which it is desirable to preserve for the public benefit; and
 - Part of the €8,750 donation to the DV CV (the DV Central Committee) is used to support the Brothers' cemetery in Lestene, Latvia
 - The Catthorpe Estate contains and supports the work of the library and the documentary archive about Latvians in the UK
 - The Catthorpe Estate has, within its grounds, a stone sculpture commemorating the fallen and the house contains a number of important Latvian works of art
 - The London house contains some important Latvian works of art
 - The London house contains a store of Latvian Folk costumes for use by various ensembles and the Latvian School
- 5) to organise and promote social events and recreational activities for the benefit of Latvian People who have a need for such facilities by reason of their age, infirmity, financial hardship and hardship caused by social or economic circumstances with the object of improving their conditions of life.
 - At Catthorpe, through 2020:
 - 3 Trustee meetings
 - 1 LWT interview sessions
 - 1 DVF General Meeting
 - 1 Latvian National Council Meetings
 - 1 Church Service
 - At London, through 2020:
 - 2 DVF London Branch events
 - Some of the hostel rooms were rented to students at a reduced rate

Total donations and subsidies in support of our charitable aims

In 2020, financial support of our charitable aims was as follows:

- The support for Latvian community educational, cultural and social activities in our centres in 2020, listed above, amounted to £13,298.40 in monetary terms (£8,426.40 at Catthorpe and £4,872 in London – in our book-keeping this support is described as "Latvian Events").
- The Trust's 2020 charitable donations totalled: €20,400 (approx £17,300).
- The subsidy to our old peoples' home at Catthorpe probably amounted to some £50,000 in 2020 (note, this is a best estimate, as it consists of a number of linked transactions and shared costs between the Trust and its Trading Company).

Taking the above together, the monetary value that can be applied to our charitable/public benefit activities in 2020 amounts, in total, to almost £80,600.

In addition, the members of the Trust make donations that support our charitable aims, on their own behalf, often coordinated by the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

The trustees and members are proud of our record in charitable/public benefit activities, support and donations and the impact this has had on its beneficiaries.

Achievements and performance

a. Achievement and Performance

While both UK centres employ paid staff to carry out the normal day to day operational functions, most of the background work of the Trust is carried out by the trustees and other volunteers from the Latvian community. The role of volunteers is important and over the years their input has been invaluable, not least because of the cost savings, but it had become increasingly difficult to find suitable people. In summer 2020, to reduce the pressure on the Trustees, the Board advertised and employed an administrator, with the objectives of taking on administrative functions, improving marketing, supporting the care home and involving the diaspora in Trust activities. People who have moved from Latvia to the UK more recently form a key component of the membership and various committees, which is a positive sign for the future.

The Trust works closely with other Latvian organisations such as the Latvian National Council in Great Britain (LNC) and the Latvian Lutheran Church. Working with LNC, the Trust supports the Latvian Educational Foundation, helping to provide assistance to the growing number of weekend Latvian schools for children in the UK and supporting various other educational and cultural activities.

The Covid situation struck at the heart of our commercial and cultural activities. Weddings and hotel business essentially stopped, as had the community schools, dance groups and so on. The Government's furlough and other support schemes enabled us to keep the centres going through lockdown and prevented the need for major redundancies. We were able, thankfully, to keep the elderly in the sheltered accommodation safe through the most dangerous period of lockdown. The Trust's strong financial position after the sale of the Riga hotel has enabled good use of this period for capital improvements to the centres.

One unfortunate aspect of the Covid situation was that lockdown began just at the moment when the new business plan for the Catthorpe hotel was to be implemented. This has now been introduced, starting in the summer of 2021, with an expectation of a return to surplus once the Covid situation has improved. The hotel and facilities, after a strong ongoing marketing campaign, and are increasingly appealing to weddings, parties and dinners. There has also been a growing interest to a wider range of businesses for meetings and conferences where quality overnight accommodation is required.

We have made changes to the responsibilities for various aspects of our day-to-day activities between the Trust and its Trading Company, with the aim from January 2021, of having much simpler governance and oversight.

