

REGISTERED COMPANY NUMBER: 07705519 (England and Wales)
REGISTERED CHARITY NUMBER: 1145649

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 OCTOBER 2020
FOR**

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

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FOR THE YEAR ENDED 31 OCTOBER 2020**

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INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2020. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objects as stated in the Articles of Association are:

1. to preserve and protect the buildings known as Insole Court, including the restoration of the interior and gardens for public benefit;
2. to advance the education of the public in the history and conservation of Insole Court and Gardens; and
3. to further or benefit the residents of the community, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education, arts and culture, and provide facilities in the interests of social welfare for recreation leisure time occupation with the objective of improving the conditions of life for the residents and in particular to establish or secure the establishment of a community facility and to maintain or manage or co-operate with any statutory or other authority or organisation in the maintenance and management of such a centre.

Public benefit

The trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. Significant activities that we undertook during the period that demonstrate public benefit are set out below.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

At the start of the financial year, 1st November 2019, one of the main aims of the Trust strategy was to improve the financial performance of Insole Court. To that end the Trust had taken the Potting Shed café in house and had started refurbishment works. The Food and Beverage Manager had been appointed in October 2019 with the task of running the café and to expand the food and beverage offer throughout the site. The Trust was looking forward to expanding the business to put it on a firmer financial footing, to generate additional funds over and above that needed for day to day running which could be ploughed back into the Court, and to further develop the charitable objectives.

The Covid-19 global pandemic hit early on in the financial year and changed how we all live and the way the Insole Court business could be run. It will continue to dominate our thoughts and actions for many months yet. Initially it was thought that the Trust could weather the crisis by using its Reserves and doing everything it could to reduce costs. The Trust's initial response to the financial implications of the lockdown was to scale back on planned projects to comply with social distancing measures, and secure financial support by accessing the Government's Job Retention Scheme. Certain work could not be avoided and the planned replacement of the fire alarm system was completed as part of the ongoing work to ensure fire safety as agreed with the Fire Safety Officer.

At the beginning of March, the Finance Committee held its monthly monitoring meeting to discuss the trading results to date. Briefly, the Trust had made a loss of £36k for the first quarter, against a budgeted loss of £19k. It was felt that this could be made up as the wedding season was about to start and the café would be opening fully. The Committee met again on the 18th of March, by which time the situation had changed entirely. Trading results were no longer relevant as Insole Court was on the point of closing. Classes were being cancelled, weddings put on hold, and our tenants Montessori and Primo were closing. Our income stream had dried up virtually overnight, and reserves were being used to pay staff and suppliers. What mattered from this point on was cash in the bank, and what to do to cut costs but also safeguard staff and the Court.

The March lockdown meant that the newly refurbished café could not be opened and all staff except the Director and the three senior managers were furloughed. The Insole Court Trust Board was requested, and agreed, to give the Finance Committee delegated powers to run Insole Court, and the following measures were put in place:

- To furlough staff where possible and apply for Job Retention Grant via the Government Staff Furlough Scheme.
- Staff vacant posts would not be filled.
- Reduce expenditure where possible.
- Identify and apply for external emergency funding.

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Finance Committee, now with approved delegated powers from the Board to run Insole Court, met fortnightly by video link or face to face when allowed, to review the financial situation and take whatever steps were deemed necessary to ensure the survival of Insole Court. The assumption at the time was that the pandemic would last for four months. Trust reserves would keep Insole Court solvent for two to three of those months and it was hoped external funding could be obtained.

All staff except the Director and the three senior managers were furloughed. The senior managers started working from home, and all other staff sent home. Furloughed staff continued to be paid at 100% of their salaries, 80% being paid from the National Government Job Retention Scheme while the Trust made up the remaining 20%. Staff were also notified that if the furlough scheme was not continued beyond May, the whole of the pay and employment situation would need to be reviewed.

Insole Court closed on the 20th March 2020.

During April, the senior managers worked extremely hard to identify and apply for external emergency grant funding. All their hard work paid off and Insole Court has received considerable financial help. The accounts show the amounts involved, but Insole Court Trust is very grateful to the following bodies for their assistance during the year to 31st October 2020:

- National Lottery Heritage Fund (Emergency Fund)
- National Lottery Community Fund (People and Places Fund)
- Arts Council of Wales
- Welsh Council for Voluntary Action
- Cardiff Council (Business Rates Grant Scheme)
- National Government (Job Retention Scheme and Bounce Back Loan)
- Welsh Government (Economic Resilience Fund)
- Waterloo Foundation
- Moondance

There was a planned social media campaign targeting individual giving. The campaign was successful for which the Trust was extremely grateful. In addition, up to April, there were 40 new members and two new patrons. The Trust felt this was a clear indication from the community that Insole Court was much loved and supported.

