

Company registration number 2493904
Charity registration number 1010541

Innovate Trust

(A company limited by guarantee)

Annual Report and Financial Statements
for the Year Ended 31 March 2010

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

WEDNESDAY



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INNOVATE TRUST

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INNOVATE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers	Natwest Bank plc
Charity name	Innovate Trust
Charity registration number	1010541
Company registration number	2493904
Principal office	433 Cowbridge Road Canton Cardiff CF5 1JH
Registered office	433 Cowbridge Road Canton Cardiff CF5 1JH
Trustees	Charlotte Kletta, (Chair) Heather Jones-Hughes, (Treasurer) David Davies Norman Berg Georgina Powell Edward Gudgeon Brian Thomas
Chief executive officer	Nick French
Solicitor	Runnett & Co Sophia House 28 Cathedral Road Cardiff CF11 9LJ
Auditor	Haines Watts Wales LLP Pagefield House 24 Gold Tops Newport NP20 4PG

INNOVATE TRUST

TRUSTEES' REPORT

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 2010

REFERENCE AND ADMINISTRATIVE DETAILS

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

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.

INNOVATE TRUST

TRUSTEES' REPORT

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

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

INNOVATE TRUST

TRUSTEES' REPORT

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 2009/2010 we continued to work closely with Cardiff and the Vale of Glamorgan County Councils consolidating our position from the tendering processes that took place in both local authorities in 2007. It is the responsibility of these two local authorities to ensure that these Supported Living Services are provided for which we have been contracted. The organisation did see an increase in its staffing during the year as we completed the staffing of some new Supported Living Services together with an expanded Tenant Support Service although this was by no means on the scale of the previous year.

On a number of occasions we successfully applied for new funding streams to support and further expand our services, although the majority of these funds are due in 2010/2011. We do recognise that this is a testing time for fundraising and that these funding streams will become more challenging to secure over the next few years. We have continued to invest a considerable amount of time and resources into the development of new service provision. We expect to reap the benefits of this work in the forthcoming years with the development, true to our name, of new and innovative projects and services.

I have been impressed by 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 very 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 the organisation has continued to prove this through further service development throughout the year.

FINANCIAL REVIEW

Results

During the year the Charity's net outgoing resources on its unrestricted funds, amounted to £99,118 (2009 £83,116 surplus). Although the level of unrestricted funds at the balance sheet date was £535,932 (2009 £635,050) the level of free reserves calculated by excluding the amount invested in fixed assets amounted to £451,268 (2009 £534,152). The restricted funds were decreased by £3,341 (2009 £56,028 decrease). The total level of restricted funds at the year end amounted to £683,155 (2009 £686,496). The restricted fund balance held at the year end included an amount of £558,457 (2009 £559,459) that funded fixed assets, leaving the remaining balance of £124,698 (2009 £127,037) 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

TRUSTEES' REPORT

FINANCIAL REVIEW (Continued)

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 £451,268 (2009 £534,152)

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 operates a policy of equal opportunities for employment which includes disabled employees. This policy gives full and fair consideration to applications for employment by the Charity made by disabled persons, having regard to their particular aptitude and abilities, for continuing the employment of, and for arranging appropriate training for, employees of the Charity who have become disabled persons during the periods when they were employed by the Charity and otherwise for the training, career development and promotion of disabled persons employed by the Charity.

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 and signed on its behalf by



Charlotte Kletta
Trustee

Date 20.11.10

INNOVATE TRUST

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Innovate Trust 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

We have audited the financial statements of Innovate Trust for the year ended 31 March 2010 set out on pages 9 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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

The trustees' (who are also the directors of Innovate Trust for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Trustees' Responsibilities.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements are prepared in accordance with the Companies Act 2006 and give a true and fair view. We also report to you if in our opinion the information given in the Trustees' Annual Report is not consistent with the financial statements, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with these accounting records and returns, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF INNOVATE TRUST

continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been prepared in accordance with the Companies Act 2006



David Green
Senior Statutory Auditor

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

Date 13 December 2010.

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INNOVATE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2010

		Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	-	-	-	1,185
Activities for generating funds	3	4,857	-	4,857	2,659
Investment income	4	2,236	-	2,236	33,382
Incoming resources from charitable activities	5	1,133,608	5,507,042	6,640,650	6,237,276
Total incoming resources		<u>1,140,701</u>	<u>5,507,042</u>	<u>6,647,743</u>	<u>6,274,502</u>
Resources expended					
Costs of generating funds					
Fundraising trading cost of goods sold and other costs	6,7	94	312	406	1,293
Charitable activities	7	1,232,906	5,498,795	6,731,701	6,222,192
Governance costs	7	6,819	11,276	18,095	23,929
Total resources expended		<u>1,239,819</u>	<u>5,510,383</u>	<u>6,750,202</u>	<u>6,247,414</u>
Net (expenditure)/income before transfers		(99,118)	(3,341)	(102,459)	27,088
Transfers					
Gross transfers between funds		-	-	-	-
Net movements in funds		(99,118)	(3,341)	(102,459)	27,088
Reconciliation of funds					
Total funds brought forward		635,050	686,496	1,321,546	1,294,458
Total funds carried forward		<u>535,932</u>	<u>683,155</u>	<u>1,219,087</u>	<u>1,321,546</u>