Close attention continues to be paid to income generation at both UK centres, as our trading activities there are undertaken to maintain and improve the centres, which we regard as key to our charitable activities. At Catthorpe we have bought three bungalows for rental income and plan to buy more as they come onto the market. We also refurbished various properties on the estate, so that we can maximise rental income. Our plans also include significant improvements to community-used facilities, to meet our charitable obligations to the Latvian community in the UK.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Key performance indicators

In previous years the Trustees have used KPI's to measure and monitor how the subsidiary trading company was performing or improving. However, these were not considered to be helpful during the pandemic because of the uncertainty in the industry and the changing government guidelines. A comparison with the previous years was no longer useful as both Catthorpe Manor and 72 Queensborough Terrace were forced to close with the result that business activities in both venues were greatly reduced at times when the premises were permitted to trade. Both premises were closed from 21st March until 7th September, usually their busiest period, and 5th November until the end of the year. The venues were only open for a total of 20 weeks during the year, and for the tourist and wedding markets, these are times when business activity is normally very quiet.

The financial statements show accumulated funds of £11,952,833 (2019: £13,203,759) of which deficits exist for the funds retained within non-charitable subsidiaries of £1,554,833 (2019: £865,535).

Financial review

a. Going concern

The directors of LWT Trading UK Ltd and the Trustees of The Latvian Welfare Trust meet almost monthly to monitor the progress of the business activities. Because of the impact of Covid-19 for much of 2020 and for the first six months of 2021, business activities have been severely limited. However, during 2020 and during the first few months of 2021 we were able to take advantage of several grants and furlough payments and costs were reduced to the minimum. However, our expectation in the spring of 2020 was that the restrictions would be short-lived, which proved not to be the case. The ever-changing rules and regulations presented a huge planning challenge to the trading company and increased the risk of the business collapsing, which has been the case for many parts of the hospitality sector.

During 2020 the directors of the trading company took the opportunity to examine staffing levels and roles at both venues, to adjust its business model at Catthorpe Manor to reflect more closely the market demand (as we saw it in 2019) and to consolidate the rented properties on the estate. Properties purchased by the Trust over that period were also placed under the responsibility of the trading company. Together with the Trustees, the trading company have embarked on a wide-ranging strategy review of its properties, which is still on-going. The purpose is to ensure that both the Trustees and the trading company are obtaining the best possible outcomes from the use of its properties and that the needs of the Latvian community are met in line with the charitable objectives of the Trust. Any significant changes recommended will need to be approved by the members of the Trust.

Budgets for both properties (ie London and Catthorpe Manor) are initially set by their respective General Managers in conjunction with one of the directors – Leslie East in London and Ilze Grickus in Catthorpe. Budgets are then discussed at trading company Board meetings where all directors, both general managers, the Company Secretary and the Trust Chairman are present. As required, other Trustees may be invited to attend. Budgets are monitored monthly and may be adjusted if necessary. The Trustees are kept informed at their monthly meetings of the financial situation of the business. Cash flow is monitored daily by the Company Secretary in conjunction with Cottons accountants, who manage the day-to-day accounts processes. Cash flow problems are discussed initially with the trading company's chairman and, if necessary, referred to the Trust chairman. This has been particularly relevant during the pandemic as the Trustees had to consider to what extent it could help to support the trading company financially in a constantly changing environment and an unknown future.

2020 started with an optimistic budget but that had to be abandoned in the light of restrictions placed on the trading company's activities. The outcome was that the trading company had to borrow money from the Trust to

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

maintain the properties, retain essential staff and ensure that business could resume as soon as it was allowed to do so. A rent amnesty was agreed. Several 2021 budgets were developed to reflect possible scenarios as there was no clarity when business could resume. These are reviewed at trading company board meetings to ensure that the changes to government policies are reflected.

