

DIGARTREF CYF
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND ACCOUNTS FOR THE YEAR
ENDED 31 MARCH 2021

COMPANY NUMBER 3516328

CHARITY NUMBER 1076680 (England and Wales)

DIGARTREF CYF

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DIGARTREF CYF

COMPANY / CHARITY DETAILS

Name - Digartref Cyf

Status - Company limited by guarantee

Charity Number - 1076680

Company Number - 3516328

Principal Office - Enterprise Centre, Holyhead, LL65 2HY

Chief Executive – Wendy Hughes

Auditor - Crestmere Limited, Unit F1, Intec, Parc Menai, Bangor, LL57 4FG

DIGARTREF CYFDIRECTORS' / TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors / Trustees present their report and the accounts of the company for the year ended 31 March 2021. The report and accounts have been prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

1. Objectives and Activities

The company was formed to promote the relief of those who are homeless in North West Wales, to offer them support in their areas of need, and to support them in achieving independent living. The results of the year's activities are shown on page 9. The Trustees have paid due regard to the guidance issued by the Charities Commission on public benefit in deciding what activities the Charity should undertake and how successful outcomes should be evaluated.

2. Structure, Governance and Management

The charity is a company limited by guarantee and governed in accordance with its Memorandum and Articles of Association. The Directors / Trustees who served during the period were:-

J Morgan	S R Jones
D LI Jones	M Blackburn
B A Hughes	K A Griffiths
G Walker (to February 2021)	G M Beeken
C A Appleton-Owen (from June 2020)	M E Roberts (from February 2021)

Trustees are recruited from professional and related backgrounds, and training is available to them. The organisational structure is based on formal governance. The Board meets at regular intervals to consider strategic matters and monitor operations.

3. Achievements and Performance

During what can only be described as a difficult year, delivering much needed homelessness services during a pandemic, the charity's overall performance has been excellent.

There was a steady increase in funding, allowing for additional resources to be made available to assist the local authority meet the emergency measures introduced by the Welsh Government to deal with the coronavirus pandemic that specifically related to homelessness.

Working closely with the Isle of Anglesey County Council and North Wales Housing Association, two properties were secured to deliver a Rapid Rehousing model, providing short term temporary accommodation for those aged over 25 who might otherwise be placed in B&B provision by the local authority or be street homeless. Digartref Cyf were able to set these properties up extremely quickly, ensuring they were fully furnished, that whites goods, bedding, crockery etc were in place for those people requiring emergency placement. The service also provides a dedicated support worker who works closely with those individuals accessing with an overall aim of moving people on as quickly as possible into their own longer term accommodation. Once this is achieved further support is available to increase the likelihood of tenancy sustainment in the move on property. It is now highly anticipated that this successful service will continue beyond the pandemic related measures, providing a much needed resource for those aged over 25 years in housing crisis.

Digartref Cyf were successful in securing again the Homeless Prevention Grant from the Welsh Government, and was awarded a further year's funding commencing April 2021. This grant assists the charity in delivering a range of vital homeless prevention services including, Nightstop, Mediation, Outreach, the Lighthouse Day Centre and the Learn4Life programme.

In addition a further 1 year's funding was secured from the Welsh Government under the Youth innovation Grant enabling the continued deliver of the Llety Pontio Project which works with the private rented sector and the local authority to provide temporary accommodation with support for young people aged 16 to 25 who may otherwise have to be accommodated in emergency B&B provision.

DIGARTREF CYFDIRECTORS' / TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

Via funding from the Area Planning Board, the charity was able to deliver an outreach service across Gwynedd and Ynys Mon, providing 3 outreach workers for those with complex needs including substance misuse and mental health issues, who are homeless or at risk of homelessness.

Overall, the Homeless Prevention Grant funded services met and exceed related performance indicators set for 2020/21, providing support and assistance to 340 individuals.

