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 2022

THE LATVIAN WELFARE TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	UJ Revelins Mrs I Grickus Ms K I Zobens East M Vizbulis Mrs E Brauele (resigned 11 September 2023) B Freimane A Namsone Hatone (resigned 20 March 2022) E Osa J Voitkevics G Lerhs (appointed 20 March 2022)
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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 January 2022 to 31 December 2022. 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. However, these activities build on what was put in place when the charity was formed 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 and well into 2021. 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 and only gradually restarted their activities in the latter part of 2021. The annual midsummer festival, usually attended by 3-4,000 people, was cancelled for a second year running. We are pleased 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 in 2020 – 2021 as well as a range of grants, we were able to reduce the financial impact.

With hindsight, we were very fortunate to have 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 and the lack of business activities meant work could be completed more quickly.

Our staff in particular, and our volunteers deserve our sincere thanks for the huge additional effort they put in to get us through the crisis.

Overview of our cultural centres

Catthorpe Manor is the registered office for the Trust, has a 20-room hotel, a restaurant and several function rooms and outbuildings, most of which are leased out to it subsidiary trading company, LWT Trading UK Ltd. The centre:

- Provides sheltered accommodation for elderly Latvians.
- Provides rented rooms, apartments and houses for other tenants wishing to live in a Latvian community.

Objectives and activities (continued)

- 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, two folk dancing troupes and a folklore ensemble.
- Provides facilities for three children's annual summer camps for the Latvian and Estonian communities.
- Provides facilities for a number of traditional Latvian functions and gatherings each year.
- Houses a number of function rooms, a hotel and bar, which are used by the Latvian community and through its trading company, are 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
- Hosts guests from the Latvian parliament and provides the opportunity for Latvian nationals to meet with their representatives.
- 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 2022, grouped according to the charity's objects:

1. to relieve financial hardship, sickness, and poor health amongst Latvian People

- Support those Latvians living in the sheltered housing at Catthorpe (approximately £60,000 p.a. NB this is a best estimate, as it consists of a number of linked transactions and shared costs between the Trust and its Trading Company).
- Most of the EUR 5535 donation in 2022 to the DV CV (the DV Central Committee in Riga, Latvia) is used to support veterans and widows living in Latvia, helping to provide medication and other necessities.

2. to advance the education of the public about the country of Latvia and its people, past and present.

- The board continues to improve the communications side of LWT's work, with the significant input of a full-time administrator. Our presence on social media has greatly raised our profile, reaching out to the wider public.
- The trustees commissioned a film at a cost of £7,500 telling the story of Latvians in the United Kingdom from their arrival just after the second world war to today. The first part was issued in December 2022 with further parts in February 2023 and April 2023. It has English subtitles. Latvian TV has been given the rights to show the film in Latvia, which is planned at the end of 2023, and it has been distributed to sister organisations in North America, Australia, and Europe.

3. to advance the education of Latvian people in Latvia and in the United Kingdom

- A donation to the European Latvian Association of EUR 1,300 supports an organisation active primarily in education and cultural areas.
- The board of the Latvian Education Foundation consists of trustees and members of the Latvian National Council and helps to support the children's Saturday or Sunday schools across the UK providing them lessons in Latvian history, language, and traditions.

Objectives and activities (continued)

- Providing facilities at both Catthorpe and the London centre for Latvian cultural activities and meetings, including rehearsals for dancers, choirs, and theatre groups. The groups rehearse for particular events for both Latvian and non-Latvian audiences. The total subsidy value for both centres is in the region of £65,000.
- At Catthorpe the subsidy value for the following was £32,998 including:
- 7 Choir Rehearsals
- 165 Folk-Dance Classes (two different dance groups)
- 2 General Meetings of The Latvian Welfare Trust
- 2 meetings of the local branch of the LWT
- 7 camps mainly for children last 2 – 6 days
- 3 theatre group events of 1 – 6 days
- Traditional midsummer celebration over 4 days with days either side for set-up and clearing. This attracted over 4000 people.
- 3 Estonian events
- Several school related events
- Provision of premises for the Latvian national elections and Independence Day celebrations
- At the London centre the subsidy value for the following was £31,608 including:
- 16 Children's folk dance group meetings
- 5 DVF London branch events
- 39 Folk dance group "Jautrais p?ris" rehearsals
- 3 Folk dance group "Londona dejo" rehearsals
- 39 Folk dance group "Salinieki" rehearsals
- 28 "Koklu Zapte" band rehearsal (using traditional instruments similar to a zither)
- 28 Latvian Language group meetings
- 49 London Latvian choir rehearsals
- 18 Latvian school days
- 9 Children's arts & crafts sessions
- 9 Theatre group meetings
- Provision of premises for the Latvian national elections and Independence Day celebrations

- Following a meeting with representatives of the Charities Commission, it was suggested that the Trust may be paying reduced fees for using premises run by its subsidiary company LWT Trading UK Ltd. A review was subsequently undertaken to ensure that in future all fees which are charged to the Trust are at the same commercial rate as those charged to other users.