The London property relies very much on the tourist industry, whilst Catthorpe is an events venue, primarily for conferences and weddings, with the hotel supporting these events. Both have been adversely affected by government restrictions. The second half of the year is proving quite buoyant at Catthorpe and the trading company has not had to borrow from the Trust during 2021 and, whilst there is still some uncertainty, it is expected that the trading company will return a small loss. 2022 is looking positive at Catthorpe and should the overseas tourist market open up, in London we should see a return to levels of business seen prior to 2020, with 90% occupancy rates during the summer months. However, bookings there are not normally made many weeks in advance. In summary, the trading company expects to be able to return a profit in 2022.

b. Reserves policy

The trustees consider it prudent to maintain reserves in the general fund at six months of the current annual operating costs. The trustees believe that this should normally be sufficient to ensure that any unbudgeted or emergency expenditure will be sufficiently covered. However, during the period of redevelopment and growth of the revised business, it had not been possible to sustain the requisite level of reserves and following the Covid closures it could be another two years before finances have stabilised. Following sale of the hotel, a separate reserve was set up and maintained.

At the year end the consolidated total reserves were £11,952,833 (2019: £13,203,759). All reserves were unrestricted. Reserves held relating to fixed assets that could only be realised by their disposal totalled £10,734,518 (2019: £10,720,527). Free reserves at the year end after making allowance for fixed assets were £1,218,315 (2019: £2,483,232).

c. Principal Risks and Uncertainties

The charity's activities expose it to a number of financial risks including price risk, credit risk and liquidity risk. The impact of the virus restrictions on all activities, has by its very nature raised questions about the viability of the trading business. A review of different scenarios led to the conclusion that the current and future plans are sustainable. The steady improvement in business, since restructuring, shows a positive improvement which will recover once the virus issues have abated.

d. Price Risk

The charity is exposed to price risk in the hotel and events industry, however the directors of its subsidiaries, reporting to the trustees and in conjunction with the trustees, regularly review and adjust the pricing structure to take account of competition and general market conditions to attract new customers. During the periods of lock down due to the virus, pricing has been particularly challenging in order to attract customers but will be normalised when restrictions have eased.

e. Credit Risk

The charity has no significant concentration of credit risk, with exposure spread over a wide number of customers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

f. Liquidity Risk

Following the sale of the Riga hotel all, but one, loans have been repaid and a substantial balance was placed in the reserves.

The trustees continue to seek improvements in the trade of its subsidiary undertakings to finance ongoing activities. A steady improvement in turnover is visible and expected to continue with the Catthorpe hotel and function rooms open for business.

g. Principal funding

The principal funding sources are the trading activities from its subsidiary companies, LWT Trading UK Limited. Income is also generated from the Garden Annex at Catthorpe Manor, which is running the sheltered accommodation, together with letting of rooms available on site. In addition, rental income is received from three bungalows owned by the Trust.

h. Future Plans

Following the refurbishment of Catthorpe Manor, with the associated costs, it is not anticipated that any further major developments will be considered for some years, apart from upgrading the territory, allowing finances to stabilise. The guest house in London also continues to require regular maintenance.

We are following a strategy of buying residential houses on the estate, as they come up for sale, so that we can increase rental income. That gives additional income not dependant on the Catthorpe hotel and London guest house.

Structure, governance and management

a. Constitution

The Latvian Welfare Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Governing Document

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

c. Recruitment and Appointment of New Trustees

New trustees are appointed from suitable candidates who have the necessary language skills and experience in the specific cultural requirements of the trust. New trustees undergo a briefing session to outline their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the business plans and recent financial summaries. The training needs of each trustee are assessed on an individual basis and any courses are arranged where appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

d. Organisational Structure

The board of trustees, comprising of no more than nine members, is elected from members and delegates of the Latvian Welfare Fund (also known as the DVF) branches and groups at the AGM held in March each year. Election is now on a rotation basis for a period of 3 years and trustees are open to re-election at the end of that period. The delegates for the 2019 AGM represented the 12 Branches and 2 Groups comprising 836 active members. There have been reductions in the number of branches over previous years, due to changes in the rules governing branches and groups. A Branch is required to have at least 20 members, whereas a Group can be formed with at least 10 members.

The day to day management of the Charity is delegated to the General Manager.

