

Registered number: 05853180
Charity number: 1124661

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE LATVIAN WELFARE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	K Ligers (resigned 2 October 2021) UJ Revelins Mrs I Grickus IAJ Sinka (resigned 2 October 2021) Ms K I Zobens East M Vizbulis M Jansons (resigned 8 March 2020) Mrs E Brauele Mrs D Dundure Kluce (resigned 8 November 2020) B Freimane (appointed 8 March 2020) A Namsone Hatone (appointed 8 November 2020) E Osa (appointed 2 October 2021) J Voitkevics (appointed 2 October 2021)
Company registered number	05853180
Charity registered number	1124661
Registered office	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF
Company secretary	UJ Revelins
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Solicitors	Brethertons LLP Montague House 2 Clifton Road Rugby Warwickshire CV21 3PX

THE LATVIAN WELFARE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 January 2020 to 31 December 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Objectives and Aims

The Latvian Welfare Trust's public benefit, charitable activities have significantly increased in scale in recent years, because of the huge increase in numbers of Latvians living in the UK. In their nature, however, these activities build on what was put in place when the charity was formed, over 75 years ago, focusing on:

- support for Latvian community and Latvian cultural activities in the UK, especially through our two major centres, Catthorpe and London;
- charitable support for Latvians in need, both in the UK and abroad (primarily now in Latvia).

The maintenance of the London and Catthorpe centres is of great psychological and practical significance to the Latvian community in Britain. The centres contain not only facilities but also works of art and important historical books and documents. It is fundamental to and makes possible our charitable activities. Hence, making a success of the trading activities that support the continued existence of the two centres takes a significant effort and focus.

All of the above, of course, was severely impacted by the Covid pandemic, from March 2020 onwards. Latvian community schools, summer camps, church services, folk dancing groups, choirs and folklore ensembles, which are the mainstay of our public benefit activity were effectively closed down. The annual midsummer festival, usually attended by 3-4,000 people was cancelled. We are proud that we managed to keep our old people in the Catthorpe sheltered accommodation facility secure and cared for throughout the period. Trading activities to support our centres were also severely impacted, but thanks to Central and Local Government support, in particular the furlough scheme, we were able to reduce the financial impact.

With hindsight, we were very fortunate in having disposed of our hotel in Riga, Latvia, in 2019. It would have been almost impossible for the board to have dealt with the effects of the pandemic there at the same time as dealing with it in the UK.

We were able to continue building works and physical improvements to our two centres, because the Covid crisis had less impact on building activities.

Our staff, in particular, and our volunteers were amazing, putting in a huge additional effort to get us through the crisis.

Overview of our cultural centres

Catthorpe Manor is the registered office and administration centre for the Trust, has a 20 room hotel, a restaurant and several function rooms and outbuildings, some of which are rented out. The centre:

- Provides sheltered accommodation for elderly Latvians
- Provides rooms for other tenants wishing to live in a Latvian community
- Houses a library and the documentary archive about Latvians in the UK, which is also used and accessed by librarians, historians and archivists from Latvia
- Is home to the Catthorpe Latvian choir, a Latvian Saturday school. three folk dancing troupes and folklore ensemble
- Provides facilities for three children's annual summer camps for the Latvian and Estonian communities
- Provides facilities for a number of traditional functions and gatherings each year

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FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

- Provides facilities for regular church services
- Houses a number of function rooms, a hotel and bar, which are used by the Latvian community and are also hired out to the wider public for weddings, parties, business meetings and conferences.

The London centre operates as a guest house, but also performs the important role of providing a Central London venue for Latvians to meet for traditional and social activities. Its location is particularly attractive to visitors from Latvia and other countries. The centre:

- Houses a library and social club with bar
- Provides rooms for use by Latvian students attending colleges in London, and for paying guests for overnight stays
- Provides facilities for the Latvian Sunday school
- Provides facilities for Latvian language classes
- Provides a meeting place for Latvian business groups, including the Latvian Chamber of Commerce
- Provides a function room and facilities for three Latvian folk dancing groups and choir, as well as for concerts, theatre productions and other social events.

Charitable activities run or supported by the Trust

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

These are the charitable, public benefit, activities undertaken in 2020, grouped according to the charity's objects:

