

REGISTERED COMPANY NUMBER: 03017158 (England and Wales)  
REGISTERED CHARITY NUMBER: 1046763

**Report of the Trustees and**  
**Audited Financial Statements for the Year Ended 31 March 2021**  
**for**  
**Perthyn**

**Perthyn**

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for the Year Ended 31 March 2021**

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**Perthyn**  
**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**INTRODUCTION**

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Objectives and activities**

**PERTHYN'S PRINCIPAL ACTIVITY**

The principal activity is that of a provider of care and support to people with learning disabilities and challenging behaviour so as to enable them to fulfil their maximum individual potential and to live full and valued lives in their communities.

**PERTHYN'S VISION**

Is for the people we support to be empowered to be active citizens, enjoying their lives, and having a sense of belonging.

**PERTHYN'S MISSION**

Is to work in partnership, using our expertise and resources to provide high quality, innovative and individualised services so that people can contribute positively to their communities and to society.

**PUBLIC BENEFIT**

Trustees review Perthyn's aims, objectives and activities each year. This review considers the outcomes and achievements of the previous twelve months, focussing on key departmental activities and the degree to which specified and agreed targets have been met. Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

## Perthyn

### Report of the Trustees for the Year Ended 31 March 2021

#### Strategic report

#### Achievement and performance

##### General Overview

Perthyn is one of the largest and best-regarded care sector charities in England and Wales. Despite the financial pressures of recent years, Perthyn remains robust and carefully manages year-on-year growth whilst always ensuring the dignity and wellbeing of the people it supports.

##### Key characteristics:

	<u>2020/21</u>	<u>2019/20</u>
Number of people supported (as at 31 March)	226	228
Number of staff (headcount as at 31 March)	779	848
Turnover	£22,010,404	£20,552,225

##### Local Authorities we worked with during 2020/21:

Wales - Cardiff, Powys, Swansea, Carmarthenshire, Ceredigion & Pembrokeshire  
England - Nottinghamshire, Northamptonshire & Shropshire

##### Operational performance

Perthyn remains one of the largest and most well-respected charities based in Wales - a status and reputation that Trustees and management are careful to maintain. A charitable organisation of this size, complexity, and geographical spread, with aspirations to continually improve the quality of life of those we support, requires a well-structured and professional management approach with a clear focus upon its stated objectives and especially upon end-user satisfaction. In addition, it is essential that the Board of Trustees maintains a critical and challenging oversight of all the charity's activities.

During the course of the year Perthyn responded to the challenges arising from the Covid-19 Pandemic. Management and staff worked tirelessly to ensure the continued safety of the people we support, implementing specific policies and procedures in line with Government and Public Health requirements and guidelines. This response ensured that levels of infection were minimised and additional funding and Personal Protective Equipment enabled the organisation to maintain service delivery across all areas of the organisation.

Following the decision taken in 2017/18 to close our residential services at Pen Y Coed, the final group of four people moved to their new home in the community. Though this was delayed due to the pandemic, they have all settled in well. The sale of Pen Y Coed was finally completed in the last quarter of 2020/21.

In the final quarter, the Leadership Team finalised the Strategic Plan for 2021-2024, which was subsequently approved by the full Board. This provides the framework for Perthyn during the next three years, and regular detailed reporting will be made to the appropriate Scrutiny Committees.

The Board of Trustees saw some resignations during the year, but continued to meet despite the pandemic, making use of technology to ensure that their governance duties were still exercised and their responsibilities were fully met. Work is already underway to recruit additional Trustee members to bring the Board up to its desired strength.

##### Financial review

##### Financial performance

The overall deficit for the year ended 31 March 2021 was £47,271 (2020 surplus: £250,8259). The overall level of funds carried forward into 2021/22 amounts to £ 1,858,888 compared to £1,906,159 carried into 2020/21.

The deficit incurred results from the increased SHPS DB Pension liability. Before adjusting for this, the surplus was £460,729.

Note:

1. Funds are restricted either on geographical grounds to recognise the funding from various local authority areas, or by the terms and conditions laid down by the donor. Although local authority funds are restricted, their expenditure remains in support of Perthyn's primary objectives.
2. The funding for the year was received from those Local Authorities with whom Perthyn has service agreements. In addition Perthyn received Supporting People grant from those same Local Authorities as well as payments from some of the service users in respect of housing benefit and other contributions.
3. The principal cost for the year continued to be the salaries and related costs of the staff that are necessarily employed to meet Perthyn's contract obligations. Perthyn also meets the cost of accommodation on behalf of its service users, including rent, housing associations management charges and other housekeeping costs.
4. Perthyn continues to have to accept increased pension costs as SHPS moves slowly towards financial stability, and also the annual graduated increases in the employer contributions of the 'Auto Enrolment' employee pension scheme.

**Perthyn**  
**Report of the Trustees**  
**for the Year Ended 31 March 2021**

**Strategic report**

**Financial review**

**Investment policy**

The investment policy the Trustees have adopted is designed to generate returns at low risk and is regularly reviewed by the Finance Scrutiny Committee. Any income not used during the year is re-invested with the original capital sum.

Any other investments relate only to surplus monies held from time to time, which are placed on short term deposit.

