

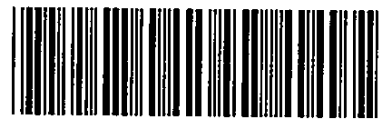
Company registration number 2493904  
Charity registration number 1010541

# Innovate Trust Ltd

(A company limited by guarantee)

Annual Report and Financial Statements  
for the Year Ended 31 March 2011

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COMPANIES HOUSE

Haines Watts Wales LLP  
Statutory Auditors and Chartered Accountants  
Pagefield House  
24 Gold Tops  
Newport  
NP20 4PG

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## **INNOVATE TRUST LTD**

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## INNOVATE TRUST LTD

### REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Charity name</b>	Innovate Trust Ltd
<b>Charity registration number</b>	1010541
<b>Company registration number</b>	2493904
<b>Principal office</b>	433 Cowbridge Road Canton Cardiff CF5 1JH
<b>Registered office</b>	433 Cowbridge Road Canton Cardiff CF5 1JH
<b>Trustees</b>	Charlotte Kletta (Chair) Heather Jones-Hughes (Treasurer) David Davies Norman Berg Georgina Powell Edward Gudgeon (resigned 25 June 2011) Brian Thomas George Deveraux (appointed 24 February 2011)
<b>Chief executive officer</b>	Nick French
<b>Solicitor</b>	Runnett & Co Sophia House 28 Cathedral Road Cardiff CF11 9LJ

## INNOVATE TRUST LTD

### REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Bankers</b>	Natwest Bank plc 117 St Mary Street Cardiff South Glamorgan CF10 1DY
<b>Auditor</b>	Haines Watts Wales LLP Pagefield House 24 Gold Tops Newport NP20 4PG

## **INNOVATE TRUST LTD**

### **TRUSTEES' REPORT**

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The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2011

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 and 2 of the financial statements

#### **The trustees**

The trustees who served the charity during the period were as follows

Charlotte Kletta (Chair)  
Heather Jones-Hughes (Treasurer)  
David Davies  
Norman Berg  
Georgina Powell  
Edward Gudgeon  
Brian Thomas  
George Deveraux (appointed 24 February 2011)

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The Charity is a company limited by guarantee, registration number 2493904 and is governed by its Memorandum and Articles of Association. It is also registered with the Charity Commission, number 1010541. The Trustees are also the Board of Management of the Charity. The trustees nominate prospective trustees who are officially accepted at the Annual General Meeting.

##### **Appointment of Trustees**

Trustees are appointed from volunteers and any other interested parties.

##### **Trustee, Induction, Training and Development**

Each newly appointed trustee receives a trustee pack, are given a formal induction and training as and when required.

##### **Organisation**

The Charity is managed by the Board of Trustees which meets on a regular basis and employs a team of staff to manage the organisation on a day-to-day basis.

##### **Related Parties**

There are no related party transactions.

##### **Risks**

Innovate Trust, as part of its system of Corporate Governance carried out a review of all major risks to which the organisation is exposed, and the systems in place to mitigate these risks. All risks were assessed and appropriate action taken if it was assessed that the risk was inappropriately high.

The Trustees identified the 8 most important risks to the organisation are, Computer Data Loss, Loss of Accreditation/Registration, Abuse of Vulnerable People, Destruction of Physical Assets, Accident affecting Staff or Service User, Loss of Substantial Contract/Grant Funding, Fraud/Financial Crime.

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## **INNOVATE TRUST LTD**

### **TRUSTEES' REPORT**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives**

- A) The relief of poverty and distress amongst persons suffering from disability or sickness particular learning disability physical disability and mental health by

Providing for or assisting with the care accommodation training education employment and occupation of such persons and

By promoting the development of facilities for facilities for independently by such by such persons to encourage their greater inclusion within their communities

- B) The relief of poverty and distress amongst those who care for such persons

- C) The education of the public in the needs of such persons

##### **Services**

Providing for, or assisting with the care, accommodation, training, education, employment and occupation of disability, particularly learning disability, physical disability and mental health issues

Promoting the development of facilities for independent living to facilitate greater inclusion of people with disabilities within their communities