- 1) to relieve financial hardship, sickness and poor health amongst Latvian People;
 - Support to the Latvian care home at Catthorpe (approximately £50,000)
 - Most of the €8750 donation in 2020 to the DV CV (the DV Central Committee) is used to support veterans and widows living in Latvia
 - Support of €10000 to the Namejs military charity in Latvia was used, primarily, to subsidise summer camps for the children or orphans of Latvian service men and women.
- 2) to advance the education of the public about the country of Latvia and its people, past and present;
 - In 2020, the board has greatly improved the communications side of LWT's work, with the involvement of our new full-time administrator. A new Facebook, Instagram and Twitter presence, reaching out to the wider public has been set up.
 - On the 31st of October we organised a Diaspora Conference, widely attended using Zoom, aimed at promoting Latvia's external image and reaching out to British spouses/partners of Latvians living in the UK.
- 3) to advance the education of Latvian People in Latvia and in the United Kingdom;
 - The donation to the European Latvian Association of €1,300 was used to support an organisation active primarily in education and cultural areas
 - At Catthorpe through 2020:
 - 6 Choir Rehearsals
 - 26 Folk-Dance Classes (two different dance groups)
 - 1 dance seminar for all UK groups
 - 21 Piano Lessons
 - 4 School Classes
 - At the London Centre through 2020:
 - 10 "Jautrais p?ris" Senior Folk-dance lessons
 - 11 "Londona Dejo" Folk-dance lessons
 - 8 "Salinieki" Folk-dance lessons
 - 4 Children's Folk-dance lessons
 - 8 Latvian Language classes
 - 9 Latvian Choir rehearsals

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FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

- 12 London Latvian School classes
- At the London Centre through 2020:
 - 10 "Jautrais p?ris" Senior Folk-dance lessons
 - 11 "Londona Dejo" Folk-dance lessons
 - 8 "Salinieki" Folk-dance lessons
 - 4 Children's Folk-dance lessons
 - 8 Latvian Language classes
 - 9 Latvian Choir rehearsals
 - 12 London Latvian School classes
- 4) to conserve for the benefit of all peoples everywhere ancient and modern buildings, monuments, archives and works of art which are of historical or cultural importance to Latvia and Latvian People and which it is desirable to preserve for the public benefit; and
 - Part of the €8,750 donation to the DV CV (the DV Central Committee) is used to support the Brothers' cemetery in Lestene, Latvia
 - The Catthorpe Estate contains and supports the work of the library and the documentary archive about Latvians in the UK
 - The Catthorpe Estate has, within its grounds, a stone sculpture commemorating the fallen and the house contains a number of important Latvian works of art
 - The London house contains some important Latvian works of art
 - The London house contains a store of Latvian Folk costumes for use by various ensembles and the Latvian School
- 5) to organise and promote social events and recreational activities for the benefit of Latvian People who have a need for such facilities by reason of their age, infirmity, financial hardship and hardship caused by social or economic circumstances with the object of improving their conditions of life.
 - At Catthorpe, through 2020:
 - 3 Trustee meetings
 - 1 LWT interview sessions
 - 1 DVF General Meeting
 - 1 Latvian National Council Meetings
 - 1 Church Service
 - At London, through 2020:
 - 2 DVF London Branch events
 - Some of the hostel rooms were rented to students at a reduced rate

Total donations and subsidies in support of our charitable aims

In 2020, financial support of our charitable aims was as follows:

- The support for Latvian community educational, cultural and social activities in our centres in 2020, listed above, amounted to £13,298.40 in monetary terms (£8,426.40 at Catthorpe and £4,872 in London – in our book-keeping this support is described as "Latvian Events").
- The Trust's 2020 charitable donations totalled: €20,400 (approx £17,300).
- The subsidy to our old peoples' home at Catthorpe probably amounted to some £50,000 in 2020 (note, this is a best estimate, as it consists of a number of linked transactions and shared costs between the Trust and its Trading Company).

Taking the above together, the monetary value that can be applied to our charitable/public benefit activities in 2020 amounts, in total, to almost £80,600.

In addition, the members of the Trust make donations that support our charitable aims, on their own behalf, often coordinated by the Trust.

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Objectives and activities (continued)

The trustees and members are proud of our record in charitable/public benefit activities, support and donations and the impact this has had on its beneficiaries.

Achievements and performance

a. Achievement and Performance

While both UK centres employ paid staff to carry out the normal day to day operational functions, most of the background work of the Trust is carried out by the trustees and other volunteers from the Latvian community. The role of volunteers is important and over the years their input has been invaluable, not least because of the cost savings, but it had become increasingly difficult to find suitable people. In summer 2020, to reduce the pressure on the Trustees, the Board advertised and employed an administrator, with the objectives of taking on administrative functions, improving marketing, supporting the care home and involving the diaspora in Trust activities. People who have moved from Latvia to the UK more recently form a key component of the membership and various committees, which is a positive sign for the future.

The Trust works closely with other Latvian organisations such as the Latvian National Council in Great Britain (LNC) and the Latvian Lutheran Church. Working with LNC, the Trust supports the Latvian Educational Foundation, helping to provide assistance to the growing number of weekend Latvian schools for children in the UK and supporting various other educational and cultural activities.

The Covid situation struck at the heart of our commercial and cultural activities. Weddings and hotel business essentially stopped, as had the community schools, dance groups and so on. The Government's furlough and other support schemes enabled us to keep the centres going through lockdown and prevented the need for major redundancies. We were able, thankfully, to keep the elderly in the sheltered accommodation safe through the most dangerous period of lockdown. The Trust's strong financial position after the sale of the Riga hotel has enabled good use of this period for capital improvements to the centres.