Significant financial risk considerations:

The Executive Management have identified to the Trustees that the following financial risks are most in need of protective policies:

1. The loss of service contracts and the resultant financial costs to Perthyn.
2. The cost of maintaining appropriate levels of care in the event of a reduction in the scope and/or value of any service contract.
3. The cost of ensuring that all properties, including the Residential Services properties, are safe, appropriately compliant, and are at all times fit for purpose.
4. The SHPS Defined Benefit pension scheme and the impact of fluctuating valuations.

To address these potential problems the Trustees have adopted the Reserves Policy outlined below.

**Reserves policy**

Analysis of risk to Perthyn's contracted operations and moral obligations to those we support has recognised the need to hold reserves in respect of eventualities which may include, inter alia, the following:

1. To ensure that if the funding levels for care are significantly reduced then appropriate levels of care can still be provided whilst an appropriate exit strategy is negotiated with the relevant funder.
2. To make provision for other potential liabilities as a result of contracts being terminated, reduced or withdrawn. Such liabilities could include redundancy costs, buying out leases, severance of contracted commitments etc.
3. Maintenance of Perthyn-owned properties and assets to meet safety standards, insurance and other obligations.
4. Replacement of essential assets.
5. To be able to respond to statutory changes

The level of available reserves (unrestricted funds less fixed assets and designated reserves) at the 2020/21 balance sheet date was £430,161 (2019/20 - £305,307)

Perthyn is subject to periodic contract retendering in all areas, which could result in the loss or reduction of a contract. Any such event would trigger pre-prepared action plans to minimise the impact on Perthyn's operations and financial stability. The advice of a contract reduction or loss would be immediately brought to the attention of the Trustees, and then considered at relevant Scrutiny Committee meetings.

The Trustees annually review Perthyn's reserves policy to ensure it protects against the identified risks.

**Future plans**

Perthyn operates in a constantly changing environment and needs to respond to legislative and regulatory changes, commissioning developments, cost pressures, and tender opportunities. Trustees meet regularly with the executive management to consider and agree how the organisation should respond and evolve. Perthyn considers tendering opportunities as they arise, taking into account our capacity and resources, weighing this up with the aims and requirements of the tender specifications. The Strategic Plan sets out Perthyn's overarching aims and objectives.

**Structure, governance and management**

**Governing document**

Perthyn is a limited company, registration number 3017158, and is governed by its Memorandum and Articles of Association. Perthyn is also registered with the Charity Commission, number 1046763. The Trustees are also directors of the Charitable company. The Memorandum and Articles of Association have recently been reviewed, revised, and adopted by the Board of Trustees.

**Recruitment, appointment and training of new trustees**

New Trustees, who are appointed by existing Trustees, are provided with an induction pack (including relevant guidance on Trustee roles and responsibilities), an induction programme, and any additional training that might be required. This process is under regular review.

## **Perthyn**

### **Report of the Trustees for the Year Ended 31 March 2021**

#### **Structure, governance and management**

##### **Organisational structure**

The Board of Trustees meets six times each year and Trustees are responsible for formulating policies and procedures, for setting strategic direction, and for ensuring appropriate levels of internal control. The day to day running of Perthyn is the responsibility of the Chief Executive and the executive management who report to Trustees at regular Board and Scrutiny Committee meetings.

##### **Sub-committee / working group structure**

The following groupings have been set up to assist and strengthen the Trustees' oversight activities - they all meet regularly as indicated below:

Finance Scrutiny Committee (6 meetings annually)  
Human Resources Scrutiny Committee (quarterly meetings)  
Risk Management Scrutiny Committee (quarterly meetings)  
Service Delivery Scrutiny Committee (quarterly meetings)  
Remuneration Committee (as and when required)  
Trustee and Executive Management Annual Governance Day

The Chair and Deputy Chair of the Board of Trustees meet monthly with the Chief Executive.

The Auditors have direct and confidential access to the Chair of the Board of Trustees should they so require.

##### **Related parties**

The Charity owns all of the share capital of a subsidiary company, Tai Prydeinig Limited which was incorporated on 22 August 2008. Tai Prydeinig has not traded since that date and nor does it have any assets or liabilities. For this reason, consolidated accounts for the group have not been prepared.

#### **EMPLOYMENT POLICIES**

##### **Employment of disabled persons**

It is the policy that disabled persons shall be considered for employment, career development and promotion on the basis of their aptitude and abilities in common with all employees.

##### **Employee involvement**

The Trustees recognise the importance of good communications and relations with employees and management is encouraged to adopt employee consultations.

#### **Reference and administrative details**

##### **Registered Company number**

03017158 (England and Wales)

##### **Registered Charity number**

1046763

##### **Registered office**

Vivian Court  
Llys Felin Newyd  
Phoenix Way  
SWANSEA  
SA7 9FG

##### **Trustees**

Andrew Thomas Chair  
John Lord Chair of the Board of Trustees (resigned 16.10.20)  
Fay Blakeley (resigned 15.11.20)  
Sally Brown  
Colin John Downham  
Claire Margaret Clarke  
Beverley Wormald (appointed 15.7.20)

##### **Chief Executive Officer**

Steve Cox

**Perthyn**

**Report of the Trustees  
for the Year Ended 31 March 2021**

**Reference and administrative details**

**Auditors**

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

**Solicitors**

Geldard's LLP  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

**Bankers**

Bank of Scotland  
One Kingsway  
Cardiff  
CF10 3YB

HSBC  
Portland Street  
Swansea  
SA1 3DF

**Statement of trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21 July 2021 and signed on the board's behalf by:



Andrew Thomas - Trustee

## **Report of the Independent Auditors to the Members of Perthyn**

### **Opinion**

We have audited the financial statements of Perthyn (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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 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.

### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



## **Report of the Independent Auditors to the Members of Perthyn**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Our responsibilities for the audit of the financial statements**

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

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:

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the company. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies Act 2006, 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', UK GAAP (FRS 102) and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities
- Obtaining an understanding of the key controls put in place by the charitable company to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally
- Assessing the risk of management override and review and testing of journal entries made into the accounting system
- Challenging assumptions and judgements made by the charitable company in relation to the significant accounting estimates employed in the preparation of the financial statements


Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of  
Perthyn**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 19 Aug 2021

**Perthyn**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>Income and endowments from</b>					
<b>Charitable activities</b>	3				
Care services		4,399,719	17,598,874	21,998,593	20,544,820
Investment income	2	11,810	1	11,811	7,405
<b>Total</b>		<u>4,411,529</u>	<u>17,598,875</u>	<u>22,010,404</u>	<u>20,552,225</u>
 <b>Expenditure on</b>					
<b>Charitable activities</b>	4				
Care services		3,848,947	17,700,728	21,549,675	20,823,750
<b>NET INCOME/(EXPENDITURE)</b>		<u>562,582</u>	<u>(101,853)</u>	<u>460,729</u>	<u>(271,525)</u>
<b>Transfers between funds</b>	20	<u>(88,872)</u>	<u>88,872</u>	<u>-</u>	<u>-</u>
 <b>Other recognised gains/(losses)</b>					
Gains/(losses) on revaluation of fixed assets		-	-	-	(162,616)
Actuarial gains/(losses) on defined benefit schemes		<u>(508,000)</u>	<u>-</u>	<u>(508,000)</u>	<u>685,000</u>
<b>Net movement in funds</b>		<u>(34,290)</u>	<u>(12,981)</u>	<u>(47,271)</u>	<u>250,859</u>
 <b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<u>1,686,273</u>	<u>219,886</u>	<u>1,906,159</u>	<u>1,655,300</u>
<b>Total funds carried forward</b>		<u><u>1,651,983</u></u>	<u><u>206,905</u></u>	<u><u>1,858,888</u></u>	<u><u>1,906,159</u></u>

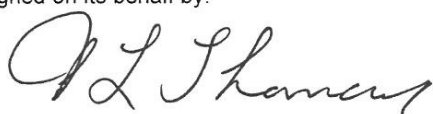
The notes form part of these financial statements

Perthyn (Registered number: 03017158)

**Balance Sheet**  
**31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>Fixed assets</b>					
Tangible assets	10	646,102	-	646,102	662,883
<b>Current assets</b>					
Stocks	11	-	-	-	507,500
Debtors	12	1,369,606	-	1,369,606	1,261,921
Investments	13	376,104	-	376,104	262,647
Cash at bank and in hand		736,648	206,905	943,553	768,954
		<u>2,482,358</u>	<u>206,905</u>	<u>2,689,263</u>	<u>2,801,022</u>
<b>Creditors</b>					
Amounts falling due within one year	14	(693,477)	-	(693,477)	(830,822)
		<u>1,788,881</u>	<u>206,905</u>	<u>1,995,786</u>	<u>1,970,200</u>
<b>Net current assets</b>					
		<u>1,788,881</u>	<u>206,905</u>	<u>1,995,786</u>	<u>1,970,200</u>
<b>Total assets less current liabilities</b>		<u>2,434,983</u>	<u>206,905</u>	<u>2,641,888</u>	<u>2,633,083</u>
<b>Creditors</b>					
Amounts falling due after more than one year	15	-	-	-	(319,924)
<b>Provisions for liabilities</b>	19	(783,000)	-	(783,000)	(407,000)
		<u>1,651,983</u>	<u>206,905</u>	<u>1,858,888</u>	<u>1,906,159</u>
<b>NET ASSETS</b>		<u>1,651,983</u>	<u>206,905</u>	<u>1,858,888</u>	<u>1,906,159</u>
<b>Funds</b>	20				
Unrestricted funds				1,651,983	1,686,273
Restricted funds				206,905	219,886
<b>Total funds</b>				<u>1,858,888</u>	<u>1,906,159</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 July 2021 and were signed on its behalf by:



Andrew Thomas - Trustee

**Perthyn**

**Cash Flow Statement  
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	649,733	(288,847)
Interest paid		(22,158)	(29,805)
Net cash provided by/(used in) operating activities		<u>627,575</u>	<u>(318,652)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(8,270)
Interest received		11,811	7,405
Net cash provided by/(used in) investing activities		<u>11,811</u>	<u>(865)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(403,870)	(50,142)
Net cash used in financing activities		<u>(403,870)</u>	<u>(50,142)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		235,516	(369,659)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>708,037</u>	<u>1,077,696</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u><u>943,553</u></u>	<u><u>708,037</u></u>