None of the trustees receive any remuneration or any other benefit from their work with the Charity, nor are there any contractual relations between any trustees and suppliers or contractors to any of the centres. The board of trustees meets monthly to discuss general business and specific issues relating to the running of the centres in London and Catthorpe.

e. Wider Network

The Trust works closely with the Latvian Educational Foundation 1990 (charity no.1004578) by appointing two trustees who, together with other Foundation trustees, provide scholarships and support to Latvian weekend schools in the UK and grants to other educational and cultural programmes:

- Mrs I Grickus
- Mrs B Freimane

f. Related party relationships

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014. Furthermore, The Latvian Welfare Trust has one trading subsidiary: LWT Trading UK Limited in the UK.

g. Risk management

The Trustees have a risk management strategy which comprises:

- A monthly review of the financial and management risks that the charity and its centres may face
- Systems and procedures to mitigate those risks identified
- Detailed Health & Safety policies for the centres, London and Catthorpe.

The Trustees are aware that financial sustainability is the main risk for the charity. Key elements in the management of financial risk are budgets to highlight expected business trends, together with assessment of monthly financial summaries against budget and close attention to cash flow.

Additional attention has also been focussed on the more general non-financial risks arising from fire, health and safety, and food hygiene. Particular attention is given to the operation of the sheltered accommodation at Catthorpe for the well-being of its residents.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

h. Fundraising

The Charity has no fundraising activities requiring disclosure under Section 162 of Charities Act 2011.

i. Remuneration policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our objectives. Our aim is to pay competitively in the not-for-profit sector within the context of affordability.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



UJ Revelins
(Trustee)
Date: 10 March 2022

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

Opinion

We have audited the financial statements of The Latvian Welfare Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 December 2020 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.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the 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.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinion 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 the 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

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities SORP, Taxation legislation, health and safety and employment law.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Use of our report

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



Kerry Brown (senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

10 March 2022

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Continuing operations 2020 £	Total funds 2020 £	Continuing operations 2019 £	Discontinued operations 2019 £	As restated Total funds 2019 £
Income from:							
Grants and donations	3	68,400	68,400	68,400	6,004	-	6,004
Other trading activities	3	370,888	370,888	370,888	1,428,014	275,559	1,703,573
Investments	4	67,003	67,003	67,003	23,934	-	23,934
Other income	5	204,635	204,635	204,635	396,994	555,338	952,332
Total income		710,926	710,926	710,926	1,854,946	830,897	2,685,843
Expenditure on:							
Raising funds - trading activities	6	1,052,115	1,052,115	1,052,115	1,444,073	423,124	1,867,197
Charitable activities	7	273,704	273,704	273,704	466,985	-	466,985
Total expenditure		1,325,819	1,325,819	1,325,819	1,911,058	423,124	2,334,182
Net movement in funds before other recognised gains/(losses)		(614,893)	(614,893)	(614,893)	(56,112)	407,773	351,661
Other recognised gains/(losses):							
(Losses)/gains on revaluation of fixed assets		(636,033)	(636,033)	(636,033)	932,173	-	932,173
Net movement in funds		(1,250,926)	(1,250,926)	(1,250,926)	876,061	407,773	1,283,834

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted funds 2020	Continuing operations 2020	Total funds 2020	<i>Continuing operations 2019</i>	<i>Discontinued operations 2019</i>	<i>As restated Total funds 2019</i>
Note	£	£	£	£	£	£
Reconciliation of funds:						
Total funds brought forward	13,203,759	13,203,759	13,203,759	12,327,698	(407,773)	11,919,925
Net movement in funds	(1,250,926)	(1,250,926)	(1,250,926)	876,061	407,773	1,283,834
Total funds carried forward	11,952,833	11,952,833	11,952,833	13,203,759	-	13,203,759

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 45 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	12	10,184,523	10,720,527
Investment property	13	549,995	-
		<u>10,734,518</u>	<u>10,720,527</u>
Current assets			
Stocks	15	7,500	8,561
Debtors	16	88,747	43,690
Cash at bank and in hand		1,481,451	2,928,996
		<u>1,577,698</u>	<u>2,981,247</u>
Creditors: amounts falling due within one year	17	(359,383)	(498,015)
Net current assets		1,218,315	2,483,232
Total assets less current liabilities		11,952,833	13,203,759
Net assets excluding pension asset		11,952,833	13,203,759
Total net assets		11,952,833	13,203,759