One unfortunate aspect of the Covid situation was that lockdown began just at the moment when the new business plan for the Catthorpe hotel was to be implemented. This has now been introduced, starting in the summer of 2021, with an expectation of a return to surplus once the Covid situation has improved. The hotel and facilities, after a strong ongoing marketing campaign, and are increasingly appealing to weddings, parties and dinners. There has also been a growing interest to a wider range of businesses for meetings and conferences where quality overnight accommodation is required.

We have made changes to the responsibilities for various aspects of our day-to-day activities between the Trust and its Trading Company, with the aim from January 2021, of having much simpler governance and oversight.

Close attention continues to be paid to income generation at both UK centres, as our trading activities there are undertaken to maintain and improve the centres, which we regard as key to our charitable activities. At Catthorpe we have bought three bungalows for rental income and plan to buy more as they come onto the market. We also refurbished various properties on the estate, so that we can maximise rental income. Our plans also include significant improvements to community-used facilities, to meet our charitable obligations to the Latvian community in the UK.

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FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Key performance indicators

In previous years the Trustees have used KPI's to measure and monitor how the subsidiary trading company was performing or improving. However, these were not considered to be helpful during the pandemic because of the uncertainty in the industry and the changing government guidelines. A comparison with the previous years was no longer useful as both Catthorpe Manor and 72 Queensborough Terrace were forced to close with the result that business activities in both venues were greatly reduced at times when the premises were permitted to trade. Both premises were closed from 21st March until 7th September, usually their busiest period, and 5th November until the end of the year. The venues were only open for a total of 20 weeks during the year, and for the tourist and wedding markets, these are times when business activity is normally very quiet.

The financial statements show accumulated funds of £11,952,833 (2019: £13,203,759) of which deficits exist for the funds retained within non-charitable subsidiaries of £1,554,833 (2019: £865,535).

Financial review

a. Going concern

The directors of LWT Trading UK Ltd and the Trustees of The Latvian Welfare Trust meet almost monthly to monitor the progress of the business activities. Because of the impact of Covid-19 for much of 2020 and for the first six months of 2021, business activities have been severely limited. However, during 2020 and during the first few months of 2021 we were able to take advantage of several grants and furlough payments and costs were reduced to the minimum. However, our expectation in the spring of 2020 was that the restrictions would be short-lived, which proved not to be the case. The ever-changing rules and regulations presented a huge planning challenge to the trading company and increased the risk of the business collapsing, which has been the case for many parts of the hospitality sector.

During 2020 the directors of the trading company took the opportunity to examine staffing levels and roles at both venues, to adjust its business model at Catthorpe Manor to reflect more closely the market demand (as we saw it in 2019) and to consolidate the rented properties on the estate. Properties purchased by the Trust over that period were also placed under the responsibility of the trading company. Together with the Trustees, the trading company have embarked on a wide-ranging strategy review of its properties, which is still on-going. The purpose is to ensure that both the Trustees and the trading company are obtaining the best possible outcomes from the use of its properties and that the needs of the Latvian community are met in line with the charitable objectives of the Trust. Any significant changes recommended will need to be approved by the members of the Trust.

Budgets for both properties (ie London and Catthorpe Manor) are initially set by their respective General Managers in conjunction with one of the directors – Leslie East in London and Ilze Grickus in Catthorpe. Budgets are then discussed at trading company Board meetings where all directors, both general managers, the Company Secretary and the Trust Chairman are present. As required, other Trustees may be invited to attend. Budgets are monitored monthly and may be adjusted if necessary. The Trustees are kept informed at their monthly meetings of the financial situation of the business. Cash flow is monitored daily by the Company Secretary in conjunction with Cottons accountants, who manage the day-to-day accounts processes. Cash flow problems are discussed initially with the trading company's chairman and, if necessary, referred to the Trust chairman. This has been particularly relevant during the pandemic as the Trustees had to consider to what extent it could help to support the trading company financially in a constantly changing environment and an unknown future.

2020 started with an optimistic budget but that had to be abandoned in the light of restrictions placed on the trading company's activities. The outcome was that the trading company had to borrow money from the Trust to

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maintain the properties, retain essential staff and ensure that business could resume as soon as it was allowed to do so. A rent amnesty was agreed. Several 2021 budgets were developed to reflect possible scenarios as there was no clarity when business could resume. These are reviewed at trading company board meetings to ensure that the changes to government policies are reflected.

