

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 2022
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

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INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

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FOR THE YEAR ENDED 31 OCTOBER 2022**

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INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2022

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 2022. 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).

AIMS AND OBJECTIVES

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

The Insole Court Trust entered the financial year 2021/22 knowing that the year was going to be difficult. The budget for the year predicted a trading loss of some £22K. The actual trading loss, excluding depreciation, was some £70K for the year. However, it must be born in mind that Insole Court has been hit by the same inflationary pressures as all similar businesses, costs over which the Trust has little control such as heating & lighting, security (following significant anti-social behaviour on site), fire system maintenance, cleaning, and building maintenance. Since the Trust took over Insole Court in 2011, and then opened for business after the renovation works in 2016, this is the first year there has been a significant financial loss.

As with all businesses dealing with hospitality, Insole Court suffered enormously because of the pandemic. There was a significant drop in business at Insole Court from the continued impact of Covid, with further revisions due to Omicron. The Trust was always aware that business in 21/22 would not simply bounce back to pre-Covid levels, and that Insole Court would have to trade without furlough and grant support. In addition, the Montessori School vacated the East Wing which required investment to refurbish the spaces as small office lets. This impacted on income streams until new tenants were identified and secured.

The pandemic placed particular pressure on the Food & Beverage offer at Insole Court, as well as the plans the Trust had for expanding catering across the site. Food & Beverage produces almost half the total revenue for the Trust and so the drop in business had a damaging effect on income generation. The Trust plans to develop catering were postponed by necessity. This included the development of the Mansion kitchen to be able to cater for weddings and corporate clients rather than having to use external caterers. The Potting Shed kitchen alone is unable to support an expanded offer and so without the planned expansion, catering at Insole Court continues to be limited. The Trust has had to face the resourcing issues that are having a significant impact on the catering industry as a whole, with challenges in the recruitment of catering staff and this reflected on the Trust's ability to operate an effective business offering a good and attractive service to our customers.

The Trust has always been confident that its Business Model was satisfactory for purpose. It had sustained Insole Court since it opened for business, always providing a small surplus, paying staff and suppliers, and operating without having to resort to requests to funding bodies to bail the business out. It had always paid its way as well as satisfying its charitable objectives.

Clearly Insole Court cannot continue to make losses and change was essential. To that extent the new Chair, appointed at the last AGM, has set about changing the Board membership, identifying areas needing change, and working towards making those changes. It was rapidly realised that the usual role of trustees of non-involvement in operational issues would no longer work. It was clearly not sensible to expect staff to sort the losses as well as run the site day to day. The new trustees were chosen partly because of their professional backgrounds, and it seemed unwise not to use the abilities of the Board. Trustees therefore became temporarily involved in operational matters, which was a major change of Trust policy.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2022**

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

It was also realised that Insole Court had veered away somewhat from its charitable aims and objectives over concern for its day to day trading activities. This needed to be rectified as the stated aims and objectives are what make Insole Court so valuable to the community and the whole reason for the charity.

It was clear the Trust had two options. To return to a pre-Covid basic trading offer, or to expand the business offer. Expansion was the plan some three years ago when catering was taken in house. The café was refurbished but, as noted, Covid impacted on further development. There were well justified reasons why the Board wanted to expand the business some years ago, and these still seemed relevant. The Trust is now pursuing finance to refurbish the Mansion kitchen.

The Trust is aiming to expand the business through a greater focus on commercial activities that support its charitable aims, but with the requirement that this should be done carefully and by sourcing capital funds from outside Insole Court. Additionally, the Trust has reviewed how the business operates, to clarify the catering offer, for example, by reviewing its wedding offer. All charges have been reviewed and billing of customers streamlined to move towards payment with booking rather than raising a debtor's invoice. How spaces on site are used has been reviewed to ensure best use for the Court and its customers.

Several new events were introduced during the year. These included a number of craft markets and farmers markets, Garden talks, mindfulness walks, an open doors event, and a dog show. The Court has also been used as a film venue.

