

Charity registration number 1074033

Company registration number 03335317 (England and Wales)

DENBIGHSHIRE FOYER LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

DENBIGHSHIRE FOYER LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr H Ferdinando Mrs E Frodsham Mr L Delaney Mrs M Owen Mr W Jones
Secretary	Mr W Jones
Charity number	1074033
Company number	03335317
Registered office	Sage & Company Chartered Accountants 102 Bowen Court St Asaph Business Park St Asaph LL17 0JE
Independent examiner	Sage & Company Business Advisors Ltd 102 Bowen Court St Asaph Business Park ST ASAPH Denbighshire LL17 0JE
Bankers	Barclays Bank Plc 68-70 High Street Rhyl Denbighshire LL18 1EU
Solicitors	Gamlins Solicitors Rhyl 33-37 Russell Road Rhyl LL18 3DB

DENBIGHSHIRE FOYER LIMITED

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DENBIGHSHIRE FOYER LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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

The charity's objective and its principal activity continues to be that of developing affordable accommodation and access to training and employment to young persons in Denbighshire.

The bulk of the charitable expenditure is usually entrusted to Buttle UK who have the expertise in directing funds to those in desperate need in Denbighshire, however for this year, this was not the case as funds were directed by the Charity itself. For next year this will revert to Buttle UK.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

The Statement of Financial Activities shows a surplus £16,531. There has been a revaluation increase of £4,000 in the fair value of the investment property, which is carried in the balance sheet at deemed cost under the rules of FRS102. Cash reserves of approximately £20,000 - £65,000 are held throughout the year, to cover unforeseen expenses on the property, any emergency commitments, or are held pending agreement with appropriate bodies or individuals to support. The present level of funding is adequate to support the expenses incurred regarding the development of the project and the trustees consider the financial position of the charity to be satisfactory.

In distributing funds throughout Denbighshire, the charity trustees have complied with their duty to have due regards to the guidance on public benefit, published by the Charity Commission, in exercising their powers and duties.

Financial review

The trustees will continue to ensure that financial resources are managed wisely in the best interest of the charity and to enable the maintenance and development of the charity's assets in support of the charitable objectives.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Details of movements in fixed assets are set out in the notes to the accounts. The improvements to the freehold investment property are not included on the balance sheet, but written off when the expense is incurred.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is, therefore, governed by a Memorandum and Articles of Association.

DENBIGHSHIRE FOYER LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr H Ferdinando

Mr D Manifold

(Retired 5 September 2022)

Mrs E Frodsham

Mr L Delaney

Mrs M Owen

Mr D Berry

(Retired 29 June 2022)

Mr W Jones

The trustees are recruited from a known base of individuals wishing to serve as trustees and who have the required skills, attributes and local knowledge. Howard Ferdinando is the administrator who manages the day to day administration of the charity.

Trustees are appointed by the election at the Annual General Meeting. The induction process for any newly appointed trustees includes an induction to the objectives, scope and policies of the charity and a skills analysis to assess their strengths and weaknesses which may require further training.

Statement of trustee's responsibilities

The trustees, who are also the directors of Denbighshire Foyer Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mr H Ferdinando

trustee

28 September 2023

DENBIGHSHIRE FOYER LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DENBIGHSHIRE FOYER LIMITED

I report to the trustees on my examination of the financial statements of Denbighshire Foyer Limited (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Sage & Company Business Advisors Ltd

102 Bowen Court
St Asaph Business Park
ST ASAPH
Denbighshire
LL17 0JE

Dated: 28 September 2023

DENBIGHSHIRE FOYER LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Investments	3	49,324	39,826
<u>Expenditure on:</u>			
Charitable activities	4	36,793	48,012
Net gains/(losses) on investments	8	4,000	-
Net income/(expenditure) for the year/ Net movement in funds		16,531	(8,186)
Fund balances at 1 April 2022		238,936	247,122
Fund balances at 31 March 2023		255,467	238,936