The London property relies very much on the tourist industry, whilst Catthorpe is an events venue, primarily for conferences and weddings, with the hotel supporting these events. Both have been adversely affected by government restrictions. The second half of the year is proving quite buoyant at Catthorpe and the trading company has not had to borrow from the Trust during 2021 and, whilst there is still some uncertainty, it is expected that the trading company will return a small loss. 2022 is looking positive at Catthorpe and should the overseas tourist market open up, in London we should see a return to levels of business seen prior to 2020, with 90% occupancy rates during the summer months. However, bookings there are not normally made many weeks in advance. In summary, the trading company expects to be able to return a profit in 2022.

b. Reserves policy

The trustees consider it prudent to maintain reserves in the general fund at six months of the current annual operating costs. The trustees believe that this should normally be sufficient to ensure that any unbudgeted or emergency expenditure will be sufficiently covered. However, during the period of redevelopment and growth of the revised business, it had not been possible to sustain the requisite level of reserves and following the Covid closures it could be another two years before finances have stabilised. Following sale of the hotel, a separate reserve was set up and maintained.

At the year end the consolidated total reserves were £11,952,833 (2019: £13,203,759). All reserves were unrestricted. Reserves held relating to fixed assets that could only be realised by their disposal totalled £10,734,518 (2019: £10,720,527). Free reserves at the year end after making allowance for fixed assets were £1,218,315 (2019: £2,483,232).

c. Principal Risks and Uncertainties

The charity's activities expose it to a number of financial risks including price risk, credit risk and liquidity risk. The impact of the virus restrictions on all activities, has by its very nature raised questions about the viability of the trading business. A review of different scenarios led to the conclusion that the current and future plans are sustainable. The steady improvement in business, since restructuring, shows a positive improvement which will recover once the virus issues have abated.

d. Price Risk

The charity is exposed to price risk in the hotel and events industry, however the directors of its subsidiaries, reporting to the trustees and in conjunction with the trustees, regularly review and adjust the pricing structure to take account of competition and general market conditions to attract new customers. During the periods of lock down due to the virus, pricing has been particularly challenging in order to attract customers but will be normalised when restrictions have eased.

e. Credit Risk

The charity has no significant concentration of credit risk, with exposure spread over a wide number of customers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

f. Liquidity Risk

Following the sale of the Riga hotel all, but one, loans have been repaid and a substantial balance was placed in the reserves.

The trustees continue to seek improvements in the trade of its subsidiary undertakings to finance ongoing activities. A steady improvement in turnover is visible and expected to continue with the Catthorpe hotel and function rooms open for business.

g. Principal funding

The principal funding sources are the trading activities from its subsidiary companies, LWT Trading UK Limited. Income is also generated from the Garden Annex at Catthorpe Manor, which is running the sheltered accommodation, together with letting of rooms available on site. In addition, rental income is received from three bungalows owned by the Trust.

h. Future Plans

Following the refurbishment of Catthorpe Manor, with the associated costs, it is not anticipated that any further major developments will be considered for some years, apart from upgrading the territory, allowing finances to stabilise. The guest house in London also continues to require regular maintenance.

We are following a strategy of buying residential houses on the estate, as they come up for sale, so that we can increase rental income. That gives additional income not dependant on the Catthorpe hotel and London guest house.

Structure, governance and management

a. Constitution

The Latvian Welfare Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Governing Document

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

c. Recruitment and Appointment of New Trustees

New trustees are appointed from suitable candidates who have the necessary language skills and experience in the specific cultural requirements of the trust. New trustees undergo a briefing session to outline their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the business plans and recent financial summaries. The training needs of each trustee are assessed on an individual basis and any courses are arranged where appropriate.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

d. Organisational Structure

The board of trustees, comprising of no more than nine members, is elected from members and delegates of the Latvian Welfare Fund (also known as the DVF) branches and groups at the AGM held in March each year. Election is now on a rotation basis for a period of 3 years and trustees are open to re-election at the end of that period. The delegates for the 2019 AGM represented the 12 Branches and 2 Groups comprising 836 active members. There have been reductions in the number of branches over previous years, due to changes in the rules governing branches and groups. A Branch is required to have at least 20 members, whereas a Group can be formed with at least 10 members.

The day to day management of the Charity is delegated to the General Manager.

None of the trustees receive any remuneration or any other benefit from their work with the Charity, nor are there any contractual relations between any trustees and suppliers or contractors to any of the centres. The board of trustees meets monthly to discuss general business and specific issues relating to the running of the centres in London and Catthorpe.

e. Wider Network

The Trust works closely with the Latvian Educational Foundation 1990 (charity no.1004578) by appointing two trustees who, together with other Foundation trustees, provide scholarships and support to Latvian weekend schools in the UK and grants to other educational and cultural programmes:

- Mrs I Grickus
- Mrs B Freimane

f. Related party relationships

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014. Furthermore, The Latvian Welfare Trust has one trading subsidiary: LWT Trading UK Limited in the UK.

g. Risk management

The Trustees have a risk management strategy which comprises:

- A monthly review of the financial and management risks that the charity and its centres may face
- Systems and procedures to mitigate those risks identified
- Detailed Health & Safety policies for the centres, London and Catthorpe.

The Trustees are aware that financial sustainability is the main risk for the charity. Key elements in the management of financial risk are budgets to highlight expected business trends, together with assessment of monthly financial summaries against budget and close attention to cash flow.