Supporting those who care for people with disabilities

Educating the public in their needs

Developing high quality innovative services that reflect the core values of the organisation and meet the needs of service users

Developing and expanding volunteer opportunities for students, and others, promoting an understanding of the issues related to people with disabilities

Working in partnership with service users, their carers, other providers, purchasers and the wider community to promote models of good practice

Investing in staff development, training and support that enables the delivery of quality services and reflects their contribution to the achievement of the organisation's mission and aims

Offering a service which is responsive to and respects the race, religion, culture, language, gender, sexuality and abilities of service users and of staff

##### **The main activities include**

- |                                                               |                                                                              |
|---------------------------------------------------------------|------------------------------------------------------------------------------|
| <input type="checkbox"/> <b>Community Living Developments</b> | Supporting people in their homes                                             |
| <input type="checkbox"/> <b>Tenant Support Services</b>       | Supporting Council Tenants with the housing related problems                 |
| <input type="checkbox"/> <b>Respite Services</b>              | Providing short stay and holiday services for 16 to 25 year olds             |
| <input type="checkbox"/> <b>Emergency Support Services</b>    | Supporting people whose lives are in a crisis                                |
| <input type="checkbox"/> <b>QUEST Supported Employment</b>    | Supporting people to find quality employment                                 |
| <input type="checkbox"/> <b>Field Days</b>                    | Providing a range of work experience and training in a horticultural setting |
| <input type="checkbox"/> <b>Innovate Catering</b>             | Providing a range of work experience and training in catering                |
| <input type="checkbox"/> <b>Student Volunteer Projects</b>    | Enabling Cardiff students to work with children, families and schools        |
| <input type="checkbox"/> <b>Venture out Cardiff</b>           | Providing sporting and outdoor activities for disabled people                |

## **INNOVATE TRUST LTD**

### **TRUSTEES' REPORT**

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#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Ensuring Our Work Delivers Our Aims**

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous twelve months. The review looks at the success of each key activity and the benefits of providing relief of poverty and distress amongst persons suffering from disability or sickness particular learning disability physical disability and mental health. The review also helps us ensure our aims, objectives and activities remained focused on our stated objectives. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities thus ensuring that it continues in its stated purpose.

##### **Achievement in the Year**

During the year 2010/2011 we continued to work closely with Cardiff and the Vale of Glamorgan Councils across the full range of our projects and services. We worked closely with these councils to develop new Supported Living Services and innovative new approaches to existing service provision. It is the responsibility of these two local authorities to ensure the Supported Living Services that we manage are both provided for and meet the requirements of the contract arrangements agreed with Innovate Trust in 2007. As the organisation was not tendering for any significant new contracts and none were reaching a conclusion during the year, there was no significant change in staffing levels and the organisation maintained its staffing at the same level as 2009/2010.

On a number of occasions we successfully applied for new funding streams to support and potentially expand our services, these funds were due in both 2010/2011 & 2011/2012. We do recognise that in these testing times these funds have become and are likely to become more competitive over the coming years. We have continued to invest a considerable amount of time and resources in the development of new service provision. We do expect to reap the benefits of this work in the forthcoming years with the development of, true to our name, both new and innovative projects and services.

I have been impressed with the way our staff rose to the challenges of the year together with the intuition and commitment they have shown under difficult circumstances. I have continued to be impressed by the hard work and dedication of all our staff throughout the year. I know how committed they are, I would like to take this opportunity to thank them all both personally and on behalf of the whole board of Trustees.

The Board and staff of Innovate Trust are fully committed to development and diversification and although the next few years will undoubtedly be extremely challenging, we believe this is a challenge to which we are equal.