Insole Court is not alone in facing the challenges of Covid and rapid inflation. However, with the changes the Board has put in place, the Trust is confident in the turnaround that will see Insole Court return to pre-Covid stability, and in its long-term sustainability.

The Insole Court Trust would like to publicly thank its staff for their unwavering efforts and resilience through the year and the pandemic, and the volunteers who give freely of their time and efforts, and who inform and delight guests each day. The Trust firmly believes Insole Court is special, not only as the last remaining house built by the Victorian entrepreneurs of Cardiff, but also as its current role as community centre, arts centre, educational centre, and simply a place to meet friends and enjoy the Mansion and Gardens.

Investment performance

Insole Court Trading Company Limited deals with all the commercial hires and catering, including weddings, which take place at Insole Court.

For the year ended 31 October 2022, Insole Court Trading Company Limited made a deficit of £14,559.

FINANCIAL REVIEW

Financial position

During the year, the charity's total income was £359,317 (2021: £346,714) of which £21,716 (2021: £2,491) has been spent on leasehold property improvement costs which have been capitalised and a further £11,153 (2021: £7,900) spent on other tangible fixed assets.

The charity reported a deficit of £117,137 after accounting for depreciation charges of £45,211, therefore there was a deficit before depreciation of £71,926 (2021: surplus of £12,011).

Insole Court Trading Company Ltd, a wholly-owned subsidiary, made a loss of £14,559 during the period. The deficit for the group for the year to 31 October 2022 was £131,696.

Reserves policy

At 31 October 2022 the charity held total reserves of £1,296,169. Of this, £13,214 are restricted funds, £1,147,392 has been designated in a fund equivalent to the net book value of fixed assets and £2 represents investments, leaving £135,563 as the free reserves of the charity.

The trustees are aware of the importance of holding reserves and have set an increased target of £150,000 (2021: £150,000) of free reserves. The trustees are confident that with the continued support of their funders, they will be able to achieve this minimum level of reserves.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2022**

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 and usually 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 which currently has two directors.

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

Registered office

Insole Court
Fairwater road
Cardiff
County of Cardiff
CF5 2LN

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2022

Trustees

V Mitchell	Chairman (from 01/05/22)	
D Clayton-Jones	Chairman (until 30/04/22)	resigned 30/04/22
W M Clarke		
E M Davey		
G F Morgan		resigned 30/04/22
L W Roblin	Treasurer	
C O'Brien		
G J Owens		resigned 30/04/22
J L Prior-Morris		
S E Neil		resigned 30/04/22
N R Richardson		appointed 30/04/22
L E Reid		appointed 30/04/22
C E Thomas		appointed 30/04/22
K Rohman		appointed 30/04/22
M S Vasquez		appointed 30/04/22
L Humphreys		appointed 30/04/22

President

N Lloyd-Edwards

Key management personnel

G Hill - Director until December 2022

L Glanville - Chief Executive Officer from March 2023

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 14th June 2023 and signed on its behalf by:

Laurence Roblin

L W Roblin – Treasurer – Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
INSOLE COURT TRUST - YMDDIREDOLAETH 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 2022.

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 member of the Association of Chartered Certified Accountants, 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

19 June 2023

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

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

		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	28,694	500	29,194	158,303
Charitable activities	6				
Education and the arts		2,869	-	2,869	824
Community welfare		68,496	-	68,496	29,794
Other trading activities	4	120,801	-	120,801	96,701
Investment income	5	14,247	-	14,247	11,218
Other income	7	123,710	-	123,710	49,874
Total		<u>358,817</u>	<u>500</u>	<u>359,317</u>	<u>346,714</u>
EXPENDITURE ON					
Raising funds	8	112,275	-	112,275	88,839
Charitable activities	9				
Preservation of Insole Court		113,499	500	113,999	91,778
Education and the arts		37,562	-	37,562	32,228
Community welfare		212,618	-	212,618	176,807
Total		<u>475,954</u>	<u>500</u>	<u>476,454</u>	<u>389,652</u>
NET INCOME/(EXPENDITURE)		(117,137)	-	(117,137)	(42,938)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,400,092	13,214	1,413,306	1,456,244
TOTAL FUNDS CARRIED FORWARD		<u>1,282,955</u>	<u>13,214</u>	<u>1,296,169</u>	<u>1,413,306</u>