Additional attention has also been focussed on the more general non-financial risks arising from fire, health and safety, and food hygiene. Particular attention is given to the operation of the sheltered accommodation at Catthorpe for the well-being of its residents.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Fundraising

The Charity has no fundraising activities requiring disclosure under Section 162 of Charities Act 2011.

i. Remuneration policy

Our approach to remuneration ensures that we can attract and retain talented and motivated people who can achieve our mission and deliver our objectives. Our aim is to pay competitively in the not-for-profit sector within the context of affordability.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



UJ Revelins
(Trustee)
Date: 10 March 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST

Opinion

We have audited the financial statements of The Latvian Welfare Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities SORP, Taxation legislation, health and safety and employment law.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LATVIAN WELFARE TRUST
(CONTINUED)

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kerry Brown (senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

10 March 2022

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Continuing operations 2020 £	Total funds 2020 £	Continuing operations 2019 £	Discontinued operations 2019 £	As restated Total funds 2019 £
Income from:							
Grants and donations	3	68,400	68,400	68,400	6,004	-	6,004
Other trading activities	3	370,888	370,888	370,888	1,428,014	275,559	1,703,573
Investments	4	67,003	67,003	67,003	23,934	-	23,934
Other income	5	204,635	204,635	204,635	396,994	555,338	952,332
Total income		710,926	710,926	710,926	1,854,946	830,897	2,685,843
Expenditure on:							
Raising funds - trading activities	6	1,052,115	1,052,115	1,052,115	1,444,073	423,124	1,867,197
Charitable activities	7	273,704	273,704	273,704	466,985	-	466,985
Total expenditure		1,325,819	1,325,819	1,325,819	1,911,058	423,124	2,334,182
Net movement in funds before other recognised gains/(losses)		(614,893)	(614,893)	(614,893)	(56,112)	407,773	351,661
Other recognised gains/(losses):							
(Losses)/gains on revaluation of fixed assets		(636,033)	(636,033)	(636,033)	932,173	-	932,173
Net movement in funds		(1,250,926)	(1,250,926)	(1,250,926)	876,061	407,773	1,283,834

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted funds 2020	Continuing operations 2020	Total funds 2020	<i>Continuing operations 2019</i>	<i>Discontinued operations 2019</i>	<i>As restated Total funds 2019</i>
Note	£	£	£	£	£	£
Reconciliation of funds:						
Total funds brought forward	13,203,759	13,203,759	13,203,759	<i>12,327,698</i>	<i>(407,773)</i>	<i>11,919,925</i>
Net movement in funds	(1,250,926)	(1,250,926)	(1,250,926)	<i>876,061</i>	<i>407,773</i>	<i>1,283,834</i>
Total funds carried forward	<u>11,952,833</u>	<u>11,952,833</u>	<u>11,952,833</u>	<i><u>13,203,759</u></i>	<i><u>-</u></i>	<i><u>13,203,759</u></i>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 45 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	<i>As restated</i> 2019 £
Fixed assets			
Tangible assets	12	10,184,523	10,720,527
Investment property	13	549,995	-
		10,734,518	10,720,527
Current assets			
Stocks	15	7,500	8,561
Debtors	16	88,747	43,690
Cash at bank and in hand		1,481,451	2,928,996
		1,577,698	2,981,247
Creditors: amounts falling due within one year	17	(359,383)	(498,015)
Net current assets		1,218,315	2,483,232
Total assets less current liabilities		11,952,833	13,203,759
Net assets excluding pension asset		11,952,833	13,203,759
Total net assets		11,952,833	13,203,759

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	11,952,833	13,203,759
Total funds		11,952,833	13,203,759

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



UJ Revelins

(Trustee)

Date: 10 March 2022

The notes on pages 23 to 45 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	9,901	15,979
Investments	14	100	100
Investment property	13	10,699,995	10,650,000
		<u>10,709,996</u>	<u>10,666,079</u>
Current assets			
Debtors	16	3,289,951	2,445,617
Cash at bank and in hand		1,472,335	2,890,932
		<u>4,762,286</u>	<u>5,336,549</u>
Creditors: amounts falling due within one year	17	(155,030)	(259,781)
Net current assets		<u>4,607,256</u>	<u>5,076,768</u>
Total assets less current liabilities		<u>15,317,252</u>	<u>15,742,847</u>
Net assets excluding pension asset		<u>15,317,252</u>	<u>15,742,847</u>
Total net assets		<u><u>15,317,252</u></u>	<u><u>15,742,847</u></u>

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05853180

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	15,317,252	15,742,847
Total funds		<u>15,317,252</u>	<u>15,742,847</u>

The parent's surplus for the financial year was £74,404 (2019: £1,141,575).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



