

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 2023
FOR
INSOLE COURT TRUST - YMDDIREOLAETH CWRT
INSOLE**



MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

INSOLE COURT TRUST - YMDDIREDOLAETH CWRT INSOLE

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FOR THE YEAR ENDED 31 OCTOBER 2023**

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INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2023

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 2023. 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

2023/24 was very much a year of challenges and change at Insole Court with very difficult market conditions and legacy issues leading to a poor performance financially. However, this masks fundamental changes that have shown a very encouraging turnaround is possible born out in a large increase in turnover and activity on the site. Some of the changes which took place were unplanned and presented large challenges, and others were implemented to address issues which had faced Insole Court in 2022/23 and prevailed in 2023/2024.

The budget set for 2023/2024 forecast a small loss of £2,868 but it quickly became clear in the first few months that this would prove to be a challenge with losses around £64,000 by the end of February after only 4 months. The winter months had historically always proved a challenge, but rising costs, lower spending due to the cost-of-living crisis and staff and trustee changes all worked together to give Insole Court a very steep challenge for the year.

The challenges included the former director leaving Insole Court in December 2022, with a replacement not starting on a full time basis until May 2023. This led to other senior staff members having to shift focus from income generating activities and the growth plan identified in previous trustee reports in favour of ensuring the day to day running of the site. Trustee Neil Richardson was brought in as interim CEO to help during this time, but a full-time employee was needed to set the charity on a new path. We thank Laurence Roblin, the previous treasurer who retired in July after 11 years of service. The recruitment of a replacement was not easy, but a new treasurer was formerly appointed in September 2023.

Insole Court's main area of predicted growth for 23/24 centred on the Food and Beverage (F&B) offering by scaling up catering services to widen the income base beyond the seasonal Potting Shed café income. This suffered a setback with the departure of the catering manager in June 2023, her replacement being appointed from existing staff in the same month. This, alongside the gap in leadership meant that Insole Court failed to capitalise on the seasonally stronger months and the events program was not developed fully as intended in 2022/2023.

With the changes to both trustees and staff in mind, the rebuilding of Insole Court's team and approach began in the summer of 2023. A large deficit had been accrued by this time and only one month had registered a profit (April) so this urgently had to be addressed. The new CEO, Lloyd Granville worked with existing members of staff and the Board of Trustees to work towards increasing activity on site with a program of events which targeted times of the year which has historically been weak and set clear targets and responsibilities for staff so that there was more managerial structure. It was recognised that Insole Court had evolved into a place where greater governance was required, which included the recruitment of a new operations manager who would take over the day to day running of the site freeing up the time of the CEO and the Events team who had become side-tracked from their departments. A formal structure including roles and responsibilities was created and performance reviews and targets set for all members of staff and although in its early stages understanding and ownership of departments showed clear improvements.

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2023

Operationally the Board of Trustees has tried to recruit trustees with specialist experience in specific areas such as finance, fund raising, marketing and HR. In 2022/2023 two finance professionals were added to strengthen the Board's skill set and oversight. It was clear by the close of the financial year that the budget set for 2022/2023 was overly ambitious and the new Financial Committee and CEO were keen to improve the accuracy for 2023/2024 by setting a budget linked to the planned events calendar and setting more realistic targets which were still challenging but deliverable. The budget should inspire the staff to excel against mutually agreed targets and take ownership of the future prosperity of the site.

The new catering manager presented a plan to the Board in August which contained his vision to increasing the F&B income which included an overhaul of the café menu, food events on site, pop-up external kitchen 'take-overs' along with a new menu for in-house catering for smaller weddings and corporate room hire. Due to historic delivery issues, the bookings team had become reliant on external caterers so it was understood that the benefit of taking more catering in house would not be realised until later in the year and 2024.

The main challenge in 2022/2023 has been the spiralling cost of energy and food ingredients as Britain grappled with inflation and the cost-of-living crisis. As part of a review of Insole Court's costs and income streams, the trustees became aware that a very expensive forward-dated energy contract with the gas provider of the main house had been signed. This would put Insole Court into a position, from October 2023, that would jeopardise the whole viability of the organisation due to an increase of approx. £34,000pa. Negotiations with the provider and broker along with consulting solicitors took valuable staff and trustee resources and incurred cost in the respect of legal bills. This was resolved just prior to the end of the financial year with the CEO negotiating a lower rate whilst also putting in place measures to reduce our energy usage by changing our thermostat programs and taking a more efficient approach to our energy usage.