The notes form part of these financial statements

**Perthyn**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2021**

<b>1. Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
	2021	2020	
	£	£	
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	460,729	(271,525)	
<b>Adjustments for:</b>			
Depreciation charges	16,780	15,542	
Gain on investments	(113,457)	(3,288)	
Interest received	(11,811)	(7,405)	
Interest paid	22,158	29,805	
Decrease in stocks	507,500	-	
(Increase)/decrease in debtors	(107,685)	102,443	
Increase/(decrease) in creditors	7,519	(44,419)	
Difference between pension charge and cash contributions	(132,000)	(110,000)	
<b>Net cash provided by/(used in) operations</b>	<u>649,733</u>	<u>(288,847)</u>	
<b>2. Analysis of cash and cash equivalents</b>			
	2021	2020	
	£	£	
Cash in hand	8,216	12,710	
Notice deposits (less than 3 months)	935,337	756,244	
Overdrafts included in bank loans and overdrafts falling due within one year	-	(60,917)	
<b>Total cash and cash equivalents</b>	<u>943,553</u>	<u>708,037</u>	
<b>3. Analysis of changes in net funds</b>			
	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	768,954	174,599	943,553
Bank overdraft	(60,917)	60,917	-
	<u>708,037</u>	<u>235,516</u>	<u>943,553</u>
<b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	262,647	113,457	376,104
	<u>262,647</u>	<u>113,457</u>	<u>376,104</u>
<b>Debt</b>			
Debts falling due within 1 year	(79,946)	79,946	-
Debts falling due after 1 year	(319,924)	319,924	-
	<u>(399,870)</u>	<u>399,870</u>	<u>-</u>
<b>Total</b>	<u>570,814</u>	<u>748,843</u>	<u>1,319,657</u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 March 2021**

**1. Accounting policies**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The charity is a public benefit entity.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on the charity of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

**Income**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Housing benefit claimed on behalf of all service users is accounted for on a receivable basis.

Grants and service level agreements to support the provision of care are accounted for in the financial year to which they relate. Grants received to finance the cost of fixed asset are recognised as restricted funds and used to finance the annual depreciation charge.

Government grants represents income receivable in relation to the UK government COVID-19 job retention scheme. This is recognised in the period in which it becomes receivable.

Carers allowance awarded by the Welsh Government relates to a one-off flat rate payment of £500 for eligible carers, to reward the hard work and commitment of social care staff who have provided essential care to the most vulnerable citizens during the COVID-19 pandemic.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

**Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Support costs**

## Perthyn

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 1. Accounting policies - continued

##### **Expenditure**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

##### **Tangible fixed assets**

Individual fixed assets costing £1,500 or more are initially recorded at cost.

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Motor Vehicles 25% straight line basis  
Fixtures and fittings 15% straight line  
Freehold buildings 2% straight line  
Freehold land nil

##### **Properties held for sale**

Where a sale of a fixed asset is anticipated the net book value is transferred to properties held for sale and included in stock. An impairment review of the balance is conducted with net book value compared to projected sales price and any write down expensed. Any profit on sale is recorded in the financial year in which the sale occurs.

##### **Taxation**

The company is a registered charity and is, therefore, exempt from taxation on its primary activities.

##### **Fund accounting**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose

Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes.

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

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The Charity participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit scheme for which the assets and liabilities are calculated by an independent qualified actuary. Contributions towards the current cost of the scheme as well as towards the past service deficit are recorded through the year. At the year end an Actuarial assessment is conducted and the impact of any gains or losses recorded in the financial statements.

##### **Debtors, creditors and cash**

Current assets and liabilities, including cash held at bank or as part of short term deposits, are recognised at cost or valuation as at the year end.

Aged debtors and liabilities are recognised at net present value in line with FRS 102.

##### **Operating leases**

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



Perthyn

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

2. Investment income

	2021	2020
	£	£
Deposit account interest	11,811	7,405

3. Income from charitable activities

	Activity	2021	2020
		£	£
Government grants	Care services	126,686	-
Housing Benefit	Care services	1,288,692	1,165,539
Powys day care	Care services	90,201	106,412
Service user recharges	Care services	7,063	25,415
Care funding fees	Care services	19,700,796	19,104,869
Repairs, renewals & internal decoration	Care services	81,810	93,551
DSS Income Support	Care services	-	3,519
Care contribution	Care services	65,554	17,649
Training and other income	Care services	74,316	27,866
Carer allowance	Care services	223,883	-
Covid-19 local authority	Care services	339,592	-
		21,998,593	20,544,820

4. Charitable activities costs

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Care services	18,444,376	3,105,299	21,549,675

5. Support costs

	Management	Governance costs	Totals
	£	£	£
Care services	3,092,285	13,014	3,105,299

