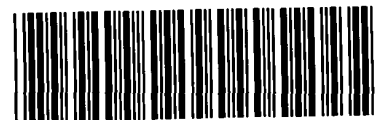


REGISTERED COMPANY NUMBER: 02493904
REGISTERED CHARITY NUMBER: 1010541

**Strategic Report, Report of the Trustees and
Financial Statements for the Year Ended 31st March 2017
for
Innovate Trust Ltd**

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Innovate Trust Ltd

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for the Year Ended 31st March 2017**

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Innovate Trust Ltd

Strategic Report for the Year Ended 31st March 2017

The trustees present their strategic report for the year ended 31st March 2017.

Achievements and performance

During the year 2016/2017 we continued to work closely with Cardiff the Vale of Glamorgan and Rhondda Cynon Taff 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 three 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 2015, 2013 & 2012 respectively.

We further increased our Supported Living Contracts in Cardiff increasing the total number of supported living services we support across the three local authority areas to ninety-five. The organisation did not tender for any other new contracts and no others were reaching a conclusion during the year. The increases in the Cardiff saw the organisations staffing levels rise to approximately 850 individuals. We continued to contain our geographical spread to a twenty mile radius of our head office ensuring support was never too far away. We continued to engage with all individuals we were now supporting across the three local authorities and sought to expand their opportunities wherever possible.

In addition, we continued to build on our expanded support in the Vale of Glamorgan and Rhondda Cynon Taff. We offered improved opportunities to the vastly increased number of individuals we started supporting following our successful Supported Living Tender and contract of October 2013 & August 2015 respectively. In Cardiff we consolidated our catering services and expanded our sporting and outdoor activity opportunities with the introduction of a number of new and exciting events as well as other indoor opportunities and groups to include as many individuals as possible.

We built on our new Green Days project and our other opportunities for individuals expanding activities and venues to all three local authority areas. We also further improved our person centred planning processes and increased the use of video footage to support consistent practice and evidence our outcomes based service delivery. We extended volunteering throughout the organisation primarily through our partnership with SVC and developed multiple opportunities and events for the individuals we support. These included our service for developing friendships and relationships 'Like to Meet' together with Speed Dating & Clubbing Nights. We intend to continue to develop and expand on these and other opportunities for the individuals we support over the coming years.

In order to ensure our high quality service delivery was maintained at a consistent level throughout the organisation; we expanded both our core and local staff support together with our office bases. We moved key core personnel to new local office settings to both safeguard continuity and ensure staff had the required level of access to prompt and reliable advice, support and training.

We continued our 'hands-on' approach to supporting our services with the Chief Executive together with Senior Managers and our Participation Officers visiting all supported living settings and other projects to meet and/or introduce themselves to all the individuals that we support. Furthermore, other events were arranged by the organisation on an ongoing basis in both social and professional settings, to offer the individuals we support opportunities to feedback on our practices and inform change. We are committed to continuing to place the individuals we support at the heart of our service delivery in an outcomes based and person centred manner. To further our commitment to this end, we expanded the number of individuals we both support and that sit as Directors/Trustees of the Charity from three to four and provided the necessary support for them to fully engage with this role.

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 2016/2017 & 2017/2018. 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 year with the development of, true to our name, both new and innovative projects and services. Throughout these processes we believe we have continued to maintain our reputation as a local provider of high quality and consistent support, with a friendly feel and an approachable non-hierarchical organisational culture.



Innovate Trust Ltd

Strategic Report for the Year Ended 31st March 2017

I have, as always, 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

During the year the Charity's net income on its unrestricted funds amounted to £67,048 (2016: £169,807). The balance of unrestricted funds at the balance sheet date was £1,193,180 (2016: £1,126,132).

The restricted funds were increased by £74,185 (2016: £433,510) The total level of restricted funds at the year end amounted to £1,703,717 (2016: £1,629,532).

The unrestricted fund balance held at the year end included an amount of £570,169 that funded fixed assets, leaving a remaining balance of £623,011 available to fund on-going projects in furtherance of the Charity's objectives.

