

**Strategic Report, Report of the Trustees and
Financial Statements for the Year Ended 31 March 2018
for
Innovate Trust Ltd**

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Innovate Trust Ltd

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for the Year Ended 31 March 2018**

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Innovate Trust Ltd
Strategic Report
for the Year Ended 31 March 2018

The trustees present their strategic report for the year ended 31 March 2018.

Achievements and performance

During the year 2017/2018 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.

The organisation did not tender for any other new contracts and no others were reaching a conclusion during the year. The organisations staffing levels have risen to approximately 900 individuals over the last few years. 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 Green Days and Participation projects 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.

We also expanded our knowledge of freely available consumer technologies in order to explore the increasing possibilities of Internet of Things; which could lead to individuals we support attaining greater levels of independence in the future. To this end we also set up research projects with Cardiff University and the University of South Wales primarily focused on independence and wellbeing. We worked with the Nesta, Y Lab and the Wales Audit Office to share our ideas and findings with a wider audience. We also set up specific partnerships with a number of local authority departments and a plethora of organisations in Wales and the UK.

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 2017/18 & 2018/2019. 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.

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.

Innovate Trust Ltd
Strategic Report
for the Year Ended 31 March 2018

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 £84,065 (2017: £67,048). The balance of unrestricted funds at the balance sheet date was £1,277,247 (2017: £1,193,180).

The restricted funds decreased by £74,185 (2017: increase £74,185) The total level of restricted funds at the year end amounted to £1,687,205 (2017: £1,703,717).

The unrestricted fund balance held at the year end included an amount of £598,355 that funded fixed assets, leaving a remaining balance of £678,892 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 27 November 2018 and signed on its behalf by:


.....
C Kletta - Trustee

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31 March 2018

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 31 March 2018. 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 31 March 2018

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.

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 £678,892.

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.

Innovate Trust Ltd
Report of the Trustees
for the Year Ended 31 March 2018

Structure, governance and management

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.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and errors, these strategic detailed within the stragregic report.

Reference and administrative details

Registered Company number

02493904

Registered Charity number

1010541

Registered office

433 Cowbridge Road East
Canton
CARDIFF
CF5 1JH

Trustees

D J Davies	Resigned 22.11.2017
C Kletta	Chair
B Lewis	
G E Powell	Vice Chair
D Pratt	
J Rumble	
C Dunlop	
E L Board-Davies	
B G Lewis	
K O'Neil	
N Holmes	Appointed 30.01.2018

Chief Executive

N J French

Auditors

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

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 transfered into these bank accounts.

Innovate Trust Ltd

Report of the Trustees for the Year Ended 31 March 2018

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

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 27/11/18 and signed on its behalf by:



C Kletta - Trustee

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

Opinion

We have audited the financial statements of Innovate Trust Ltd (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

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.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

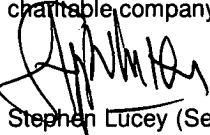
Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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.


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

Date: 27 November 2018

Innovate Trust Ltd

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2018**

		Unrestricted funds £	Restricted funds £	Total 2018 funds £	Total 2017 funds £
	Notes				
Income and endowments from					
Donations and legacies	2	3,168	-	3,168	5,269
Charitable activities	4				
Support Services		3,416,519	17,322,990	20,739,509	19,103,261
Investment income	3	<u>2,325</u>	<u>-</u>	<u>2,325</u>	<u>11,565</u>
Total		3,422,012	17,322,990	20,745,002	19,120,095
 Expenditure on					
Charitable activities	5				
Support Services		<u>3,354,458</u>	<u>17,322,991</u>	<u>20,676,114</u>	<u>18,978,862</u>
Net income/(expenditure)		67,554	(1)	67,553	141,233
 Reconciliation of funds					
Total funds brought forward		1,193,181	1,703,716	2,896,897	2,755,664
 Total funds carried forward		<u>1,260,735</u>	<u>1,703,715</u>	<u>2,964,451</u>	<u>2,896,897</u>

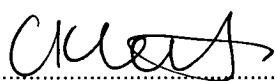
The notes form part of these financial statements