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

	2021	2020
	Care services	Total activities
	£	£
Wages	1,996,326	1,599,516
Social security	240,468	158,776
Pensions	78,674	98,237
Operating leases	241,838	229,223
Travelling	88,422	140,105
Rates and water	11,829	15,768
Light, heat and power	26,374	36,475
Insurance	104,467	101,404
Repairs and maintenance	22,737	47,837
Telephone	3,524	3,347
Office expenses	55,129	43,034
Information and technology costs	222,497	149,116
Auditors' remuneration	11,000	11,000
Auditors' remuneration for non audit work	1,550	1,030
Trustee expenses	464	3,467
	3,105,299	2,638,335

# Perthyn

## Notes to the Financial Statements - continued for the Year Ended 31 March 2021

### 6. Net income/(expenditure)

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

	2021	2020
	£	£
Auditors' remuneration	11,000	11,000
Auditors' remuneration for non audit work	1,550	1,030
Depreciation - owned assets	16,781	15,542
Other operating leases	241,838	229,223
Loan interest	22,158	29,805
	<u>282,227</u>	<u>286,600</u>

### 7. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

#### Trustees' expenses

The trustees received no remuneration in either accounting period, but were reimbursed for travel and subsistence expenses amounting to £464 (2020: £3,467).

### 8. Staff costs

	2021	2020
	£	£
Wages and salaries	16,432,619	15,252,018
Social security costs	1,335,935	1,192,897
Other pension costs	531,598	548,772
	<u>18,300,152</u>	<u>16,993,687</u>

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

	2021	2020
Operational	752	750
Office	58	53
	<u>810</u>	<u>803</u>

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

	2021	2020
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u>4</u>	<u>4</u>

During the year Perthyn paid key management gross salaries totalling £669,536 (2020: £670,022). Key management are considered to be 12 (2020: 12) individuals who directly impact upon the strategic direction of the Charity.

Perthyn

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

9. Comparatives for the statement of financial activities for 2018/19

	Unrestricted funds £	Restricted funds £	Total funds £
<b>Income and endowments from</b>			
<b>Charitable activities</b>			
Care services	4,108,964	16,435,856	20,544,820
Investment income	7,405	-	7,405
<b>Total</b>	<b>4,116,369</b>	<b>16,435,856</b>	<b>20,552,225</b>
<b>Expenditure on</b>			
<b>Charitable activities</b>			
Care services	3,738,394	17,085,356	20,823,750
<b>NET INCOME/(EXPENDITURE)</b>	<b>377,975</b>	<b>(649,500)</b>	<b>(271,525)</b>
<b>Transfers between funds</b>	<b>(632,644)</b>	<b>632,644</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>			
Gains/(losses) on revaluation of fixed assets	(162,616)	-	(162,616)
Actuarial gains on defined benefit schemes	685,000	-	685,000
<b>Net movement in funds</b>	<b>267,715</b>	<b>(16,856)</b>	<b>250,859</b>
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>	<b>1,418,558</b>	<b>236,742</b>	<b>1,655,300</b>
<b>Total funds carried forward</b>	<b>1,686,273</b>	<b>219,886</b>	<b>1,906,159</b>

10. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>Cost</b>				
At 1 April 2020 and 31 March 2021	750,000	40,746	13,800	804,546
<b>Depreciation</b>				
At 1 April 2020	94,883	37,931	8,849	141,663
Charge for year	15,000	431	1,350	16,781
At 31 March 2021	109,883	38,362	10,199	158,444
<b>Net book value</b>				
At 31 March 2021	640,117	2,384	3,601	646,102
At 31 March 2020	655,117	2,815	4,951	662,883

The freehold property was valued on 5 November 2015 by Lambert Smith Hampton an independent firm of Chartered Building Surveyors at £750,000. This valuation was based upon open market value which is deemed to be not materially different from the existing use basis.

The net carrying amount on a depreciated historic basis would have amounted to £418,000 as at 31 March 2020 (2020: £429,000).

**Perthyn**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**11. Stocks**

	2021 £	2020 £
Property held for sale	-	507,500

Pen y Coed Mansion was held for sale in 2020. The property sold in February 2021 for £507,500.

**12. Debtors: amounts falling due within one year**

	2021 £	2020 £
Trade debtors	1,240,489	1,113,889
Other debtors	2,439	4,184
Prepayments and accrued income	126,678	143,848
	<u>1,369,606</u>	<u>1,261,921</u>

**13. Current asset investments**

	2021 £	2020 £
Unlisted investments	103,702	93,839
Monies held on deposit	272,402	168,808
	<u>376,104</u>	<u>262,647</u>

**14. Creditors: amounts falling due within one year**

	2021 £	2020 £
Bank loans and overdrafts (see note 16)	-	140,863
Trade creditors	124,670	142,938
Social security and other taxes	325,565	289,155
Other creditors	219,748	216,023
Accruals and deferred income	23,494	41,843
	<u>693,477</u>	<u>830,822</u>

**15. Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Bank loans (see note 16)	-	319,924

**16. Loans**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank overdrafts	-	60,917
Bank loans	-	79,946
	<u>-</u>	<u>140,863</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	-	79,946
	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	159,891
	<u>-</u>	<u>-</u>

**Perthyn**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**16. Loans - continued**

	2021 £	2020 £
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	-	80,087

**17. Leasing agreements**

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

	2021 £	2020 £
Within one year	137,117	133,323
Between one and five years	159,837	111,727
	<u>296,954</u>	<u>245,050</u>

**18. Secured debts**

Standard Security over Commercial Freehold Property - Fairfield House 85 Ely Road, Cardiff, CF5 2BY, Wales, United Kingdom granted by Perthyn  
All monies Debenture granted by Perthyn over the whole assets of the Company

**19. Provisions for liabilities**

	2021 £	2020 £
Pension Deficit Liability	<u>783,000</u>	<u>407,000</u>
	2021 £	2020 £
Balance brought forward	407,000	1,202,000
Amounts provided in the year	376,000	-
Amounts released in the year	-	795,000
Balance carried forward	<u>783,000</u>	<u>407,000</u>

During the year the Charity has been provided with its calculated share of the net liability position for its participation in SHPS. Full details of the pension scheme are shown in note 22.