Plans for future periods

The forthcoming year will of course present the organisation with numerous challenges which we intend to meet. To meet this challenge, we recognise that we need to adapt and change our practices to meet the changing needs of the communities we serve. We understand the importance of partnership working and we are committed to developing further links with likeminded organisations over the coming years. We feel that this approach will complement our own service delivery; reduce unnecessary replication and potentially lead to a more cost effective model of provision.

To this end we will continue to carry out 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. We will review our structure and ensure that we have the required posts to continue to support the organisation after our recent expansion. We will continue to build on our recent experiences in evidencing outcomes based support practices. Through these processes we further increase the contribution of the individuals we support to future service development of our organisation. Over the coming years we hope to expand our service provision developing new and innovative support services and practices; together with further expansion to work with new groups and categories of individuals.

We are particularly interested in the advancement of recently available consumer technologies and intend to explore these over the coming year. We want to learn how we can harness these steps forward to best benefit and increase the independence of the people we support. It is the intention of the organisation to then then share its findings with the people we support and our local authority partners, to further develop such in a co-productive and co-developmental manner. Innovate Trust will then share its findings more widely, with the implicit intention of transforming the way elements of support are provided across both our sector and others in the future.

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.

Approved by order of the board of trustees on 28/11/17 and signed on its behalf by:

Trustee

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31st March 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objectives

The objectives for which the company is established are:

1. The relief of poverty and distress amongst disabled people, particularly learning disability, physical disability and mental illness by:
 - a. Providing for or assisting with, the care, accommodation, training, education, employment and occupation of such persons; and
 - b. Promoting the development of facilities for independent living by such persons to encourage their greater inclusion within their communities.
2. The relief of poverty and distress amongst those who care for such persons.
3. The education of the public in the needs of such persons.

Services

- . Providing for, or assisting with the supported living, training, education, employment and occupation of disabled people, particularly those with a learning disability, physical disability and / or mental health issue.
- . Promoting the development of facilities for independent living to facilitate greater inclusion of disabled people within their communities.
- . Supporting carers and those people who provide support for disabled people.
- . Educating the public about the needs of disabled people.
- . Developing high quality innovative services that reflect the core values of the organisation and meet the needs of disabled people.
- . Developing and expanding volunteer opportunities for students and others and promoting the understanding of the issues related to disabled people.
- . 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 staff.

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31st March 2017

Objectives and activities

The main activities include:

- | | |
|---------------------------------|--|
| o Supported Living Developments | Supporting people to live in their own homes. |
| o Tenant Support Services | Supporting council tenants to remain in their home. |
| o Respite Service | Providing short term care to 18 - 25 year olds. |
| o Emergency Accommodation | Supporting people during times of crisis. |
| o Quest Supported Employment | Supporting people to obtain employment. |
| o Field Days Organic | Providing training and work experience in a Horticultural environment. |
| o Innovate Catering | Providing training and work experience in Catering. |
| o Student Volunteering | Enabling student volunteers to work with Children and vulnerable people. |
| o Venture Out | Supported sporting & outdoor activities. |

Public benefit

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.

Financial review

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.

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31st March 2017

Financial review

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 majority of the local authority funding is used to support service users and is restricted on geographical grounds. The current level of free reserves after excluding the amount invested in fixed assets and designated funds amounted to £623,011

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

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.

Recruitment and appointment of new trustees

Trustees are appointed from volunteers and any other interested parties.

Organisational structure

The charity is managed by the Board of trustees which meet regular basis and employs a team of staff to manage the organisation in a day-to-day basis.

Induction and training of new trustees

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

Key management remuneration

Key management remuneration is set with consideration to the current level of activities, current market rates and any project specific criteria, reviewed on an annual basis.

Related parties

There are no related party transactions.