Throughout the lockdown, it was felt essential to maintain communication with the community and interested parties, and the Insole Court website was used extensively, along with information posters affixed to the buildings exteriors (the park being still open to visitors). A trustee and volunteers organised socially distanced second hand book sales and plant sales which raised some £1,500 in total. The events also contributed to community interaction and enrolled some new members.

Plans were drawn up for eventual re-opening to ensure that when the lockdown was lifted, Insole Court would be in the best condition to be up and running again. During the lockdown, the fire alarm system was renewed. The Trust had planned to do this before the lockdown as the existing system was no longer reliable, and as part of the ongoing work to fully comply with the Fire Safety Officer's recommendations.

Because of the nature of the pandemic, Government advice changed frequently, which in turn made planning for reopening very difficult. It was clear that it was unlikely to be business as usual on reopening and various scenarios needed planning, for example whether the café would be allowed to reopen with social distancing in place, whether the nursery would open ahead of the rest of Insole Court, how to offer courses and meetings, etc.

During June, the UK Government declared that the furlough scheme would continue to the end of October, but government contributions would reduce. The Montessori nursery planned for a partial reopening at the end of June. The café, gift shop, and car park were planned to reopen on the 22nd June. The café would operate a takeaway service and necessary staff were taken off furlough.

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Finance Committee, still operating with delegated powers to run Insole Court, continued to meet fortnightly. A new budget and cash flow projection for the following nine months concluded that with the external finance awarded, the Court would remain solvent for that time, but after that the business must be able to trade profitably. It was assumed that income would fall significantly from pre Covid days and that Insole Court would not make a trading surplus over the next nine months. New initiatives were needed to increase room hire, particularly to offer space for cultural activities and for groups now unable to use other entertainment venues. Picnic benches were set up in the Stable Yard and an evening café bar planned with seating restricted to bookings only. The caretaker post was filled but two other posts kept vacant. From August, staff on furlough would no longer receive the additional 20% top up of their salaries.

Although the Court was open for outside events, losses were still being made. It was calculated that for the first nine months of the financial year, Insole Court had suffered a trading loss of over £131,000. Staff continued to work on new income generation schemes and introduced co-working spaces in the Motor House, offered light refreshments in the Dining Room and Billiard Room in the house, and investigated new retail opportunities in the house. However, any events in the house were still subject to social distancing, and additionally, taking staff off furlough had to be done with caution as income generated must cover the costs of their salaries.

Insole Court ended the financial year having made significant trading losses, but with sufficient cash balances in the bank from grants and loans to keep operating into the new financial year, and without having to make any staff redundancies. The Trust has offered what it was able to do to further its charitable aims. However, those aims are only as good as the income generated to afford them. Trustees and staff are all very aware that without funds there will be no Insole Court as we have known it for the last four years. The Trust is confident that its finances will recover as forecast and that it can continue to fulfil its charitable objectives.

Investment performance

On 23 March 2018, the charity set up the wholly owned trading subsidiary Insole Court Trading Company Ltd.

Insole Court Trading Company Limited commenced trading on 1 May 2018 and deals with all the commercial hires and catering, including weddings, which take place at Insole Court.

For the year ended 31 October 2020, Insole Court Trading Company Ltd made a profit of £10,865 and the directors have agreed to donate a figure of £11,218 to Insole Court Trust.

FINANCIAL REVIEW

Financial position

During the year, the charity's total income was £463,238 (2019: £518,873) of which £61,133 (2019: £24,301) has been spent on leasehold property improvement costs which have been capitalised and a further £46,172 (2019: £3,854) spent on other tangible fixed assets.

The charity reported a surplus of £91,915 after accounting for depreciation charges of £45,758, therefore there was a surplus before depreciation of £137,673 (2019: £136,335).

Insole Court trading Company Ltd, a wholly owned subsidiary, made a profit of £10,865 during the period. The surplus for the group for the year to 31 October 2020 was £102,780.