#### **FINANCIAL REVIEW**

##### **Results**

During the year the Charity's net outgoing resources on its unrestricted funds, amounted to £231,558 (2010 £99,118). Although the level of unrestricted funds at the balance sheet date was £304,373 (2010 £535,932) the level of free reserves calculated by excluding the amount invested in fixed assets amounted to £228,541 (2010 £451,268). The restricted funds were increased by £297,431 (2010 £3,341 decrease). The total level of restricted funds at the year end amounted to £980,587 (2010 £683,155). The restricted fund balance held at the year end included an amount of £564,956 (2010 £558,457) that funded fixed assets, leaving the remaining balance of £415,631 (2010 £124,698) available to fund ongoing projects in furtherance of the Charity's objectives. Although the Charity funds its projects from a mixture of restricted and unrestricted funds, the trustees are working towards building up the level of unrestricted funds to that required by their reserve policy.

## **INNOVATE TRUST LTD**

### **TRUSTEES' REPORT**

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#### **Reserves policy**

The charity's policy is to secure a 60 day liquid reserve to cover the daily cash-flow requirements and a further 120 day reserve to cover the medium term liabilities should the charity lose any part of their contract work. The current level of available reserves is £228,451 (2010 £451,268)

The trustees have carried out a full assessment of the risks to the Charity, and have formulated policies for identifying and managing risks and are determining the level of general funds that are required to cover these risks. The level of general funds needs to be at a level which will cover additional staffing costs including redundancy, maternity, long-term sickness and also provide the Charity with sufficient resources to deal with any loss of grant funding. It has been estimated that the level required equates to six months overheads.

#### **Investment Powers**

An investment strategy will be developed in the medium to long term to ensure best use is made of the growing asset base. The new Charity Commission regulations on investment will enable the Board of Management to invest in a wide range of investment vehicles, including those that provide capital growth rather than income, such as the Stock Market. This will enable them to obtain better returns on investments whilst continuing to minimise risk.

Under the Memorandum and Articles of Association the Charity has the power to make any investment but only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.

#### **PLANS FOR FUTURE PERIODS**

The forthcoming year will of course present the organisation with numerous challenges which we will meet. We will again be entering a period of tendering processes for the vast majority of our services and with the current agenda of cuts it seems more than likely that we will face some considerable challenges. To this end we will be carrying out extensive reviews of our organisation to put us in the best possible position to continue to provide the high quality services for which Innovate Trust has become renowned.

#### **DISABLED EMPLOYEES**

The charity's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. Regular meetings are held between senior management and employee representatives to discuss matters of concern. Employees are kept well-informed about the progress and position of the charity by means of regular departmental meetings.

#### **AUDITOR**

A resolution to re-appoint Haines Watts Wales LLP as auditor for the ensuing year will be proposed at the Annual General Meeting.

Approved by the Board on 27 October 2011 and signed on its behalf by



Charlotte Kletta (Chair)  
Trustee



## **INNOVATE TRUST LTD**

### **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

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The trustees (who are also directors of Innovate Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss 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 accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure 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.

In accordance with company law, as the company's directors, the trustees have taken steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF INNOVATE TRUST LTD**

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We have audited the financial statements of Innovate Trust for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its 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 Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
INNOVATE TRUST LTD**

*continued*

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of trustees' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit

  
David Green  
Senior Statutory Auditor

for and on behalf of  
Haines Watts Wales LLP, Statutory Auditor

Date *29 November 2011*

Pagefield House  
24 Gold Tops  
Newport  
NP20 4PG

**INNOVATE TRUST LTD**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2011**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2011</b>	<b>Total Funds 2010</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	267	-	267	-
Activities for generating funds	3	4,572	-	4,572	4,857
Investment income	4	4,403	-	4,403	2,236
Incoming resources from charitable activities	5	1,123,340	5,776,123	6,899,463	6,640,650
Other incoming resources	6	5,517	-	5,517	-
Total incoming resources		<u>1,138,099</u>	<u>5,776,123</u>	<u>6,914,222</u>	<u>6,647,743</u>
<b>Resources expended</b>					
Costs of generating funds					
Fundraising trading cost of goods sold and other costs	7	28	2	30	406
Charitable activities	7	1,363,716	5,467,780	6,831,496	6,731,701
Governance costs	7	5,913	10,910	16,823	18,095
Total resources expended		<u>1,369,657</u>	<u>5,478,692</u>	<u>6,848,349</u>	<u>6,750,202</u>
Net movements in funds		(231,558)	297,431	65,873	(102,459)
<b>Reconciliation of funds</b>					
Total funds brought forward		535,931	683,156	1,219,087	1,321,546
Total funds carried forward		<u>304,373</u>	<u>980,587</u>	<u>1,284,960</u>	<u>1,219,087</u>

