

Charity registration number: 1182553

Lindenleaf CIO

Annual Report and Financial Statements

for the Year Ended 5 April 2024

King Morte Proud and Co Ltd
Kings Arms Vaults
Watton
Brecon
Powys
LD3 7EF

Lindenleaf CIO

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Lindenleaf CIO

Reference and Administrative Details

Trustees	E Haycox
	P Greatbatch
	T B Howells
	H Horton
Charity Registration Number	1182553
Registered Office	Flat 2
	Y Gelli Chambers
	10 Broad Street
	Hay on Wye
	HR3 5DB
Independent Examiner	King Morter Proud and Co Ltd
	Kings Arms Vaults
	Watton
	Brecon
	Powys
	LD3 7EF

Lindenleaf CIO

Strategic Report for the Year Ended 5 April 2024

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 5 April 2024, in compliance with s414C of the Companies Act 2006.

Achievements and performance

The Charity continued its relationship with Menedek haz's Workshop Project in Hungary. Under the supervision of a social worker, a safe and stimulating meeting place is provided for young people from difficult family situations. The project includes attendance and participation in outdoor sporting events and activities, and opportunities to develop practical skills (repair and maintenance of bicycles). The agreement signed in April 2021 extended Lindenleaf's support for an additional three years, which was slightly increased in 2023 to offset the loss of support from the charity's parent organisation.

In addition, Lindenleaf was pleased to extend its support of The Marches Family Network which provides support to families of children with complex needs.

Lindenleaf continued its support of the Hay-on-Wye based Family Place Foundation which supports camps to help fostered, adopted and kinship-care children, adolescents and their families deal with the relationship and emotional issues arising from family trauma.

The second tranche of a three-year commitment to Hay Dial-a-Ride was released. This long-established group provides community transport services (particularly to older people) to help them continue to live independent lives. Lindenleaf's grant will be used in such areas as Dial-a-Ride's hardship fund (to help, where necessary, individuals and their carers meet the costs of the service); regular shopping and trips to the bank; and periodic special outings.

As approved by the Trustees in the previous financial year, Lindenleaf also paid the final tranche of £139,000 under its £939,000 loan/guarantee agreement with Hay Castle Trust as disclosed in note 13 of the accounts.

Financial review

Details of income are shown on page 20 of these accounts.

Incoming resources amounted to £30,224 (2023: £20,661). Total resources expended came to £36,581 (2023: £45,457).

Gains on investments (unrealised) totalled £107,612 during the year (2023: losses £81,351).

Lindenleaf CIO

Strategic Report for the Year Ended 5 April 2024

Policy on reserves

The Charity's policy is to hold substantial liquid assets in order to be able to fund any potentially large opportunities which may from time to time arise in its area of operation. Any such grants would necessarily be made from capital.

In addition, income generating investments are held, and the policy is to distribute the income and gains from these investments as grants. Currently there is a balance of £1,895,597 (2023: £1,895,597) held as unrestricted funds.

The Charity bought investments in iShares Gilts ETF in the year worth £494,690. At 5th April 2024, the market value of total investments was £1,007,814 (2023: £405,512). The value of the Charity's investments increased during the year as a result of a number of global economic factors.

Funds in deficit

There were no funds in deficit at the year end.

Principal funding sources

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Aims and key objectives for future periods

The Charity will continue to actively search out suitable potential recipients for support in its areas of operation. The Charity has no paid staff but relies on the networks of its Trustees. It is, therefore, crucial that any recipients should have a clearly defined project, together with the resources and demonstrated ability to deliver the desired outcomes.

The strategic report was approved by the trustees of the charity on 2 December 2024 and signed on its behalf by:



P Greatbatch
Trustee

Lindenleaf CIO

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 5 April 2024.