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

All income and expenditure derive from continuing activities and are all unrestricted funds.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DENBIGHSHIRE FOYER LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investment property	10		200,000		196,000
Current assets					
Debtors	11	2,037		2,535	
Cash at bank and in hand		55,754		46,196	
		<u>57,791</u>		<u>48,731</u>	
Creditors: amounts falling due within one year	12	<u>(2,324)</u>		<u>(5,795)</u>	
Net current assets			55,467		42,936
Total assets less current liabilities			<u>255,467</u>		<u>238,936</u>
Income funds					
Unrestricted funds			255,467		238,936
			<u>255,467</u>		<u>238,936</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 September 2023

Mr H Ferdinando
Trustee

Company registration number 03335317

DENBIGHSHIRE FOYER LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	14		(39,766)		(45,178)
Investing activities					
Investment income received		49,324		39,826	
		<u>49,324</u>		<u>39,826</u>	
Net cash generated from investing activities			49,324		39,826
Net cash used in financing activities			-		-
			<u>-</u>		<u>-</u>
Net increase/(decrease) in cash and cash equivalents			9,558		(5,352)
Cash and cash equivalents at beginning of year			46,196		51,548
			<u>46,196</u>		<u>51,548</u>
Cash and cash equivalents at end of year			<u>55,754</u>		<u>46,196</u>

DENBIGHSHIRE FOYER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Denbighshire Foyer Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Sage & Company, Chartered Accountants, 102 Bowen Court, St Asaph Business Park, St Asaph, LL17 0JE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is included on an accruals basis and is allocated to the relevant fund

DENBIGHSHIRE FOYER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

DENBIGHSHIRE FOYER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	49,241	39,821
Interest receivable	83	5
	<u>49,324</u>	<u>39,826</u>

4 Charitable activities

	Charitable Expenditure Heading 1	Charitable Expenditure Heading 1
	2023	2022
	£	£
Light, heat & power	8,040	13,195
Property repairs & maintenance	16,412	1,200
Premises insurance	2,720	2,030
Legal & professional fees	4,976	3,416
Accountancy	998	744
Room Hire	-	180
Sundry	12	27
	<u>33,158</u>	<u>20,792</u>
Grant funding of activities (see note 5)	3,635	27,220
	<u>36,793</u>	<u>48,012</u>

DENBIGHSHIRE FOYER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Grants payable

	Charitable Expenditure Heading 1 2023 £	Charitable Expenditure Heading 1 2022 £
Grants to institutions:		
Other	3,635	27,220

-

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Total 2022 £
Revaluation of investment properties	4,000	-

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

DENBIGHSHIRE FOYER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Investment property

	2023 £
Fair value	
At 1 April 2022	196,000
Additions through business combinations	4,000
	<hr/>
At 31 March 2023	200,000
	<hr/>

Investment property comprises of one property on Marsh Road, Rhyl. The fair value of the investment property has been arrived at on the basis of a valuation carried out by Guy Woodcock Chartered Surveyors on 23 December 2022. Guy Woodcock are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties at that time and the trustees believe there to be no material fluctuation in that valuation as at the balance sheet date.

	2023 £	2022 £
Freehold	200,000	196,000
Long leasehold	-	-
Short leasehold	-	-
	<hr/>	<hr/>

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments and accrued income	2,037	2,535
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	2,324	5,795
	<hr/>	<hr/>

13 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

DENBIGHSHIRE FOYER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14	Cash generated from operations	2023 £	2022 £
	Surplus/(deficit) for the year	16,531	(8,186)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(49,324)	(39,826)
	Fair value gains and losses on investment properties	(4,000)	-
	Movements in working capital:		
	Decrease/(increase) in debtors	498	(735)
	(Decrease)/increase in creditors	(3,471)	3,569
	Cash absorbed by operations	<u>(39,766)</u>	<u>(45,178)</u>
15	Analysis of changes in net funds		
	The charity had no debt during the year.		