All incoming resources and resources expended derive from continuing activities

The charity has no recognised gains or losses for the year other than the results above

The notes on pages 13 to 24 form an integral part of these financial statements

**INNOVATE TRUST LTD (REGISTRATION NUMBER: 2493904)**

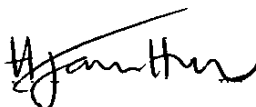
**BALANCE SHEET AS AT 31 MARCH 2011**

		2011		2010	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		640,878		643,121
<b>Current assets</b>					
Debtors	13	226,343		132,257	
Cash at bank and in hand		<u>1,081,369</u>		<u>971,838</u>	
		1,307,712		1,104,095	
<b>Creditors Amounts falling due within one year</b>	14	<u>(663,630)</u>		<u>(528,129)</u>	
<b>Net current assets</b>			<u>644,082</u>		<u>575,966</u>
<b>Net assets</b>			<u>1,284,960</u>		<u>1,219,087</u>
<b>The funds of the charity</b>					
<b>Restricted funds in surplus</b>	21		980,587		683,155
<b>Unrestricted funds</b>					
Unrestricted income funds	21		<u>304,373</u>		<u>535,932</u>
<b>Total charity funds</b>			<u>1,284,960</u>		<u>1,219,087</u>

Approved by the Board on 27 October 2011 and signed on its behalf by



Charlotte Kletta (Chair)  
Trustee



Heather Jones-Hughes (Treasurer)  
Trustee

**INNOVATE TRUST LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011**

		<b>2011</b>	<b>2010</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Net cash flow from operating activities	20	116,102	77,917
Returns on investment and servicing of finance	18	4,403	2,237
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(16,491)	(1,705)
Sale of tangible fixed assets		5,517	-
		<u>(10,974)</u>	<u>(1,705)</u>
<b>Increase in cash</b>		<u>109,531</u>	<u>78,449</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

		<b>2011</b>	<b>2010</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Increase in cash in the year	19	<u>109,531</u>	<u>78,449</u>
Change in net funds resulting from cash flows		109,531	78,449
 Net funds at the start of the year	19	<u>971,838</u>	<u>893,389</u>
 <b>Net funds at the end of the year</b>	19	<u>1,081,369</u>	<u>971,838</u>

## **INNOVATE TRUST LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

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#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Companies Act 2006

##### **Fund accounting policy**

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

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose

Further details of each fund are disclosed in note 21

##### **Incoming resources**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when

- The donor specifies that the donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income derived from events is recognised as earned (that is, as the related goods or services are provided)

Investment income is recognised on a receivable basis

Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful lives of the related assets

Revenue grants are recognised in the period in which the expenditure to which they relate is incurred

Where there are conditions attached to the use of these grants they are credited to the restricted fund. All other revenue grants are included in the general fund in unrestricted funds

Rental income is based upon the weekly charge arising in the accounting period to which it relates

##### **Resources expended**

Costs of generating funds are the costs of trading for fundraising purposes

The staff costs for each employee are allocated to direct charitable expenditure and management and administration by reference to the proportion of the employees's time spent on each activity or task and the nature of these activities and tasks

Expenditure that relates to the company as a whole, and which cannot otherwise be accurately apportioned is apportioned by reference to the total income, it is allocated to direct charitable expenditure and to support costs respectively. This method of apportionment is considered to best reflect the proportion of these expenses that are direct charitable expenditure and support costs respectively

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

## INNOVATE TRUST LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

*continued*

#### **Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

#### **Fixed assets**

Individual fixed assets costing £1000 or more are initially recorded at cost

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Freehold property	2% straight line basis
Fixtures, fittings and office equipment	25% straight line basis

#### **Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

## **2 Voluntary income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2011 £</b>	<b>Total Funds 2010 £</b>
Appeals and donations	<u>267</u>	<u>-</u>	<u>267</u>	<u>-</u>