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;

- Part of the EUR 5535 donation to the DV CV (the DV Central Committee) is used to support the Brothers' Cemetery in Lestene, Latvia, a military cemetery of great historical significance.
- The Catthorpe Estate contains and supports the work of a library and the documentary archive about Latvians in the UK dating from before WW2. The facilities are donated at a cost of some £10,000 p.a.
- Within the grounds of the Catthorpe Estate is a stone sculpture commemorating the fallen and the house contains several important Latvian works of art.
- The London centre also contains some important Latvian works of art.
- The London centre has a library which is run by the Latvian National Council in Great Britain, but the maintenance of the premises is the responsibility of the Trust.
- The London centre contains a store of Latvian Folk costumes for use by various groups 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

Objectives and activities (continued)

social or economic circumstances with the object of improving their conditions of life.

- Planning events and activities is essential to meeting these objectives and regular meetings of the Trustees are required to ensure appropriate activities are available to the wider community. Since the pandemic, most face-to-face meetings have been abandoned in favour of video meetings.
- The trustees met by video link 9 times during 2022. This has proved to be very effective, as meetings have tended to be more focussed and meeting costs have been all but eliminated.
- Particular attention is paid to traditional Latvian events, for example, Midsummer celebrations and Latvia's Independence Day. These are the times when the Latvian community feels the greatest need to connect with each other. The Latvian Ambassador to the UK is also involved with these events.
- Our branches also provide support and activities specifically geared to their local communities, which are promoted through our social media.
- Two General meetings were held at Catthorpe Manor enabling members to raise issues of particular concern.
- Social media and a dedicated email address provides a means for our members and the wider community to give feedback and raise any problems they need help with.
- We maintain good relationships with the Latvian National Council in Britain and the Embassy of Latvia to the UK.
- In our London property, we provide 8 rooms at a reduced rate particularly for students from Latvia who have been given the opportunity to study in the UK but who would not otherwise be able to afford the additional accommodation costs.

Achievements and performance

a. Achievement and Performance

While both UK centres employ paid staff through its subsidiary company 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. Apart from the trustees, there are up to 100 other volunteers in any one year who contribute a wide range of expertise, to advice about savings on utilities to practical help in clearing up the estate. It has, however, become increasingly difficult to find suitable trustees as this does require a time commitment. To reduce the pressure on the trustees, the Board employs a full-time administrator, who takes on most of the administrative functions, and increases our presence on social media, supports the residents of the sheltered housing and increases the involvement of the diaspora in Trust activities. People who have moved from Latvia to the UK in more recent years now form a key component of the membership and the 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 as well as with the Embassy of Latvia to the UK. The Trust also supports the Latvian Educational Foundation, a joint charity established with the LNC, which helps to provide financial assistance to the growing number of weekend schools for Latvian children in the UK and supports various other educational and cultural activities.

Following the pandemic some cultural activities have not returned, but in others there was an increase in activity mainly in preparation for the much-awaited Song and Dance Festival in Latvia at the end of June 2023 for which participation is highly competitive. The wedding business at Catthorpe improved during the year as couples were finally permitted to be joined by friends and family, but the size of the events reduced. Much work was done to build relationships with local companies to increase the use of conference facilities and hotel accommodation. In London the return of tourists did much to accelerate the overall improvement in the guest house.

Achievements and performance (continued)

Close attention was paid to income generation at both UK centres, as our trading activities there are required not only to generate profit, but to maintain and improve the centres, which are regarded as key to our charitable activities. At Catthorpe, over the years, we have invested in four bungalows to increase the rental income. These, together with a number of flats on the estate are all generating income.

b. Key performance indicators

Just prior to the pandemic it was decided to outsource much of the financial processing and as the pandemic developed, the opportunity was then taken to change the way in which financial information was presented in order to monitor better the performance of the various cost centres. However, during 2022 it became apparent that neither the outsourcing project nor the changes in the presentation of the accounting information were as helpful as expected and it was decided to bring the control of accounts for both the Trust and the subsidiary company back in house. This was achieved at the end of 2022 with the appointment of a Financial Controller whose responsibilities include not only the trading subsidiary accounts in Catthorpe and London but also those of the Trust. The first three months of 2023 showed this to be a positive move with both greater engagement by the Financial Controller in all aspects of the business as well as greater clarity of the group's finances.