Reference and administrative details

Registered Company number

02493904

Registered Charity number

1010541

Registered office

433 Cowbridge Road East
Canton
CARDIFF
CF5 1JH

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31st March 2017

Reference and administrative details

Trustees

D J Davies	
C Kletta	Chair
B Lewis	
G E Powell	Vice Chair
D Pratt	
J Rumble	
T Wells	- resigned 19.3.2017
C Dunlop	
E L Board-Davies	
B G Lewis	- appointed 13.3.2017
K Oneil	- appointed 13.3.2017

Chief Executive

N J French

Auditors

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Solicitors

Thomas Carroll Group plc
Pendragon House
Crescent Road
Caerphilly
CF83 1XX

Funds held as custodian for others

The charity holds monies on behalf of their service user until bank accounts are opened in the service users name, at this point all monies held on their behalf will be transferred into these bank accounts.

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.

Disclosure in the strategic report

Achievements and performance
Principal risks and uncertainties
Financial review
Plans for future periods

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31st March 2017

Statement of trustees responsibilities

The trustees (who are also the directors of Innovate Trust Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28/11/17 and signed on its behalf by:


.....
C Kletta - Trustee

Report of the Independent Auditors to the Members of Innovate Trust Ltd

We have audited the financial statements of Innovate Trust Ltd for the year ended 31st March 2017 on pages ten to twenty five. 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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit 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 the charitable company's 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 Statement of Trustees Responsibilities set out on page seven, 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 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 Strategic Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31st March 2017 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

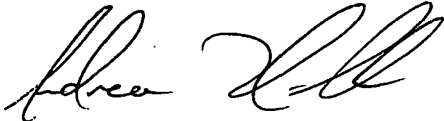
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

**Report of the Independent Auditors to the Members of
Innovate Trust Ltd**

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.



Andrew Hill (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 6/12/2017

Innovate Trust Ltd

**Statement of Financial Activities
for the Year Ended 31st March 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Income and endowments from					
Donations and legacies	2	5,269	-	5,269	242
Charitable activities	4				
Support Services		3,197,411	15,905,850	19,103,261	16,675,075
Investment income	3	11,565	-	11,565	8,840
Total		<u>3,214,245</u>	<u>15,905,850</u>	<u>19,120,095</u>	<u>16,684,157</u>
 Expenditure on					
Charitable activities	5				
Support Services		<u>3,147,197</u>	<u>15,831,665</u>	<u>18,978,862</u>	<u>16,080,839</u>
Net income		67,048	74,185	141,233	603,318
 Reconciliation of funds					
Total funds brought forward		1,126,132	1,629,532	2,755,664	2,152,346
 Total funds carried forward		<u><u>1,193,180</u></u>	<u><u>1,703,717</u></u>	<u><u>2,896,897</u></u>	<u><u>2,755,664</u></u>

Continuing operations

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Innovate Trust Ltd

**Balance Sheet
At 31st March 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Fixed assets					
Tangible assets	11	55,063	515,106	570,169	594,690
Current assets					
Debtors	12	1,375,763	-	1,375,763	1,368,974
Cash at bank and in hand		2,752,123	1,188,610	3,940,733	2,928,005
		<u>4,127,886</u>	<u>1,188,610</u>	<u>5,316,496</u>	<u>4,296,979</u>
Creditors					
Amounts falling due within one year	13	(2,669,768)	-	(2,669,768)	(1,816,005)
Net current assets		<u>1,458,118</u>	<u>1,188,610</u>	<u>2,646,728</u>	<u>2,480,974</u>
Total assets less current liabilities		<u>1,513,181</u>	<u>1,703,716</u>	<u>3,216,897</u>	<u>3,075,664</u>
Creditors					
Amounts falling due after more than one year	14	(320,000)	-	(320,000)	(320,000)
Net assets		<u>1,193,181</u>	<u>1,703,716</u>	<u>2,896,897</u>	<u>2,755,664</u>
Funds	16				
Unrestricted funds				1,193,181	1,126,132
Restricted funds				1,703,716	1,629,532
Total funds				<u>2,896,897</u>	<u>2,755,664</u>