Food costs were another challenge, which had to be addressed, and work was done to improve our menu of food and ensure more was done to use social media to promote our offering. On top of this, it was realised that direct catering costs were rising at a rate that could not be supported by the sales and the trustees and Financial Committee worked with the catering manager to make sure menus were costed more efficiently and portions sizes made more consistent.

One of the major successes of the year was securing large grants from National Heritage Memorial Fund (£328,938) and Cadw (£96,250). Along with Cardiff Council and Insole Court Trust matched funding this totals £497,000 for essential repairs and upgrades. CADW funds are for external repairs only and the Lottery funds are to be used as a mix of internal and external works, with a particular attention to creating a functional house kitchen that can be used for large scale catering events, either staffed by Insole Court or run by an external company where rent and or commission is charged to reduce the risk to the Trust. This funding also will allow us to carry out our 2022 aim of widening our income base whilst having to match fund £30,000 rather than having to find the bulk of the investment ourselves.

This will allow us to safeguard the future of Insole Court and refurbish internal areas bringing them back to their former glory for future generations whilst also creating an income stream which we have not had previously. The vision is that the house kitchen could facilitate educational cooking workshops whilst also allowing us to extend our historical tours to the old Victorian kitchen areas which are currently off limits to the public.

One of the major revenue success stories was securing the relocation of the Registry office to Insole Court from City Hall on a temporary basis. This was agreed in August 2023 and they started paying rent in November 2023. This brought in a large guaranteed rental increase to Insole Court which started at around £10,600 per quarter and was set to increase throughout 2024. This provides Insole Court with several valuable opportunities, the ability to offer upgrades to registry office weddings with room hire and catering for receptions. It also provides more awareness and footfall on site with the potential for greater attendance of future events, shop and café purchases. Although this relocation was scheduled to be temporary it was hoped that if it was successful for both parties that this may become a more permanent home for the registry.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2023**

One of the major initiatives put in place by the new team was to increase activity on site, especially during more seasonally challenging times, so an events team was set up to suggest ideas for events throughout the year including utilising successful events of the past and new ideas. This meant that, as we closed the year heading into the winter, Insole Court had a program of events including lectures on the history of the site, musical events and pop-up restaurants events held in the café after hours. We tried to get a balance between events which benefited the community in line with our charitable objectives including, education and the preservation of the heritage through activities such as tours of the tower, lectures on the history of Insole Court and providing a venue for the annual Sparkle Walk for St David's Hospice. We also included events for 2024 which celebrated the lunar New Year, which would bring education of Chinese culture, and more talks on the history of Cardiff. This was on top of regular activities of garden and house tours, tours which focussed on the trees of Insole Court and welcoming people from far and wide on site into the beautiful historic grounds of Insole Court. We also decided that we would open the house over the Christmas period in 2023 as the previous year the site had remained closed leading to a large loss in December 2022. It was hoped that this would again encourage people to enjoy the site along with increase donations and use of the café or rooms for Christmas events and regular activities. Insole Court welcomed around 240,000 to the site and the actual number of visitors would far exceed this including those just using the grounds who did not enter the café or main house.

Whilst we have tried very hard to balance the needs to be self-sufficient financially and maintain our charitable objectives the new members of the Financial Committee identified that we needed to look at our rental rates for all regular hires along with our tenants as energy prices has increased so much. The team at Insole Court looked at rental rates for tenants based on sq/ft of office space and reviewed lease contracts to see where fair increases could be applied. We also tighten our credit controls to improve our cash flow on late tenant payments, again doing so in a fair and reasonable manner. We also made it a priority to review our pricing structure for F&B along with our wedding offering and tried to ensure that the barriers were removed between referrals between our events and catering team to maximise the earning opportunities of room hire at Insole.

We finished the year with a sense of optimism that we were turning a corner but that the winter months would be very testing in terms of cash flow. For this reason, we discussed a payment plan for our future VAT bills and utilising payment holiday or term extension options for our bounce back loan to try and relieve some of the pressure on a time of year which had always been challenging. This would be reviewed when the time arose taking into account a greater focus on accurate cashflow forecasting rather than just averaged profit and loss we were able to more confidently manage our reserves. We were confident that if we implemented the plans to grow renovate, protect and develop Insole Court's offering we should be in a position to deliver on the more realistic targets set.