Up on the previous year's figure of 90, 111 individuals accessed the Lighthouse Day Centre during 2020/21. Despite the restrictions and difficulties staff faced in relation to the pandemic and related safe working measures, the service opened 365 days, providing homeless related support and assistance, welfare benefit advice, hot food, laundry and shower facilities as well as onward referral to specialist services. Figures and data for the past 3 years show that there has been a year on year increase in the numbers accessing this vital provision and is a crucial service in providing support to those in crisis such as rough sleepers and sofa surfers. As part of the charity's business planning for the next 5 years, resources are earmarked to address the increase in demand, to ensure an effective staff structure is maintained and that a suitable building is available to meet demand and need.

In relation to the charity's supported housing provision, 250 referrals were received during the period and 96 individuals aged between 16 and 25, who were homeless or in housing need were accommodated and/or supported.

Covid 19

Digartref Cyf, like many other organisation that provide front line services, had to make some rapid and important decisions in March 2020 due to Covid 19. Led by the CEO, emergency contingency plans were put in place extremely quickly to ensure the continued delivery of the majority of the services provided and that adequate staffing levels were maintained at all times. The safety and wellbeing of its staff, volunteers and service users also had to be considered and this was managed through the implementation of a range of risk assessments and related policies and procedures. These measures were continuously reviewed and adapted throughout 2020/21 as the charity responded to Welsh Government and Public Health Wales guidance, this required emergency measures to be introduced again for the period December 2020 through to the end of March 2021 in particular.

The measures taken and procedures introduced have so far proved positive. What has been of great value to the charity, enabling it to deliver its much needed services during this difficult time, is the dedication, commitment and bravery shown by its staff. The staff team have more than stepped up to the challenges Covid 19 has posed, and have continued to show great flexibility, performing roles they had not necessarily done before, have worked to new rotas, covered for one another, and followed the health and safety measure put in place, whilst also supporting service users to adhere to the measures put in place and for them to stay as safe as possible.

An example of staff dedication is highlighted in how they responded to crisis calls from rough sleepers in Bangor, Gwynedd, who were reporting not being able to access public toilets as they had been locked up, that they were hungry as they no longer had access to support from the public and their usual support providers and public bodies, reducing their access to food. Their tents had been taken from them and they therefore had no dry place to sleep, overall they were feeling as if they had been abandoned at a time when they too felt scared and unsure of what was going to happen to them as their usual support systems had ceased to operate. Although not Digartref's usual area in which to deliver support services to the street homeless, staff quickly organised themselves and contacted a Bangor based church. Working together, staff prepared hot food and drinks at the Lighthouse Day Centre in Holyhead and set up a street delivery point in Bangor on a daily basis to pass over food, water, comfort packs, rough sleeper packs etc during April/May 2020. This approach ensured the immediate needs of vulnerable people were met during a time of crisis.

Without the dedication, drive and commitment of the charity's staff there would not have been services available to those in need. A huge thank you to them all, a truly fantastic achievement.

DIGARTREF CYFDIRECTORS' / TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)4. Reserves Policy

At 31 March 2021 the charity's unrestricted funds amounted to £703344, of which £245751 was invested in fixed assets and £129000 was designated towards major repair expenditure and redevelopment of the Holyhead Enterprise Centre, leaving free reserves of £328593. The Trustees consider that free reserves of at least this amount are required to finance future capital expenditure plans and to ensure continuation or an orderly reduction of operation given the unpredictability of future funding and costs.

5. Risk Management

The Trustees have identified 5 main areas of risk to which the charity is exposed as follows:

Governance Risks

Operational Risks

Financial Risks

External Risks

Compliance and Regulatory Risks

The Trustees have established systems regularly review related risks and to mitigate against these. Financial risk is managed primarily by setting and monitoring budgets for key functions based on income sources.

6. Plans for the Future

The charity aims to gradually increase the range of homelessness services it provides as unfortunately demand continues to grow and if the charity is to adequately address related need additional resources and more specialised provision will be required. The charity's personnel and other key agencies are concerned that as the special measure put in place to address homelessness during the pandemic are eased and come to an end, there is likely to be a significant increase in homelessness presentations and individuals as well as families will be at high risk of losing their homes.

The charity's plans and delivery and development of services for the future will need to take account of local issues. For instance there has been a huge shift the private rented sector, with much of the accommodation available in this sector being lost to more lucrative holiday lets, this is having a detrimental effect on available accommodation for those people we support. We also operate in a rural area and this brings its own specific issues such as ones ability to travel to appointments as well as the additional related costs, potential isolation and loneliness.