Perthyn

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

20. Movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	988,190	54,582	33,491	1,076,263
Designated Revaluation reserve	299,172	-	(149,780)	149,392
Designated Maintenance	165,434	-	27,417	192,851
Designated Cyclical maintenance	54,477	-	-	54,477
Designated IT warranty reserve	34,000	-	-	34,000
Designated Occupancy reserve	45,000	-	-	45,000
Designated Contingency	100,000	-	-	100,000
	<u>1,686,273</u>	<u>54,582</u>	<u>(88,872)</u>	<u>1,651,983</u>
<b>Restricted funds</b>				
Local Authority funding	-	(88,872)	88,872	-
HB – SU Engagement through I.T.	83,257	-	-	83,257
Donation from Celtic Community Consortium	136,629	(12,981)	-	123,648
	<u>219,886</u>	<u>(101,853)</u>	<u>88,872</u>	<u>206,905</u>
<b>TOTAL FUNDS</b>	<u>1,906,159</u>	<u>(47,271)</u>	<u>-</u>	<u>1,858,888</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	4,411,529	(3,848,947)	(508,000)	54,582
<b>Restricted funds</b>				
Local Authority funding	17,598,875	(17,687,747)	-	(88,872)
Donation from Celtic Community Consortium	-	(12,981)	-	(12,981)
	<u>17,598,875</u>	<u>(17,700,728)</u>	<u>-</u>	<u>(101,853)</u>
<b>TOTAL FUNDS</b>	<u>22,010,404</u>	<u>(21,549,675)</u>	<u>(508,000)</u>	<u>(47,271)</u>

Perthyn

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

20. Movement in funds - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
<b>Unrestricted funds</b>				
General fund	512,074	1,062,975	(586,859)	988,190
Designated Revaluation reserve	465,788	(162,616)	(4,000)	299,172
Designated Maintenance	136,203	-	29,231	165,434
Designated Cyclical maintenance	64,576	-	(10,099)	54,477
Designated IT warranty reserve	34,000	-	-	34,000
Designated Occupancy reserve	105,917	-	(60,917)	45,000
Designated Contingency	100,000	-	-	100,000
	<u>1,418,558</u>	<u>900,359</u>	<u>(632,644)</u>	<u>1,686,273</u>
<b>Restricted funds</b>				
Local Authority funding	-	(643,174)	643,174	-
HB – SU Engagement through I.T.	93,787	-	(10,530)	83,257
Donation from Celtic Community Consortium	142,955	(6,326)	-	136,629
	<u>236,742</u>	<u>(649,500)</u>	<u>632,644</u>	<u>219,886</u>
<b>TOTAL FUNDS</b>	<u>1,655,300</u>	<u>250,859</u>	<u>-</u>	<u>1,906,159</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	4,116,369	(3,738,394)	685,000	1,062,975
Designated Revaluation reserve	-	-	(162,616)	(162,616)
	<u>4,116,369</u>	<u>(3,738,394)</u>	<u>522,384</u>	<u>900,359</u>
<b>Restricted funds</b>				
Local Authority funding	16,435,856	(17,079,030)	-	(643,174)
Donation from Celtic Community Consortium	-	(6,326)	-	(6,326)
	<u>16,435,856</u>	<u>(17,085,356)</u>	<u>-</u>	<u>(649,500)</u>
<b>TOTAL FUNDS</b>	<u>20,552,225</u>	<u>(20,823,750)</u>	<u>522,384</u>	<u>250,859</u>

Perthyn

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

20. Movement in funds - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	512,074	1,117,557	(553,368)	1,076,263
Designated Revaluation reserve	465,788	(162,616)	(153,780)	149,392
Designated Maintenance	136,203	-	56,648	192,851
Designated Cyclical maintenance	64,576	-	(10,099)	54,477
Designated IT warranty reserve	34,000	-	-	34,000
Designated Occupancy reserve	105,917	-	(60,917)	45,000
Designated Contingency	100,000	-	-	100,000
	<u>1,418,558</u>	<u>954,941</u>	<u>(721,516)</u>	<u>1,651,983</u>
<b>Restricted funds</b>				
Local Authority funding	-	(732,046)	732,046	-
HB – SU Engagement through I.T.	93,787	-	(10,530)	83,257
Donation from Celtic Community Consortium	142,955	(19,307)	-	123,648
	<u>236,742</u>	<u>(751,353)</u>	<u>721,516</u>	<u>206,905</u>
<b>TOTAL FUNDS</b>	<u>1,655,300</u>	<u>203,588</u>	<u>-</u>	<u>1,858,888</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	8,527,898	(7,587,341)	177,000	1,117,557
Designated Revaluation reserve	-	-	(162,616)	(162,616)
	<u>8,527,898</u>	<u>(7,587,341)</u>	<u>14,384</u>	<u>954,941</u>
<b>Restricted funds</b>				
Local Authority funding	34,034,731	(34,766,777)	-	(732,046)
Donation from Celtic Community Consortium	-	(19,307)	-	(19,307)
	<u>34,034,731</u>	<u>(34,786,084)</u>	<u>-</u>	<u>(751,353)</u>
<b>TOTAL FUNDS</b>	<u>42,562,629</u>	<u>(42,373,425)</u>	<u>14,384</u>	<u>203,588</u>