All incoming resources and resources expended derive from continuing activities

INNOVATE TRUST

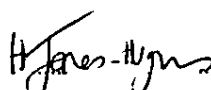
BALANCE SHEET AS AT 31 MARCH 2010

		2010		2009	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		643,121		660,357
Current assets					
Debtors	13	132,257		264,488	
Cash at bank and in hand		<u>971,838</u>		<u>893,389</u>	
		1,104,095		1,157,877	
Creditors Amounts falling due within one year	14	<u>(528,129)</u>		<u>(420,188)</u>	
Net current assets			<u>575,966</u>		<u>737,689</u>
Total assets less current liabilities			1,219,087		1,398,046
Provisions for liabilities	15		<u>-</u>		<u>(76,500)</u>
Net assets			<u>1,219,087</u>		<u>1,321,546</u>
The funds of the charity:					
Restricted funds in surplus			683,155		686,496
Unrestricted funds					
Unrestricted income funds			<u>535,932</u>		<u>635,050</u>
Total charity funds			<u>1,219,087</u>		<u>1,321,546</u>

Approved by the Board on 20.11.10 and signed on its behalf by



Charlotte Kletta
Trustee



Heather Jones-Hughes
Trustee

INNOVATE TRUST**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010**

		2010	2009
	Note	£	£
Net cash flow from operating activities	20	77,917	(190,307)
Returns on investment and servicing of finance	18	2,237	33,382
Purchase of tangible fixed assets		(1,705)	-
Increase/(decrease) in cash		<u>78,449</u>	<u>(156,925)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2010	2009
	Note	£	£
Increase/(decrease) in cash in the year	19	<u>78,449</u>	<u>(156,925)</u>
Change in net funds resulting from cash flows		78,449	(156,925)
 Net funds at the start of the year	19	<u>893,389</u>	<u>1,050,314</u>
 Net funds at the end of the year	19	<u>971,838</u>	<u>893,389</u>

The notes on pages 12 to 22 form an integral part of these financial statements

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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

Consolidation

Under section 399 of the Companies Act 2006 the group is exempt from the requirement to prepare group accounts by virtue of its size. Therefore the accounts present information about the charity as an individual undertaking and not about its group.

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.

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' 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Holiday home donations	-	-	-	1,185

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Plant sales	4,857	-	4,857	-
Golf day	-	-	-	2,659
	<u>4,857</u>	<u>-</u>	<u>4,857</u>	<u>2,659</u>

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Interest on cash deposits	2,236	-	2,236	33,382

5 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Charitable activity				
Local authority funding	-	4,779,769	4,779,769	4,538,669
ESF Objective 3	-	-	-	192,543
The Big Lottery Fund (Mentro Allen)	-	121,228	121,228	169,527
Tenant Contribution	-	7,030	7,030	7,534
Housing benefit	574,431	-	574,431	424,827
Property rent	10,966	-	10,966	17,200
Salaries income (ILF)	-	70,016	70,016	92,191
Employment services	41,686	-	41,686	34,552
Vision 21/Bold project	-	-	-	5,241
Training courses	15,421	-	15,421	2,897
SPG	-	319,576	319,576	230,840
Student Union Funding	-	62,330	62,330	82,526
Cafe income	115,873	-	115,873	47,592
Green Shoots income	119,347	-	119,347	95,985
Student Volunteering Cardiff	-	39,423	39,423	17,500
Tenant Support Income	219,804	-	219,804	137,800
Misc grants and other income - received in year	36,080	117,670	153,750	139,852
Misc grants and other income - deferred income c/fwd	-	(10,000)	(10,000)	-
	<u>1,133,608</u>	<u>5,507,042</u>	<u>6,640,650</u>	<u>6,237,276</u>

6 Fundraising trading cost of goods sold and other costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Fundraising costs	94	312	406	1,293

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

7 Total resources expended

	Operating activity	Charitable activity	Governance	Total
	£	£	£	£
Direct costs				
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>
Support costs				
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>

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

8 Trustees' remuneration and expenses

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

9 Net (expenditure)/income

Net (expenditure)/income is stated after charging

	2010		2009	
	£	£	£	£
Hire of other assets - operating leases		7,813		2,495
Auditors' remuneration - audit services		7,000		7,717
(Profit)/loss on disposal of tangible fixed assets		-		12,704
Depreciation of owned assets		18,941		45,946

10 Employees' remuneration

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

	2010 No	2009 No
Central Office Administration	20	20
Tenant Support Staff	299	255
	<u>319</u>	<u>275</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

	2010 £	2009 £
Wages and salaries	4,861,064	4,425,442
Social security	423,819	390,890
Other pension costs	143,597	131,005
	<u>5,428,480</u>	<u>4,947,337</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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