The aim to develop a homeless hub at the Holyhead Enterprise Centre remains a priority for Digartref and will provide a range of homeless and other community services under one roof and will ensure a more modern, spacious Day Centre with capacity to support the increasing number of people who access that service year on year. We are delighted to report that there has now been progress over the past few months following the easing of some lock down measures with architects having now drawn up agreed plans. The charity is currently looking to engage other professional support to move the matter forward within this financial year.

7. Small Company Exemption

In preparing this report the directors have taken advantage of the special exemptions applicable to small companies.

DIGARTREF CYFDIRECTORS' / TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)8. Statement of Directors' / Trustees' Responsibilities

The trustees (who are also directors of Digartref Cyf for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with 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).

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 income and expenditure of the charitable company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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.

9. Disclosure to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are not aware; 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.

By Order of the Board,

A Greenough (Secretary)

1 September 2021

Registered Office:
Enterprise Centre
Holyhead

DIGARTREF CYFINDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DIGARTREF CYFOpinion

We have audited the financial statements of Digartref Cyf (the 'Charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the 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, 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 Charity's affairs as at 31 March 2021, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity 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 company's ability to continue as a going concern for a period of at least 12 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 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.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

DIGARTREF CYFINDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DIGARTREF CYF (CONTINUED)

- 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 the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the directors' report, and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured he had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- laws and regulations applicable to the charitable company were identified through discussions with trustees and other management, and from knowledge and experience of the charity and the charity sector;
- specific focus was made on laws and regulations which may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006,

DIGARTREF CYFINDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DIGARTREF CYF (CONTINUED)

The Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;

- the extent of compliance with the laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence; and
- throughout the audit process non-compliance with the identified laws and regulations was closely considered.

Susceptibility of the company's financial statements to material misstatement was assessed, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls:

- analytical procedures were performed to identify any unusual or unexpected relationships;
- journal entries to identify unusual transactions;
- an assessment was made of whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- the rationale behind significant or unusual transactions was investigated.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors;
- auditing the risk of management override of controls.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors/trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.orrq.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the company's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the trustees 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 company and the company's members as a body, for our audit work, or the opinions we have formed.

Barrie Buels (Senior Statutory Auditor)
For and behalf of
Crestmere Limited
Chartered Certified Accountants and Statutory Auditor
1 September 2021

Unit F1
Intec
Parc Menai
Bangor

DIGARTREF CYFSTATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

<u>2020</u>	<u>Note</u>	<u>RESTRICTED INCOME FUND</u>	<u>UNRESTRICTED INCOME FUNDS</u>	<u>TOTAL</u>
<u>INCOME</u>				
26034 Donations		---	13826	13826
Charitable Activities				
1163679 - Grants and Rents		---	1177340	1177340
8948 - Management Income		---	---	---
2263 - Other		---	11487	11487
1233 Bank Interest		---	444	444
1202157 TOTAL INCOME		---	1203097	1203097
<u>EXPENDITURE</u>				
1128529 Charitable Activities	2	---	1146598	1146598
1128529 TOTAL EXPENDITURE		---	1146598	1146598
73628 NET INCOME / EXPENDITURE		---	56499	56499
OTHER RECOGNISED GAINS / (LOSSES)				
102000 Actuarial gain / (loss) in respect of pension schemes	4	---	(114000)	(114000)
--- TRANSFER BETWEEN FUNDS		(18444)	18444	---
175628 NET MOVEMENT IN FUNDS		(18444)	(39057)	(57501)
899876 Funds brought forward		333103	742401	1075504
£1075504 FUNDS CARRIED FORWARD		£314659	£703344	£1018003