Reserves policy

At 31 October 2020 the charity held total reserves of £1,456,244. Of this, £12,725 are restricted funds, £1,204,292 has been designated in a fund equivalent to the net book value of fixed assets and £2 represents investments, leaving £239,225 as the free reserves of the charity. These free reserves include £48,037 resilience funding and £23,446 Covid stabilisation funding which will be used to mitigate future losses until the Trust can fully re-open. The trustees anticipate additional reserves will also be required until the Trust can return to making a surplus.

The trustees are aware of the importance of holding reserves now Insole Court has started its operational stage and set a target of £100,000 of free reserves. The trustees are confident that with the continued support of their funders, they will be able to maintain this minimum level of reserves despite the pandemic.

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association.

The liability of each member is limited to £1.

Recruitment and appointment of new trustees

The Board of Trustees has a comprehensive skill mix covering finance and financial planning, heritage interpretation, governance, legal, company secretarial, activity planning, architectural, and buildings.

The Trust also has a core of voluntary advisors to supplement the trustees' knowledge base.

Organisational structure

The Insole Court Trust Board has 12 trustees (currently two vacancies) and meets bi-monthly. The Board has a number of committees reporting to it viz Finance, Governance, Buildings, Heritage, Gardens, and Community Fundraising Committee. Committees must have a minimum of two trustees as members, one of which will act as Chair. The Trust Board is responsible for the overall strategy of the Charity, and for performance evaluation and assurance. A budget for the year is presented annually to the Board at the start of the financial year, and if approved, gives delegated power to staff, through the Director, to spend within the budget parameters. If necessary, the Finance Committee, which has delegated spending powers, may revise the budget during the year, and any such revisions must be reported to the Board. Requests for expenditure outside the approved budget are made to the Finance Committee, to approve or otherwise, and such action must be reported to the next Board meeting. The Insole Court Trust has set up a separate wholly owned Trading Company with five directors, who are currently also the members of the Finance Committee.

Induction and training of new trustees

The Trust has used organised away days with professional trainers for induction and training of new trustees, as well as in house training. This system of using professional trainers and consultants continues to be used to maintain trustee's skills and to manage events as the project progresses. Each trustee should have a comprehensive knowledge of the following:

- The role of trustees, which was identified as taking ultimate and collective responsibility for directing the affairs of the charity, ensuring it is solvent, well run, and delivering the charitable outcomes for the benefit of the public for which it was set up.
- The duties of trustees summarised as compliance with the law, duty of prudence, and duty of care.
- Good Governance and Leadership Principles covering understanding of the role of the trustee, the legal duties, the stewardship of assets, safeguarding the charity's purpose, overseeing the work of the charity, and managing and supporting staff and volunteers. Trustees would also be required to ensure delivery of organisational purpose, to work effectively both as individuals and as a team, to exercise effective control, to behave with integrity, and to be open and accountable.
- The skills needed by a trustee covering leadership, strategic planning, financial management and planning, knowledge of the legal framework in which the charity operates, management, and advocacy.
- Specific skills relating to heritage and community development.

Key management remuneration

Pay and remuneration of senior staff is at a level to attract and retain suitable individuals and is also governed by market forces as the Charitable Aims of the Trust are entirely dependent on revenue raised through its business activities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07705519 (England and Wales)

Registered Charity number

1145649

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Insole Court
Fairwater road
Cardiff
CF5 2LN

Trustees

W M Clarke	
E M Davey	
G F Morgan	
L W Roblin	Treasurer
D L Hamley	- resigned 1/6/2020
C O'Brien	
G J Owens	
J L Prior-Morris	
V Mitchell	
S E Neil	
D Clayton Jones	Chairman

President

N Lloyd-Edwards

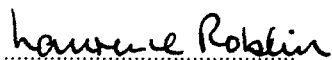
Key management personnel

G Hill - Director

Independent examiner

Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Approved by order of the Board of Trustees on 30 March 2021 and signed on its behalf by:



L W Roblin – Treasurer - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE**

Independent examiner's report to the trustees of Insole Court Trust - Ymddiredolaeth Cwrt Insole ('the Company')
I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 October 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies

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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts 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 accounts 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 accounts to be reached

Julia Mortimer FCCA
Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 6 April 2021