ACHIEVEMENT AND PERFORMANCE

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 2023, Insole Court Trading Company Ltd made a deficit of £50,794.

FINANCIAL REVIEW

Financial position

During the year, the charity's total income was £417,520 (2022: £359,317) of which £9,336 (2022: £32,869) has been spent on fixed assets.

The charity reported a deficit of £94,856 after accounting for depreciation charges of £45,437, therefore there was a deficit before depreciation of £49,419 (2022: deficit of £71,926).

Insole Court Trading Company Ltd, a wholly owned subsidiary, made a loss of £50,794 during the period. The deficit for the group for the year to 31 October 2023 was £145,650 (2022: £131,696).

Reserves policy

At 31 October 2023 the charity held total reserves of £1,201,313. Of this, £22,164 are restricted funds, £1,111,291 has been designated in a fund equivalent to the net book value of fixed assets and £2 represents investments, leaving £67,856 as the free reserves of the charity.

The trustees are aware of the importance of holding reserves although the target set in 2022 of increasing reserves to £150,000 proved to be unobtainable as the charity faced numerous obstacles which led to the depletion of reserves. The focus switched to ensuring that the charity stemmed the losses and returned to profit along with managing its' cashflow during the quiet winter months. Although it would still be the goal to reach reserves of £150,000 it is not wise to set targets that are unrealistic and at present it is more realistic to aim for a modest increase to around £60,000 of reserves by the end of October 2024.

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2023

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 - YMDDIREOLAETH CWRT INSOLE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 OCTOBER 2023**

Trustees

W M Clarke
E M Davey
L W Roblin (resigned 4/7/2023)
C O'Brien
J L Prior-Morris
V Mitchell
N R Richardson
L E Reid
C E Thomas
K Rohman
M S Vasquez
L Humphreys
M Ashcroft (appointed 19/9/2023)
J J Nicholson Ashcroft (appointed 19/9/2023)

President

N Lloyd-Edwards

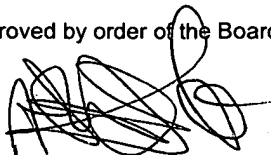
Key management personnel

G Hill - Director until December 2022
L Glanville - Chief Executive Officer from March 2023

Independent Examiner

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Approved by order of the Board of Trustees on 13 June 2024 and signed on its behalf by:



.....
J J Nicholson Ashcroft - 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 2023.

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

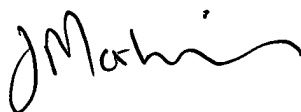
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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 draw your attention to the disclosure made in note 2 to the financial statements concerning the charity's ability to continue as a going concern. The charity is showing net expenditure of £94,856 for the year to 31 October 2023, this has reduced free reserves to £67,856 and as such future deficits at this level are not sustainable. In addition, the wholly owned trading subsidiary has net liabilities of £65,071. The matters detailed in note 2, indicate that some uncertainty exists which may cast significant doubt on the charity's ability to continue as a going concern. We have, however, concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

I have no other 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
MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
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CARDIFF
CF23 8RS

Date: 21 June 2024

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2023**

		Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	36,497	11,500	47,997	29,194
Charitable activities	6				
Education and the arts		3,635	-	3,635	2,869
Community welfare		72,943	-	72,943	68,496
Other trading activities	4	104,110	-	104,110	120,801
Investment income	5	-	-	-	14,247
Other income	7	186,422	2,413	188,835	123,710
Total		<u>403,607</u>	<u>13,913</u>	<u>417,520</u>	<u>359,317</u>
EXPENDITURE ON					
Raising funds	8	141,624	-	141,624	112,275
Charitable activities	9				
Preservation of Insole Court		113,738	4,963	118,701	113,999
Education and the arts		36,358	-	36,358	37,562
Community welfare		215,693	-	215,693	212,618
Total		<u>507,413</u>	<u>4,963</u>	<u>512,376</u>	<u>476,454</u>
NET INCOME/(EXPENDITURE)		(103,806)	8,950	(94,856)	(117,137)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,282,955	13,214	1,296,169	1,413,306
TOTAL FUNDS CARRIED FORWARD		<u>1,179,149</u>	<u>22,164</u>	<u>1,201,313</u>	<u>1,296,169</u>