Innovate Trust Ltd

**Balance Sheet
At 31 March 2018**

		Unrestricted funds £	Restricted funds £	Total 2018 funds £	Total 2017 funds £
	Notes				
Fixed assets					
Tangible assets	11	83,249	515,106	598,355	570,169
Current assets					
Debtors	12	1,754,359	-	1,754,359	1,375,763
Cash at bank and in hand		<u>2,471,396</u>	<u>1,188,610</u>	<u>3,660,006</u>	<u>3,940,733</u>
		4,225,755	1,188,610	5,414,365	5,316,496
Creditors					
Amounts falling due within one year	13	(2,898,268)	-	(2,898,268)	(2,669,768)
Net current assets		<u>1,327,487</u>	<u>1,188,610</u>	<u>2,516,097</u>	<u>2,646,728</u>
Total assets less current liabilities		1,410,736	1,703,716	3,114,452	3,216,897
Creditors					
Amounts falling due after more than one year	14	(150,000)	-	(150,000)	(320,000)
Net assets		<u>1,260,736</u>	<u>1,703,716</u>	<u>2,964,452</u>	<u>2,896,897</u>
Funds	16				
Unrestricted funds				1,260,736	1,193,181
Restricted funds				<u>1,703,716</u>	<u>1,703,716</u>
Total funds				<u>2,964,452</u>	<u>2,896,897</u>

The financial statements were approved by the Board of Trustees on 27/11/18 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 31 March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(122,789)	1,097,513
Interest paid		<u>(88,311)</u>	<u>(87,521)</u>
Net cash provided by (used in) operating activities		<u>(211,100)</u>	<u>1,009,992</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(70,618)	(8,829)
Interest received		<u>2,326</u>	<u>11,565</u>
Net cash provided by (used in) investing activities		<u>(68,292)</u>	<u>2,736</u>
Change in cash and cash equivalents in the reporting period		<u>(279,392)</u>	<u>1,012,728</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,940,733</u>	<u>2,928,005</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,661,341</u></u>	<u><u>3,940,733</u></u>

The notes form part of these financial statements

Innovate Trust Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2018**

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	67,553	141,233
Adjustments for:		
Depreciation charges	42,432	33,350
Interest received	(2,325)	(11,565)
Interest paid	93,113	87,521
Increase in debtors	(378,595)	(6,789)
Increase in creditors	<u>58,500</u>	<u>853,763</u>
Net cash provided by (used in) operating activities	<u><u>(119,322)</u></u>	<u><u>1,097,513</u></u>

Innovate Trust Ltd

Notes to the Financial Statements for the Year Ended 31 March 2018

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

1. Accounting policies - continued

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.

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

Trade and other debtors are cognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Donations and legacies

	2018	2017
	£	£
Appeals and donations	<u>3,168</u>	<u>5,269</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

3. Investment income

	2018	2017
	£	£
Deposit account interest	<u>2,325</u>	<u>11,565</u>

4. Income from charitable activities

		2018	2017
	Activity	£	£
Local Authority funding	Support Services	16,425,214	14,832,532
Tenant Contribution	Support Services	7,905	8,330
Housing Benefit	Support Services	2,342,404	2,108,063
Property rent	Support Services	20,044	20,538
Salaries income (ILF)	Support Services	409,460	461,378
Training courses	Support Services	6,752	16,133
SPPG	Support Services	892,521	876,799
Cafe income	Support Services	70,604	64,275
Green shoots income	Support Services	52,964	50,588
Tenant Support Income	Support Services	5,601	204,636
All Wales Strategy Grant	Support Services	201,369	236,999
Esmee Fairbairn	Support Services	-	16,780
Annual Chairs grant	Support Services	5,308	4,900
WCVA - Volunteering in Wales	Support Services	27,557	7,813
Misc grants and other income	Support Services	54,723	61,223
Environment Wales	Support Services	-	6,000
C3CS - Third sector grant	Support Services	27,859	-
Vale of Glamorgan Block Contract	Support Services	43,935	43,500
Big Lottery Fund Grant - Green Days	Support Services	104,002	76,956
WCVA ESF Grant (Quest)	Support Services	22,037	5,818
Heritage Lottery Fund(The Untold Story)	Support Services	19,250	-
		<u>20,739,509</u>	<u>19,103,261</u>

5. Charitable activities costs

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Support Services	<u>18,347,555</u>	<u>2,328,559</u>	<u>20,676,114</u>

6. Support costs

	Other	Governance costs	Totals
	£	£	£
Support Services	<u>2,316,095</u>	<u>12,464</u>	<u>2,328,559</u>

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

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

6. Support costs - continued

	2018 Support Services £	2017 Total activities £
Wages	1,702,956	773,212
Hire of other assets	2,901	785
Rent and rates	78,309	70,548
Insurance	84,745	71,149
Light and heat	6,598	8,397
Telephone	57,939	45,308
Advertising and printing	83,612	101,312
Sundries	45,609	12,945
Volunteer expenses	14,360	-
Other office expenses	226,545	274,385
Depreciation of tangible fixed assets	12,521	12,366
Auditors' remuneration	10,500	7,000
Auditors' remuneration for non audit work	1,500	1,500
Trustees meetings	464	2,453
	<u>2,328,559</u>	<u>1,381,360</u>

7. Net income/(expenditure)

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

	2018 £	2017 £
Auditors' remuneration	10,500	7,000
Other non-audit services	1,500	1,500
Depreciation - owned assets	42,432	33,350
Hire of plant and machinery	<u>3,945</u>	<u>1,047</u>

8. Trustees' remuneration and benefits

The Trustees received no remuneration during the year nor in the year ended 31 March 2017.