## **3 Activities for generating funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2011 £</b>	<b>Total Funds 2010 £</b>
Event income	<u>4,572</u>	<u>-</u>	<u>4,572</u>	<u>4,857</u>



# **INNOVATE TRUST LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

*continued*

### **4 Investment income**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Interest on cash deposits	4,403	-	4,403	2,236

### **5 Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Charitable activity</b>				
Local authority funding	-	4,834,833	4,834,833	4,779,769
The Big Lottery Fund (Mentro Allen)	-	67,500	67,500	121,228
The Big Lottery - Park View	-	103,813	103,813	-
Tenant Contribution	2,928	-	2,928	7,030
Housing benefit	606,068	-	606,068	574,431
Property rent	16,530	-	16,530	10,966
Salaries income (ILF)	-	108,907	108,907	70,016
Employment services	62,498	-	62,498	41,686
Training courses	3,755	-	3,755	15,421
SPG	-	334,251	334,251	319,576
Student Union Funding	-	61,467	61,467	62,330
Cafe income	70,803	-	70,803	115,873
Green Shoots income	126,522	-	126,522	119,347
Student Volunteering Cardiff	-	35,766	35,766	39,423
Tenant Support Income	229,782	-	229,782	219,804
Misc grants and other income	4,454	229,586	234,040	153,750
Grants and other income - deferred income c/fwd	-	-	-	(10,000)
	<u>1,123,340</u>	<u>5,776,123</u>	<u>6,899,463</u>	<u>6,640,650</u>

### **6 Other incoming resources**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
(Profit)/loss on sale of tangible fixed assets held for charity's own use	5,517	-	5,517	-

**INNOVATE TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

*continued*

**7 Total resources expended**

	Operating activity	Charitable activity	Governance	Total
	£	£	£	£
<b>Direct costs</b>				
Fundraising costs	30	-	-	30
Employment costs	-	5,421,125	-	5,421,125
Establishment costs	-	40,694	-	40,694
Repairs and maintenance	-	19,381	-	19,381
Office expenses	-	4,629	-	4,629
Advertising, printing, posting and stationery	-	6,599	-	6,599
Equipment hire	-	8,766	-	8,766
Sundry and other costs	-	18,336	-	18,336
Cleaning	-	7,053	-	7,053
Cost of trustee meetings	-	-	3,747	3,747
Housing Association management fee	-	442,328	-	442,328
Cafe and Green Shoots expenditure	-	93,698	-	93,698
Travel and subsistence	-	33,327	-	33,327
Projects	-	31,975	-	31,975
Auditors' remuneration	-	-	13,076	13,076
Legal and professional costs	-	36,261	-	36,261
Depreciation of tangible fixed assets	-	9,766	-	9,766
	<u>30</u>	<u>6,173,938</u>	<u>16,823</u>	<u>6,190,791</u>
<b>Support costs</b>				
Employment costs	-	467,199	-	467,199
Establishment costs	-	66,326	-	66,326
Repairs and maintenance	-	3,663	-	3,663
Office expenses	-	47,106	-	47,106
Advertising, printing, posting and stationery	-	39,701	-	39,701
Equipment hire	-	6,982	-	6,982
Sundry and other costs	-	9,858	-	9,858
Cleaning	-	4,318	-	4,318
Cost of trustee meetings	-	3,913	-	3,913
Travel and subsistence	-	2,914	-	2,914
Legal and professional costs	-	35	-	35
Bad debt expense	-	(3,426)	-	(3,426)
Depreciation of tangible fixed assets	-	8,969	-	8,969
	<u>-</u>	<u>657,558</u>	<u>-</u>	<u>657,558</u>
	<u>30</u>	<u>6,831,496</u>	<u>16,823</u>	<u>6,848,349</u>