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	<i>As restated</i> 2019 £
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	11,952,833	<i>13,203,759</i>
Total funds		<u>11,952,833</u>	<i><u>13,203,759</u></i>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



UJ Revelins

(Trustee)

Date: 10 March 2022

The notes on pages 23 to 45 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	9,901	15,979
Investments	14	100	100
Investment property	13	10,699,995	10,650,000
		<u>10,709,996</u>	<u>10,666,079</u>
Current assets			
Debtors	16	3,289,951	2,445,617
Cash at bank and in hand		1,472,335	2,890,932
		<u>4,762,286</u>	<u>5,336,549</u>
Creditors: amounts falling due within one year	17	(155,030)	(259,781)
Net current assets		<u>4,607,256</u>	<u>5,076,768</u>
Total assets less current liabilities		<u>15,317,252</u>	<u>15,742,847</u>
Net assets excluding pension asset		<u>15,317,252</u>	<u>15,742,847</u>
Total net assets		<u><u>15,317,252</u></u>	<u><u>15,742,847</u></u>

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	15,317,252	15,742,847
Total funds		<u>15,317,252</u>	<u>15,742,847</u>

The parent's surplus for the financial year was £74,404 (2019: £1,141,575).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



UJ Revelins
(Trustee)
Date: 10 March 2022

The notes on pages 23 to 45 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(803,850)	(5,133,201)
Cash flows from investing activities		
Dividends, interests and rents from investments	67,003	123,934
Loss on sale of tangible fixed assets	-	4,237,917
Purchase of intangible and tangible fixed assets	(710,698)	(61,214)
Proceeds from sale of investments	-	4,932,802
Loss on sale of investments	-	213,488
Net cash (used in)/provided by investing activities	(643,695)	9,446,927
Cash flows from financing activities		
Repayments of borrowing	-	(1,553,432)
Net cash provided by/(used in) financing activities	-	(1,553,432)
Change in cash and cash equivalents in the year	(1,447,545)	2,760,294
Cash and cash equivalents at the beginning of the year	2,928,996	168,702
Cash and cash equivalents at the end of the year	1,481,451	2,928,996

The notes on pages 23 to 45 form part of these financial statements

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Trust is a company limited by guarantee (registered number: 05853180) which is registered in England and Wales. It registered as a charity on 21st June 2008 and its charity registration number is 1124661. The registered office and principal place of business is Catthorpe Manor, Lilbourne Road, Catthorpe, Leicestershire, LE17 6DF.

The principal activity is to relieve financial hardship, sickness and poor health amongst Latvian people, to advance the education of the public about the country of Latvia and its people, as well as the education of Latvian people in Latvia and in the UK, and to conserve, for the benefit of all peoples everywhere, ancient and modern buildings, monuments, archives and works of art which are of historical and cultural importance to Latvia and the Latvian people. The Charity also organise and promote social events and recreational activities for the benefit of Latvian people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Latvian Welfare Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The parent's surplus for the financial year was £74,404 (2019: £1,141,575).

2.2 Going concern

The Directors have considered the impact that has arisen from Covid-19 and the lockdown release roadmap by H M Government in response to the pandemic.

A number of options have been reviewed and forecasts have been stress-tested to assess how the company could cope under the different scenarios. Since reopening, business has picked up quickly and the Directors consider that despite the continuing uncertainties the picture for 2021 looks optimistic. The sale of the Riga hotel had provided a cushion to the Trust and Trading company to deal with the financial burdens of 2020 and early 2021, and it still has reserves as well as investments in assets which can be readily converted.