The financial statements show accumulated funds of £11,428,362, (2021: £11,808,776) of which deficits exist for the funds retained within non-charitable subsidiaries of £1,926,937 (2021: £1,988,967).

Financial review

a. Going concern

Budgets for the London house and Catthorpe Manor were initially set by their respective General Managers in conjunction with one of the trading company directors. Budgets were 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. Budgets are shared with the trustees and 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 the accounts administrator employed by LWT Trading UK Ltd. Cash flow problems are discussed initially with the trading company's directors and, if necessary, referred to the trustees. This has been particularly relevant as the trading company sought to recover from the effects of the pandemic as the trustees had to consider to what extent they could help to support the trading company financially in a challenging environment. The hospitality industry has been particularly adversely affected.

All properties purchased by the Trust were leased to the trading company. Together with the trustees, the trading company directors continued to develop a wide-ranging strategic review of the properties held within the lease. The purpose was to ensure that both the trustees and the trading company obtained the best possible outcomes from the use of its properties and that the needs of the Latvian community were met in line with the charitable objectives of the Trust. Any significant changes recommended would need to be approved by the members of the Trust.

The London property relies very much on the tourist industry which has returned to pre-pandemic levels, whilst Catthorpe is an events venue, suitable for conferences and weddings, with the hotel and restaurant supporting these events. 2022 was looking positive at Catthorpe with a strong growth in the wedding and conference markets, but demand reduced during the closing months of the year and 2023 became increasingly uncertain. With the overseas tourist market open again, the London guest house saw a strong demand for rooms which has continued into 2023. During the summer months, the London guest house returned to 90% occupancy rate,

but longer-term predictions are a little difficult as bookings are normally made weeks rather than months in advance. Nevertheless, there is much positivity.

Towards the end of 2022 the General Manager of the Catthorpe Estate gave notice of his departure and a new General Manager was appointed with effect from 1 February 2023. He identified areas of the business which could be developed to generate additional revenue. A new business plan for Catthorpe Manor was developed and this, together with the accounts function returning in-house, provided both the trading company directors and the trustees a greater level of confidence in the trading company becoming profitable by 2024.

Individually, the business in the London centre continued to thrive, but the Catthorpe centre had, for a number of reasons failed to make a profit. Nevertheless, it has continued to be strategically important to the UK Latvian community. The trustees and the members of the Trust were sufficiently encouraged by the new plans for Catthorpe Manor to be more optimistic that it could finally return to profit. However, it required some further investment in order for the new business plan to be realised. Following a series of EGMs which allowed the members of the Trust to express their views and give full support to the trustees to agree to provide additional investment in the new business plan for Catthorpe Manor with the view that this part of the business would return to profit and thus allow for the outstanding debt by the trading company to start to be reduced.

However, at the end of May 2023, the Charity Commission provided a report in which it expressed its concerns about various aspects of the Trust's management processes together with an action plan, which included a requirement to provide "LWT Trading UK Ltd with no additional funds without good reason". In these circumstances, the Trustees agreed to pause any plans to provide any additional investment funds the trading company had requested in order to fully understand the Charity Commission's position and in order to take legal advice.

This situation significantly affected the newly developed business plans at Catthorpe Manor and was a considerable disappointment to the directors of the trading company, who had been optimistic about the future of the Catthorpe Manor business. By August 2023 the directors of the trading company were signalling that cash flow was becoming a problem and in September they took legal advice about the future of the company, which on 20th September resulted in the closure of the Catthorpe Manor business and the subsequent formal liquidation (Creditors' Voluntary Liquidation) of LWT Trading UK Ltd on 12th October. Although the London centre was a part of the trading company, it was self-sufficient financially, and the appointed Insolvency Practitioner advised that it could continue to trade until other arrangements could be made. Before the formal liquidation of the trading company, the Trust was able to seize all the assets of the trading company and the leases for the London centre and Catthorpe Manor were surrendered voluntarily. The leases had no commercial value as a clause within the agreement prevented them from being sold on. Whilst this did not compensate for the debt which had accumulated to the Trust over many years, the Trust's independent Insolvency Practitioner believed that the trustees had no other option and had acted in the best interests of the charity in very difficult circumstances.