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE
**BALANCE SHEET
31 OCTOBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	16	1,147,392	-	1,147,392	1,159,734
Investments	17	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
		1,147,394	-	1,147,394	1,159,736
CURRENT ASSETS					
Stocks	18	5,454	-	5,454	8,062
Debtors	19	54,034	-	54,034	125,104
Cash at bank and in hand		<u>166,433</u>	<u>13,214</u>	<u>179,647</u>	<u>218,828</u>
		225,921	13,214	239,135	351,994
CREDITORS					
Amounts falling due within one year	20	<u>(69,056)</u>	<u>-</u>	<u>(69,056)</u>	<u>(60,975)</u>
NET CURRENT ASSETS		<u>156,865</u>	<u>13,214</u>	<u>170,079</u>	<u>291,019</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,304,259	13,214	1,317,473	1,450,755
CREDITORS					
Amounts falling due after more than one year	21	<u>(21,304)</u>	<u>-</u>	<u>(21,304)</u>	<u>(37,449)</u>
NET ASSETS		<u>1,282,955</u>	<u>13,214</u>	<u>1,296,169</u>	<u>1,413,306</u>
FUNDS	24				
Unrestricted funds				1,282,955	1,400,092
Restricted funds				<u>13,214</u>	<u>13,214</u>
TOTAL FUNDS				<u>1,296,169</u>	<u>1,413,306</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2022 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.

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

BALANCE SHEET - continued
31 OCTOBER 2022

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 by the Board of Trustees and authorised for issue on 14th June 2023 and were signed on its behalf by:

Lawrence Roblin

L W Roblin – Treasurer – Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

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 results for the year show a deficit of £117,137 (2021 - £42,938), this is after depreciation of £45,211. The budget for the year to 31 October 2022 predicted a trading loss of some £22K. However, Insole Court has been hit by inflationary pressures and other costs over which the Trust had little control seeing increases in heating and lighting, security (following significant anti-social behaviour on site), fire system maintenance, cleaning, and building maintenance.

As with all organisations dealing with hospitality, Insole Court suffered enormously because of the pandemic. In addition, the Montessori School vacated the East Wing which required investment to refurbish the spaces as small office lets. This impacted on income streams until new tenants were identified and secured.

In order to assist with securing the future of the Trust, the Board of Trustees became temporarily involved in operational matters, which was a major change of Trust policy.

The Trust and its trading subsidiary are aiming to expand the business through a greater focus on commercial activities that support the charitable aims, but with the requirement that this should be done carefully and by sourcing capital funds from outside Insole Court. Additionally the Trust has reviewed how the business operates and one area it is pursuing is finance to refurbish the Mansion kitchen.

The trustees have reviewed the budgets to May 2023 which anticipate a further small deficit to October 2023 and a return to surplus in April 2024. Management information shows the results to April 2023 as being ahead of budget.

Insole Court is not alone in facing the challenges of Covid and rapid inflation. However, with the changes the Board has put in place, the Trust is confident in the turnaround that will see Insole Court return to pre-Covid stability, and in its long term sustainability, and as such these financial statements have been prepared using the going concern basis.

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.

2. ACCOUNTING POLICIES - continued

Income

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022

2. ACCOUNTING POLICIES - continued

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.

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

	2022	2021
	£	£
Donations	19,182	13,777
Gift aid	2,457	2,011
Grants	7,105	142,119
Subscriptions	450	396
	<u>29,194</u>	<u>158,303</u>

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

	2022	2021
	£	£
Cardiff Council	4,000	20,000
ACW	3,105	-
Other grants	-	583
Welsh Government - Wales Cultural Recovery Fund	-	97,037
Job Retention Scheme	-	24,499
	<u>7,105</u>	<u>142,119</u>