Trustees' expenses

Expenses totalling £1,799 (2017: £123) were reimbursed to Trustees for costs incurred attending meetings.

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

9. Staff costs

	2018 £	2017 £
Wages and salaries	15,928,954	14,591,933
Social security costs	1,168,355	1,030,158
Other pension costs	<u>408,443</u>	<u>343,286</u>
	<u><u>17,505,752</u></u>	<u><u>15,965,377</u></u>

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

	2018	2017
Central Office Administration	95	26
Direct charitable employees	<u>773</u>	<u>837</u>
	<u><u>868</u></u>	<u><u>863</u></u>

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

	2018	2017
£60,001 - £70,000	2	1
£90,001 - £100,000	-	1
£100,000 - £110,000	<u>1</u>	<u>-</u>
	<u><u>3</u></u>	<u><u>2</u></u>

During the year the charity paid key management gross salaries and benefits totalling £302,796 (2017: £297,232). Key management are considered to be 7 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	5,269	-	5,269
Charitable activities			
Support Services	3,197,411	15,905,850	19,103,261
Investment income	<u>11,565</u>	<u>-</u>	<u>11,565</u>
Total	3,214,245	15,905,850	19,120,095
 Expenditure on			
Charitable activities			
Support Services	<u>3,147,197</u>	<u>15,831,665</u>	<u>18,978,862</u>
Total	<u>3,147,197</u>	<u>15,831,665</u>	<u>18,978,862</u>
 Net income/(expenditure)	67,048	74,185	141,233

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

10. Comparatives for the statement of financial activities - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Reconciliation of funds			
Total funds brought forward	1,126,132	1,629,532	2,755,664
Total funds carried forward	<u>1,193,180</u>	<u>1,703,717</u>	<u>2,896,897</u>

11. Tangible fixed assets

	Freehold property £	Short leasehold £	Computer Equipment £
Cost			
At 1 April 2017	947,057	22,649	51,691
Additions	-	-	64,892
Disposals	-	-	(6,795)
At 31 March 2018	<u>947,057</u>	<u>22,649</u>	<u>109,788</u>
Depreciation			
At 1 April 2017	431,951	9,060	40,256
Charge for year	16,511	2,265	5,506
Eliminated on disposal	-	-	(6,795)
At 31 March 2018	<u>448,462</u>	<u>11,325</u>	<u>38,967</u>
Net book value			
At 31 March 2018	<u>498,595</u>	<u>11,324</u>	<u>70,821</u>
At 31 March 2017	<u>515,106</u>	<u>13,589</u>	<u>11,435</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1 April 2017	43,927	50,582	1,115,906
Additions	5,726	-	70,618
Disposals	-	(8,515)	(15,310)
At 31 March 2018	<u>49,653</u>	<u>42,067</u>	<u>1,171,214</u>
Depreciation			
At 1 April 2017	28,067	36,403	545,737
Charge for year	11,577	6,573	42,432
Eliminated on disposal	-	(8,515)	(15,310)
At 31 March 2018	<u>39,644</u>	<u>34,461</u>	<u>572,859</u>
Net book value			
At 31 March 2018	<u>10,009</u>	<u>7,606</u>	<u>598,355</u>
At 31 March 2017	<u>15,860</u>	<u>14,179</u>	<u>570,169</u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

12. Debtors: amounts falling due within one year

	2018	2017
	£	£
Trade debtors	132,583	394,957
Other debtors	134,828	10,936
Prepayments and accrued income	<u>1,486,948</u>	<u>969,870</u>
	<u><u>1,754,359</u></u>	<u><u>1,375,763</u></u>

13. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	219,351	248,123
Social security and other taxes	273,057	247,038
VAT control account	10,345	10,272
Other creditors	1,739,625	1,060,002
Money owed to scheme accounts	352,022	397,329
Accruals and deferred income	<u>303,868</u>	<u>707,004</u>
	<u><u>2,898,268</u></u>	<u><u>2,669,768</u></u>
Deferred income brought forward	546,626	572,128
Amounts released to incoming resources	(167,324)	(572,128)
Amounts deferred in the year	<u>167,324</u>	<u>546,626</u>
Deferred income carried forward	<u><u>167,324</u></u>	<u><u>546,626</u></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

	2018	2017
	£	£
Other creditors	<u>150,000</u>	<u>320,000</u>

15. Leasing agreements

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

	2018	2017
	£	£
Within one year	13,741	13,741
Between one and five years	41,223	41,223
In more than five years	<u>24,047</u>	<u>37,800</u>
	<u><u>79,011</u></u>	<u><u>92,764</u></u>

Lease payments recognised as an expense in the year totalled £13,741.