The Directors have therefore concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Included within the incoming resources are the trading income from its trading subsidiary, LWT Trading UK Limited.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% on cost for buildings
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 20% on cost
Plant and machinery	- 25% on cost
Computer equipment	- 33% on cost

The freehold property Catthorpe Manor & 72 Queensborough Terrace has not been depreciated during the year under review, this is because the freehold property is leased to its trading subsidiary LWT Trading UK Limited from The Latvian Welfare Trust on a long term lease and, as permitted by the Charities SORP (FRS 102) is treated as an investment property.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

2.13 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 Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	18,400	18,400
Grants	50,000	50,000
	68,400	68,400
	68,400	68,400

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	6,004	6,004
	6,004	6,004
	6,004	6,004

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Rent income from Catthorpe Manor	46,676	46,676
LWT Trading income	324,212	324,212
	370,888	370,888
	370,888	370,888

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rent income from Catthorpe Manor	64,233	64,233
LWT Trading income	1,639,340	1,639,340
	1,703,573	1,703,573
	1,703,573	1,703,573

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Rents receivable	67,003	67,003
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rents receivable	23,934	23,934

5. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
CJRS income	194,435	194,435
Other income	10,200	10,200
	204,635	204,635
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other income	5,635	5,635
Profit/loss on disposal of fixed asset investments	946,697	946,697
	952,332	952,332

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Expenditure on raising funds

LWT Trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Cost of sales	31,520	31,520
Administration expenses	286,828	286,828
Interest payable	733	733
Administration staff costs	678,438	678,438
Depreciation	54,596	54,596
	<u>1,052,115</u>	<u>1,052,115</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Cost of sales	601,545	601,545
Administration expenses	457,727	457,727
Interest payable	1,041	1,041
Administration staff costs	766,691	766,691
Depreciation	40,193	40,193
	<u>1,867,197</u>	<u>1,867,197</u>

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £
Catthorpe Manor activities	273,704	273,704

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Catthorpe Manor activities	466,985	466,985

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Catthorpe Manor activities	219,097	54,607	273,704

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Catthorpe Manor activities	439,121	27,864	466,985

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Catthorpe Manor 2020 £	Total funds 2020 £
Management	74	74
Governance costs	21,150	21,150
Finance	413	413
Other	32,970	32,970
	<hr/> 54,607	<hr/> 54,607
	<hr/> <hr/>	<hr/> <hr/>

	<i>Catthorpe Manor 2019 £</i>	<i>Total funds 2019 £</i>
Management	418	418
Governance costs	13,739	13,739
Finance	697	697
Other	13,010	13,010
	<hr/> 27,864	<hr/> 27,864
	<hr/> <hr/>	<hr/> <hr/>

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £18,000 (2019 - £18,000).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Wages and salaries	709,456	794,560	75,888	78,119
Social security costs	52,093	56,674	15,842	15,947
Contribution to defined contribution pension schemes	11,054	12,599	2,435	3,076
	772,603	863,833	94,165	97,142

During the year, termination payment of £11,107 (2019: Nil) relating to 1 employee (2019: Nil) was incurred.

The average number of persons employed by the Charity during the year was as follows:

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	No.	No.	No.	No.
Catthorpe Manor	5	6	5	6
LWT Trading UK Ltd	61	62	-	-
	66	68	5	6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020	<i>Group 2019</i>
	No.	No.
In the band £60,001 - £70,000	1	1

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £768 were reimbursed or paid directly to 4 Trustees (2019 - £NIL). The expenses reimbursed related to travel expenses.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

Group

	Freehold property £	Improvements to property £	Plant and machinery and motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2020 (as previously stated)	10,650,000	1,758,780	10,449	237,846	7,488	12,664,563
Prior Year Adjustment	-	(1,758,780)	-	-	-	(1,758,780)
At 1 January 2020 (as restated)	10,650,000	-	10,449	237,846	7,488	10,905,783
Additions	-	-	-	5,157	-	5,157
Disposals	-	-	-	(5,841)	-	(5,841)
Revaluations	(500,000)	-	-	-	-	(500,000)
At 31 December 2020	10,150,000	-	10,449	237,162	7,488	10,405,099
Depreciation						
At 1 January 2020 (as previously stated)	-	84,459	10,449	170,026	4,781	269,715
Prior Year Adjustment	-	(84,459)	-	-	-	(84,459)
At 1 January 2020 (as restated)	-	-	10,449	170,026	4,781	185,256
Charge for the year	-	-	-	39,746	1,415	41,161
On disposals	-	-	-	(5,841)	-	(5,841)
At 31 December 2020	-	-	10,449	203,931	6,196	220,576
Net book value						
At 31 December 2020	10,150,000	-	-	33,231	1,292	10,184,523
At 31 December 2019 (as restated)	10,650,000	-	-	67,820	2,707	10,720,527

Please see note 26 for details on prior year restatement.