The trustees had the responsibility of deciding how best to move forward and maintain the integrity of both venues. Numerous meetings were held, over 15 in total, to discuss the options available. The trustees agreed that the London centre should run independently of Catthorpe as it had been profitable for many years, but its profits had been supporting the Catthorpe centre. For this reason, DVF London Ltd was formed with a director from the trustee board appointed temporarily. At Catthorpe the trustees agreed to form another new company, DVF Estate Ltd, to manage the rental properties and to plan a strategy for the hotel. Although the Trust itself could manage the rental properties as these were effectively investment properties, the trustees felt that it was important to protect the charity and its assets. Most of the rented properties are old and require frequent maintenance. Once all the requirements to set up the new companies have been met, the trustees plan to develop a process for the election of the directors of these companies, which will include a trustee as recommended by the Charities Commission. Until such time, the trustees have formed a small management team to work with the director of each company.

Since it became known publicly that the hotel at Catthorpe Manor had closed, there have been a number of

expressions of interest in leasing or buying the hotel and restaurant, which are currently being explored. At the same time, the trustees are considering other possible options but no conclusions or decisions have yet been reached as very careful consideration needs to be given to all potential options. In the meantime, the local Latvian community and the trustees are working in a voluntary capacity to maintain the estate to ensure that it is kept in the best possible condition whilst all the options are being carefully considered.

Financially, the Latvian Welfare Fund (DVF), a non-incorporated membership organisation, has agreed to donate up to £200,000 to the Trust to help it through the transition period. By that time, not only will the London house continue to be self-sufficient and be generating a profit, but the Catthorpe Estate should also be, at the very least, in a break-even position and, in time, generating a profit.

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, since the pandemic it has not been possible to sustain the requisite level of reserves and it could be another year before finances have stabilised.

At the year end the consolidated total reserves were £11,428,362 (2021: £11,808,776). All reserves were unrestricted. Reserves held relating to fixed assets that could only be realised by their disposal totalled £11,341,687 (2021: £11,350,715). Free reserves at the year end, after making allowance for fixed assets were £86,675 (2021: £458,061).

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 future plans are sustainable. The management changes that have been implemented are regarded as positive for the future viability of the new businesses.

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.

e. Credit Risk

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

f. Liquidity Risk

There is currently one loan outstanding with a substantial balance 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 expected with the restructuring of the business at Catthorpe Manor and the demand for rooms in London guest house increasing.

g. Principal funding

The principal funding sources are the trading activities from its subsidiary companies and rentals from the flats and houses on the Catthorpe estate. Income is also generated from the Garden Annex at Catthorpe Manor, which runs the sheltered housing accommodation and has several rooms to let.

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 do not plan to invest further in the purchase of properties on the Catthorpe Estate at this time.

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.

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 on a rotation basis for a period of 3 years and trustees are open to re-election at the end of that period. A General Meeting is also held September each year. There have been reductions in the number of branches over previous years, in part 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.

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.

Structure, governance and management (continued)

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. In 2022 the Trust was represented by:

- Mrs B Freimane
- Mr J Voitkevics

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 had one trading subsidiary: LWT Trading UK Limited in the UK, which on 12th October 2023 went into liquidation. It subsequently formed two new subsidiaries, namely, DVF London Ltd and DVF Estate Ltd.

Mr Miks Vizbulis became a trustee on 12.03.2017 and has since 1 April 2017 rented property on the Catthorpe estate which is owned by The Latvian Welfare Trust but was leased to LWT Trading UK Ltd. He pays a commercial rent and receives no privileges. Under a new lease to be signed before the end of November 2023, this property will be leased to DVF Estate Ltd. As the Trust owns and rents out several properties on the estate, occasionally using a letting agency, guidance on rents has been made available.

Mr Girts Lehrs was appointed a trustee on 20 March 2022 and is also a member of the team organising the Midsummer Festival at Catthorpe Manor. He receives no payment from the fees charged to attendees and he has not been involved in any financial negotiations concerning the use of the land rented for the Festival.

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.

Trustees are committed to the standards outlined in the Charity Commission's Charity Governance Code.

h. Fundraising

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

Structure, governance and management (continued)

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.

Disclosure of information to auditor (continued)

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:

Mrs I Grickus

Date: 23/01/24.

