

Charity registration number 1076680

Company registration number 3516328 (England and Wales)

DIGARTREF CYF.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

DIGARTREF CYF.

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Blackburn J G Fraser K A Griffiths B A Hughes D Ll Jones S R Jones C A Kirkwood N Lane	(Appointed 16 November 2022)
	J Morgan F D P Morgan-Hamilton M E Roberts	(Appointed 13 March 2023)
Secretary	A Greenough	
Charity number	1076680	
Company number	3516328	
Registered office	Units 1, 2, 4 & 5 Holyhead Enterprise Centre Kingsland Road Holyhead Anglesey LL65 2HY	
Auditor	Crestmere Limited Unit F1, Intec Ffordd y Parc Parc Menai Bangor Gwynedd United Kingdom LL57 4FG	
Accountant	Azels Brynford House 21 Brynford Street Holywell Flintshire United Kingdom CH8 7RD	

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TRUSTEES' REPORT (INCLUDING DIRECTORS' 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 company was formed to promote the relief of those who are homeless in Northwest Wales, to offer them support in their areas of need, and to support them in achieving independent living.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and how successful outcomes should be evaluated.

Achievements and performance

The overall performance of the charity throughout 2022/23 has been excellent.

Income remained steady, at similar levels to the previous year across all sources. 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 2023.

In addition, a further 1 year's funding was secured from the Welsh Government under the Youth Innovation Grant, enabling the continued delivery of the Llety Pontio Project under 25's, 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 might otherwise have to be accommodated in emergency B&B provision.

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

The Homeless Prevention team (funded through the Welsh Government's Homeless Prevention Grant) and which delivers a range of services including The Lighthouse Day Centre, a mediation and family intervention service, the Learn4Life programme and a generic floating support service, met and exceeded related performance indicators set for 2022/23, providing support and assistance to 329 individuals.

Slightly up on the previous year's figure of 122, 125 individuals accessed the Lighthouse Day Centre during 2022/23. 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 organisation and services. Figures and data for the past 5 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.

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

The charity has reached a decision not to continue with delivery of the Nightstop service which had been put on hold between during the Corona Virus pandemic as it relied on volunteers to host emergency placements in their homes for those who might otherwise find themselves street homeless or placed in emergency B&B. Due to the shift in the numbers accessing the Lighthouse Day Centre, funding available to Digartref Cyf has had to be utilised for the day centre instead due to demand on this service. In addition, the Llety Pontio under 25's project, which was developed during the pandemic now provides temporary accommodation for young people who might find themselves placed in B&B provision by the local authority.

In relation to the charity's supported housing provision, including floating support, 202 referrals were received during the period and 70 individuals aged between 16 and 25, who were homeless or in housing need were accommodated and/or supported. The number housed and supported during 2022/23 highlights an increase on the previous year's figure, up by 18. Move on from supported housing continues to be problematic with a lack of affordable accommodation as well as supply in the private rented sector in particular for this age group. This issue is further impacted by the LHA levels.

Llety Pontio under 25's, funded from the Welsh Government's Youth Innovation Grant supported 13 young people during 2022/23.

Llety Pontio over 25's, is a rapid rehousing model of accommodation with support. During 2022/23, two additional units of accommodation were added to this service taking it to a 4-unit project. During this period, 5 people accessed the provision between the ages of 27 to 52, with 3 moving on to their own longer-term homes.

Mediation is delivered with aim of helping to reduce family breakdowns, particularly where there is a risk of a young person being asked to leave the home and becoming homeless. During 2022/23, 60 individuals accessed the mediation service.

Learn4Life is an Aged accredited learning and training programme. Amongst other outcomes during 2022/23, 34 individuals accessed the programme, with 34 attaining accredited units and 25 non accredited certifications. 5 young people were supported into education, training or volunteering.

The Isle of Anglesey, across which the charity mainly operates, has experienced an increase in 2nd home purchases and private landlords changing their business models from residential to holiday lets. The effect has been to dramatically push up the cost of property sale values as well as rent charges, making it impossible for many of the charity's beneficiaries to move on to affordable, quality accommodation. This situation continues to cause major difficulties and challenges for those who are at risk or experiencing homelessness, the local authority who have the legal duty to assist in this situation as well as for Digartref Cyf which aims to alleviate homelessness.