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12. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	330,968	1,600	332,568
Disposals	(5,841)	-	(5,841)
At 31 December 2020	<u>325,127</u>	<u>1,600</u>	<u>326,727</u>
Depreciation			
At 1 January 2020	314,989	1,600	316,589
Charge for the year	6,078	-	6,078
On disposals	(5,841)	-	(5,841)
At 31 December 2020	<u>315,226</u>	<u>1,600</u>	<u>316,826</u>
Net book value			
At 31 December 2020	<u>9,901</u>	<u>-</u>	<u>9,901</u>
<i>At 31 December 2019</i>	<u>15,979</u>	<u>-</u>	<u>15,979</u>

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13. Investment property

Group

	Freehold investment property £
Valuation	
Additions	549,995
At 31 December 2020	549,995

Charity

	Freehold investment property £
Valuation	
At 1 January 2020	10,650,000
Additions	549,995
Surplus on revaluation	(500,000)
At 31 December 2020	10,699,995

72 Queensborough Terrace was valued on a fair market basis on 3rd March 2022 by Savills, with an indicative valuation being provided retrospectively as at 31 December 2020.

Catthorpe Manor was valued by Holt Commercial at market value on 28 August 2020. The valuation includes a special consideration regarding the uncertainty of the current market as a result of the Covid-19 pandemic and reliance was therefore placed on transactions which took place prior to lock down.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Company 2020 £	<i>Company 2019 £</i>
Historic cost	4,700,000	<i>4,700,000</i>

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14. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	100
At 31 December 2020	<u>100</u>
Net book value	
At 31 December 2020	<u>100</u>
<i>At 31 December 2019</i>	<u><u><i>100</i></u></u>

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14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
LWT Trading UK Limited	08798565	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF	Operation of a hotel and guest house

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
LWT Trading UK Limited	540,602	(1,229,900)	(689,298)	(1,554,733)

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15. Stocks

	Group 2020	<i>Group 2019</i>
	£	£
Stocks	7,500	8,561

16. Debtors

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	3,246,659	2,410,123
	-	-	3,246,659	2,410,123
Due within one year				
Trade debtors	29,062	5,843	7,850	3,784
Amounts owed by group undertakings	-	-	35,290	25,916
Other debtors	29,871	18,669	152	152
Prepayments and accrued income	29,814	19,178	-	5,642
	88,747	43,690	3,289,951	2,445,617

17. Creditors: Amounts falling due within one year

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Other loans	152,942	200,771	127,942	200,771
Deposits received in advance	118,055	60,675	-	-
Trade creditors	50,489	126,782	9,680	4,434
Other taxation and social security	10,492	25,226	3,653	4,657
Other creditors	2,390	24,495	1,005	19,536
Accruals and deferred income	25,015	60,066	12,750	30,383
	359,383	498,015	155,030	259,781

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NOTES TO THE FINANCIAL STATEMENTS
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18. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	1,481,451	2,928,996	1,472,335	2,890,932

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General fund	9,776,494	170,324	(95,919)	-	9,850,899
Revaluation reserve	4,292,800	-	-	(636,033)	3,656,767
Funds retained within non-charitable subsidiaries	(865,535)	540,602	(1,229,900)	-	(1,554,833)
	<u>13,203,759</u>	<u>710,926</u>	<u>(1,325,819)</u>	<u>(636,033)</u>	<u>11,952,833</u>

