

THE PATCH FOUNDATION CIO

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

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 year ended 31 December 2023.

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)
Hilary Simmons
Rachael Louise Luckraft

Registered Office

CourtX Tennis Pavilion
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 year were as follows:

Angus Ball (Chair)
Hilary Simmons
Rachael Louise Luckraft

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 year 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 year

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 2023 relationships with qualified instructors providing physical and mental well-being sessions were expanded. The Pavilion proves to be an excellent destination with projections and music in the studio setting the appropriate environment for a variety of activities.

The bar/terrace was refurbished to enhance the experience of those wishing to socialise after their participation in various classes, and also provides some healthy snacks and drinks.

The Socials for Seniors (people over 60yrs old who live alone) continue to meet most days at the Pavilion or Café Fresco. The social get togethers prevent loneliness and provide a sense of belonging. Workshops have now been introduced such as 'Online Scam Awareness' and 'Safety at Home'

The provision of the highest quality tennis facilities continues to be one of our highest priorities, and the expanding membership and variety of teams and coaching reflects our success in this field.

Financial review

The detailed figures are included in the financial statements. The charity achieved a surplus of income over expenditure for the year of £1,645,332 (2022: £2,430,508). Unrestricted general reserves as at the year end were £4,016,109 (2022: £2,405,880) and restricted funds were £59,731 (2022: £24,628).

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.

The ambitious project to install an Art Trail is underway and utilises the under-used peripheral grounds around the tennis courts to create an inviting area for leisure and cultural activities. This will provide additional interest at the CourtX site and attract a wider visitor demographic.

The main features of the Art Trail will be a series of sculptures and an immersive subterranean space to display digital visual art and this will be complimented by community workshops which will engage the visitors.

Further refurbishments planned for the Pavilion will ensure it is a destination for many wanting a safe and welcoming environment.

Providing Padel tennis courts, which is now one of the fastest growing sports, is being explored with the possibility of installing up to 3 courts later this year.

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

THE PATCH FOUNDATION CIO

REPORT OF THE BOARD

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 year. 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.

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.

THE PATCH FOUNDATION CIO

REPORT OF THE BOARD

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

A handwritten signature in black ink, appearing to read 'Angus Ball', written over a horizontal line.

Angus Ball
Chair
22 October 2024

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 year ended 31 December 2023 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 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year 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. 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)

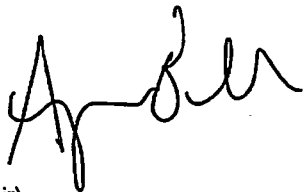
For and on behalf of
Barnett & Turner Accountants Ltd
Chartered Accountants
Statutory Auditors
Cromwell House
68 West Gate
Mansfield
Nottinghamshire
NG18 1RR

28 October 2024

THE PATCH FOUNDATION CIO
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2023

	Total 2023 £	Total 2022 £
Turnover	2,738,755	3,562,053
Operating expenditure	(1,093,423)	(1,131,545)
	<hr/>	<hr/>
Operating surplus	1,645,332	2,430,508
	<hr/>	<hr/>
Total comprehensive income for the year	1,645,332	2,430,508
	<hr/>	<hr/>

The consolidated financial statements were approved by the Board on 22 October 2024.



Angus Ball
Trustee (Chair)

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

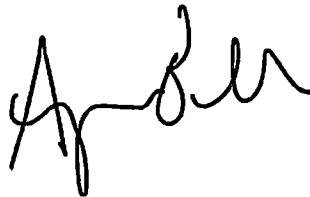
THE PATCH FOUNDATION CIO

**CIO STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2023**

	Total 2023 £	Total 2022 £
Turnover	2,064,418	860,234
Operating expenditure	(1,485,508)	(691,780)
	<hr/>	<hr/>
Operating surplus	578,910	168,454
	<hr/>	<hr/>
Total comprehensive income for the year	578,910	168,454
	<hr/> <hr/>	<hr/> <hr/>

The consolidated financial statements were approved by the Board on 22 October 2024.

