

**THE PATCH FOUNDATION CIO**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**PERIOD ENDED 31 DECEMBER 2022**

**THE PATCH FOUNDATION CIO**

**REPORT OF THE BOARD**

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## **THE PATCH FOUNDATION CIO**

### **REPORT OF THE BOARD**

The Board is pleased to present its report and audited financial statements for the period ended 31 December 2022.

#### **Reference and administration information**

Charity Name	The Patch Foundation CIO
Charity Registration Number	1196435

#### **Board of Trustees**

The Board is composed of the following individuals:

Angus Ball (Chair)	Appointed 5 November 2021
Hilary Simmons	Appointed 5 November 2021
Rachael Louise Luckraft	Appointed 5 November 2021

#### **Registered Office**

CourtX Tennis  
Pavillion  
Eastern Parade  
Southsea  
Hampshire  
PO4 9RF

#### **Auditors**

Barnett & Turner Accountants Ltd  
68 West Gate  
Mansfield  
Nottinghamshire  
NG18 1RR

# **THE PATCH FOUNDATION CIO**

## **REPORT OF THE BOARD**

### **Structure, Governance and Management**

#### **Governing Document**

The organisation is a foundation charitable incorporated organisation (CIO) and was registered with the Charity Commission for England and Wales on 5 November 2021. The charity is governed by its constitution.

#### **Trustees**

The trustees who served during the period were as follows:

Angus Ball (Chair) (Appointed 5 November 2021)  
Hilary Simmons (Appointed 5 November 2021)  
Rachael Louise Luckraft (Appointed 5 November 2021)

#### **Risk Management**

Consideration has been given to the risks to which the charity may be exposed, and it is considered that the systems that have been established are suitable for the minimisation of such risks, for safeguarding of the assets of the charity, and for the prevention and detection of fraud.

#### **Public Benefit**

In planning the charity's activities for the period regard has been given to the Charity Commission guidance on public benefit.

#### **Organisational Structure**

The charity is governed by its board of volunteer trustees who are responsible for overseeing strategy and policy, approving annual budgets and accounts, and who work in conjunction with the senior executive staff. Attendance at meetings, interests and skills are monitored and reviewed annually.

Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

#### **Objectives and activities**

The Charity's objects and principal activities are to:

- Promote community participation in healthy recreation.
- Promote art and the advancement of education in the arts.
- To provide assistance in the provision of facilities in the interests of social welfare for recreation or leisure for individuals who have need of such facilities by reason of age, infirmity or disability.

## **THE PATCH FOUNDATION CIO**

### **REPORT OF THE BOARD**

#### **Review of the period**

On 31st December 2021, The Patch Foundation CIO acquired the entire share capital of CourtX Ltd.

CourtX Ltd was incorporated to safeguard the future of 12 grass tennis courts surrounding open space in a grade 2 listed public park known as Canoe Lake Park in Southsea, Hampshire. Additional tennis courts, a café and an award winning pavilion were built. Other facilities include community netball and basketball courts.

During the period under review, CourtX provided a safe and welcoming environment for all visitors and members.

High quality facilities offered those who may not be able to access such opportunities elsewhere, a place to participate in a variety of activities where inclusivity is a priority.

CourtX has created new communities through its social and tennis memberships, as well as developing partnerships with existing groups.

#### **Socials For Seniors**

This group organised by a founder member of our tennis community, is aimed at people over 60yrs old who live alone. They meet at our Pavilion and Café Fresco 4-5 times weekly. Most gatherings are simple social get togethers that prevent loneliness and provide a sense of belonging.

CourtX provided the studio cinema to show monthly films with a talk from an expert before each showing. The Studio is also used for various celebrations and fundraisers for local charities.

#### **Summer Art Exhibition**

In August CourtX opened its doors to exhibition "Synergy," a solo exhibition of artwork by Artist Pum Pum. The exhibition was composed of new original artworks in acrylic on canvas and paper, limited edition giclée prints and some digital prints.

Alongside the artwork exhibited was a sticker wall and a photo opportunity section. A graphic designer by trade, the artist creates murals and works on canvas, as well as unique illustrations and screen-printed series with the intention of generating small stories in the midst of the maelstrom of an often hostile city life.

The preview evening saw approximately 100 visitors attend. A sticker wall was a part of the exhibition. This provided a fun way for visitors to interact with Pum Pum's artwork and also an opportunity to visually track engagement. The exhibition was open to all with free entry.

Total attendance to the exhibition was 842 visitors

#### **Financial review**

The detailed figures are included in the financial statements. The charity achieved a surplus of income over expenditure for the period of £2,430,508. Unrestricted general reserves as at the period end were £2,405,880 and restricted funds were £24,628.