The notes form part of these financial statements

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

**BALANCE SHEET
31 OCTOBER 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	16	1,111,291	-	1,111,291	1,147,392
Investments	17	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
		1,111,293	-	1,111,293	1,147,394
CURRENT ASSETS					
Stocks	18	7,440	-	7,440	5,454
Debtors	19	77,543	-	77,543	54,034
Cash at bank and in hand		<u>69,719</u>	<u>22,164</u>	<u>91,883</u>	<u>179,647</u>
		154,702	22,164	176,866	239,135
CREDITORS					
Amounts falling due within one year	20	(73,423)	-	(73,423)	(69,056)
NET CURRENT ASSETS		<u>81,279</u>	<u>22,164</u>	<u>103,443</u>	<u>170,079</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,192,572	22,164	1,214,736	1,317,473
CREDITORS					
Amounts falling due after more than one year	21	(13,423)	-	(13,423)	(21,304)
NET ASSETS		<u>1,179,149</u>	<u>22,164</u>	<u>1,201,313</u>	<u>1,296,169</u>
FUNDS	23				
Unrestricted funds				1,179,149	1,282,955
Restricted funds				<u>22,164</u>	<u>13,214</u>
TOTAL FUNDS				<u>1,201,313</u>	<u>1,296,169</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2023 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 2023

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 13 June 2024 and were signed on its behalf by:



J J Nicholson Ashcroft - Trustee

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

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 £94,856 (2022 - £117,137), this is after depreciation of £45,437. The budget for the year to 31 October 2023 predicted a trading loss of some £3K. However, as discussed in detail in the Report of the Trustees, rising costs, lower spending due to the cost-of-living crisis and staff and trustee changes all worked together to prove a challenging year for Insole Court.

The loss of the director in December 2022, meant other senior staff members having to shift focus from income generation to day-to-day operations. Change in staff dealing with the food and beverage offering meant that Insole Court failed to capitalise on the seasonally stronger months and the events program was not developed fully as intended in 2022/2023.

The new CEO, Lloyd Granville worked with existing members of staff and the Board of Trustees to increase activity on site and set clear targets and responsibilities for staff so that there was more managerial structure.

It was clear by the close of the financial year that the budget set for 2022/23 was overly ambitious and the new Financial Committee and CEO were keen to improve the accuracy for 2023/24 by setting a budget linked to the planned events calendar and setting more realistic targets which were still challenging but deliverable. After adjusting for actual results to end of April 2024, the budgeted result for the group to 31 October 2024 is a breakeven position, with a return to surplus in 2024/25.

Securing large grants from National Heritage Memorial Fund (£328,938) and Cadw (£96,250) safeguards the future of Insole Court and allows for refurbishment of internal areas bringing them back to their former glory for future generations whilst also creating a new income stream. In addition, the relocation of the Registry office to Insole Court from City Hall provides additional income and several valuable opportunities.

With the changes the Board has put in place, the Trust is confident in the turnaround that will see Insole Court return to 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 2023

2. ACCOUNTING POLICIES - continued

Taxation

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

	2023	2022
	£	£
Donations	37,292	19,182
Gift aid	6,825	2,457
Grants	3,500	7,105
Subscriptions	380	450
	<u>47,997</u>	<u>29,194</u>

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

	2023	2022
	£	£
Cardiff Council	-	4,000
ACW	-	3,105
Simon Gibson Charitable Trust	2,000	-
Warm Spaces at Insole Court	<u>1,500</u>	-
	<u>3,500</u>	<u>7,105</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Coffee shop rent	-	36,000
Other rental income	77,184	59,789
Gift shop sales	26,926	25,012
	<u>104,110</u>	<u>120,801</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Trading subsidiary donation	-	14,247

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Entrance fees and tour income	Education and the arts	3,635	2,869
Facility hire fees	Community welfare	53,190	52,626
Activities and events income	Community welfare	19,753	15,870
		<u>76,578</u>	<u>71,365</u>

7. OTHER INCOME

	2023	2022
	£	£
Other income	11,545	5,582
Reimbursement of costs	15,240	8,160
Management fee	162,050	109,968
	<u>188,835</u>	<u>123,710</u>

8. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Fundraising	4,422	2,206

Other trading activities

	2023	2022
	£	£
Purchases	12,578	14,969
Staff costs	70,454	72,449
Legal and professional fees	29,903	-
Shop operating expenses	713	1,006
Rates and water	657	594
Light and heat	17,013	15,019
Telephone and internet	2,333	2,019
Depreciation	3,551	4,013
	<u>137,202</u>	<u>110,069</u>
Aggregate amounts	<u>141,624</u>	<u>112,275</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Preservation of Insole Court	89,333	29,368	118,701
Education and the arts	20,061	16,297	36,358
Community welfare	<u>147,342</u>	<u>68,351</u>	<u>215,693</u>
	<u>256,736</u>	<u>114,016</u>	<u>370,752</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	83,912	86,176
Rates and water	1,840	1,663
Insurance	1,375	1,287
Light and heat	47,636	42,053
Telephone	6,532	5,653
Design and print	637	1,880
Computer and web site fees	1,617	654
Miscellaneous expenses	3,479	3,871
Cleaning and household goods	11,409	11,842
Activities and events costs	9,177	11,229
Property maintenance and repairs	45,267	42,146
Legal and professional fees	4,062	-
Depreciation	<u>39,793</u>	<u>39,168</u>
	<u>256,736</u>	<u>247,622</u>

11. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
Preservation of Insole Court	21,871	660	5,987	850	29,368
Education and the arts	13,122	396	2,116	663	16,297
Community welfare	<u>52,484</u>	<u>1,583</u>	<u>11,633</u>	<u>2,651</u>	<u>68,351</u>
	<u>87,477</u>	<u>2,639</u>	<u>19,736</u>	<u>4,164</u>	<u>114,016</u>

12. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Depreciation - owned assets	45,437	45,211
Independent examination fee	3,400	3,400
Operating lease payments	<u>-</u>	<u>516</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2023 or for the year ended 31 October 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 October 2023 or for the year ended 31 October 2022.

14. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	208,458	213,947
Social security costs	9,096	7,550
Other pension costs	<u>3,486</u>	<u>3,899</u>
	<u>221,040</u>	<u>225,396</u>

Total remuneration paid to key management personnel in the year was £31,818 (2022: £43,355).

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

	2023	2022
Average employees	<u>15</u>	<u>13</u>

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

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE
**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**
15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	28,694	500	29,194
Charitable activities			
Education and the arts	2,869	-	2,869
Community welfare	68,496	-	68,496
Other trading activities	120,801	-	120,801
Investment income	14,247	-	14,247
Other income	123,710	-	123,710
Total	<u>358,817</u>	<u>500</u>	<u>359,317</u>
EXPENDITURE ON			
Raising funds	112,275	-	112,275
Charitable activities			
Preservation of Insole Court	113,499	500	113,999
Education and the arts	37,562	-	37,562
Community welfare	212,618	-	212,618
Total	<u>475,954</u>	<u>500</u>	<u>476,454</u>
NET INCOME/(EXPENDITURE)	(117,137)	-	(117,137)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,400,092	13,214	1,413,306
TOTAL FUNDS CARRIED FORWARD	<u>1,282,955</u>	<u>13,214</u>	<u>1,296,169</u>

16. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 November 2022	1,213,845	162,055	31,420	1,407,320
Additions	-	4,588	4,748	9,336
At 31 October 2023	<u>1,213,845</u>	<u>166,643</u>	<u>36,168</u>	<u>1,416,656</u>
DEPRECIATION				
At 1 November 2022	111,104	119,266	29,558	259,928
Charge for year	29,852	14,202	1,383	45,437
At 31 October 2023	<u>140,956</u>	<u>133,468</u>	<u>30,941</u>	<u>305,365</u>
NET BOOK VALUE				
At 31 October 2023	<u>1,072,889</u>	<u>33,175</u>	<u>5,227</u>	<u>1,111,291</u>
At 31 October 2022	<u>1,102,741</u>	<u>42,789</u>	<u>1,862</u>	<u>1,147,392</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 November 2022 and 31 October 2023	<u>2</u>
NET BOOK VALUE	
At 31 October 2023	<u>2</u>
At 31 October 2022	<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	2023 £	2022 £
Class of share:			
Ordinary shares	100		
Aggregate capital and reserves		(65,073)	(14,277)
Loss for the year		<u>(50,794)</u>	<u>(14,559)</u>