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 2022 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 2022 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

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.

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. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Charity Commission legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: recognition of weddings, events and room income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and going concern.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review of Charity Commission correspondence, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of 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.

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.

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

Date: 23 January 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:				
Grants and donations	3	**12,667**	**12,667**	*91,970*
Other trading activities	3	**1,175,636**	**1,175,636**	*447,562*
Investments	4	**213,977**	**213,977**	*234,188*
Other income	5	**16,261**	**16,261**	*147,533*
Total income		**1,418,541**	**1,418,541**	*921,253*
Expenditure on:				
Raising funds - trading activities	6	**1,493,123**	**1,493,123**	*1,168,759*
Charitable activities	7	**299,855**	**299,855**	*92,568*
Total expenditure		**1,792,978**	**1,792,978**	*1,261,327*
Net movement in funds before other recognised losses		**(374,437)**	**(374,437)**	*(340,074)*
Other recognised gains/(losses):				
(Losses)/gains on revaluation of fixed assets		**(5,977)**	**(5,977)**	*196,017*
Net movement in funds		**(380,414)**	**(380,414)**	*(144,057)*
Reconciliation of funds:				
Total funds brought forward		**11,808,776**	**11,808,776**	*11,952,833*
Net movement in funds		**(380,414)**	**(380,414)**	*(144,057)*
Total funds carried forward		**11,428,362**	**11,428,362**	*11,808,776*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 42 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 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	12		**10,458,731**		*10,467,759*
Investment property	13		**882,956**		*882,956*
			11,341,687		*11,350,715*
Current assets					
Stocks	15	**4,000**		*7,500*	
Debtors	16	**53,821**		*43,310*	
Cash at bank and in hand		**385,519**		*738,430*	
		443,340		*789,240*	
Creditors: amounts falling due within one year	17	**(356,665)**		*(331,179)*	
Net current assets			**86,675**		*458,061*
Total assets less current liabilities			**11,428,362**		*11,808,776*
Total net assets			**11,428,362**		*11,808,776*
Charity funds					
Unrestricted funds	18		**11,428,362**		*11,808,776*
Total funds			**11,428,362**		*11,808,776*

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:

Mrs I Grickus

Date: 23/01/24

The notes on pages 21 to 42 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 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	12		**484**		*3,823*
Investments	14		**100**		*100*
Investment property	13		**11,332,956**		*11,332,956*
			11,333,540		*11,336,879*
Current assets					
Debtors	16	**-**		*152*	
Cash at bank and in hand		**337,263**		*711,712*	
		337,263		*711,864*	
Creditors: amounts falling due within one year	17	**(341,315)**		*(159,563)*	
Net current liabilities / assets			**(4,052)**		*552,301*
Total assets less current liabilities			**11,329,488**		*11,889,180*
Total net assets			**11,329,488**		*11,889,180*
Charity funds					
Unrestricted funds	18		**11,329,488**		*11,889,180*
Total funds			**11,329,488**		*11,889,180*

The Charity's net movement in funds for the year was £(559,692) (2021 - £(3,428,072)).

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 on 23/01/24 and signed on their behalf by:

Mrs I Grickus

The notes on pages 21 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*2021 £*
Cash flows from operating activities			
Net cash used in operating activities	21	**(345,384)**	*(293,428)*
Cash flows from investing activities			
Purchase of tangible fixed assets and investment property		**(7,527)**	*(449,593)*
Net cash used in investing activities		**(7,527)**	**(449,593)**
Change in cash and cash equivalents in the year		**(352,911)**	**(743,021)**
Cash and cash equivalents at the beginning of the year		**738,430**	*1,481,451*
Cash and cash equivalents at the end of the year	22	**385,519**	*738,430*

The notes on pages 21 to 42 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

2. Accounting policies (continued)

2.2 Going concern

The Charity and its subsidiary LWT Trading UK Limited has continued to make losses for the year ended 31 December 2022 and subsequently. As a result of the losses, LWT Trading UK Limited is reliant on financial support from the Charity. During August 2023, the Trustees ceased this support since they decided it was not longer in the best interests of the Charity to continue with it. The directors of LWT Trading UK Limited took legal advice about the future of the company, which on 20 September 2023 resulted in the closure of the Catthorpe Manor business and the subsequent formal liquidation (Creditors' Voluntary Liquidation) of LWT Trading UK Limited. The Trustees completed a restructuring of the operations which resulted in two new subsidiaries being formed, one to manage the London business and the other to manage the Catthorpe estate. Currently, the London hotel business remains operational but the Catthorpe hotel remains closed and the Trustees are considering options for the commercial application of this property. The London hotel business is profitable but the costs of maintaining the Catthorpe Estate until options for the use of this property has been determined is resulting in continued losses. The Latvian Welfare Fund (DVF), a non-unincorporated membership organisation, has agreed to donate up to £200,000 to the Trust to help it through the transition period, of which approximately £30,000 has been received to date.