## **THE PATCH FOUNDATION CIO**

### **REPORT OF THE BOARD**

#### **Plans for the future**

The Patch Foundation CIO, through CourtX Ltd, continues to be committed to creating an engaged community, and hopes to do this by expanding its offerings. To maximise the use of the sites available space, the development of an Art Trail will be a complimentary activity that offers an additional interest at CourtX for its visitors and also invites a wider demographic. The Art Trail utilises the under-used marginal grounds around the tennis courts to create an inviting area for leisure and cultural activities in the form of an Art Trail.

Tennis is the primary activity at CourtX and will continue to be so. The main feature of the outdoor Art Trail will be a series of outdoor sculptures and an immersive subterranean space to display digital visual art. Community workshops entered around Wellbeing, Lifestyle and Creativity will be introduced that are open to all with a Pay What You Can ticket price structure.

New sports opportunities such as Padel tennis are being explored to promote more people to be active, especially those that find traditional tennis too challenging or energetic.

Supporting communities continues to be our focus and we continue to seek new partnerships to provide opportunities to experience the various activities at CourtX

#### **Reserves policy**

It has been the policy of the charity that unrestricted funds should be maintained at a level equivalent to between three and six months expenditure. The trustees considered that reserves at this level, would ensure that, in the event of a significant drop in funding, they would have been able to continue the charity's current activities whilst consideration was given to ways in which additional funds may have been raised.

#### **Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **THE PATCH FOUNDATION CIO**

### **REPORT OF THE BOARD**

#### **Provision of information to the auditor**

We, the Trustees of the Charity who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

there is no relevant audit information of which the Charity's auditor is unaware; and  
we have taken all the steps that we ought to have taken as Trustees to make ourselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

#### **Corporate Governance – internal financial control**

The Board acknowledges its ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Charity or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets;
- experienced and suitably qualified staff take responsibility for important business functions;
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

By order of the Board

Angus Ball  
Chair  
10 November 2023

## **THE PATCH FOUNDATION CIO**

### **Independent Auditors Report to The Trustees of The Patch Foundation CIO**

#### **Opinion**

We have audited the financial statements of The Patch Foundation CIO (the 'parent charity') and its subsidiary (the 'group') for the period ended 31 December 2022 which comprise the consolidated statement of financial activities, the statement of financial position, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **THE PATCH FOUNDATION CIO**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.

## THE PATCH FOUNDATION CIO

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: FRS 102, Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Obtaining third-party confirmation of bank balances.
- Reviewing documentation such as the board minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with those charged with governance of the entity.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Wilson FCA CTA (Senior Statutory Auditor)

For and on behalf of  
Barnett & Turner Accountants Ltd  
Chartered Accountants  
Statutory Auditors  
Cromwell House  
68 West Gate  
Mansfield  
Nottinghamshire  
NG18 1RR

21 November 2023

**THE PATCH FOUNDATION CIO**

**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE  
PERIOD ENDED 31 DECEMBER 2022**

	<b>Total 2022 £</b>
<b>Turnover</b>	3,562,053
Operating expenditure	(1,131,545)
	<hr/>
<b>Operating surplus / (deficit)</b>	2,430,508
	<hr/>
<b>Total comprehensive income for the year</b>	2,430,508
	<hr/> <hr/>

The consolidated financial statements were approved by the Board on 10 November 2023.

Angus Ball  
Trustee (Chair)

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

**THE PATCH FOUNDATION CIO**

**CIO STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE  
PERIOD ENDED 31 DECEMBER 2022**

	<b>Total 2022 £</b>
<b>Turnover</b>	860,234
Operating expenditure	(691,780)
	<hr/>
<b>Operating surplus / (deficit)</b>	168,454
	<hr/>
<b>Total comprehensive income for the year</b>	168,454
	<hr/> <hr/>

The consolidated financial statements were approved by the Board on 10 November 2023.