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

DIGARTREF CYFBALANCE SHEET AS AT 31 MARCH 2021

<u>2020</u>		<u>Note</u>	
	<u>FIXED ASSETS</u>		
624180	Tangible Assets	5	560410
	<u>CURRENT ASSETS</u>		
588404	Cash at Bank and in Hand		682237
76153	Debtors and Prepayments		75221
<u>664557</u>			<u>757458</u>
	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
19628	Sundry Creditors		22003
48406	Accruals and Deferred Income	6	44991
9026	Loans	7	8778
<u>77060</u>			<u>75772</u>
			<u>681686</u>
587497	<u>NET CURRENT ASSETS</u>		1242096
<u>1211677</u>			
	<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>		
60173	Loans	7	54093
<u>1151504</u>			<u>1188003</u>
76000	<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	4	170000
<u>£1075504</u>			<u>£1018003</u>
742401	<u>UNRESTRICTED INCOME FUNDS</u>	9	703344
333103	<u>RESTRICTED INCOME FUND</u>	9	314659
<u>£1075504</u>			<u>£1018003</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 2021, although an audit has been carried out under Section 144 of the Charities Act 2011. No member of the company has deposited a notice pursuant to section 476 requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its incoming resources and application of resources, including its income and expenditure, for the financial year are in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The financial statements were approved by the board of directors on 1 September 2021 and signed on its behalf by:

J Morgan

D LI Jones

Company N^o: 3516328

DIGARTREF CYFSTATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 20212019

175628	Net movement in funds	(57501)
31973	Add: Depreciation	65000
(1233)	Deduct: Interest received	(444)
(40153)	Decrease / (increase) in debtors	932
(4039)	Increase / (decrease) in creditors falling due within one year	(1040)
(120000)	Increase / (decrease) in provisions	94000
<hr/> 42176	Net cash from / (used in) operating activities	<hr/> 100947
	Cash flows from investing activities	
1233	- Interest received	444
(3212)	- Acquisition of tangible fixed assets	(1230)
	Cash flows from financing activities	
(5801)	- Loans received / (repaid)	(6328)
<hr/> 34396	Increase / (decrease) in cash in the year	<hr/> 93833
554008	Cash at beginning of the year	588404
<hr/> <u>£588404</u>	Cash at end of the year	<hr/> <u>£682237</u>

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 20211. Accounting Policies

(a) Duration

These financial statements are prepared for the year ended 31 March 2021; comparative figures refer to the year ended 31 March 2020.

(b) Convention and Policies

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A).

The financial statements are denominated in sterling. Recording is to the nearest £1.

Digartref Cyf meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The charity reported a net cash inflow of £93833 for the year. The Trustees are of the view that the charity is a going concern. In forming their opinion the Trustees are aware of no material uncertainties which might affect the charity's ability to continue as a going concern.

Incoming Resources -

All grants and other generated funds which are revenue in nature are recognised when they become receivable. During the year funds comprised one restricted income fund and an unrestricted income fund. Accruals are provided at the year end for money earmarked for specific applications.

Resources expended -

Liabilities are recognised in the financial statements on an accrual basis.

Where appropriate, resources expended are stated inclusive of any irrecoverable Value Added Tax.

Governance costs comprise an appropriate proportion of management costs plus professional fees.

(c) Tangible Fixed Assets

Depreciation is provided at the rate of 30% (reducing balance) per annum on equipment, fixtures and fittings. Individual items costing less than £1000 are not capitalised. The capitalised building costs relating to premises occupied under management agreements have been depreciated fully this year. Premises acquired and developed by the Charity are depreciated on a straight-line basis over a period of 25 years starting in the year of commencement of operations from these premises following their acquisition and redevelopment. Impairment reviews are carried out on a regular basis.

(d) Capital Grants

Capital Grants and In-Kind Contributions received and receivable in relation to the acquisition and development of land and buildings by the Charity are accounted for in a Restricted Income Fund, and are then transferred to Unrestricted Income Funds in line with the depreciation policy outlined in (c) above.

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

(e) Pension Scheme

The company participates in both defined contribution and defined benefit schemes operated by the Social Housing Pension Scheme. Contributions in respect of the defined contribution scheme are charged to the Income and Expenditure Account for the year in which they are payable to the Scheme. The defined benefit scheme is accounted for in accordance with FRS 102 (see note 4).