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

Revaluation Reserve - the freehold properties were valued in 2012 and then re-visited in 2015 at deemed cost. The reserve is debited with the depreciation related to the revaluation.

Maintenance - this funding has been set up to set aside the amount remaining unpaid from the repairs allowance for communal areas claimed from housing benefit, which would have to be paid over to a new provider in the event of the Scheme being transferred.

Cyclical Maintenance - To fund the on-going refurbishment of residential and day services property.

SHPS Past Service Deficit - this fund was established in relation to the past service payments that were included as a creditor in the financial statements. As the charity has now implemented the full inclusion of the pension provision this fund has been released back to general funds.



## Perthyn

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 20. Movement in funds - continued

IT Warranty Reserve - represents balances designated by the Trustees to cover any potential costs in repairing or replacing servers which are no longer held under warranty.

Occupancy reserve - represents balances designated by the Trustees to cover forecast costs of under occupancy.

Contingency reserve - represents balances set aside for anticipated expenditure.

Local Authority funding is given to meet the primary objectives of the Charity.

Housing Benefit - SU Engagement through I.T. - work to identify appropriate broadband connectivity in houses has progressed.

Donation from Celtic Community Consortium - funding is given to fund non-repayable grants or interest free loans to those already receiving the benefit of Perthyn's services and who require additional financial support to assist in the acquisition of property, furniture of legal services or any other financial support as the trustees consider reasonable.

#### Transfers between funds

During the year £149,780 was transferred from the Designated Revaluation reserve to the General Unrestricted Fund in line with the movements on the assets and fund. Pen Y Coed was sold in February 2021.

During the year a balance of £27,416 was transferred to the Maintenance designated fund from the General Unrestricted Fund in line with activities during the year.

During the year, £88,873 was transferred to the Local Authority Funding restricted reserve from General Unrestricted funds to account for the excess of expenditure compared to income.

#### 21. Related party disclosures

There were no related party transactions for the year ended 31 March 2021.

#### 22. Defined benefit pension scheme

Perthyn participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open defined benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Perthyn currently operates final salary with a 1/60th accrual rate, final salary with a 1/70th accrual rate and final salary with a 1/80th accrual rate benefit structure for active members.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

# Perthyn

## Notes to the Financial Statements - continued for the Year Ended 31 March 2021

### 22. Defined benefit pension scheme - continued

During the accounting period Perthyn paid contributions at the rate of 7.25% to 11.5% member contributions varied between 6.75% and 7.9% .

The company made an annual contribution of £139,493 towards the past service deficit during the year. For the year ending 31 March 2022 the contributions to be paid amount to £142,283 and will increase each year by 2% until September 2026.

In accordance with FRS 102 reporting requirements the company is required to disclose certain information concerning assets, liabilities, income and expenditure in relation to the pension scheme.

### Presentation values of Defined Benefit Obligation, fair value of assets and Defined Benefit Asset (liability)

	31 March 2021 £000s	31 March 2020 £000s
Fair value of plan assets	4,781	4,208
Present value of defined benefit obligation	5,564	4,615
Surplus/(Deficit) in plan	(783)	(407)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(783)	(407)

### Reconciliation of the impact of the asset ceiling

	31 March 2021 £000s
Impact of asset ceiling at start of year	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

### Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2021 £000s
Defined benefit obligation at start of period	4,615
Current service cost	-
Expenses	5
Interest Expense	109
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(59)
Actuarial losses (gains) due to changes in demographic assumptions	(38)
Actuarial losses (gains) due to changes in financial assumptions	979
Benefits paid and expenses	(47)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate differences	-
Defined benefit obligation at end of period	5,564

### Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2021 £000s
Fair value of plan assets at start of period	4,208
Interest income	101
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	374

Perthyn

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

22. Defined benefit pension scheme - continued

Contributions by the employer	145
Contributions by plan participants	-
Benefits paid and expenses	(47)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	4,781

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £475,000.