Angus Ball  
Trustee (Chair)

The CIO's results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

**THE PATCH FOUNDATION CIO**  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE**  
**PERIOD ENDED 31 DECEMBER 2022**

	<b>Unrestricted</b>	<b>Restricted</b>	
	<b>General Funds £</b>	<b>Art Trail £</b>	<b>Total £</b>
<b>Balance brought forward</b>	-	-	-
Surplus from statement of comprehensive income	2,405,880	24,628	2,430,508
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>	2,405,880	24,628	2,430,508
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE PATCH FOUNDATION CIO**  
**CIO STATEMENT OF CHANGES IN RESERVES FOR THE**  
**PERIOD ENDED 31 DECEMBER 2022**

	<b>Unrestricted</b>	
	<b>General Funds £</b>	<b>Total £</b>
<b>Balance brought forward</b>	-	-
Surplus from statement of comprehensive income	168,454	168,454
	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>	168,454	168,454
	<hr/> <hr/>	<hr/> <hr/>

**THE PATCH FOUNDATION CIO**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**PERIOD ENDED 31 DECEMBER 2022**

	<b>Note</b>	<b>Unrestricted General Fund 2022 £</b>	<b>Restricted Fund 2022 £</b>	<b>Total 2022 £</b>
<b>Income from:</b>				
Donations and grants	4	860,234	-	860,234
Other trading activities	5	515,882	-	515,882
Other income	6	2,185,937	-	2,185,937
		<hr/>	<hr/>	<hr/>
<b>Total income</b>		3,562,053	-	3,562,053
		<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>				
Raising funds – trading activities		1,117,561	-	1,117,561
Charitable activities		13,984	-	13,984
		<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	8	1,131,545	-	1,131,545
		<hr/>	<hr/>	<hr/>
<b>Net income for the year before other recognised gains and losses</b>		2,430,508	-	2,430,508
Transfer between funds	15	(24,628)	24,628	-
		<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		2,405,880	24,628	2,430,508
<b>Reconciliation of funds</b>				
Fund balance brought forward		-	-	-
		<hr/>	<hr/>	<hr/>
Fund balance at 31 December 2022	15	2,405,880	24,628	2,430,508
		<hr/>	<hr/>	<hr/>

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

All activities derive from continuing operations.

The accompanying notes form part of these financial statements.

**THE PATCH FOUNDATION CIO**  
**STATEMENT OF FINANCIAL POSITION**  
**31 December 2022**

	<b>Notes</b>	<b>Group 2022 £</b>	<b>Charity 2022 £</b>
<b>Fixed assets</b>			
Tangible fixed assets	11	2,302,344	-
		<u>2,302,344</u>	<u>-</u>
<b>Current assets</b>			
Stock		3,500	-
Debtors	13	177,788	172,047
Cash at bank and in hand		178,410	3,997
		<u>359,698</u>	<u>176,044</u>
<b>Creditors:</b> amounts falling due within one year	14	(231,534)	(7,590)
		<u>128,164</u>	<u>168,454</u>
<b>Net current assets</b>			
		<u>128,164</u>	<u>168,454</u>
<b>Total assets less current liabilities</b>		<u>2,430,508</u>	<u>168,454</u>
		<u>2,430,508</u>	<u>168,454</u>
<b>Net assets</b>		<u>2,430,508</u>	<u>168,454</u>
<b>Represented by Unrestricted funds</b>			
General funds	15	2,405,880	168,454
<b>Restricted funds</b>	15	24,628	-
		<u>2,430,508</u>	<u>168,454</u>
<b>Total</b>		<u>2,430,508</u>	<u>168,454</u>

Approved by the Board on 10 November 2023

Angus Ball (Chair)

The accompanying notes form part of these financial statements.



**THE PATCH FOUNDATION CIO**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the period ended 31 December 2022**

	<b>Note</b>	<b>2022 £</b>
<b>Net cash generated from operating activities</b>	17	2,548,285
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets		(231,975)
Subsidiary fixed assets acquired		(2,232,900)
		<hr/>
<b>Net cash inflow / (outflow) from capital expenditure</b>		(2,464,875)
		<hr/>
<b>Financing</b>		
Net movement in short term borrowings		95,000
		<hr/>
<b>Net cash inflow/(outflow) from financing</b>		95,000
		<hr/>
		<hr/>
<b>Net change in cash and cash equivalents</b>	18	178,410
		<hr/> <hr/>

The accompanying notes form part of these financial statements.

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2022**

**1. General information**

The organisation is a foundation charitable incorporated organisation (CIO) and was registered with the Charity Commission for England and Wales on 5 November 2021.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102) and the Charities Act 2011.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements have been prepared on a going concern basis.

**Consolidated accounts**

The group is required to prepare consolidated accounts. These consolidated accounts comprise the financial statements of The Patch Foundation CIO and of its subsidiary CourtX Ltd.

All intra-group transactions and balances are eliminated on consolidation.

**Business Combinations**

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

Where the parent charity acquires a non-charitable subsidiary and the consideration paid is nil and is less than the net assets acquired, the gain is recognised as other income in the period of acquisition.

**Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. During the period under review Angus Ball, Trustee, made donations of £688,187 to The Patch Foundation. These donations were recognised as soon as there was evidence of entitlement.