# **INNOVATE TRUST LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

*continued*

### **For the Year Ended 31 March 2010**

	Operating activity	Charitable activity	Governance	Total
	£	£	£	£
<b>Direct costs</b>				
Grant funding of activities	-	500	-	500
Fundraising costs	406	-	-	406
Employment costs	-	5,426,761	3,000	5,429,761
Establishment costs	-	58,762	-	58,762
Repairs and maintenance	-	18,846	-	18,846
Office expenses	-	26,530	-	26,530
Advertising, printing, posting and stationery	-	7,189	-	7,189
Equipment hire	-	8,570	-	8,570
Sundry and other costs	-	4,425	-	4,425
Cleaning	-	7,424	-	7,424
Cost of trustee meetings	-	-	4,303	4,303
Housing Association management fee	-	427,386	-	427,386
Cafe and Green Shoots expenditure	-	98,621	-	98,621
Travel and subsistence	-	30,665	-	30,665
Projects	-	62,761	-	62,761
Auditors' remuneration	-	-	10,792	10,792
Legal and professional costs	-	3,359	-	3,359
Bad debt expense	-	1,118	-	1,118
Depreciation of tangible fixed assets	-	9,973	-	9,973
	<u>406</u>	<u>6,192,890</u>	<u>18,095</u>	<u>6,211,391</u>
<b>Support costs</b>				
Employment costs	-	340,036	-	340,036
Establishment costs	-	79,652	-	79,652
Repairs and maintenance	-	5,834	-	5,834
Office expenses	-	43,710	-	43,710
Advertising, printing, posting and stationery	-	39,095	-	39,095
Equipment hire	-	7,813	-	7,813
Sundry and other costs	-	4,684	-	4,684
Cleaning	-	1,499	-	1,499
Travel and subsistence	-	4,510	-	4,510
Legal and professional costs	-	3,010	-	3,010
Depreciation of tangible fixed assets	-	8,968	-	8,968
	<u>-</u>	<u>538,811</u>	<u>-</u>	<u>538,811</u>
	<u>406</u>	<u>6,731,701</u>	<u>18,095</u>	<u>6,750,202</u>

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**INNOVATE TRUST LTD****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011***continued*

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**8 Trustees' remuneration and expenses**

The trustees received no remuneration during the year or expenses in furtherance of their duties as trustees

**9 Net income/(expenditure)**

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

	2011	2010
	£	£
Hire of other assets - operating leases	14,785	7,813
Auditors' remuneration - audit services	7,000	7,000
Profit on disposal of tangible fixed assets	(5,517)	-
Depreciation of owned assets	<u>18,735</u>	<u>18,941</u>

**10 Employees' remuneration**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2011 No	2010 No
Central Office Administration	16	20
Direct charitable employees	<u>299</u>	<u>290</u>
	<u>315</u>	<u>310</u>

No employee received emoluments of more than £60,000 during this or the previous year

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	5,111,702	4,861,064
Social security	425,302	423,819
Other pension costs	<u>148,576</u>	<u>143,597</u>
	<u>5,685,580</u>	<u>5,428,480</u>

**11 Taxation**

The trade carried out by the Charity is primary purpose trading as it enables the service users to gain qualification and experience in a work environment, the charity is therefore exemption from taxation

# INNOVATE TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

*continued*

### 12 Tangible fixed assets

	Freehold interest in land and buildings £	Fixtures, fittings and office equipment £	Total £
<b>Cost</b>			
As at 1 April 2010	947,057	74,001	1,021,058
Additions	-	16,491	16,491
Disposals	-	(11,766)	(11,766)
As at 31 March 2011	<u>947,057</u>	<u>78,726</u>	<u>1,025,783</u>
<b>Depreciation</b>			
As at 1 April 2010	305,640	72,296	377,936
Eliminated on disposals	-	(11,766)	(11,766)
Charge for the year	16,666	2,069	18,735
As at 31 March 2011	<u>322,306</u>	<u>62,599</u>	<u>384,905</u>
<b>Net book value</b>			
As at 31 March 2011	<u>624,751</u>	<u>16,127</u>	<u>640,878</u>
As at 31 March 2010	<u>641,417</u>	<u>1,705</u>	<u>643,122</u>

Included in freehold land and buildings is £85,771 relating to land which is not depreciated

### 13 Debtors

	2011 £	2010 £
Trade debtors	131,540	86,352
Other debtors	7,418	3,817
Prepayments and accrued income	87,385	42,088
	<u>226,343</u>	<u>132,257</u>