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2020**

		Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	261,235	15,680	276,915	170,288
Charitable activities	6				
Education and the arts		2,009	-	2,009	6,040
Community welfare		36,618	-	36,618	104,125
Other trading activities	4	81,424	-	81,424	109,351
Investment income	5	18,378	-	18,378	18,054
Other income	7	47,894	-	47,894	111,015
Total		447,558	15,680	463,238	518,873
EXPENDITURE ON					
Raising funds	8	88,734	-	88,734	101,070
Charitable activities	9				
Preservation of Insole Court		82,476	739	83,215	96,716
Education and the arts		33,003	443	33,446	37,704
Community welfare		164,155	1,773	165,928	188,062
Total		368,368	2,955	371,323	423,552
NET INCOME		79,190	12,725	91,915	95,321
RECONCILIATION OF FUNDS					
Total funds brought forward		1,364,329	-	1,364,329	1,269,008
TOTAL FUNDS CARRIED FORWARD		<u>1,443,519</u>	<u>12,725</u>	<u>1,456,244</u>	<u>1,364,329</u>

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

BALANCE SHEET
AT 31 OCTOBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	16	1,204,292	-	1,204,292	1,142,745
Investments	17	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
		1,204,294	-	1,204,294	1,142,747
CURRENT ASSETS					
Stocks	18	6,300	-	6,300	5,144
Debtors	19	23,170	-	23,170	178,458
Cash at bank and in hand		<u>293,040</u>	<u>12,725</u>	<u>305,765</u>	<u>124,900</u>
		322,510	12,725	335,235	308,502
CREDITORS					
Amounts falling due within one year	20	<u>(47,055)</u>	<u>-</u>	<u>(47,055)</u>	<u>(86,920)</u>
NET CURRENT ASSETS		<u>275,455</u>	<u>12,725</u>	<u>288,180</u>	<u>221,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,479,749	12,725	1,492,474	1,364,329
CREDITORS					
Amounts falling due after more than one year	21	<u>(36,230)</u>	<u>-</u>	<u>(36,230)</u>	<u>-</u>
NET ASSETS		<u>1,443,519</u>	<u>12,725</u>	<u>1,456,244</u>	<u>1,364,329</u>
FUNDS	24				
Unrestricted funds				1,443,519	1,364,329
Restricted funds				<u>12,725</u>	<u>-</u>
TOTAL FUNDS				<u>1,456,244</u>	<u>1,364,329</u>

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

**BALANCE SHEET - CONTINUED
AT 31 OCTOBER 2020**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2020.

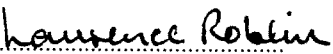
The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved for issue by the Board of Trustees on 30 March 2021 and were signed on its behalf by:



L W Roblin – Treasurer - Trustee

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	248,670	(33,862)
Interest paid		<u>(500)</u>	<u>-</u>
Net cash provided by (used in) operating activities		<u>248,170</u>	<u>(33,862)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(107,305)</u>	<u>(28,155)</u>
Net cash provided by (used in) investing activities		<u>(107,305)</u>	<u>(28,155)</u>
Cash flows from financing activities:			
New loans in year		<u>40,000</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>40,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		180,865	(62,017)
Cash and cash equivalents at the beginning of the reporting period		<u>124,900</u>	<u>186,917</u>
Cash and cash equivalents at the end of the reporting period		<u>305,765</u>	<u>124,900</u>

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	91,915	95,321
Adjustments for:		
Depreciation charges	45,759	41,004
Interest paid	500	-
Increase in stocks	(1,156)	(649)
Decrease/(increase) in debtors	155,287	(135,737)
Decrease in creditors	<u>(43,635)</u>	<u>(33,801)</u>
Net cash provided by (used in) operating activities	<u>248,670</u>	<u>(33,862)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/11/19 £	Cash flow £	At 31/10/20 £
Net cash			
Cash at bank and in hand	124,900	180,865	305,765
Debt			
Debts falling due within one year	-	(3,770)	(3,770)
Debts falling due after one year	<u>-</u>	<u>(36,230)</u>	<u>(36,230)</u>
	-	<u>(40,000)</u>	<u>(40,000)</u>
Total	<u>124,900</u>	<u>140,865</u>	<u>265,765</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1. STATUTORY INFORMATION

Insole Court Trust is a registered charity and private company limited by guarantee having no share capital. It is incorporated in Wales in the United Kingdom. The registered office is Insole Court, Fairwater Road, Cardiff, CF5 2LN. The nature of the charitable company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charitable company's functional currency, and rounded to the nearest pound.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

There have been no material departures from Financial Reporting Standard 102.