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2022**

- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Multi period income agreements**

In determining the revenue to be recognised on grants, or contract income whose project spans more than one period of account; Management recognise income where there is entitlement to the income, it is probable the economic benefit will flow to the entity and the revenue can be reliably measured under the terms of the agreement.

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

**Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of such fixed assets over their estimated economic lives at the following rates:

Buildings (including professional fees)	Over the life of the associated lease 5.56% straight line
Fixtures, fittings, and equipment	12.5% on a reducing balance basis

**Pensions**

CourtX Ltd operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2022**

**Stocks**

Stocks are recognised at the lower of cost and net realisable value

**Taxation**

The Patch Foundation CIO is a registered Charity and is exempt from paying corporation tax on charitable activities.

CourtX Ltd is not registered as a charity and therefore corporation tax would be payable on taxable profits should they arise.

**Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the lease.

**Provisions**

Provisions are recognised when the entity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Critical areas of judgement**

**Leases**

In determining whether leases are finance or operating leases, management judges as to whether (or not) the significant risks and rewards of ownership have transferred to the entity.

**Useful lives of depreciable assets**

Management reviews the useful lives of assets at each reporting date.

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2022**

**Incoming resources - group**

**4 Voluntary income**

	<b>Unrestricted 2022 £</b>
Donations (including gift aid)	860,234
	<hr/>
	860,234
	<hr/> <hr/>

**5 Other trading activities**

	<b>Unrestricted 2022 £</b>
Subsidiary undertaking	515,882
	<hr/>
	515,882
	<hr/> <hr/>

**6 Other income**

	<b>Unrestricted 2022 £</b>
Acquisition of subsidiary undertaking	2,090,937
Waiver of loan from A Ball to CourtX Ltd	95,000
	<hr/>
	2,185,937
	<hr/> <hr/>

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 Operating surplus**

The operating surplus is arrived at after charging / (crediting)

	<b>Group 2022 £</b>	<b>Charity 2022 £</b>
Depreciation	162,530	-
Auditor's remuneration – audit of financial statements	8,375	2,910

**8 Expenditure - group**

All expenditure is accounted for on an accruals basis and has wherever practicable been allocated to the relevant category. Irrecoverable VAT is charged to the appropriate cost category

	<b>Trading costs</b>	<b>Unrestricted Support costs</b>	<b>Governance</b>	<b>Group 2022</b>
Staff costs	568,076	-	-	568,076
Other staff related expenditure	2,484	-	-	2,484
Activity costs - cost of sales	144,511	-	-	144,511
Facilities costs	177,165	-	-	177,165
Depreciation	162,530	-	-	162,530
Admin costs	49,590	11,074	-	60,664
Finance costs	7,740	-	-	7,740
Governance	-	-	8,375	8,375
	<hr/> 1,112,096	<hr/> 11,074	<hr/> 8,375	<hr/> 1,131,545 <hr/>

**9 Employee costs**

	<b>2022 £</b>
Salaries	528,141
Social security costs	32,283
Pension	7,652
	<hr/> 568,076 <hr/>

All employees were paid through CourtX Ltd. No employee was paid in excess of £60,000 during the period.

**THE PATCH FOUNDATION CIO**  
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**Employee costs – key management personnel**

**2022**  
**£**

The aggregate remuneration of the senior leadership team (who are also key management personnel) during the year was as follows:

Salaries	78,119
Social security costs	8,638
Pension	1,915
	<hr/>
	88,672
	<hr/>

**10 Taxation**

The Patch Foundation CIO is a registered Charity and is exempt from paying corporation tax on charitable activities.

CourtX Ltd is not registered as a charity and therefore corporation tax would be payable on taxable profits should they arise.

**11 Tangible fixed assets - Group**

	<b>Freehold property £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Professional fees £</b>	<b>Total £</b>
<b>Cost</b>				
Brought forward	-	-	-	-
Additions	1,689,749	262,052	513,073	2,464,874
Disposal	-	-	-	-
At 31 December 2022	<hr/> 1,689,749	<hr/> 262,052	<hr/> 513,073	<hr/> 2,464,874
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>				
Brought forward	-	-	-	-
Charge for year	90,888	56,209	15,433	162,530
Eliminated on disposal	-	-	-	-
At 31 December 2022	<hr/> 90,888	<hr/> 56,209	<hr/> 15,433	<hr/> 162,530
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2022	<hr/> 1,598,861	<hr/> 205,843	<hr/> 497,640	<hr/> 2,302,344
	<hr/>	<hr/>	<hr/>	<hr/>

All fixed assets were owned by the subsidiary company CourtX Ltd

**THE PATCH FOUNDATION CIO**  
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**12 Investments: wholly controlled subsidiary undertakings**