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022**

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Coffee shop rent	36,000	16,088
Other rental income	59,789	63,715
Gift shop sales	<u>25,012</u>	<u>16,898</u>
	<u>120,801</u>	<u>96,701</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Trading subsidiary donation	<u>14,247</u>	<u>11,218</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Entrance fees and tour income	Education and the arts	2,869	824
Facility hire fees	Community welfare	52,626	23,814
Activities and events income	Community welfare	<u>15,870</u>	<u>5,980</u>
		<u>71,365</u>	<u>30,618</u>

7. OTHER INCOME

	2022	2021
	£	£
Other income	5,582	2,374
Reimbursement of costs	8,160	-
Management fee	<u>109,968</u>	<u>47,500</u>
	<u>123,710</u>	<u>49,874</u>

8. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Fundraising	<u>2,206</u>	<u>791</u>

Other trading activities

	2022	2021
	£	£
Purchases	14,969	8,037
Staff costs	72,449	59,460
Shop operating expenses	1,006	897
Rates and water	594	256
Light and heat	15,019	10,515
Telephone and internet	2,019	1,782
Depreciation	<u>4,013</u>	<u>7,101</u>
	<u>110,069</u>	<u>88,048</u>
Aggregate amounts	<u>112,275</u>	<u>88,839</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022**

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Preservation of Insole Court	85,542	28,457	113,999
Education and the arts	20,514	17,048	37,562
Community welfare	141,566	71,052	212,618
	<u>247,622</u>	<u>116,557</u>	<u>364,179</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	86,176	68,652
Rates and water	1,663	715
Insurance	1,287	1,250
Light and heat	42,053	29,442
Telephone	5,653	4,990
Design and print	1,880	1,877
Computer and web site fees	654	1,440
Miscellaneous expenses	3,871	2,153
Cleaning and household goods	11,842	7,335
Activities and events costs	11,229	4,992
Property maintenance and repairs	42,146	29,344
Depreciation	39,168	45,341
	<u>247,622</u>	<u>197,531</u>

11. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
Preservation of Insole Court	20,979	673	5,780	1,025	28,457
Education and the arts	12,587	404	2,385	1,672	17,048
Community welfare	50,348	1,615	12,399	6,690	71,052
	<u>83,914</u>	<u>2,692</u>	<u>20,564</u>	<u>9,387</u>	<u>116,557</u>

12. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	45,211	54,949
Independent examination fee	3,400	3,300
Operating lease payments	516	1,031

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2022 or for the year ended 31 October 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 October 2022 or for the year ended 31 October 2021.

14. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	213,947	172,438
Social security costs	7,550	10,504
Other pension costs	<u>3,899</u>	<u>3,660</u>
	<u>225,396</u>	<u>186,602</u>

Total remuneration paid to key management personnel in the year was £43,355 (2021: £43,716).

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

	2022	2021
	<u>13</u>	<u>9</u>
Average employees		

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	156,564	1,739	158,303
Charitable activities			
Education and the arts	824	-	824
Community welfare	29,794	-	29,794
Other trading activities	96,701	-	96,701
Investment income	11,218	-	11,218
Other income	49,874	-	49,874
Total	344,975	1,739	346,714
EXPENDITURE ON			
Raising funds	88,839	-	88,839
Charitable activities			
Preservation of Insole Court	90,528	1,250	91,778
Education and the arts	32,228	-	32,228
Community welfare	176,807	-	176,807
Total	388,402	1,250	389,652
NET INCOME/(EXPENDITURE)	(43,427)	489	(42,938)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,443,519	12,725	1,456,244
TOTAL FUNDS CARRIED FORWARD	1,400,092	13,214	1,413,306

16. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 November 2021	1,192,129	152,641	29,681	1,374,451
Additions	21,716	9,414	1,739	32,869
At 31 October 2022	1,213,845	162,055	31,420	1,407,320
DEPRECIATION				
At 1 November 2021	83,173	103,213	28,331	214,717
Charge for year	27,931	16,053	1,227	45,211
At 31 October 2022	111,104	119,266	29,558	259,928
NET BOOK VALUE				
At 31 October 2022	1,102,741	42,789	1,862	1,147,392
At 31 October 2021	1,108,956	49,428	1,350	1,159,734

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022**

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 November 2021 and 31 October 2022	<u>2</u>
NET BOOK VALUE	
At 31 October 2022	<u>2</u>
At 31 October 2021	<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