UJ Revelins
(Trustee)
Date: 10 March 2022

The notes on pages 23 to 45 form part of these financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(803,850)	(5,133,201)
Cash flows from investing activities		
Dividends, interests and rents from investments	67,003	123,934
Loss on sale of tangible fixed assets	-	4,237,917
Purchase of intangible and tangible fixed assets	(710,698)	(61,214)
Proceeds from sale of investments	-	4,932,802
Loss on sale of investments	-	213,488
Net cash (used in)/provided by investing activities	(643,695)	9,446,927
Cash flows from financing activities		
Repayments of borrowing	-	(1,553,432)
Net cash provided by/(used in) financing activities	-	(1,553,432)
Change in cash and cash equivalents in the year	(1,447,545)	2,760,294
Cash and cash equivalents at the beginning of the year	2,928,996	168,702
Cash and cash equivalents at the end of the year	1,481,451	2,928,996

The notes on pages 23 to 45 form part of these financial statements

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Trust is a company limited by guarantee (registered number: 05853180) which is registered in England and Wales. It registered as a charity on 21st June 2008 and its charity registration number is 1124661. The registered office and principal place of business is Catthorpe Manor, Lilbourne Road, Catthorpe, Leicestershire, LE17 6DF.

The principal activity is to relieve financial hardship, sickness and poor health amongst Latvian people, to advance the education of the public about the country of Latvia and its people, as well as the education of Latvian people in Latvia and in the UK, and to conserve, for the benefit of all peoples everywhere, ancient and modern buildings, monuments, archives and works of art which are of historical and cultural importance to Latvia and the Latvian people. The Charity also organise and promote social events and recreational activities for the benefit of Latvian people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Latvian Welfare Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The parent's surplus for the financial year was £74,404 (2019: £1,141,575).

2.2 Going concern

The Directors have considered the impact that has arisen from Covid-19 and the lockdown release roadmap by H M Government in response to the pandemic.

A number of options have been reviewed and forecasts have been stress-tested to assess how the company could cope under the different scenarios. Since reopening, business has picked up quickly and the Directors consider that despite the continuing uncertainties the picture for 2021 looks optimistic. The sale of the Riga hotel had provided a cushion to the Trust and Trading company to deal with the financial burdens of 2020 and early 2021, and it still has reserves as well as investments in assets which can be readily converted.

The Directors have therefore concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Included within the incoming resources are the trading income from its trading subsidiary, LWT Trading UK Limited.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% on cost for buildings
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 20% on cost
Plant and machinery	- 25% on cost
Computer equipment	- 33% on cost

The freehold property Catthorpe Manor & 72 Queensborough Terrace has not been depreciated during the year under review, this is because the freehold property is leased to its trading subsidiary LWT Trading UK Limited from The Latvian Welfare Trust on a long term lease and, as permitted by the Charities SORP (FRS 102) is treated as an investment property.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and 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.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	18,400	18,400
Grants	50,000	50,000
	68,400	68,400
	68,400	68,400

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	6,004	6,004
	6,004	6,004
	6,004	6,004

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Rent income from Catthorpe Manor	46,676	46,676
LWT Trading income	324,212	324,212
	370,888	370,888
	370,888	370,888

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rent income from Catthorpe Manor	64,233	64,233
LWT Trading income	1,639,340	1,639,340
	1,703,573	1,703,573
	1,703,573	1,703,573

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Rents receivable	67,003	67,003
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rents receivable	23,934	23,934

5. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
CJRS income	194,435	194,435
Other income	10,200	10,200
	204,635	204,635
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other income	5,635	5,635
Profit/loss on disposal of fixed asset investments	946,697	946,697
	952,332	952,332

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Expenditure on raising funds

LWT Trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Cost of sales	31,520	31,520
Administration expenses	286,828	286,828
Interest payable	733	733
Administration staff costs	678,438	678,438
Depreciation	54,596	54,596
	1,052,115	1,052,115
	1,052,115	1,052,115
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Cost of sales	601,545	601,545
Administration expenses	457,727	457,727
Interest payable	1,041	1,041
Administration staff costs	766,691	766,691
Depreciation	40,193	40,193
	1,867,197	1,867,197
	1,867,197	1,867,197

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £
Catthorpe Manor activities	273,704	273,704

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Catthorpe Manor activities	466,985	466,985

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Catthorpe Manor activities	219,097	54,607	273,704

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Catthorpe Manor activities	439,121	27,864	466,985

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Catthorpe Manor 2020 £	Total funds 2020 £
Management	74	74
Governance costs	21,150	21,150
Finance	413	413
Other	32,970	32,970
	<hr/> 54,607	<hr/> 54,607
	<hr/> <hr/>	<hr/> <hr/>

	<i>Catthorpe Manor 2019 £</i>	<i>Total funds 2019 £</i>
Management	418	418
Governance costs	13,739	13,739
Finance	697	697
Other	13,010	13,010
	<hr/> 27,864	<hr/> 27,864
	<hr/> <hr/>	<hr/> <hr/>

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £18,000 (2019 - £18,000).