(f) Liabilities

Creditors and provisions are recognised when there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2. Charitable and Governance Expenditure

Charitable and governance expenditure includes -

	<u>2021</u>	<u>2020</u>
	£	£
Depreciation	65000	31973
Auditors' Remuneration	3120	3120

An outline of expenditure on charitable activities is set out below –

	<u>2021</u>	<u>2020</u>
	£	£
Llys y Gwynt cluster	416633	423813
Homeless Prevention and Day Centre	196482	240715
Coedlys cluster	282308	345915
Other Projects	<u>251175</u>	<u>118086</u>
	<u>1146598</u>	<u>1128529</u>

None of the trustees (or any persons connected with them) received any remuneration or expenses as trustees during the year.

An amount of £2400 (2020: £2400) was paid to one trustee for accounts support.

3. Staff Costs

	<u>2021</u>	<u>2020</u>
	£	£
Wages and Salaries	708779	703393
Social Security Costs	44995	43103
Pension costs	<u>20769</u>	<u>20570</u>
	<u>774543</u>	<u>767066</u>

The average number of employees during the year was:

	<u>2021</u>	<u>2020</u>
Llys y Gwynt cluster	12	13
Coedlys cluster	12	12
Homeless Prevention and Day Centre	8	9
Other Projects	3	4
Administrative support	3	3

No individual employee received emoluments in excess of £60000.

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)4. Pension Scheme – Defined Benefit

The company participates in the The Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financing years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

Actuarial valuations of the scheme were carried out as at 30 September 2020 to inform the liabilities for the accounting year ended 31 March 2021.

The liabilities are compared, at the accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>£000's</u>	<u>£000's</u>
Fair value of plan assets	692	610
Present value of defined benefit obligation	862	686
Surplus (deficit) in plan	(170)	(76)
Defined benefit asset (liability) to be recognised	(170)	(76)

Reconciliation of the Impact of the Asset Ceiling

	<u>Period ended</u>
	<u>31 March 2021</u>
	<u>£000's</u>
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	<u>Period ended</u> <u>31 March 2021</u> <u>£000's</u>
Defined benefit obligation at start of period	686
Current service cost	-
Expenses	3
Interest expense	16
Member contributions	-
Actuarial losses (gains) due to scheme experience	(12)
Actuarial losses (gains) due to changes in demographic assumptions	3
Actuarial losses (gains) due to changes in financial assumptions	183
Benefits paid and expenses	(17)
Defined benefit obligation at end of period	862

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	<u>Period ended</u> <u>31 March 2021</u> <u>£000's</u>
Fair value of plan assets at start of period	610
Interest income	15
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	60
Employer contributions	24
Member contributions	-
Benefits paid and expenses	(17)
Fair value of plan assets at end of period	692

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £7000

Defined Benefit Costs recognised in Income and Expenditure Account

	<u>Period from 31 March 2020</u> <u>to 31 March 2021</u> <u>£000's</u>
Current service cost	-
Expenses	3
Net interest expense	1
Defined benefit costs recognised in Income and Expenditure Account	4

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)Defined Benefit Costs recognised in Other Gains/(Losses)

	<u>Period ended</u> <u>31 March 2021</u> <u>(£000's)</u>
Experience on plan assets (excluding amounts included in net interest cost) – gain(loss)	60
Experience gains and losses arising on the plan liabilities – gain(loss)	12
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain(loss)	(3)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain(loss)	(183)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain(loss)	(114)
Total amount recognised in Other Recognised Gains/(Losses)	(114)

Key Assumptions

	<u>31 March 2021</u> <u>% per annum</u>	<u>31 March 2020</u> <u>% per annum</u>
Discount Rate	2.18	2.38
Inflation (RPI)	3.27	2.62
Inflation (CPI)	2.87	1.62
Salary Growth	3.87	2.62
Allowance for commutation of pension for cash at retirement	75% of max allowance	75% of max allowance

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

	<u>Life expectancy at age 65</u> <u>(Years)</u>
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)Assets

	<u>31 March 2021</u>	<u>31 March 2020</u>
	<u>(£000's)</u>	<u>(£000's)</u>
Global Equity	110	89
Absolute Return	38	32
Distressed Opportunities	20	12
Credit Relative Value	22	17
Alternative Risk Premia	26	43
Emerging Market Debt	28	18
Risk Sharing	25	21
Insurance-Linked Securities	17	19
Property	14	13
Infrastructure	46	45
Private Debt	16	12
Opportunistic Illiquid Credit	18	15
High Yield	21	-
Opportunistic Credit	19	-
Corporate Bond Fund	41	35
Liquid Credit	8	-
Long Lease Property	14	11
Secured Income	29	23
Liability Driven Investment	176	202
Net Current Assets	4	3
Total Assets	692	610

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.