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
YEAR ENDED 31 DECEMBER 2023

	Unrestricted	Restricted	
	General Funds £	Art Trail £	Total £
Balance brought forward	-	-	-
Surplus from statement of comprehensive income	2,405,880	24,628	2,430,508
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	2,405,880	24,628	2,430,508
	<hr/>	<hr/>	<hr/>
Balance brought forward	2,405,880	24,628	2,430,508
Surplus from statement of comprehensive income	1,610,229	35,103	1,645,332
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2023	4,016,109	59,731	4,075,840
	<hr/>	<hr/>	<hr/>

THE PATCH FOUNDATION CIO
CIO STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 DECEMBER 2023

	Unrestricted	
	General Funds £	Total £
Balance brought forward	-	-
Surplus from statement of comprehensive income	168,454	168,454
	<hr/>	<hr/>
Balance at 31 December 2022	168,454	168,454
	<hr/>	<hr/>
Balance brought forward	168,454	168,454
Surplus from statement of comprehensive income	578,910	578,910
	<hr/>	<hr/>
Balance at 31 December 2023	747,364	747,364
	<hr/>	<hr/>

THE PATCH FOUNDATION CIO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted General Fund 2023 £	Restricted Fund 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and grants	4	2,064,251	-	2,064,251	860,234
Other trading activities	5	501,335	-	501,335	515,882
Other income	6	173,169	-	173,169	2,185,937
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		2,738,755	-	2,738,755	3,562,053
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Raising funds – trading activities		1,079,373	-	1,079,373	1,112,096
Charitable activities		14,050	-	14,050	19,449
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	8	1,093,423	-	1,093,423	1,131,545
		<hr/>	<hr/>	<hr/>	<hr/>
Net income for the year before other recognised gains and losses		1,645,332	-	1,645,332	2,430,508
Transfer between funds	15	(35,103)	35,103	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		1,610,229	35,103	1,645,332	2,430,508
Reconciliation of funds					
Fund balance brought forward		2,405,880	24,628	2,430,508	-
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31 December 2023	15	4,016,109	59,731	4,075,840	2,430,508
		<hr/>	<hr/>	<hr/>	<hr/>

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

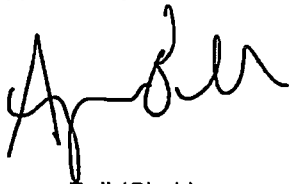
All activities derive from continuing operations.

The accompanying notes form part of these financial statements.

THE PATCH FOUNDATION CIO
STATEMENT OF FINANCIAL POSITION
31 December 2023

	Notes	Group 2023 £	2022 £	Charity 2023 £	2022 £
Fixed assets					
Tangible fixed assets	11	3,003,151	2,302,344	-	-
		<u>3,003,151</u>	<u>2,302,344</u>	<u>-</u>	<u>-</u>
Current assets					
Stock		3,500	3,500	-	-
Debtors	13	474,447	177,788	412,850	172,047
Cash at bank and in hand		685,523	178,410	350,174	3,997
		<u>1,163,470</u>	<u>359,698</u>	<u>763,024</u>	<u>176,044</u>
Creditors: amounts falling due within one year	14	(90,781)	(231,534)	(15,660)	(7,590)
		<u>1,072,689</u>	<u>128,164</u>	<u>747,364</u>	<u>168,454</u>
Net current assets					
		<u>1,072,689</u>	<u>128,164</u>	<u>747,364</u>	<u>168,454</u>
Total assets less current liabilities					
		<u>4,075,840</u>	<u>2,430,508</u>	<u>747,364</u>	<u>168,454</u>
Net assets					
		<u>4,075,840</u>	<u>2,430,508</u>	<u>747,364</u>	<u>168,454</u>
Represented by					
Unrestricted funds					
General funds	15	4,016,109	2,405,880	747,364	168,454
Restricted funds	15	59,731	24,628	-	-
		<u>4,075,840</u>	<u>2,430,508</u>	<u>747,364</u>	<u>168,454</u>
Total		<u>4,075,840</u>	<u>2,430,508</u>	<u>747,364</u>	<u>168,454</u>

Approved by the Board on 22 October 2024



Angus Ball (Chair)

The accompanying notes form part of these financial statements.