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Staff costs

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Wages and salaries	709,456	794,560	75,888	78,119
Social security costs	52,093	56,674	15,842	15,947
Contribution to defined contribution pension schemes	11,054	12,599	2,435	3,076
	772,603	863,833	94,165	97,142

During the year, termination payment of £11,107 (2019: Nil) relating to 1 employee (2019: Nil) was incurred.

The average number of persons employed by the Charity during the year was as follows:

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	No.	No.	No.	No.
Catthorpe Manor	5	6	5	6
LWT Trading UK Ltd	61	62	-	-
	66	68	5	6

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

	Group 2020	<i>Group 2019</i>
	No.	No.
In the band £60,001 - £70,000	1	1

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £768 were reimbursed or paid directly to 4 Trustees (2019 - £NIL). The expenses reimbursed related to travel expenses.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Tangible fixed assets

Group

	Freehold property £	Improvements to property £	Plant and machinery and motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2020 (as previously stated)	10,650,000	1,758,780	10,449	237,846	7,488	12,664,563
Prior Year Adjustment	-	(1,758,780)	-	-	-	(1,758,780)
At 1 January 2020 (as restated)	10,650,000	-	10,449	237,846	7,488	10,905,783
Additions	-	-	-	5,157	-	5,157
Disposals	-	-	-	(5,841)	-	(5,841)
Revaluations	(500,000)	-	-	-	-	(500,000)
At 31 December 2020	10,150,000	-	10,449	237,162	7,488	10,405,099
Depreciation						
At 1 January 2020 (as previously stated)	-	84,459	10,449	170,026	4,781	269,715
Prior Year Adjustment	-	(84,459)	-	-	-	(84,459)
At 1 January 2020 (as restated)	-	-	10,449	170,026	4,781	185,256
Charge for the year	-	-	-	39,746	1,415	41,161
On disposals	-	-	-	(5,841)	-	(5,841)
At 31 December 2020	-	-	10,449	203,931	6,196	220,576
Net book value						
At 31 December 2020	10,150,000	-	-	33,231	1,292	10,184,523
At 31 December 2019 (as restated)	10,650,000	-	-	67,820	2,707	10,720,527

Please see note 26 for details on prior year restatement.

THE LATVIAN WELFARE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	330,968	1,600	332,568
Disposals	(5,841)	-	(5,841)
At 31 December 2020	<u>325,127</u>	<u>1,600</u>	<u>326,727</u>
Depreciation			
At 1 January 2020	314,989	1,600	316,589
Charge for the year	6,078	-	6,078
On disposals	(5,841)	-	(5,841)
At 31 December 2020	<u>315,226</u>	<u>1,600</u>	<u>316,826</u>
Net book value			
At 31 December 2020	<u>9,901</u>	<u>-</u>	<u>9,901</u>
<i>At 31 December 2019</i>	<u>15,979</u>	<u>-</u>	<u>15,979</u>

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13. Investment property

Group

	Freehold investment property £
Valuation	
Additions	549,995
At 31 December 2020	549,995

Charity

	Freehold investment property £
Valuation	
At 1 January 2020	10,650,000
Additions	549,995
Surplus on revaluation	(500,000)
At 31 December 2020	10,699,995

72 Queensborough Terrace was valued on a fair market basis on 3rd March 2022 by Savills, with an indicative valuation being provided retrospectively as at 31 December 2020.

Catthorpe Manor was valued by Holt Commercial at market value on 28 August 2020. The valuation includes a special consideration regarding the uncertainty of the current market as a result of the Covid-19 pandemic and reliance was therefore placed on transactions which took place prior to lock down.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Company 2020 £	<i>Company 2019 £</i>
Historic cost	4,700,000	<i>4,700,000</i>

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14. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	100
At 31 December 2020	100
Net book value	
At 31 December 2020	100
<i>At 31 December 2019</i>	<i>100</i>

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14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
LWT Trading UK Limited	08798565	Catthorpe Manor Lilbourne Road Catthorpe Leicestershire LE17 6DF	Operation of a hotel and guest house

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
LWT Trading UK Limited	540,602	(1,229,900)	(689,298)	(1,554,733)

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15. Stocks

	Group 2020 £	<i>Group 2019 £</i>
Stocks	7,500	8,561

16. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due after more than one year				
Amounts owed by group undertakings	-	-	3,246,659	2,410,123
	-	-	3,246,659	2,410,123
Due within one year				
Trade debtors	29,062	5,843	7,850	3,784
Amounts owed by group undertakings	-	-	35,290	25,916
Other debtors	29,871	18,669	152	152
Prepayments and accrued income	29,814	19,178	-	5,642
	88,747	43,690	3,289,951	2,445,617

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Other loans	152,942	200,771	127,942	200,771
Deposits received in advance	118,055	60,675	-	-
Trade creditors	50,489	126,782	9,680	4,434
Other taxation and social security	10,492	25,226	3,653	4,657
Other creditors	2,390	24,495	1,005	19,536
Accruals and deferred income	25,015	60,066	12,750	30,383
	359,383	498,015	155,030	259,781