The financial statements were approved by the Board of Trustees on 28/11/17 and were signed on its behalf by:


C Kletta -Trustee


G E Powell -Trustee

The notes form part of these financial statements

Innovate Trust Ltd

**Cash Flow Statement
for the Year Ended 31st March 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	1,097,513	1,660,305
Interest paid		(87,521)	(68,785)
Net cash provided by (used in) operating activities		<u>1,009,992</u>	<u>1,591,520</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(8,829)	(36,514)
Sale of tangible fixed assets		-	5,281
Interest received		11,565	8,840
Net cash provided by (used in) investing activities		<u>2,736</u>	<u>(22,393)</u>
Change in cash and cash equivalents in the reporting period		<u>1,012,728</u>	<u>1,569,127</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,928,005</u>	<u>1,358,878</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,940,733</u></u>	<u><u>2,928,005</u></u>

The notes form part of these financial statements

Innovate Trust Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31st March 2017**

1. Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	141,233	603,318
Adjustments for:		
Depreciation charges	33,350	35,544
Loss on disposal of fixed assets	-	1,752
Interest received	(11,565)	(8,840)
Interest paid	87,521	68,785
(Increase)/decrease in debtors	(6,789)	121,531
Increase in creditors	853,763	838,215
Net cash provided by (used in) operating activities	<u>1,097,513</u>	<u>1,660,305</u>

Innovate Trust Ltd

Notes to the Financial Statements for the Year Ended 31st March 2017

1. Accounting policies

Basis of preparing the financial statements

Innovate Trust is a charitable company in the United Kingdom. The address of the registered office is given in the charity information on page 5 of these financial statements. The nature of the charity's operations and principal activities are the provision of or assistance with supported living.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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

Income

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.

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.

Innovate Trust Ltd

Notes to the Financial Statements - continued for the Year Ended 31st March 2017

1. Accounting policies - continued

Expenditure

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 employee'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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Short leasehold	- 10% on cost
Computer Equipment	- 25% on cost
Fixtures and fittings	- 25% on cost and 25% on reducing balance
Motor vehicles	- 25% on cost

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

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 explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

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

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

1. Accounting policies - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

2. Donations and legacies

	2017 £	2016 £
Appeals and donations	5,269	-
Hardship Fund	-	242
	<u>5,269</u>	<u>242</u>

3. Investment income

	2017 £	2016 £
Deposit account interest	<u>11,565</u>	<u>8,840</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

4. Income from charitable activities

		2017 £	2016 £
Local Authority funding	Support Services	14,832,532	12,616,083
Tenant Contribution	Support Services	8,330	8,013
Housing Benefit	Support Services	2,108,063	1,919,558
Property rent	Support Services	20,538	26,495
Salaries income (ILF)	Support Services	461,378	475,817
Training courses	Support Services	16,133	8,471
SPPG	Support Services	876,799	694,414
Cafe income	Support Services	64,275	74,954
Green shoots income	Support Services	50,588	51,017
Tenant Support Income	Support Services	204,636	210,242
All Wales Strategy Grant	Support Services	236,999	274,752
Esmee Fairbairn	Support Services	16,780	28,527
Annual Chairs grant	Support Services	4,900	4,900
WCVA - Volunteering in Wales	Support Services	7,813	15,625
Misc grants and other income	Support Services	61,223	121,538
Environment Wales	Support Services	6,000	9,000
Centre SV2	Support Services	-	14,287
Vale of Glamorgan Block Contract	Support Services	43,500	43,500
Big Lottery Fund Grant - Green Days	Support Services	76,956	61,211
Student union grant	Support Services	-	16,671
WCVA ESF Grant (Quest)	Support Services	5,818	-
		<u>19,103,261</u>	<u>16,675,075</u>

5. Charitable activities costs

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Support Services	<u>17,597,502</u>	<u>1,381,360</u>	<u>18,978,862</u>

6. Support costs

	Other	Governance costs	Totals
	£	£	£
Support Services	<u>1,370,407</u>	<u>10,953</u>	<u>1,381,360</u>