THE PATCH FOUNDATION CIO
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Note	2023 £	2022 £
Net cash generated from operating activities	17	1,367,718	2,548,285
Capital expenditure			
Payments to acquire tangible fixed assets		(860,605)	(231,975)
Subsidiary fixed assets acquired		-	(2,232,900)
		<hr/>	<hr/>
Net cash inflow / (outflow) from capital expenditure		507,113	(2,464,875)
		<hr/>	<hr/>
Financing			
Net movement in short term borrowings		-	95,000
		<hr/>	<hr/>
Net cash inflow/(outflow) from financing		-	95,000
		<hr/>	<hr/>
Net change in cash and cash equivalents	18	507,113	178,410
		<hr/>	<hr/>
Cash and cash equivalents brought forward		178,410	-
		<hr/>	<hr/>
Cash and cash equivalents carried forward		685,523	178,410
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

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 year under review Angus Ball, Trustee, made donations of £1,651,401 (2022: £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
YEAR ENDED 31 DECEMBER 2023

- 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
YEAR ENDED 31 DECEMBER 2023

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
YEAR ENDED 31 DECEMBER 2023

Incoming resources - group

4 Voluntary income

	Unrestricted 2023 £	Unrestricted 2022 £
Donations (including gift aid)	2,064,251	860,234
	<hr/>	<hr/>
	2,064,251	860,234
	<hr/>	<hr/>

5 Other trading activities

	Unrestricted 2023 £	Unrestricted 2022 £
Subsidiary undertaking	501,335	515,882
	<hr/>	<hr/>
	501,335	515,882
	<hr/>	<hr/>

6 Other income

	Unrestricted 2023 £	Unrestricted 2022 £
Acquisition of subsidiary undertaking	-	2,090,937
Waiver of loan from A Ball to CourtX Ltd	173,002	95,000
HMRC interest	167	-
	<hr/>	<hr/>
	173,169	2,185,937
	<hr/>	<hr/>

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

7 Operating surplus

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Depreciation	159,798	162,530	-	-
Auditor's remuneration – audit of financial statements	8,410	8,375	3,210	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

	Trading costs	Unrestricted Support costs	Governance	Group 2023	Group 2022
Staff costs	541,283	-	-	541,283	568,076
Other staff related expenditure	2,940	-	-	2,940	2,484
Activity costs - cost of sales	137,564	-	-	137,564	144,511
Facilities costs	177,117	-	-	177,117	177,165
Depreciation	159,798	-	-	159,798	162,530
Admin costs	50,999	5,640	-	56,639	60,664
Finance costs	9,672	-	-	9,672	7,740
Governance	-	-	8,410	8,410	8,375
	1,079,373	5,640	8,410	1,093,423	1,131,545

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
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9 Employee costs

	2023 £	2022 £
Salaries	505,268	528,141
Social security costs	28,752	32,283
Pension	7,263	7,652
	<hr/> 541,283	<hr/> 568,076

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

Employee costs – key management personnel

	2023 £	2022 £
The aggregate remuneration of the senior leadership team (who are also key management personnel) during the year was as follows:		
Salaries	78,956	78,119
Social security costs	8,464	8,638
Pension	1,943	1,915
	<hr/> 89,363	<hr/> 88,672

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.

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

11 Tangible fixed assets - Group

	Freehold property £	Fixtures, fittings and equipment £	Professional fees £	Total £
Cost				
Brought forward	1,689,749	262,052	513,073	2,464,874
Additions	511,572	22,826	326,207	860,605
Disposal	-	-	-	-
At 31 December 2023	<u>2,201,321</u>	<u>284,878</u>	<u>839,280</u>	<u>3,325,479</u>
Accumulated depreciation				
Brought forward	90,888	56,209	15,433	162,530
Charge for year	90,888	53,363	15,547	159,798
Eliminated on disposal	-	-	-	-
At 31 December 2023	<u>181,776</u>	<u>109,572</u>	<u>30,980</u>	<u>322,328</u>
Net book value at 31 December 2023	<u>2,019,545</u>	<u>175,306</u>	<u>808,300</u>	<u>3,003,151</u>
Net book value at 31 December 2022	<u>1,598,861</u>	<u>205,843</u>	<u>497,640</u>	<u>2,302,344</u>