Objectives and activities

Objects and aims

The Charity's aim is to identify and support through its grants, groups that have the ability to promote community development or the alleviation of poverty in its designated areas of operation - namely in the Welsh Marches (on both sides of the English/Welsh borders around the town of Hay-on-Wye) and in Hungary.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	E Haycox
	P Greatbatch
	T B Howells
	H Horton

Structure, governance and management

Recruitment and appointment of trustees

The statutory power of adopting new or additional Trustees is vested in the Trustees. The day to day administration of the Charity is carried out by the Trustees. Trustees are expected to identify their training needs and take measures to ensure these needs are met.

Statement of trustees' responsibilities

The trustees (who are also the directors of Lindenleaf CIO for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Lindenleaf CIO

Trustees' Report

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

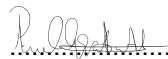
The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 2 December 2024 and signed on its behalf by:



P Greatbatch
Trustee

Lindenleaf CIO

Independent Examiner's Report to the trustees of Lindenleaf CIO ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 5 April 2024.

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

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 Lindenleaf CIO 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.

.....
Mr J L Bromley FCA
Chartered Accountant

Kings Arms Vaults
Watton
Brecon
Powys
LD3 7EF

Lindenleaf CIO

Independent Examiner's Report to the trustees of Lindenleaf CIO ('the Company')

2 December 2024

Lindenleaf CIO

Statement of Financial Activities for the Year Ended 5 April 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2024 £
Income and Endowments from:			
Investment income	3	30,224	30,224
Total income		30,224	30,224
Expenditure on:			
Charitable activities	4	(36,581)	(36,581)
Total expenditure		(36,581)	(36,581)
Net expenditure		(6,357)	(6,357)
Other recognised gains and losses			
Gains/losses on revaluation of fixed assets		107,612	107,612
Net movement in funds		101,255	101,255
Reconciliation of funds			
Total funds brought forward		1,895,597	1,895,597
Total funds carried forward		1,996,852	1,996,852
	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Investment income	3	20,661	20,661
Total income		20,661	20,661
Expenditure on:			
Charitable activities	4	(45,457)	(45,457)
Total expenditure		(45,457)	(45,457)
Net expenditure		(24,796)	(24,796)
Other recognised gains and losses			
Gains/losses on revaluation of fixed assets		(81,351)	(81,351)
Net movement in funds		(106,147)	(106,147)
Reconciliation of funds			
Total funds brought forward		2,001,744	2,001,744
Total funds carried forward		1,895,597	1,895,597

The notes on pages 11 to 22 form an integral part of these financial statements.

Lindenleaf CIO

**Statement of Financial Activities for the Year Ended 5 April 2024
(Including Income and Expenditure Account and Statement of Total Recognised
Gains and Losses)**

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 11 to 22 form an integral part of these financial statements.

Lindenleaf CIO

(Registration number:) Balance Sheet as at 5 April 2024

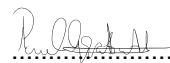
	Note	2024 £	2023 £
Fixed assets			
Investments	9	1,007,814	405,512
Current assets			
Debtors	10	939,000	800,000
Cash at bank and in hand	11	<u>52,796</u>	<u>695,009</u>
		991,796	1,495,009
Creditors: Amounts falling due within one year	12	<u>(2,758)</u>	<u>(4,924)</u>
Net current assets		<u>989,038</u>	<u>1,490,085</u>
Net assets		<u>1,996,852</u>	<u>1,895,597</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,996,852</u>	<u>1,895,597</u>
Total funds		<u>1,996,852</u>	<u>1,895,597</u>

For the financial year ending 5 April 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 8 to 22 were approved by the trustees, and authorised for issue on 2 December 2024 and signed on their behalf by:



P Greatbatch
Trustee

The notes on pages 11 to 22 form an integral part of these financial statements.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Flat 2
Y Gelli Chambers
10 Broad Street
Hay on Wye
HR3 5DB

These financial statements were authorised for issue by the trustees on 2 December 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

Income and endowments

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure 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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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Notes to the Financial Statements for the Year Ended 5 April 2024