Registered office: Insole Court, Fairwater Road, Llandaff, Cardiff CF5 2LN

Nature of business: Room hire and event services

	% holding	2022 £	2021 £
Class of share:			
Ordinary shares	100		
Aggregate capital and reserves		(14,277)	14,529
(Loss)/profit for the year		<u>(14,559)</u>	<u>13,894</u>

18. STOCKS

	2022 £	2021 £
Retail stocks	<u>5,454</u>	<u>8,062</u>

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	6,408	5,198
Amounts owed by group undertakings	35,867	115,195
Other debtors	3,699	715
VAT	750	219
Prepayments and accrued income	<u>7,310</u>	<u>3,777</u>
	<u>54,034</u>	<u>125,104</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 22)	7,881	7,677
Other loans (see note 22)	7,748	7,748
Trade creditors	21,294	12,180
Social security and other taxes	-	3,253
Other creditors	17,594	3,233
Accruals and deferred income	14,539	26,884
	<u>69,056</u>	<u>60,975</u>

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

	2022	2021
	£	£
Rental income and deposit	305	4,368
Activities and events income	1,843	1,281
	<u>2,148</u>	<u>5,649</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.

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

	2022	2021
	£	£
Bank loans (see note 22)	21,304	29,185
Other loans (see note 22)	-	8,264
	<u>21,304</u>	<u>37,449</u>

22. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	7,881	7,677
Other loans	7,748	7,748
	<u>15,629</u>	<u>15,425</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	8,085	7,881
Other loans - 1-2 years	-	8,264
	<u>8,085</u>	<u>16,145</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	13,219	21,304

INOLE COURT TRUST - YMDDIREDOLAETH CWRT INOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2022**

23. LEASING AGREEMENTS

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

	2022 £	2021 £
Within one year	-	516

24. MOVEMENT IN FUNDS

	At 1/11/21 £	Net movement in funds £	Transfers between funds £	At 31/10/22 £
Unrestricted funds				
General fund	240,358	(117,137)	12,342	135,563
Fixed asset designated fund	1,159,734	-	(12,342)	1,147,392
	1,400,092	(117,137)	-	1,282,955
Restricted funds				
Friends of Insole Court fund	13,214	-	-	13,214
TOTAL FUNDS	1,413,306	(117,137)	-	1,296,169

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	358,817	(475,954)	(117,137)
Restricted funds			
Garden and grounds fund	500	(500)	-
TOTAL FUNDS	359,317	(476,454)	(117,137)

Comparatives for movement in funds

	At 1/11/20 £	Net movement in funds £	Transfers between funds £	At 31/10/21 £
Unrestricted funds				
General fund	239,227	(43,427)	44,558	240,358
Fixed asset designated fund	1,204,292	-	(44,558)	1,159,734
	1,443,519	(43,427)	-	1,400,092
Restricted funds				
Friends of Insole Court fund	12,725	489	-	13,214
TOTAL FUNDS	1,456,244	(42,938)	-	1,413,306

24. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	344,975	(388,402)	(43,427)
Restricted funds			
Garden and grounds fund	1,250	(1,250)	-
Friends of Insole Court fund	489	-	489
	<u>1,739</u>	<u>(1,250)</u>	<u>489</u>
TOTAL FUNDS	<u>346,714</u>	<u>(389,652)</u>	<u>(42,938)</u>

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 £500 (2021: £1,250) for the restoration of the iris garden.

Friends of Insole Court fund

On cessation of the Friends of Insole Court, all funds were transferred to the Trust to be held as a restricted fund and spent on future activities. During the year the charity received private donations of £Nil (2021: £489) for the Friends of Insole Court fund.

Transfers between funds

A transfer of £12,342 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. 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 £Nil (2021: £489) were received from The Friends of Insole Court.

Aggregate donations of £1,020 (2021: £1,451) were received from trustees in the year in the form of supporters and patrons income.

Management fees of £109,968 (2021: £47,500) 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 2022, a balance of £35,867 was due to the charity from its trading subsidiary.