The trustees consider it appropriate to prepare the financial statements on a going concern basis. They do, however, acknowledge that the restructuring of the Catthorpe estate may not be successful and that the donation from the DVF may not be sufficient to fund the cash flow requirements during the transition period. The Trustees accept that this constitutes material uncertainty over the Trust's ability to continue as a going concern.

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.

During the year, the Trust had approximately 100 individuals volunteer at the Charity. Their donated time has not been accounted for.

2. Accounting policies (continued)

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 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.

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:

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.

The Trust owns various historical works of art and sculptures. These assets were gifted to the Trust and are fully depreciated. They have therefore not been split out as Heritage Assets in the financial statements.

2. Accounting policies (continued)

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 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.

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.

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.

2.9 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. Accounting policies (continued)

2.10 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.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Grants	12,667	**12,667**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Donations	*542*	*542*
Grants	*91,428*	*91,428*
	91,970	*91,970*

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Hotel, events and conference income	1,175,636	**1,175,636**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Hotel, events and conference income	*447,562*	*447,562*

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Rents receivable	213,977	**213,977**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Rents receivable	*234,188*	*234,188*

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
CJRS income	335	**335**
Other income	15,926	**15,926**
	16,261	**16,261**

	Unrestricted funds 2021 £	*Total funds 2021 £*
CJRS income	*122,632*	*122,632*
Other income	*11*	*11*
Insurance claims receivable	*24,890*	*24,890*
	147,533	*147,533*

6. Expenditure on raising funds

LWT Trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Cost of sales	107,236	**107,236**
Administration expenses	574,124	**574,124**
Interest payable	267	**267**
Administration staff costs	783,080	**783,080**
Depreciation	28,416	**28,416**
	1,493,123	**1,493,123**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Cost of sales	*83,969*	*83,969*
Administration expenses	*396,331*	*396,331*
Interest payable	*228*	*228*
Administration staff costs	*644,129*	*644,129*
Depreciation	*44,102*	*44,102*
	1,168,759	*1,168,759*

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Catthorpe Manor charitable activities	299,855	**299,855**

	Unrestricted funds 2021 £	*Total 2021 £*
Catthorpe Manor charitable activities	*92,568*	*92,568*

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Catthorpe Manor activities	204,910	94,945	**299,855**

	Activities undertaken directly 2021 £	*Support costs 2021 £*	*Total funds 2021 £*
Catthorpe Manor activities	*73,055*	*19,513*	*92,568*

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Catthorpe Manor 2022 £	Total funds 2022 £
Governance costs	30,775	**30,775**
Finance	336	**336**
Other	63,834	**63,834**
	94,945	**94,945**

	Catthorpe Manor 2021 £	*Total funds 2021 £*
Governance costs	*9,816*	*9,816*
Finance	*320*	*320*
Other	*9,377*	*9,377*
	19,513	*19,513*

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £25,350 (*2021 - £18,500*).

10. Staff costs

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Wages and salaries	**772,811**	*605,515*	**60,241**	*18,414*
Social security costs	**54,557**	*41,592*	**2,441**	*1,352*
Contribution to defined contribution pension schemes	**15,125**	*9,961*	**3,931**	*373*
	842,493	*657,068*	**66,613**	*20,139*

During the year, no (2021: £Nil) termination payments have been made to any employees (2021: Nil).

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

	Group 2022 No.	*Group 2021 No.*	**Company 2022 No.**	*Company 2021 No.*
Management	**1**	*1*	**1**	*1*
Hotel, events and conference	**46**	*43*	**-**	*-*
	47	*44*	**1**	*1*

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

	Group 2022 No.	*Group 2021 No.*
In the band £60,001 - £70,000	**1**	*1*

The employee benefits of Key Management Personnel amounted to £81,052 (*2021* - £66,552).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 December 2022, expenses totalling £698 were reimbursed or paid directly to 1 Trustee *(2021 - £*768, 4 Trustees). The expenses reimbursed in the prior year related to postage and travel expenses.