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Investment income

	Unrestricted funds General £	Total funds £
Income from dividends;		
Dividends receivable from group undertakings	29,099	29,099
Interest receivable and similar income;		
Interest receivable on bank deposits	1,125	1,125
Total for 2024	30,224	30,224
Total for 2023	20,661	20,661

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Grant funding of activities		33,560	33,560
Governance costs	5	3,021	3,021
Total for 2024		<u>36,581</u>	<u>36,581</u>
Total for 2023		<u>45,457</u>	<u>45,457</u>

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Accountancy fees		
Other fees paid to auditors	2,394	2,394
Other governance costs	627	627
Total for 2024	<u>3,021</u>	<u>3,021</u>
Total for 2023	<u>2,798</u>	<u>2,798</u>

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

6 Grant-making

Analysis of grants

	Grants to institutions	
	2024	2023
	£	£
Analysis		
Menedek haz Shelter	14,060	11,659
Marches Family Network	12,000	12,000
Hay & District Dial-a-Ride	-	11,500
Hay Youth Development Group	-	500
Family Place	7,500	7,000
	<u>33,560</u>	<u>42,659</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

There were no employees during the year.

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Fixed asset investments

	2024	2023
	£	£
Other investments	<u>1,007,814</u>	<u>405,512</u>

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 6 April 2023	405,512	405,512
Additions	614,512	614,512
Disposals	<u>(12,210)</u>	<u>(12,210)</u>
At 5 April 2024	<u>1,007,814</u>	<u>1,007,814</u>
Net book value		
At 5 April 2024	<u>1,007,814</u>	<u>1,007,814</u>
At 5 April 2023	<u>405,512</u>	<u>405,512</u>

10 Debtors

	2024 £	2023 £
Other debtors	<u>939,000</u>	<u>800,000</u>

Other debtors comprise a concessional loan of £939,000 (2023 £800,000) drawn down for working capital purposes, during the current and prior year by Hay Castle Trust Limited, as an advance against Lindenleaf's commitment to meet the anticipated funding deficit outlined in note 13. The loan satisfies the charitable purposes of the charity as it has been made to further the restoration of the town centre cattle in Hay-on-Wye.

11 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	<u>52,796</u>	<u>695,009</u>

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	<u>2,758</u>	<u>4,924</u>

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

13 Financial commitments, guarantees and contingent liabilities

During the year ended 5th April 2014, a grant of over £2.0 million to Hay Castle Trust ("HCT") was the Charity's largest ever donation.

In July 2016, Lindenleaf Charitable Trust signed a loan-guarantee agreement (transferred to Lindenleaf CIO during the 2020 year) with HCT, (whose aim is the restoration of the historic town-centre castle in Hay-on-Wye for conservation, education and community purposes), whereby the Charity acted as guarantor of the match-funding requirement specified in HCT's agreement with the Heritage Lottery Fund (the predecessor of the National Lottery Fund for Heritage). The latter organisation, following its original Development Phase award of £600,000 to HCT, subsequently awarded an additional £4.8 million for the project's Delivery Phase, contingent on the residual amount (then £1.5 million) being raised from private sources. At the time of signing the agreement, the guarantee amount needed to allow work to start was approximately £939,000.

However, in late 2017, following the unexpectedly high level of the tenders received from prospective lead contractors, HCT was obliged to mitigate the increased cost of the project (of approximately £1.25 million) through a "value-engineering" exercise which identified £886,000 of expenses which could be postponed or eliminated while leaving the scope of the project intact.

In addition, HCT was advised that some of the commitments made by outside funders that had been allocated to its capital campaign should be more properly booked against its future operating budget.

More recently, the inevitable dislocations caused by the Covid-19 lockdowns, with a subsequent scarcity of building materials and delays in delivery of some key steel components (which needed to be re-engineered) all resulted in additional costs to HCT's restoration project. HCT now expects a total project cost of £8.0 million compared to its previously revised budget of £6.6 million.