All fixed assets were owned by the subsidiary company CourtX Ltd

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

12 Investments: wholly controlled subsidiary undertakings

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

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

Statement of total comprehensive income CourtX Ltd

	2023 £	2022 £
Turnover	2,045,009	1,144,585
Operating expenditure	(1,084,980)	(1,117,561)
	<hr/>	<hr/>
Operating surplus	960,029	27,024
	<hr/>	<hr/>
Surplus / (deficit) for the year	960,029	27,024
	<hr/> <hr/>	<hr/> <hr/>

The aggregate of the assets, liabilities and reserves were:

	2023 £	2022 £
Assets	3,411,064	2,486,000
Liabilities	(333,074)	(368,039)
	<hr/>	<hr/>
Reserves	3,077,990	2,117,961
	<hr/> <hr/>	<hr/> <hr/>

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

13 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	1,842	2,272	-	-
Prepayments	4,286	3,317	-	-
Other debtors	413,050	172,199	412,850	172,047
VAT settlement	55,269	-	-	-
	<u>474,447</u>	<u>177,788</u>	<u>412,850</u>	<u>172,047</u>

14 Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	56,682	18,169	-	-
Social security and other taxes	12,836	19,635	-	-
Other loans	-	173,000	-	-
Accruals and deferred income	19,816	19,744	7,950	7,590
Amounts due to group undertakings	-	-	7,710	-
Other creditors	1,447	986	-	-
	<u>90,781</u>	<u>231,534</u>	<u>15,660</u>	<u>7,590</u>

The 2022 loan was on an interest free basis.

15a Movement in funds - Group

	Brought forward balance £	Incoming £	Outgoing £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General fund	2,405,880	2,738,755	(1,093,423)	(35,103)	4,016,109
Total unrestricted funds	<u>2,405,880</u>	<u>2,738,755</u>	<u>(1,093,423)</u>	<u>(35,103)</u>	<u>4,016,109</u>
Restricted funds					
Arts Trail	24,628	-	-	35,103	59,731
Total restricted funds	<u>24,628</u>	<u>-</u>	<u>-</u>	<u>35,103</u>	<u>59,731</u>
Total funds	<u>2,430,508</u>	<u>2,738,755</u>	<u>(1,093,423)</u>	<u>-</u>	<u>4,075,840</u>

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
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15b Movement in funds – Group – prior year

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

16 Analysis of net assets between funds

	Fixed assets £	Current assets £	Creditors falling due within one year £	Total £
Unrestricted funds				
General	3,003,151	1,103,739	(90,781)	4,016,109
Restricted funds				
Arts trail	-	59,731	-	59,731
Total funds	3,003,151	1,163,470	(90,781)	4,075,840

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
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17 Cash outflow from operating activities

	2023 £	2022 £
Net movement in funds	1,645,332	2,430,508
Depreciation of tangible fixed assets	159,798	162,530
(Increase) / decrease in debtors	(296,659)	(177,788)
Decrease / (Increase) in stock	-	(3,500)
(Decrease) / Increase in creditors	(140,753)	136,535
	<hr/>	<hr/>
	1,367,718	2,548,285
	<hr/>	<hr/>

18 Analysis of cash and cash equivalents

	Brought forward £	Cash Flow £	Non-cash Changes £	At 31 December 2023 £
Cash at bank and in hand	<u>178,410</u>	<u>507,113</u>	<u>-</u>	<u>685,523</u>
Total	<u>178,410</u>	<u>507,113</u>	<u>-</u>	<u>685,523</u>

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	Book Value £	Fair Value £
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		<u>(2,090,937)</u>
Total purchase consideration		<u>-</u>

THE PATCH FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS
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20 Operating lease commitments

At the year end the group had total commitments under operating leases expiring after more than 15 years of £159,167 (2022: £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 £7,263 (2022: £7,652). The amount outstanding at the year-end was £1,447 (2022: £985).

22 Trustee expenses

No Trustee expenses were incurred in the year.

23 Related party transactions

During the year under review A Ball, Trustee of The Patch Foundation CIO and director of CourtX Ltd made donations to the charity of 1,651,401 (2022: £688,187).

Loans previously made by A Ball to CourtX Ltd amounting to £173,002 were waived in the year under review (2022: £95,000 was waived). As at 31 December 2023 CourtX Limited owed A Ball £Nil (2022: £173,002 was owed 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.