Going concern

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the charitable company's financial statements to be prepared on a going concern basis. The pandemic has resulted in a number of uncertainties arising and the trustees have taken reasonable steps to minimise the effect on the charitable company and will continue to do so. In the circumstances that have concluded that no adjustments or additional disclosures are required to the financial statements at this time.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Incoming resources from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

This includes capital grants.

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds includes the cost of fundraising and the direct costs of other trading activities as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Fixed assets are initially recorded at cost, including the estimated cost of any donated assets.

Depreciation is provided at the following annual rates in order to write off each asset over its useful economic life.

Long Leasehold Property	- 80 years on cost
Fixtures, fittings and equipment	- 5 years on cost
Computer equipment	- 3 years on cost

Fixed asset investments

Fixed asset investments are recorded at cost less any provision required for diminution in value.

Stocks

Stock is included at the lower of cost or net realisable value using the FIFO stock valuation method.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Financial instruments

The charity 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.

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

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

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020****2. ACCOUNTING POLICIES - continued****Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	29,045	17,770
Gift aid	1,760	1,519
Grants	245,586	150,519
Subscriptions	524	480
	<u>276,915</u>	<u>170,288</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
National Lottery Heritage Fund	70,435	120,518
National Lottery Community Fund	25,648	-
Big Lottery	-	11,961
ACW	23,446	-
WCVA	48,037	-
Moondance Foundation	8,000	-
Waterloo Foundation	15,000	-
CADW	-	18,040
Other grants	55,020	-
	<u>245,586</u>	<u>150,519</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Coffee shop rent	7,088	34,108
Other rental income	55,115	55,098
Facility hire fees	725	(95)
Gift shop sales	18,421	20,855
Catering and bar income	75	5
Wedding income	-	(620)
	<u>81,424</u>	<u>109,351</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020

5. INVESTMENT INCOME

	2020	2019
	£	£
Trading subsidiary donation	<u>18,378</u>	<u>18,054</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020	2019
		£	£
Entrance fees and tour income	Education and the arts	2,009	6,040
Facility hire fees	Community welfare	30,076	79,409
Activities and events income	Community welfare	<u>6,542</u>	<u>24,716</u>
		<u>38,627</u>	<u>110,165</u>

7. OTHER INCOME

	2020	2019
	£	£
Other income	(1,981)	7,305
Reimbursement of costs	-	(290)
Management fee	<u>49,875</u>	<u>104,000</u>
	<u>47,894</u>	<u>111,015</u>

8. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Fundraising	<u>1,070</u>	<u>-</u>

Other trading activities

	2020	2019
	£	£
Purchases	7,983	12,643
Staff costs	65,005	71,784
Shop operating expenses	991	1,045
Rates and water	403	638
Light and heat	5,699	8,596
Telephone and internet	1,935	1,710
Depreciation	<u>5,648</u>	<u>4,654</u>
	<u>87,664</u>	<u>101,070</u>
Aggregate amounts	<u>88,734</u>	<u>101,070</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020**

9. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 10) £	Support costs (See note 11) £	Totals £
Preservation of Insole Court	58,257	24,958	83,215
Education and the arts	18,611	14,835	33,446
Community welfare	<u>104,242</u>	<u>61,686</u>	<u>165,928</u>
	<u>181,110</u>	<u>101,479</u>	<u>282,589</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	82,195	90,475
Rates and water	1,128	1,786
Insurance	1,143	1,076
Light and heat	15,956	24,069
Telephone	5,419	4,787
Design and print	2,640	2,989
Computer and web site fees	420	105
Miscellaneous expenses	2,810	1,228
Cleaning and household goods	4,414	9,755
Activities and events costs	4,932	24,637
Property maintenance and repairs	23,177	41,518
Depreciation	<u>36,876</u>	<u>26,637</u>
	<u>181,110</u>	<u>229,062</u>

11. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
Preservation of Insole Court	18,203	524	5,331	900	24,958
Education and the arts	10,922	315	1,936	1,662	14,835
Community welfare	<u>43,688</u>	<u>1,258</u>	<u>10,093</u>	<u>6,647</u>	<u>61,686</u>
	<u>72,813</u>	<u>2,097</u>	<u>17,360</u>	<u>9,209</u>	<u>101,479</u>

12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	45,758	41,004
Independent examination fee	3,300	3,300
Operating lease payments	<u>1,031</u>	<u>1,031</u>

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2020 or for the year ended 31 October 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 October 2020 or for the year ended 31 October 2019.