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18. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	1,481,451	2,928,996	1,472,335	2,890,932

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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19. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General fund	9,776,494	170,324	(95,919)	-	9,850,899
Revaluation reserve	4,292,800	-	-	(636,033)	3,656,767
Funds retained within non-charitable subsidiaries	(865,535)	540,602	(1,229,900)	-	(1,554,833)
	<u>13,203,759</u>	<u>710,926</u>	<u>(1,325,819)</u>	<u>(636,033)</u>	<u>11,952,833</u>

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19. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>As restated Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2019 £</i>
Unrestricted funds						
General fund	9,905,753	1,044,094	(397,181)	(776,172)	-	9,776,494
Revaluation reserve	3,360,627	-	-	-	932,173	4,292,800
Funds retained within non-charitable subsidiaries	(1,346,455)	1,641,749	(1,937,001)	776,172	-	(865,535)
	<u>11,919,925</u>	<u>2,685,843</u>	<u>(2,334,182)</u>	<u>-</u>	<u>932,173</u>	<u>13,203,759</u>

20. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	<u>13,203,759</u>	<u>710,926</u>	<u>(1,325,819)</u>	<u>(636,033)</u>	<u>11,952,833</u>

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20. Summary of funds (continued)

Summary of funds - prior year

	<i>As restated Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>As restated Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2019 £</i>
General funds	11,919,925	2,685,843	(2,334,182)	-	932,173	13,203,759

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,184,523	10,184,523
Investment property	549,995	549,995
Current assets	1,577,698	1,577,698
Creditors due within one year	(359,383)	(359,383)
Total	11,952,833	11,952,833

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	10,720,527	10,720,527
Current assets	2,981,247	2,981,247
Creditors due within one year	(498,015)	(498,015)
Total	13,203,759	13,203,759

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22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	(614,893)	351,661
Adjustments for:		
Depreciation charges	60,674	46,271
Dividends, interests and rents from investments	(67,003)	(123,934)
Decrease in stocks	1,061	15,254
Decrease/(increase) in debtors	(45,057)	21,100
Decrease in creditors	(138,632)	(5,443,553)
Net cash used in operating activities	(803,850)	<i>(5,133,201)</i>

23. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	1,481,451	2,928,996
Total cash and cash equivalents	1,481,451	<i>2,928,996</i>

24. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	2,928,996	(1,447,545)	1,481,451
Debt due within 1 year	(200,771)	47,829	(152,942)
	2,728,225	(1,399,716)	1,328,509

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25. Related party transactions

Transactions with the subsidiary company are set out below. The balance outstanding at the year end owed from LWT Trading UK Limited was £3,281,949 (2019: £2,436,039).

	2020	<i>2019</i>
	£	£
Rents receivable	100,000	<i>100,000</i>
Interest receivable	77,785	<i>69,804</i>
	177,785	<i>169,804</i>

During the year, M Vizbulis, who is a Trustee, resided in one of the properties owned by the Trust and paid rent totalling £13,200 (2019: £13,200). There were no outstanding balances as at the year end (2019: Nil).

During the year, M Jansons, who was a Trustee during the year, resided in one of the properties owned by the Trust and paid rent totalling £1,800 (2019: £600). There were no outstanding balances as at the year end (2019: Nil).

During the year, a payment of £Nil (2019: £3,324) was made to I Grickus, who is a Trustee, for expenses incurred such as fuel costs etc. There were no outstanding balances as at the year end (2019: Nil).

The Latvian Welfare Fund is considered to be a related party as the board of trustees is selected from its membership in accordance with the Trust's Memorandum and Articles as amended in November 2014.

Transactions with The Latvian Welfare Fund are listed below along with the outstanding balances at the year end.

	2020	<i>2019</i>
	£	£
Residents money donation	18,350	-
Residents money creditor	-	<i>18,350</i>
Leeds branch loan outstanding creditor balance	175,000	<i>175,000</i>
Nottingham branch loan outstanding creditor balance	-	<i>100,000</i>
Catthorpe loan outstanding debtor balance	47,058	<i>52,968</i>
Payroll loan outstanding creditor balance	25,000	-

In addition, The Latvian Welfare Trust receives rental income from two properties which are owned by The Latvian Welfare Fund. Total rental income received during the year is £12,617 (2019: £1,234). There were no outstanding balances as at the year end (2019: Nil).

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26. Prior year restatement

In the prior year, the leasehold improvements, relating to Catthorpe Manor, recognised in the LWT Trading UK Limited were not eliminated on consolidation. Catthorpe Manor is recognised as an investment property at fair value in the charity and so any improvements during the year should be eliminated when the year end amount is updated to fair value. A prior year adjustment has been posted to eliminate the leasehold improvements in the year ended 31 December 2019. This has resulted in the Group fixed assets net book value decreasing by £1,674,321 and the revaluation surplus decreasing by £17,827. The Group brought forward reserves have also decreased £1,656,494 for the year ended 31 December 2019.