Support costs, included in the above, are as follows:

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

6. Support costs - continued

	2017 Support Services £	2016 Total activities £
Wages	773,212	865,853
Hire of other assets	785	749
Rent and rates	70,548	52,585
Insurance	71,149	81,114
Light and heat	8,397	7,271
Telephone	45,308	33,082
Advertising and printing	101,312	94,599
Sundries	12,945	21,975
Other office expenses	274,385	257,398
Depreciation of tangible fixed assets	12,366	35,243
Auditors' remuneration	7,000	7,000
Auditors' remuneration for non audit work	1,500	9,000
Trustees meetings	2,453	2,395
	<u>1,381,360</u>	<u>1,468,264</u>

7. Net income/(expenditure)

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

	2017 £	2016 £
Auditors' remuneration	7,000	7,000
Other non-audit services	1,500	9,000
Depreciation - owned assets	33,350	35,545
Hire of plant and machinery	1,047	749
Deficit on disposal of fixed asset	-	1,752
Other operating leases	-	17,765
	<u>-</u>	<u>17,765</u>

8. Trustees' remuneration and benefits

The Trustees received no remuneration during the year nor in the year ended 31 March 2016.

Trustees' expenses

Expenses totalling £123 (2016: £125) were reimbursed to Trustees for costs incurred attending meetings.

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

9. Staff costs

	2017 £	2016 £
Wages and salaries	14,591,933	12,311,648
Social security costs	1,030,158	873,938
Other pension costs	343,286	306,681
	<u>15,965,377</u>	<u>13,492,267</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Central Office Administration	26	22
Direct charitable employees	837	766
	<u>863</u>	<u>788</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017	2016
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>1</u>

During the year the charity paid key management gross salaries and benefits totalling £297,232 (2016: £252,394). Key management are considered to be 5 individuals who directly impact upon the strategic direction of the Charity.

10. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	242	-	242
Charitable activities			
Support Services	2,966,745	13,708,330	16,675,075
Investment income	8,840	-	8,840
Total	<u>2,975,827</u>	<u>13,708,330</u>	<u>16,684,157</u>
Expenditure on			
Charitable activities			
Support Services	2,806,020	13,274,819	16,080,839
Total	<u>2,806,020</u>	<u>13,274,819</u>	<u>16,080,839</u>
Net income	<u>169,807</u>	<u>433,511</u>	<u>603,318</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

10. Comparatives for the statement of financial activities - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Reconciliation of funds			
Total funds brought forward	956,325	1,196,021	2,152,346
Total funds carried forward	<u>1,126,132</u>	<u>1,629,532</u>	<u>2,755,664</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

11. Tangible fixed assets

	Freehold property £	Short leasehold £	Computer Equipment £
Cost			
At 1st April 2016	947,057	22,649	44,803
Additions	-	-	6,888
At 31st March 2017	947,057	22,649	51,691
Depreciation			
At 1st April 2016	415,440	6,792	36,874
Charge for year	16,511	2,268	3,382
At 31st March 2017	431,951	9,060	40,256
Net book value			
At 31st March 2017	515,106	13,589	11,435
At 31st March 2016	531,617	15,857	7,929
	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1st April 2016	41,986	50,582	1,107,077
Additions	1,941	-	8,829
At 31st March 2017	43,927	50,582	1,115,906
Depreciation			
At 1st April 2016	23,453	29,828	512,387
Charge for year	4,614	6,575	33,350
At 31st March 2017	28,067	36,403	545,737
Net book value			
At 31st March 2017	15,860	14,179	570,169
At 31st March 2016	18,533	20,754	594,690

12. Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	394,957	802,351
Other debtors	10,936	14,415
Prepayments and accrued income	969,870	552,208
	1,375,763	1,368,974

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

13. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	248,123	187,128
Social security and other taxes	247,038	217,702
VAT control account	10,272	9,593
Other creditors	1,060,002	317,164
Money owed to scheme accounts	397,329	417,774
Accruals and deferred income	707,004	666,644
	<u>2,669,768</u>	<u>1,816,005</u>
Deferred income brought forward	572,128	304,300
Amounts released to incoming resources	(572,128)	(304,300)
Amounts deferred in the year	<u>546,626</u>	<u>572,128</u>
Deferred income carried forward	<u>546,626</u>	<u>572,128</u>

Deferred income relates to grants received in advance at the end of each year.

14. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	<u>320,000</u>	<u>320,000</u>

15. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	2,012	6,036
In more than five years	92,752	106,493
	<u>94,764</u>	<u>112,529</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

16. Movement in funds

	At 1.4.16	Net movement in funds	At 31.3.17
	£	£	£
Unrestricted funds			
General fund	1,126,132	67,049	1,193,181
Restricted funds			
Local Authority funding	1,077,972	110,638	1,188,610
Capital Grants	541,921	(26,815)	515,106
Holiday home purchase fund	9,639	(9,639)	-
	<hr/>	<hr/>	<hr/>
	1,629,532	74,184	1,703,716
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,755,664</u>	<u>141,233</u>	<u>2,896,897</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	3,214,245	(3,147,196)	67,049
Restricted funds			
Local Authority funding	14,832,532	(14,721,894)	110,638
Property rent	8,538	(8,538)	-
Salaries income (ILF)	461,378	(461,378)	-
Tenant support income	204,636	(204,636)	-
All Wales Strategy Grant	236,999	(236,999)	-
Esmee Fairbairn	16,780	(16,780)	-
Annual Chairs grant	4,900	(4,900)	-
WCVA - Volunteering in Wales	7,813	(7,813)	-
Environment Wales	6,000	(6,000)	-
Big Lottery - Green Days	76,956	(76,956)	-
The Hub (Snax)	43,500	(43,500)	-
WCVA ESF Grant (Quest)	5,818	(5,818)	-
Capital Grants	-	(26,815)	(26,815)
Holiday home purchase fund	-	(9,639)	(9,639)
	<hr/>	<hr/>	<hr/>
	15,905,850	(15,831,666)	74,184
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>19,120,095</u>	<u>(18,978,862)</u>	<u>141,233</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

16. Movement in funds - continued

General funds are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Local Authority Funding - Funding to support Community Living.

Property Rent - relates to tenants contributions.

ILF - Independent Living Fund provides money to help disabled people live an independent life in the community rather than in residential care.

Tenant Support income grant - supporting individuals to maintain their tenancies, funded by Cardiff CC.

All Wales Strategy Grant funding to support people with learning disabilities to lead independent lives within the community.

Esmee Fairbairn for the salary of a Transition Officer. The main objective of the post is to help young people with learning disabilities make a transition from education to a working life.

Annual Chairs grant - To provide training in catering skills for people with learning disabilities.

WCVA - Volunteering in Wales and ESF - project provides new opportunities for people to become involved in volunteering, particularly those who are disabled, young, unemployed or over fifty years of age. The grant was spent in accordance with the terms and conditions of WCVA.

Environment Wales - A management grant from the Welsh Government for the position of Project Officer to develop Field Days Organic.

The Big Lottery Fund Grant - Green Days - The Big Lottery grant for the Green Days Project is to contribute towards the salaries of four members of staff and associated running costs. The aim of the project is to enable people with learning disabilities and / or mental health problems to gain skills and confidence to help them lead an independent life in the community. Activities include carrying out environmental improvement work in Cardiff, Vale of Glamorgan and Rhondda Cynon Taff.

Hub Café - a grant received from the Vale of Glamorgan to offer training, work experience and volunteering opportunities to people with learning disabilities and those who wish to contribute to the local community.

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.

17. Pension commitments

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £343,286 (2016: £306,681).

There was £Nil outstanding (2016: £2,405) at the end of the financial year.

18. Related party disclosures

There were no related party transactions for the year ended 31st March 2017.

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

19. 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.