14. STAFF COSTS

	2020 £	2019 £
Wages and salaries	196,600	199,164
Social security costs	12,332	10,897
Other pension costs	3,469	3,168
	<u>212,401</u>	<u>213,229</u>

Total remuneration paid to key management personnel in the year was £42,412 (2019: £42,308).

The average monthly number of employees during the year was as follows:

	2020 <u>12</u>	2019 <u>13</u>
Average employees		

No employees received emoluments in excess of £60,000.

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	11,308	158,980	170,288
Charitable activities			
Education and the arts	6,040	-	6,040
Community welfare	104,125	-	104,125
Other trading activities	109,351	-	109,351
Investment income	18,054	-	18,054
Other income	111,305	(290)	111,015
Total	360,183	158,690	518,873
EXPENDITURE ON			
Raising funds	101,070	-	101,070
Charitable activities			
Preservation of Insole Court	51,146	45,570	96,716
Education and the arts	19,938	17,766	37,704
Community welfare	99,453	88,609	188,062
Total	271,607	151,945	423,552

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME	88,576	6,745	95,321
Transfers between funds	<u>8,675</u>	<u>(8,675)</u>	<u>-</u>
Net movement in funds	97,251	(1,930)	95,321
RECONCILIATION OF FUNDS			
Total funds brought forward	1,267,078	1,930	1,269,008
TOTAL FUNDS CARRIED FORWARD	<u>1,364,329</u>	<u>-</u>	<u>1,364,329</u>

16. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 November 2019	1,128,505	100,581	27,669	1,256,755
Additions	<u>61,133</u>	<u>44,900</u>	<u>1,272</u>	<u>107,305</u>
At 31 October 2020	<u>1,189,638</u>	<u>145,481</u>	<u>28,941</u>	<u>1,364,060</u>
DEPRECIATION				
At 1 November 2019	36,650	52,222	25,138	114,010
Charge for year	<u>21,063</u>	<u>22,589</u>	<u>2,106</u>	<u>45,758</u>
At 31 October 2020	<u>57,713</u>	<u>74,811</u>	<u>27,244</u>	<u>159,768</u>
NET BOOK VALUE				
At 31 October 2020	<u>1,131,925</u>	<u>70,670</u>	<u>1,697</u>	<u>1,204,292</u>
At 31 October 2019	<u>1,091,855</u>	<u>48,359</u>	<u>2,531</u>	<u>1,142,745</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020**

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 November 2019 and 31 October 2020	<u>2</u>
NET BOOK VALUE	
At 31 October 2020	<u>2</u>
At 31 October 2019	<u>2</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Insole Court Trading Company Ltd

Nature of business: Room hire and event services

Class of share:	% holding	2020	2019
Ordinary shares	100	£	£
Aggregate capital and reserves		11,853	19,366
Profit for the year		<u>10,865</u>	<u>19,364</u>

18. STOCKS

	2020	2019
	£	£
Retail stocks	<u>6,300</u>	<u>5,144</u>

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	3,864	150,148
Amounts owed by group undertakings	1,350	17,866
Other debtors	-	1,827
VAT	12,990	-
Prepayments and accrued income	<u>4,966</u>	<u>8,617</u>
	<u>23,170</u>	<u>178,458</u>

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020**

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 22)	3,770	-
Trade creditors	15,585	31,550
Social security and other taxes	2,655	2,402
VAT	-	17,299
Other creditors	2,487	1,020
Accruals and deferred income	<u>22,558</u>	<u>34,649</u>
	<u>47,055</u>	<u>86,920</u>

Included within accruals and deferred income above is the following deferred income:

	2020	2019
	£	£
Rental income and deposit	<u>4,368</u>	<u>8,713</u>
	<u>4,368</u>	<u>8,713</u>

The deferred income relates to income received in advance of project or service delivery. All amounts brought forward have been released to the statement of financial activities in the year, except for a rental deposit of £4,368 which has been retained.