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)5. Tangible Fixed Assets

	<u>LAND AND BUILDINGS</u>	<u>EQUIPMENT FIXTURES AND FITTINGS</u>	<u>TOTAL</u>
<u>COST</u>			
As at 01.04.20	863735	144308	1008043
Additions	1230	---	1230
Disposals	(169671)	---	(169671)
As at 31.03.21	695294	144308	839602
<u>DEPRECIATION</u>			
As at 01.04.20	246641	137222	383863
Charge for the year	62874	2126	65000
Disposals	(169671)	---	(169671)
As at 31.03.21	139844	139348	279192
<u>NET BOOK VALUE</u>			
As at 31.03.21	£ 555450	£ 4960	£ 560410
As at 31.03.20	£ 617094	£ 7086	£ 624180

The Trustees are of the opinion that the net book value of Buildings does not exceed open market value at the balance sheet date.

Depreciation includes £45,250 impairment of property improvements for buildings no longer in use. The cost thereof has been treated as a disposal.

6. Accruals and Deferred Income

	<u>2021</u>	<u>2020</u>
Accruals	24543	20102
Deferred Grants	20448	28304
	£ 44991	£ 48406

Incoming resources earmarked for specific activities have been deferred to clarify the financial position relating to individual projects. Deferrals are included in the balance sheet in the category "Accruals and Deferred Income". Movements for the year are set out as follows:

	<u>Llys y Gwynt</u>	<u>Coedlys</u>	<u>Others</u>	<u>Total</u>
Opening balances	9428	4937	13939	28304
Released to Income and Expenditure Account	(9428)	(4937)	(13939)	(28304)
Deferred this year	10649	7909	1890	20448
Closing balances	£10649	£7909	£ 1890	£20448

None of the closing balance is attributable to the restricted income fund.

DIGARTREF CYFNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)7. Loan

	<u>2021</u>	<u>2020</u>
Bank loan	£ <u>62871</u>	£ <u>69199</u>

The loan is repayable over a period of 10 years from March 2019 and is secured by legal charge over the Holyhead Enterprise Centre property.

8. Contingent Liability

The Big Lottery Fund have registered a charge over the Coedlys building in respect of its grant funding of the acquisition and development costs. The grant shall be repayable in full if the conditions of the grant are breached at any time prior to the expiration of the grant period in 2032.

9. Reserves

	<u>Opening balance</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Closing balance</u>
Restricted Income fund	333103	-	-	(18444)	314659
Unrestricted Income fund					
- General	717737	1203097	(1260598)	(85892)	574344
- Designated major repair fund	24664	-	-	4336	29000
- Designated HEC redevelopment fund	-	-	-	100000	100000
	<u>£1075504</u>	<u>£1203097</u>	<u>£(1260598)</u>	<u>£ -</u>	<u>£1018003</u>

The restricted income fund comprises Big Lottery Fund grants towards the cost of operating the Coedlys Project. No Big Lottery Fund grants were received during the year.

10. Capital Commitments

At 31 March 2021 capital expenditure commitments were as follows:

	<u>2021</u>	<u>2020</u>
Contracted but not yet provided for	£ <u>-</u>	£ <u>-</u>
Approved but not yet contracted for	£ <u>-</u>	£ <u>-</u>

The company continue to plan the redevelopment of the Holyhead Enterprise building.

11. Limited by Guarantee

The company is limited by Guarantee.

12. Related Parties

As disclosed in note 2, an amount of £2400 (2020: £2400) was paid to one trustee for accounts support. As at the balance sheet date, the amount accrued for this work was £2400.

There were no other related party transactions during the year.