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**INNOVATE TRUST LTD****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011***continued*

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**14 Creditors Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	31,794	69,192
Taxation and social security	114,925	115,873
Other creditors	175,915	26,868
Accruals and deferred income	340,996	316,196
	<u>663,630</u>	<u>528,129</u>

Creditors amounts falling due within one year includes deferred income

	2011 £	2010 £
Deferred income b/wd	290,729	162,100
Amount released to incoming resources	(290,729)	(162,100)
Deferred income received during the year	290,560	290,729
Deferred income b/wd	<u>290,560</u>	<u>290,729</u>

Deferred income is made up of Millenium Volunteers grant £2,760, Esme Fairbairn foundation £11,996, Big Lottery £15,628, Locality III £203,702, Vale £45,874 and WCVA £10,600

**15 Members' liability**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

**16 Operating lease commitments**

As at 31 March 2011 the charity had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Other	
	2011 £	2010 £
Within one year	2,757	-
Within two and five years	3,289	7,830
	<u>6,046</u>	<u>7,830</u>

**INNOVATE TRUST LTD****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011***continued***17 Pension scheme****Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £148,576 (2010 - £143,597)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

**18 Analysis of cash flows**

	2011 £	2010 £
<b>Returns on investment and servicing of finance</b>		
Interest received	<u>4,403</u>	<u>2,237</u>

**19 Analysis of net funds**

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	<u>971,838</u>	<u>109,531</u>	<u>1,081,369</u>

**20 Reconciliation of net movements in funds to operating cash flows**

	2011 £	2010 £
Net incoming/(outgoing) resources	65,873	(102,459)
Investment income	(4,403)	(2,237)
Depreciation, amortisation and impairment charges	18,735	18,941
Profit on disposal of fixed assets	(5,517)	-
(Increase)/decrease in debtors	(94,086)	132,231
Increase in creditors	135,500	107,941
Decrease in provisions	-	(76,500)
<b>Net cash inflow from operating activities</b>	<u>116,102</u>	<u>77,917</u>

# **INNOVATE TRUST LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

*continued*

### **21 Analysis of funds**

	At 1 April 2010	Incoming resources	Resources expended	At 31 March 2011
	£	£	£	£
<b>General Funds</b>				
Unrestricted income fund	535,931	1,138,099	(1,369,657)	304,373
<b>Restricted Funds</b>				
Capital grants	558,458	-	(1,002)	557,456
Local authority funding	114,861	4,651,874	(4,384,803)	381,932
Quest Employment Agency	-	132,084	(132,084)	-
Big Lottery Fund	-	171,313	(171,313)	-
Resettlement	-	4,944	(4,944)	-
Tenant contributions	191	-	(178)	13
ILF	-	108,907	(108,907)	-
SPG	8,331	334,251	(315,111)	27,471
Student Union funding	-	61,467	(61,467)	-
Countryside Council for Wales	-	21,250	(21,250)	-
Esmee Fairbairn	-	11,996	(11,996)	-
WCVA - Field Days	-	23,565	(23,565)	-
Annual Chairs grant	130	4,900	-	5,030
Bailey Thomas	-	10,000	(10,000)	-
The Waterloo Foundation	-	10,000	(2,500)	7,500
Lankelly Chase	-	10,000	(10,000)	-
Holiday home purchase fund	1,185	-	-	1,185
Student Volunteering Cardiff	-	35,766	(35,766)	-
Comic Relief	-	30,871	(30,871)	-
Millennium Volunteers Grant	-	5,240	(5,240)	-
WCVA - Engagement Gateway	-	9,750	(9,750)	-
Children in Need	-	8,289	(8,289)	-
WCVA - Volunteering in Wales	-	16,071	(16,071)	-
Laspen Court Funding	-	250	(250)	-
Future Jobs Fund	-	90,969	(90,969)	-
Children services	-	22,366	(22,366)	-
	<u>683,156</u>	<u>5,776,123</u>	<u>(5,478,692)</u>	<u>980,587</u>
	<u>1,219,087</u>	<u>6,914,222</u>	<u>(6,848,349)</u>	<u>1,284,960</u>

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



## INNOVATE TRUST LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

*continued*

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Capital Grant is related to the funding of Property. These funds are being released to unrestricted funds over the useful life of the assets concerned.