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 22)	<u>36,230</u>	<u>-</u>

22. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>3,770</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>7,694</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>24,306</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>4,230</u>	<u>-</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020

23. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	1,031	1,031
Between one and five years	516	1,547
	<u>1,547</u>	<u>2,578</u>

24. MOVEMENT IN FUNDS

	At 1/11/19 £	Net movement in funds £	Transfers between funds £	At 31/10/20 £
Unrestricted funds				
General fund	221,584	79,190	(61,547)	239,227
Fixed asset designated fund	<u>1,142,745</u>	<u>-</u>	<u>61,547</u>	<u>1,204,292</u>
	1,364,329	79,190	-	1,443,519
Restricted funds				
Friends of Insole Court fund	-	12,725	-	12,725
	<u>-</u>	<u>12,725</u>	<u>-</u>	<u>12,725</u>
TOTAL FUNDS	<u>1,364,329</u>	<u>91,915</u>	<u>-</u>	<u>1,456,244</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	447,558	(368,368)	79,190
Restricted funds			
Garden and grounds fund	2,955	(2,955)	-
Friends of Insole Court fund	<u>12,725</u>	<u>-</u>	<u>12,725</u>
	15,680	(2,955)	12,725
	<u>15,680</u>	<u>(2,955)</u>	<u>12,725</u>
TOTAL FUNDS	<u>463,238</u>	<u>(371,323)</u>	<u>91,915</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 OCTOBER 2020

24. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/11/18 £	Net movement in funds £	Transfers between funds £	At 31/10/19 £
Unrestricted Funds				
General fund	111,484	88,576	21,524	221,584
Fixed asset designated fund	<u>1,155,594</u>	<u>-</u>	<u>(12,849)</u>	<u>1,142,745</u>
	1,267,078	88,576	8,675	1,364,329
Restricted Funds				
Friends of Insole Court fund	<u>1,930</u>	<u>6,745</u>	<u>(8,675)</u>	<u>-</u>
TOTAL FUNDS	<u><u>1,269,008</u></u>	<u><u>95,321</u></u>	<u><u>-</u></u>	<u><u>1,364,329</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	360,183	(271,607)	88,576
Restricted funds			
National Lottery Heritage Fund	120,518	(120,518)	-
Big Lottery Community Asset fund	11,961	(11,961)	-
General capital renovation fund	(290)	290	-
CADW	18,040	(18,040)	-
Garden and grounds fund	1,716	(1,716)	-
Friends of Insole Court fund	<u>6,745</u>	<u>-</u>	<u>6,745</u>
	158,690	(151,945)	6,745
TOTAL FUNDS	<u><u>518,873</u></u>	<u><u>(423,552)</u></u>	<u><u>95,321</u></u>

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 OCTOBER 2020

24. MOVEMENT IN FUNDS - continued

Designated funds

Fixed asset designated fund

The fixed asset designated fund represents the net book value of tangible fixed assets.

Restricted funds

Garden and grounds fund

During the year the charity received private donations of £2,955 (2019: £1,716) for the restoration of the iris garden.

Friends of Insole Court fund

Specific donations of £12,725 have been received this year from the Friends of Insole Court, the restrictions of which have not yet been agreed.

Specific donations of £6,745 were received last year from the Friends of Insole Court for crockery and finials.

National Lottery Heritage fund

A grant from National Lottery Heritage fund was received last year towards the renovation of Insole Court.

Big Lottery Community Asset fund

Grant income from Big Lottery funding was received last year towards the renovation of Insole Court.

CADW

Grant income was received last year from CADW to assist with the costs of the ceiling repair, and other sundry capital works.

Transfers between funds

A transfer of £61,547 was made from the general fund to the fixed asset designated fund in respect of further fixed asset additions during the year, less the depreciation charged.

25. CONTINGENT LIABILITIES

The charity has recognised grant income to date of £730,575 from the Heritage Lottery Fund. Conditions exist within the grant agreement until 15 November 2021 which could result in the grant being repaid.

26. RELATED PARTY DISCLOSURES

A number of the trustees are members of The Friends of Insole Court, as such it is considered to be a related party. During the year, donations of £12,725 (2019: £100) were received from The Friends of Insole Court.

Aggregate donations of £1,440 (2019: £1,476) were received from trustees in the year in the form of supporters and patrons income.

Gregory Owens, a trustee, paid room hire fees of £Nil (2019: £24) to the charity in the year at a normal commercial rate. David Hamley, a trustee, received proceeds of £Nil (2019: £39) for a piece of artwork sold by the charity on his behalf.

Management fees of £49,875 (2019: £104,000) were received from the charity's trading subsidiary, Insole Court Trading Company Ltd. The charity has also received income and made payments on behalf of its trading subsidiary, and vice versa, during the year. As at 31 October 2020, a balance of £1,350 was due to the charity from its trading subsidiary.