18. STOCKS

	2023 £	2022 £
Retail stocks	<u>7,440</u>	<u>5,454</u>

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	5,649	6,408
Amounts owed by group undertakings	53,095	35,867
Other debtors	108	3,699
VAT	9,546	750
Prepayments and accrued income	<u>9,145</u>	<u>7,310</u>
	<u>77,543</u>	<u>54,034</u>

INSOLE COURT TRUST - YMDDIREOLAETH CWRT INSOLE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 22)	7,881	7,881
Other loans (see note 22)	-	7,748
Trade creditors	18,108	21,294
Social security and other taxes	6,642	-
Other creditors	18,668	17,594
Accruals and deferred income	<u>22,124</u>	<u>14,539</u>
	<u>73,423</u>	<u>69,056</u>

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

	2023	2022
	£	£
Rental income and deposit	771	305
Activities and events income	<u>771</u>	<u>1,843</u>
	<u>771</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

	2023	2022
	£	£
Bank loans (see note 22)	<u>13,423</u>	<u>21,304</u>

22. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	7,881	7,881
Other loans	<u>-</u>	<u>7,748</u>
	<u>7,881</u>	<u>15,629</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>8,085</u>	<u>8,085</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>5,338</u>	<u>13,219</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE
**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**
23. MOVEMENT IN FUNDS

	At 1/11/22 £	Net movement in funds £	Transfers between funds £	At 31/10/23 £
Unrestricted funds				
General fund	135,563	(103,806)	36,101	67,858
Fixed asset designated fund	<u>1,147,392</u>	<u>-</u>	<u>(36,101)</u>	<u>1,111,291</u>
	1,282,955	(103,806)	-	1,179,149
Restricted funds				
Garden and grounds fund	-	2,413	-	2,413
Friends of Insole Court fund	13,214	(2,000)	-	11,214
Memorial garden fund	<u>-</u>	<u>8,537</u>	<u>-</u>	<u>8,537</u>
	13,214	8,950	-	22,164
TOTAL FUNDS	<u>1,296,169</u>	<u>(94,856)</u>	<u>-</u>	<u>1,201,313</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	403,607	(507,413)	(103,806)
Restricted funds			
Garden and grounds fund	2,413	-	2,413
Friends of Insole Court fund	-	(2,000)	(2,000)
Memorial garden fund	10,000	(1,463)	8,537
Warm Spaces at Insole Court	<u>1,500</u>	<u>(1,500)</u>	<u>-</u>
	13,913	(4,963)	8,950
TOTAL FUNDS	<u>417,520</u>	<u>(512,376)</u>	<u>(94,856)</u>

Comparatives for 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	<u>1,159,734</u>	<u>-</u>	<u>(12,342)</u>	<u>1,147,392</u>
	1,400,092	(117,137)	-	1,282,955
Restricted funds				
Friends of Insole Court fund	13,214	-	-	13,214
TOTAL FUNDS	<u>1,413,306</u>	<u>(117,137)</u>	<u>-</u>	<u>1,296,169</u>

INSOLE COURT TRUST - YMDDIREDLAETH CWRT INSOLE**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023****23. 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	358,817	(475,954)	(117,137)
Restricted funds			
Garden and grounds fund	500	(500)	-
TOTAL FUNDS	<u>359,317</u>	<u>(476,454)</u>	<u>(117,137)</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 £2,413 (2022: £500) for the restoration of the iris garden.

Memorial garden fund

During the year, the charity received £10,000 for work performed to the Memorial Garden. The expenditure during the year relates to the Brunel Engraving.

Warm Spaces at Insole Court

Grant income of £1,500 was received during the year in relation to the Warm Spaces initiative. This was restricted to the cost of utilities, of which was spent immediately.

Transfers between funds

A transfer of £36,101 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.

24. RELATED PARTY DISCLOSURES

Aggregate donations of £930 (2022: £1,020) were received from trustees in the year in the form of supporters and patrons income.

A restricted donations of £10,000 was received from a trustee.

Management fees of £162,050 (2022: £109,968) 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 2023, a balance of £53,095 was due to the charity from its trading subsidiary.

Payments of £21,875 were made to Neil Richardson Consulting Limited, a company owned by a trustee, in respect of consultancy services.