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery and motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	**10,450,000**	**10,726**	**248,830**	**8,192**	**10,717,748**
Additions	**-**	**1,550**	**-**	**-**	**1,550**
At 31 December 2022	**10,450,000**	**12,276**	**248,830**	**8,192**	**10,719,298**
Depreciation					
At 1 January 2022	**-**	**10,483**	**231,899**	**7,607**	**249,989**
Charge for the year	**-**	**229**	**10,232**	**117**	**10,578**
At 31 December 2022	**-**	**10,712**	**242,131**	**7,724**	**260,567**
Net book value					
At 31 December 2022	**10,450,000**	**1,564**	**6,699**	**468**	**10,458,731**
At 31 December 2021	*10,450,000*	*243*	*16,931*	*585*	*10,467,759*

12. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	**325,127**	**1,600**	**326,727**
At 31 December 2022	**325,127**	**1,600**	**326,727**
Depreciation			
At 1 January 2022	**321,304**	**1,600**	**322,904**
Charge for the year	**3,339**	**-**	**3,339**
At 31 December 2022	**324,643**	**1,600**	**326,243**
Net book value			
At 31 December 2022	**484**	**-**	**484**
At 31 December 2021	*3,823*	*-*	*3,823*

13. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2022	**882,956**
At 31 December 2022	**882,956**

Charity

	Freehold investment property £
Valuation	
At 1 January 2022	**11,332,956**
At 31 December 2022	**11,332,956**

72 Queensborough Terrace was valued on a fair market basis on 3rd March 2022 by Savills, with a valuation of £6,000,000 being provided retrospectively as at 31 December 2021.

Catthorpe Manor was valued at £4,450,000 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:

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Historic cost	**4,700,000**	*4,700,000*	**4,700,000**	*4,700,000*

14. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	**100**
At 31 December 2022	**100**
Net book value	
At 31 December 2022	**100**
At 31 December 2021	*100*

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 weddings venue

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

14. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets / (liabilities) £
LWT Trading UK Limited	**1,369,078**	**(1,745,922)**	**(376,844)**	**(2,365,811)**

15. Stocks

	Group 2022 £	*Group 2021 £*
Stocks	**4,000**	*7,500*

16. Debtors

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Due within one year				
Trade debtors	**14,267**	*23,023*	**-**	*-*
Other debtors	**21,613**	*3,438*	**-**	*152*
Prepayments and accrued income	**17,941**	*16,849*	**-**	*-*
	53,821	*43,310*	**-**	*152*

17. Creditors: Amounts falling due within one year

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Other loans	**175,000**	*117,942*	**175,000**	*117,942*
Deposits received in advance	**59,409**	*79,883*	**-**	*-*
Trade creditors	**68,934**	*81,497*	**1,800**	*-*
Amounts owed to group undertakings	**-**	*-*	**149,635**	*27,919*
Other taxation and social security	**28,314**	*15,210*	**402**	*338*
Other creditors	**3,285**	*5,155*	**178**	*614*
Accruals and deferred income	**21,723**	*31,492*	**14,300**	*12,750*
	356,665	*331,179*	**341,315**	*159,563*

Included in other loans are the following balances outstanding with The Latvian Welfare Fund:
Leeds branch £175,000 (2021: £175,000)
Debtor balance £Nil (2021: £57,058).

18. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General fund	**9,758,884**	**49,463**	**(299,855)**	**-**	**9,508,492**
Revaluation reserve	**3,852,784**	**-**	**-**	**(5,977)**	**3,846,807**
Funds retained within non-charitable subsidiaries	**(1,802,892)**	**1,369,078**	**(1,493,123)**	**-**	**(1,926,937)**
	11,808,776	**1,418,541**	**(1,792,978)**	**(5,977)**	**11,428,362**

Statement of funds - prior year

	Balance at 1 January 2021 £	*Income £*	*Expenditure £*	*Gains/ (Losses) £*	*Balance at 31 December 2021 £*
Unrestricted funds					
General fund	*9,850,899*	*553*	*(92,568)*	*-*	*9,758,884*
Revaluation reserve	*3,656,767*	*-*	*-*	*196,017*	*3,852,784*
Funds retained within non-charitable subsidiaries	*(1,554,833)*	*920,700*	*(1,168,759)*	*-*	*(1,802,892)*
	11,952,833	*921,253*	*(1,261,327)*	*196,017*	*11,808,776*