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19. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>As restated Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2019 £</i>
Unrestricted funds						
General fund	9,905,753	1,044,094	(397,181)	(776,172)	-	9,776,494
Revaluation reserve	3,360,627	-	-	-	932,173	4,292,800
Funds retained within non-charitable subsidiaries	(1,346,455)	1,641,749	(1,937,001)	776,172	-	(865,535)
	<u>11,919,925</u>	<u>2,685,843</u>	<u>(2,334,182)</u>	<u>-</u>	<u>932,173</u>	<u>13,203,759</u>

20. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	<u>13,203,759</u>	<u>710,926</u>	<u>(1,325,819)</u>	<u>(636,033)</u>	<u>11,952,833</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Summary of funds (continued)

Summary of funds - prior year

	<i>As restated Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>As restated Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2019 £</i>
General funds	11,919,925	2,685,843	(2,334,182)	-	932,173	13,203,759

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,184,523	10,184,523
Investment property	549,995	549,995
Current assets	1,577,698	1,577,698
Creditors due within one year	(359,383)	(359,383)
Total	11,952,833	11,952,833

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	10,720,527	10,720,527
Current assets	2,981,247	2,981,247
Creditors due within one year	(498,015)	(498,015)
Total	13,203,759	13,203,759

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NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	(614,893)	351,661
Adjustments for:		
Depreciation charges	60,674	46,271
Dividends, interests and rents from investments	(67,003)	(123,934)
Decrease in stocks	1,061	15,254
Decrease/(increase) in debtors	(45,057)	21,100
Decrease in creditors	(138,632)	(5,443,553)
Net cash used in operating activities	(803,850)	<i>(5,133,201)</i>

23. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	1,481,451	2,928,996
Total cash and cash equivalents	1,481,451	<i>2,928,996</i>

24. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	2,928,996	(1,447,545)	1,481,451
Debt due within 1 year	(200,771)	47,829	(152,942)
	2,728,225	(1,399,716)	1,328,509

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25. Related party transactions

Transactions with the subsidiary company are set out below. The balance outstanding at the year end owed from LWT Trading UK Limited was £3,281,949 (2019: £2,436,039).

	2020	<i>2019</i>
	£	£
Rents receivable	100,000	<i>100,000</i>
Interest receivable	77,785	<i>69,804</i>
	177,785	<i>169,804</i>

During the year, M Vizbulis, who is a Trustee, resided in one of the properties owned by the Trust and paid rent totalling £13,200 (2019: £13,200). There were no outstanding balances as at the year end (2019: Nil).

During the year, M Jansons, who was a Trustee during the year, resided in one of the properties owned by the Trust and paid rent totalling £1,800 (2019: £600). There were no outstanding balances as at the year end (2019: Nil).

During the year, a payment of £Nil (2019: £3,324) was made to I Grickus, who is a Trustee, for expenses incurred such as fuel costs etc. There were no outstanding balances as at the year end (2019: Nil).

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Transactions with The Latvian Welfare Fund are listed below along with the outstanding balances at the year end.

	2020	<i>2019</i>
	£	£
Residents money donation	18,350	-
Residents money creditor	-	<i>18,350</i>
Leeds branch loan outstanding creditor balance	175,000	<i>175,000</i>
Nottingham branch loan outstanding creditor balance	-	<i>100,000</i>
Catthorpe loan outstanding debtor balance	47,058	<i>52,968</i>
Payroll loan outstanding creditor balance	25,000	-

In addition, The Latvian Welfare Trust receives rental income from two properties which are owned by The Latvian Welfare Fund. Total rental income received during the year is £12,617 (2019: £1,234). There were no outstanding balances as at the year end (2019: Nil).

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26. Prior year restatement

In the prior year, the leasehold improvements, relating to Catthorpe Manor, recognised in the LWT Trading UK Limited were not eliminated on consolidation. Catthorpe Manor is recognised as an investment property at fair value in the charity and so any improvements during the year should be eliminated when the year end amount is updated to fair value. A prior year adjustment has been posted to eliminate the leasehold improvements in the year ended 31 December 2019. This has resulted in the Group fixed assets net book value decreasing by £1,674,321 and the revaluation surplus decreasing by £17,827. The Group brought forward reserves have also decreased £1,656,494 for the year ended 31 December 2019.