As a result, HCT stepped up its fund-raising efforts and was successful in winning additional funding from the National Lottery Fund for Heritage, as well as commitments from the Welsh Cultural Recovery Fund and the Cardiff-based Moondance Foundation.

Based on the above, in the 2021 accounts, Lindenleaf had undertaken to meet HCT's expected total funding shortfall, to be in excess of £508,000, with the expectation that additional costs would become apparent as a result of the economic dislocations caused by the aftermath of the Covid-19 pandemic.

During the 2022 financial year, the Charity received a formal request from HCT to draw down a third tranche of its working capital facility to bring the total drawdown to £650,000. This facility is repayable as part of Lindenleaf's total commitment to HCT.

In September 2021, as a result of further project delays, HCT produced a revised budget based on a project completion date in January 2022. Under this "most likely scenario" the funding shortfall was again increased to £800,000, which Lindenleaf undertook to meet, subject to safeguards if the actual deficit proved to be lower than this figure.

Lindenleaf has no further financial obligations to Hay Castle Trust.

Lindenleaf CIO

Notes to the Financial Statements for the Year Ended 5 April 2024

14 Related party transactions

At the year end, £939,000 (2023 £800,000) was due to the Charity from Hay Castle Trust Limited in the form of a loan to support the work of reconstructing Hay Castle. Further details are in notes 10 and 13.

15 Charity merger

During the 2020 year, Lindenleaf Charitable Trust, an unincorporated entity registered under the charity number 1124672 merged with Lindenleaf CIO. Lindenleaf CIO became operational on 18th October 2019, at which date all assets and liabilities of Lindenleaf Charitable Trust were transferred to Lindenleaf CIO and the activities of Lindenleaf Charitable Trust ceased.

Lindenleaf CIO

Statement of Financial Activities by fund for the Year Ended 5 April 2024

Unrestricted Funds

	Total Unrestricted Funds 2024 £	Total Unrestricted Funds 2023 £
Income and Endowments from:		
Investment income	<u>30,224</u>	<u>20,661</u>
Total income	<u>30,224</u>	<u>20,661</u>
Expenditure on:		
Charitable activities	<u>(36,581)</u>	<u>(45,457)</u>
Total expenditure	<u>(36,581)</u>	<u>(45,457)</u>
Net expenditure	<u>(6,357)</u>	<u>(24,796)</u>
Net movement in funds	(6,357)	(24,796)
Reconciliation of funds		
Total funds brought forward	<u>1,895,597</u>	<u>2,001,744</u>
Total funds carried forward	<u><u>1,889,240</u></u>	<u><u>1,976,948</u></u>

Lindenleaf CIO

Detailed Statement of Financial Activities for the Year Ended 5 April 2024

	Total 2024 £	Total 2023 £
Income and Endowments from:		
Investment income (analysed below)	30,224	20,661
Total income	<u>30,224</u>	<u>20,661</u>
Expenditure on:		
Charitable activities (analysed below)	(36,581)	(45,457)
Total expenditure	(36,581)	(45,457)
(Gain)/loss on programme related investments	107,612	(81,351)
Net income/(expenditure)	<u>101,255</u>	<u>(106,147)</u>
Net movement in funds	101,255	(106,147)
Reconciliation of funds		
Total funds brought forward	1,895,597	2,001,744
Total funds carried forward	<u><u>1,996,852</u></u>	<u><u>1,895,597</u></u>

Lindenleaf CIO

Detailed Statement of Financial Activities for the Year Ended 5 April 2024

	Total 2024 £	Total 2023 £
<i>Investment income</i>		
Dividends from shares in group undertakings	29,099	19,123
Interest on cash deposits	<u>1,125</u>	<u>1,538</u>
	<u>30,224</u>	<u>20,661</u>
<i>Charitable activities</i>		
Grants payable - institutions	(33,560)	(42,659)
Accountancy fees	(2,394)	(2,280)
Bank charges	<u>(627)</u>	<u>(518)</u>
	<u>(36,581)</u>	<u>(45,457)</u>