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	**11,808,776**	**1,418,541**	**(1,792,978)**	**(5,977)**	**11,428,362**

Summary of funds - prior year

	Balance at 1 January 2021 £	*Income £*	*Expenditure £*	*Gains/ (Losses) £*	*Balance at 31 December 2021 £*
General funds	*11,952,833*	*921,253*	*(1,261,327)*	*196,017*	*11,808,776*

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,458,731	**10,458,731**
Investment property	882,956	**882,956**
Current assets	443,340	**443,340**
Creditors due within one year	(356,665)	**(356,665)**
Total	11,428,362	**11,428,362**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Total funds 2021 £*
Tangible fixed assets	*10,467,759*	*10,467,759*
Investment property	*882,956*	*882,956*
Current assets	*789,240*	*789,240*
Creditors due within one year	*(331,179)*	*(331,179)*
Total	*11,808,776*	*11,808,776*

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

	Group 2022 £	*Group 2021 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(374,437)**	*(340,074)*
Adjustments for:		
Depreciation charges	**10,578**	*29,413*
Decrease in stocks	**3,500**	-
Decrease/(increase) in debtors	**(10,511)**	*45,437*
Increase/(decrease) in creditors	**(31,572)**	*6,796*
Increase/(decrease) in other loans	**57,058**	*(35,000)*
Net cash used in operating activities	**(345,384)**	*(293,428)*

22. Analysis of cash and cash equivalents

	Group 2022 £	*Group 2021 £*
Cash in hand	**385,519**	*738,430*
Total cash and cash equivalents	**385,519**	*738,430*

23. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Other non-cash changes £	At 31 December 2022 £
Cash at bank and in hand	**738,430**	**(352,911)**	**-**	**385,519**
Debt due within 1 year	**(117,942)**	**-**	**(57,058)**	**(175,000)**
	620,488	**(352,911)**	**(57,058)**	**210,519**

24. Related party transactions

Transactions with the subsidiary company are set out below.

The loan balance outstanding at the year end owed from LWT Trading UK Limited was £4,384,330 (2021: £3,822,232). An additional provision of £562,099 has been recognised against this balance at the year end in the Charity (2021: £3,822,232).

The trading balance outstanding at the year end owed to LWT Trading UK Limited was £149,636 (2021: £27,919).

	2022 £	*2021 £*
Rents receivable from LWT Trading UK Limited	**100,000**	*100,000*
Interest receivable from LWT Trading UK Limited	**152,799**	*86,175*
	252,799	*186,175*

During the year, M Vizbulis, who is a Trustee, resided in one of the properties owned by the Trust and paid rent totalling £13,920 (2021: £13,200). There were no outstanding balances as at the year end (2021: NIL).

During the year, the Trust made purchases totalling £1,403 (2021: £Nil) from Amber Food and Catering Ltd, a company of which M Vizbulis is also a director. There were no outstanding balances as at the year end (2021: NIL).

During the prior year, the Trust has purchased a bungalow for £332,961 from a close family member of a Trustee. No such purchases were made with related parties in 2022.

During the year, the Trust received £13,690 from Berzes Strazdi, an entity of which G Lehrs is also a director, in relaton to the Midsummer Festival. At the year end, a balance of £13,050 was owed from Berzes Strazdi to the Trust.

Related party transactions (continued)

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.

	2022	*2021*
	£	*£*
Leeds branch loan outstanding creditor balance	**175,000**	*175,000*
Leeds branch loan interest paid	**5,658**	*4,548*
Outstanding debtor balance	**-**	*57,058*

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 £19,500 (2021:£16,600). There were no outstanding balances as at the year end (2021: Nil).

A provision of £42,058 has been made against amounts due from The Latvian Welfare Fund.

There were no other related party transactions during the year.

25. Post balance sheet events

Since November 2022, the Trust has been in correspondence with the Charity Commission regarding their enquiries. This correspondence has been ongoing since the year end.

On 20th September 2023, the Catthorpe Manor business was closed and LWT Trading UK Ltd entered formal liquidation (Creditors' Voluntary Liquidation) on 12th October 2023.

The London centre operations and the Catthorpe Manor estate operations have been transfered to two new subsidiaries, DVF London Ltd (company number 15165756) and DVF Estate Ltd (company number 15169795).

Given the closure of Catthorpe Manor, impairment of the estate has been considered and is a non-adjusting event. As such, an adjustment to recognise any impairment has not been included in the accounts as at 31 December 2022.