Defined benefit costs recognised in statement of financial activities - Net income and expenditure

	31 March 2021
	£000s
Current service cost	-
Expenses	5
Net interest Expense	8
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of financial activities	13

Defined benefit costs recognised in statement of financial activities - Actuarial Gains/(losses)

	31 March 2020
	£000s
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	374
Experience gains and losses arising on the plan liabilities - gain (loss)	59
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	38
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(979)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(508)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Actuarial gains/(losses)	(508)

Assets

	31 March 2021	31 March 2020
	£000s	£000s
Absolute Return	264	219
Alternative Risk Premia	180	294
Corporate Bond Fund	282	240
Credit Relative Value	150	115
Distressed Opportunities	138	81
Emerging Markets Debt	193	127
Fund of Hedge Funds	1	3
Global Equity	762	616
High Yield	143	-
Infrastructure	319	313
Insurance Linked Securities	115	129
Liability Driven Investment	1,215	1,397
Long lease Property	94	73
Net current assets	29	18
Opportunistic Credit	131	-
Opportunistic Illiquid Credit	122	102

## Perthyn

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 22. Defined benefit pension scheme - continued

Private Debt	114	85
Liquid Credit	57	2
Property	99	93
Risk sharing	174	142
Secured income	199	160
Total assets	4,781	4,208

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

#### Key Assumptions

	31 March 2021 % per annum	31 March 2020 % per annum
Discount rate	2.18	2.38
Inflation (RPI)	3.15	2.62
Inflation (CPI)	2.65	1.62
Salary Growth	2.00	1.50
	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement		

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2021	21.6
Female retiring in 2021	23.2
Male retiring in 2041	22.6
Female retiring in 2041	24.8

#### Perthyn also participates in the Pensions Trust's Growth Plan

The Growth Plan is a multi-employer pension Plan which is in most respects a money purchase arrangement but it has some guarantees. Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a Capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The Plan is funded and is not contracted out of the state scheme. The rules of the Growth Plan allow for the declaration of bonuses and / or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis.

Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee. The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The main purpose of the valuation is to determine the financial position of the Plan and so determine the future prospects for discretionary bonuses and / or investment credits. The actuarial valuation assesses whether the Plan's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

## **Perthyn**

### **Notes to the Financial Statements - continued for the Year Ended 31 March 2021**

#### **22. Defined benefit pension scheme - continued**

Perthyn offers the Growth Plan as an AVC investment option for members of the Social Housing Pension Scheme. The members pay contributions at a rate of their choice. The organisation does not pay any contributions to the Growth Plan.

#### **23. Members' liability**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The company is registered in England and Wales and the registered office is shown within the Trustees report.

Perthyn

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2021

	2021 £	2020 £
<b>Income and endowments</b>		
<b>Investment income</b>		
Deposit account interest	11,811	7,405
<b>Charitable activities</b>		
Government grants	126,686	-
Housing Benefit	1,288,692	1,165,539
Powys day care	90,201	106,412
Service user recharges	7,063	25,415
Care funding fees	19,700,796	19,104,869
Repairs, renewals & internal decoration	81,810	93,551
DSS Income Support	-	3,519
Care contribution	65,554	17,649
Training and other income	74,316	27,866
Carer allowance	223,883	-
Covid-19 local authority	339,592	-
	<hr/> 21,998,593	<hr/> 20,544,820
<b>Total incoming resources</b>	<b>22,010,404</b>	<b>20,552,225</b>
<b>Expenditure</b>		
<b>Charitable activities</b>		
Wages	14,436,293	13,652,502
Social security	1,095,467	1,034,121
Pensions	452,924	450,535
Agency staff	212,843	998,832
Training, course fees and room hire	167,929	176,649
Recruitment and retention	136,482	154,780
Rates and water	4,830	7,975
Housing Association management charges	920,976	819,769
Light, heat and power	98,742	102,550
Repairs and maintenance	150,646	156,901
Scheme expenses	185,465	248,448
Telephone	24,224	26,134
Subscriptions, publications and other sundry expenses	155,979	117,820
Travel costs	84,055	177,979
Bank charges	260	1,982
Bad debts	13,762	6,765
Legacy fund expenditure	12,981	6,326
Covid-19 expenses	251,580	-
Freehold property	15,000	15,000
Fixtures and fittings	430	92
Motor vehicles	1,350	450
Bank loan interest	22,158	29,805
	<hr/> 18,444,376	<hr/> 18,185,415
<b>Support costs</b>		
<b>Management</b>		
Wages	1,996,326	1,599,516
Social security	240,468	158,776
Carried forward	2,236,794	1,758,292

This page does not form part of the statutory financial statements

**Perthyn**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2021**

	2021 £	2020 £
<b>Management</b>		
Brought forward	2,236,794	1,758,292
Pensions	78,674	98,237
Operating leases	241,838	229,223
Travelling	88,422	140,105
Rates and water	11,829	15,768
Light, heat and power	26,374	36,475
Insurance	104,467	101,404
Repairs and maintenance	22,737	47,837
Telephone	3,524	3,347
Office expenses	55,129	43,034
Information and technology costs	222,497	149,116
	<hr/> 3,092,285	<hr/> 2,622,838
<b>Governance costs</b>		
Auditors' remuneration	11,000	11,000
Auditors' remuneration for non audit work	1,550	1,030
Trustee expenses	464	3,467
	<hr/> 13,014	<hr/> 15,497
Total resources expended	<hr/> 21,549,675	<hr/> 20,823,750
<b>Net income/(expenditure)</b>	<hr/> <hr/> 460,729	<hr/> <hr/> (271,525)