12 Tangible fixed assets

	Freehold interest in land and buildings £	Fixtures, fittings and office equipment £	Total £
Cost			
As at 1 April 2009	947,057	72,296	1,019,353
Additions	-	1,705	1,705
As at 31 March 2010	<u>947,057</u>	<u>74,001</u>	<u>1,021,058</u>
Depreciation			
As at 1 April 2009	286,700	72,296	358,996
Charge for the year	18,941	-	18,941
As at 31 March 2010	<u>305,641</u>	<u>72,296</u>	<u>377,937</u>
Net book value			
As at 31 March 2010	<u>641,416</u>	<u>1,705</u>	<u>643,121</u>
As at 31 March 2009	<u>660,357</u>	<u>-</u>	<u>660,357</u>

13 Debtors

	2010 £	2009 £
Trade debtors	86,352	154,922
Other debtors	3,817	1,445
Prepayments and accrued income	42,088	108,121
	<u>132,257</u>	<u>264,488</u>

14 Creditors Amounts falling due within one year

	2010 £	2009 £
Trade creditors	69,192	90,466
Taxation and social security	115,873	109,008
Other creditors	26,868	3,982
Accruals and deferred income	316,196	216,732
	<u>528,129</u>	<u>420,188</u>

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

15 Provisions for liabilities

The provision related to Community Supported Living income received from Cardiff County Council during the year ended 31 March 2009. This income was in connection with 5 service users no longer supported by the Charity and was clawed back during the year ended 31 March 2010 by a reduction in income received.

16 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.

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 £143,597 (2009 - £131,005).

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

INNOVATE TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010***continued***18 Analysis of cash flows**

	2010 £	2009 £
Returns on investment and servicing of finance		
Interest received	<u>2,237</u>	<u>33,382</u>

19 Analysis of net funds

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	<u>893,389</u>	<u>78,449</u>	<u>971,838</u>

20 Reconciliation of net movements in funds to operating cash flows

	2010 £	2009 £
Net (outgoing)/incoming resources	(97,596)	27,088
Investment income	(2,237)	(33,382)
Depreciation, amortisation and impairment charges	18,941	45,946
Loss on disposal of fixed assets	-	12,704
Decrease/(increase) in debtors	132,231	(34,547)
Increase/(decrease) in creditors	103,078	(109,214)
Decrease in provisions	<u>(76,500)</u>	<u>(98,902)</u>
Net cash inflow/(outflow) from operating activities	<u>77,917</u>	<u>(190,307)</u>

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

21 Analysis of funds

	At 1 April 2009	Incoming resources	Resources expended	At 31 March 2010
	£	£	£	£
General Funds				
Unrestricted income fund	635,050	1,140,701	(1,239,819)	535,932
Restricted Funds				
Capital grants	559,459	-	(1,002)	558,457
Local authority funding	95,478	4,779,769	(4,760,386)	114,861
Big Lottery Fund	-	121,228	(121,228)	-
Area Health Authority grant	75	-	(75)	-
Tenant contributions	742	7,030	(7,581)	191
ILF	8,054	70,016	(78,070)	-
SPG	19,656	319,576	(330,901)	8,331
Student Union funding	-	58,670	(58,670)	-
Esmee Fairbairn	251	-	(251)	-
Active Wales	373	-	(373)	-
Vale Voluntary Action	310	-	(310)	-
Strategy Vale SLA	127	-	(127)	-
WCVA - Field Days	-	6,250	(6,250)	-
Vale Community Care	408	-	(408)	-
Annual Chairs grant	378	4,900	(5,148)	130
WCVA - New Ventures	-	1,950	(1,950)	-
Bailey Thomas	-	-	-	-
Lankelly Chase	-	20,000	(20,000)	-
Russell Commission	-	5,000	(5,000)	-
Holiday home purchase fund	1,185	-	-	1,185
All Wales Strategy Grant R35	-	23,565	(23,565)	-
Student Volunteering Cardiff	-	39,423	(39,423)	-
Environment Wales	-	5,034	(5,034)	-
Comic Relief	-	30,971	(30,971)	-
Communities work project	-	10,000	(10,000)	-
Student Union training grant	-	3,660	(3,660)	-
	686,496	5,507,042	(5,510,383)	683,155
	1,321,546	6,647,743	(6,750,202)	1,219,087

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

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 National 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.

Area Health Authority Grant from Cardiff City council for support work at Kings Road

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

ILF is to underpin Service Users Independent Living

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

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

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

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

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.

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

Russell Commission - contributions towards SVC project worker

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

All Wales Strategy grant for the Field Days Project to provide vocational training for people with learning disabilities

Student volunteering Cardiff - this Funding is for the staffing and management costs for the co-ordination of a number of community volunteer services delivered by students from Cardiff University

Environment Wales a project grant for the development of Field Days Organic

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

INNOVATE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

continued

22 Transfers

Funds are transferred to meet any deficits arising on individual restricted funds

23 Net assets by fund

	Unrestricted fund £	Restricted fund £	Total funds £
Fixed assets	84,664	558,457	643,121
Current assets	451,268	124,698	575,966
	<u>535,932</u>	<u>683,155</u>	<u>1,219,087</u>