Local Authority Funding - Funding to support Community Living

The Big Lottery is to part fund 7 existing workers to run two café facilities where PWLD and mental health problems will be trained and taught skills and behaviours which will enable them to move into employment. The money is for salaries, rent, running expenses and line management.

Tenant contributions are to reimburse the organisation for costs spent that are liable to the tenant.

SPG funding to Support people within the Community Living Schemes

Student Union Funding is for

- a) Funded posts: Assistant Manager (Full time), Project Worker (Full Time)
- b) Volunteer expenses, training, car expenses, and project materials

Countryside Council for Wales - funding for the provision of external tutoring and other costs associated with the conservation work carried out by Venture Out.

Esme Fairbairn is for a salary for Social Firms Wales Development Officer, plus Rent at £4,000.

Strategy Vale SLA for part Fund Job Trainer Post - Salary Quest

Annual Chairs grant - Grant from Cardiff City council for support work at Kings Road.

Bailey Thomas Foundation awarded a one off grant of £10,000 towards the Green Shoots Catering project – salary costs for the manager's post.

Activate Wales Participation is for manager (50% Salary), Training, Admin, Publicity.

Vale Voluntary Action received for Field Days Horticultural Project - Funding for a full time trainer for one year plus associated cost of rent, equipment, registration, volunteer expenses and supervision.

The Waterloo Foundation awarded a one off grant of £10,000 towards the purchase of a refrigerated van for Green Shoots catering.

Lankelly Chase - project Funding towards the costs of employing a Development Manager for Green Shoots Catering.

Holiday home purchase fund has set-up to raise funds to purchase a holiday home for service users.

Comic Relief a grant towards the salary of the Wesley's coffee shop supervisor and assistant plus core costs.

Millennium Volunteers grant – funding of the Millennium Volunteers programme within Venture Out. Millennium Volunteers make a commitment to carry out a minimum number of hours during the course of a year. There is a certificate to mark the first 50 and 100 hours of volunteering. Volunteers who complete 200 hours of volunteering will receive an Award of Excellence signed by the First Minister.

WCVA - Engagement Gateway –funded by the European Social Fund via Wales Council for Voluntary Action to engage economically inactive people, particularly those who face multiple barriers to employment. The aim is to build their confidence and skills that will move them towards sustainable employment. This includes giving participants the skills and increased confidence to enable them to become economically active. Funding has been obtained from WCVA by competitive tender. The work is being carried out by the staff of Field Days Organic, Venture Out, Green Shoots and Park View café.

## INNOVATE TRUST LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

*continued*

Children in Need – a grant of £9,946 was awarded for work with disadvantaged children and young people. Twenty nine children learnt about what constitutes a healthy lifestyle. Children learnt about the food they eat and why it's important to maintain a balance diet. The work was carried out by the staff of Green Shoots Catering.

WCVA - Volunteering in Wales, funding for Project Worker post for 'Field Days Organic'. Funding is for a project worker's post based at our horticultural project based at Amelia Trust Farm. The remit is to train 30 people a year with learning disabilities in horticulture, in order to learn new skills and prepare people for employment and voluntary work.

Laspen Court funding – received towards the running costs of park View café.

Future Jobs funding – funding was received from the Department of Work and Pensions via WCVA to support the creation of jobs for long-term unemployed young people and others who face significant disadvantages in the labour market. Nineteen people were employed under the Future Jobs Fund within Innovate Trust. Nine of these employees continued their employment after the Future Fund programme finished.

Children's services received to provide for the co-ordination of student volunteer support to a number of different projects across Cardiff.

#### 22 Net assets by fund

	Unrestricted fund £	Restricted fund £	Total funds £
Fixed assets	75,922	564,956	640,878
Current assets	228,451	415,631	644,082
	<u>304,373</u>	<u>980,587</u>	<u>1,284,960</u>