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

16. Movement in funds

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
Unrestricted funds			
General fund	1,193,183	67,553	1,260,736
Restricted funds			
Local Authority funding	1,188,610	-	1,188,610
Capital Grants	<u>515,106</u>	<u>-</u>	<u>515,106</u>
	<u>1,703,716</u>	<u>-</u>	<u>1,703,716</u>
TOTAL FUNDS	<u><u>2,896,899</u></u>	<u><u>67,553</u></u>	<u><u>2,964,452</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,422,012	(3,354,459)	67,553
Restricted funds			
Local Authority funding	16,425,214	(16,425,214)	-
Property rent	8,044	(8,044)	-
Salaries income (ILF)	409,460	(409,460)	-
Tenant support income	5,601	(5,601)	-
All Wales Strategy Grant	201,369	(201,369)	-
Annual Chairs grant	5,308	(5,308)	-
WCVA - Volunteering in Wales	27,557	(27,557)	-
Children's Services	23,354	(23,354)	-
Cardiff Third Sector Council - Third Sector grant	2,919	(2,919)	-
Big Lottery - Green Days	104,002	(104,002)	-
The Hub (Snax)	43,935	(43,935)	-
Active Inclusion Funding- Moving on	22,037	(22,037)	-
Heritage Lottery Fund (The Untold Story)	19,250	(19,250)	-
Innovate to Save	15,000	(15,000)	-
Glamorgan Voluntary Services- IPA project	<u>9,940</u>	<u>(9,940)</u>	<u>-</u>
	<u>17,322,990</u>	<u>(17,322,990)</u>	<u>-</u>
TOTAL FUNDS	<u><u>20,745,002</u></u>	<u><u>(20,677,449)</u></u>	<u><u>67,553</u></u>

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

16. Movement in funds - continued

Comparatives for 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)	-
	<u>1,629,532</u>	<u>74,184</u>	<u>1,703,716</u>
TOTAL FUNDS	<u><u>2,755,664</u></u>	<u><u>141,233</u></u>	<u><u>2,896,897</u></u>

Comparative 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)	-
Active Inclusion Funding- Moving on	5,818	(5,818)	-
Capital Grants	-	(26,815)	(26,815)
Holiday home purchase fund	-	(9,639)	(9,639)
	<u>15,905,850</u>	<u>(15,831,666)</u>	<u>74,184</u>
TOTAL FUNDS	<u><u>19,120,095</u></u>	<u><u>(18,978,862)</u></u>	<u><u>141,233</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

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.

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

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

Active Inclusion Funding - Moving on - The Active Inclusion Fund is run by Wales Council for Voluntary Action utilising funding from the European Social Fund that is delivered through the Welsh Government. The funding enables us to provide training and support for disabled people to enable them to start their journey into employment.

Innovate to Save - Intelligent Personal Assistant Project - Innovate to Save is a partnership between Cardiff University, Nesta and the Welsh Government to provide funding via Y lab to support new ideas for the delivery of more efficient and effective public services in Wales. It provided funding for our Intelligent Personal Assistant project.

Cardiff Third Sector Council C3SC - Digital Safety in the home - The training of people with disabilities in the safe use of digital technology in the home, funded by the Hau Fund of Cardiff Third Sector Council.

Glamorgan Voluntary Services - IPA project - The purchase of 75 IPA devices to further the independence of people with learning disabilities to live in their own home. Funded by Glamorgan Voluntary Services through Intermediate Care Fund Capital Investment Fund.

Vale Council - Porthkerry park - The Strong Communities Grant Fund of the Vale of Glamorgan Council has this year funded a glasshouse at Porthkerry Park. In subsequent years it will fund the post of a Project Co-ordinator to develop a new Forest Garden at Nightingale Cottage that will offer new activities for people with learning disabilities and local volunteers to learn new skills and gain experience.

Heritage Lottery Fund - CUSS the untold story - A one year project to research and publicise the history of Innovate Trust, particularly the early pioneering years between 1967 and 1983.

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.

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 Council to provide training, work experience and volunteering opportunities for people with learning disabilities in Snax Café, the YMCA Hub, Barry.

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

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.

Innovate Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

18. Related party disclosures

There were no related party transactions for the year ended 31 March 2018.

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.