The parent charitable CIO wholly controls the following non-charitable company

	<b>Country of registration or incorporation</b>	
CourtX Ltd (company number 08803582)	England and Wales	Limited by shares

**Statement of total comprehensive income CourtX Ltd**

	<b>2022 £</b>
<b>Turnover</b>	1,144,585
Operating expenditure	(1,117,561)
	<hr/>
Operating surplus	27,024
	<hr/>
Surplus / (deficit) for the year	27,024
	<hr/> <hr/>

The aggregate of the assets, liabilities and reserves were:

	<b>2022 £</b>
Assets	2,485,998
Liabilities	(368,039)
	<hr/>
Reserves	2,117,959
	<hr/> <hr/>



**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13 Debtors**

	<b>Group 2022 £</b>	<b>Charity 2022 £</b>
Trade debtors	2,272	-
Prepayments	3,317	-
Other debtors	172,199	172,047
	<hr/>	<hr/>
	177,788	172,047
	<hr/>	<hr/>

**14 Creditors: amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Charity 2022 £</b>
Trade creditors	18,169	-
Social security and other taxes	19,635	-
Other loans	173,000	-
Accruals and deferred income	19,744	7,590
Other creditors	986	-
	<hr/>	<hr/>
	231,534	7,590
	<hr/>	<hr/>

The loan is on an interest free basis.

**15 Movement in funds - Group**

	<b>Brought forward balance £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Transfers £</b>	<b>Balance at 31 December 2022 £</b>
<b>Unrestricted funds</b>					
General fund	-	3,562,053	(1,131,545)	(24,628)	2,405,880
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total unrestricted funds</b>	-	3,562,053	(1,131,545)	(24,628)	2,405,880
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>					
Arts Trail	-	-	-	24,628	24,628
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total restricted funds</b>	-	-	-	24,628	24,628
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	-	3,562,053	(1,131,545)	-	2,430,508
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16 Analysis of net assets between funds**

	Fixed assets £	Current assets £	Creditors falling due within one year £	Total £
<b>Unrestricted funds</b>				
General	2,302,344	335,070	(231,534)	2,405,880
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>				
Arts trail	-	24,628	-	24,628
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	2,302,344	359,698	(231,534)	2,430,508
	<hr/>	<hr/>	<hr/>	<hr/>

**17 Cash outflow from operating activities**

	<b>2022</b> £
Net movement in funds	2,430,508
Depreciation of tangible fixed assets	162,530
(Increase) in debtors	(177,788)
(Increase) in stock	(3,500)
Increase in creditors	136,535
	<hr/>
	2,548,285
	<hr/> <hr/>

**18 Analysis of cash and cash equivalents**

	Brought forward £	Cash Flow £	Non-cash Changes £	At 31 December 2022 £
Cash at bank and in hand	<hr/> -	<hr/> 178,410	<hr/> -	<hr/> 178,410
Total	<hr/> -	<hr/> 178,410	<hr/> -	<hr/> 178,410
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE PATCH FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**19 Business combinations and goodwill**

On 31 December 2021 The Patch Foundation CIO acquired the entire share capital of CourtX Ltd for £nil consideration.

Recognised amounts of identifiable assets acquired and liabilities assumed	<b>Book Value £</b>	<b>Fair Value £</b>
Tangible fixed assets	2,232,900	2,232,900
Current assets	<u>70,418</u>	<u>70,418</u>
Total assets	2,303,318	2,303,318
Net liabilities	(212,381)	(212,381)
Total identifiable net assets	2,090,937	2,090,937
Excess of consideration over fair value of assets		(2,090,937)
<b>Total purchase consideration</b>		<u>-</u>

**20 Operating lease commitments**

At the year end the group had total commitments under operating leases expiring after more than 15 years of £169,167.

**21 Pension commitment**

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The Charity and its subsidiary have no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year was £7,652. The amount outstanding at the year-end was £985.

**22 Trustee expenses**

No Trustee expenses were incurred in the period.

**THE PATCH FOUNDATION CIO**  
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**23      Related party transactions**

During the period under review A Ball, Trustee of The Patch Foundation CIO and director of CourtX Ltd made donations to the charity of £688,187.

Loans were also made by A Ball to CourtX Ltd of £268,000. During the period £95,000 of these loans were waived. As at 31 December 2022 CourtX Limited owed £173,000 to A Ball.

Operating leases entered into by CourtX Ltd were guaranteed by A Ball, director of CourtX Ltd.

**24      Ultimate controlling party.**

The Patch Foundation CIO is controlled by its Board of Trustees.