Financial review

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 consider 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.

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

FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The aim of the charity continues to be focused on gradually increasing the range of homelessness prevention services it provides and the remodelling of existing services where necessary, to meet the growing demand for homeless related assistance and support from those within our community.

Unfortunately, the charity and its close working partners such as the local authority continue to have to strive to address a growing demand for related services. It is highly likely that this will continue to be the case for the foreseeable future for a range of reasons. The charity forecasts that more people will find it difficult to access and maintain accommodation for several reasons including the matter of affordability, accessibility, and the depletion of suitable housing stock. In addition, it is also extremely likely that the cost-of-living crisis, interest rate increases and the huge hike in energy and food costs will push people further into housing difficulty, being unable to heat their homes, feed themselves and their families, while keeping on top of escalating rent changes in the private rented sector in particular.

The charity's plans for the future development and delivery of services will need to take account of all the issues above as well as those that occur at a local level, for example, the loss of private rented accommodation across the Isle of Anglesey and Gwynedd, with the related stock being lost to more lucrative holiday let models. This is having a detrimental effect on available properties for those people the charity supports. Additionally, being homeless in a rural area brings its own specific challenges such as one's ability to travel to appointments, and accessing key services, supermarkets, G.P appointments etc. adding to everyday costs while on an extremely low income at the same time living costs are escalating. Digartref and its partners will therefore aim to take services, support and advice out to the more rural areas of Anglesey and Gwynedd, aiming to address hidden homelessness and reduce the need for people to travel into the main towns to access services.

At the end of 2022/23 Digartref Cyf as the lead organisation of a partnership project, were successful in securing a 5-year funding grant from the National Lottery Community Fund. The Helping End Homelessness Rural grant, will enable the partners, including Digartref Cyf, CAB, Mind, Bwyd da Mon, Wild Elements, the probation service and the local authority to roll out a service during 2023/24 that will be able to better respond to the challenges rural homelessness presents for those experiencing related difficulties as well as in delivering responsive wrap around services.

The aim to develop a homeless hub at the Holyhead Enterprise Centre remains a key priority for the charity and is also a strategic aim of the local authority which supports this development. In achieving this aim, Digartref Cyf will be able to 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 been further progress over the past few months, and we are currently awaiting the outcome of large capital grant application.

Structure, governance and management

The charity is a company limited by guarantee and governed in accordance with its Memorandum and Articles of Association.

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:

M Blackburn

J G Fraser

K A Griffiths

B A Hughes

D Li Jones

S R Jones

C A Kirkwood

N Lane

(Appointed 18 November 2022)

J Morgan

F D P Morgan-Hamilton

(Appointed 13 March 2023)

M E Roberts

G M Beaken

(Resigned 23 June 2022)

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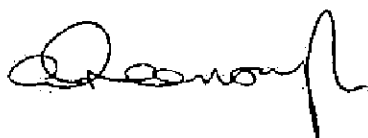
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees' report was approved by the Board of Trustees.

A Greenough



4 October 2023

DIGARTREF CYF.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

Company Law requires the trustees to prepare financial statements for each financial 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 financial statements, 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;
- 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 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 financial statements 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.

DIGARTREF CYF.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DIGARTREF CYF.

Opinion

We have audited the financial statements of Digartref Cyf. (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 charity'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 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

DIGARTREF CYF.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF DIGARTREF CYF.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

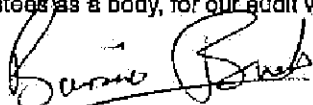
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

DIGARTREF CYF.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF DIGARTREF CYF.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Barrie Buels FCCA FCIE
(Senior Statutory Auditor)
Crestmere Limited

4 October 2023

Chartered Certified Accountants
Statutory Auditor

Unit F1, Intec
Ffordd y Parc
Parc Menai
Bangor
Gwynedd
United Kingdom
LL57 4FG

DIGARTREF CYF.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	17,735	-	17,735	12,315	-	12,315
Charitable activities	4	1,277,066	-	1,277,066	1,283,125	-	1,283,125
Other trading activities	5	53,121	-	53,121	1,570	-	1,570
Investments	6	1,444	-	1,444	58	-	58
Total income		1,349,366	-	1,349,366	1,297,068	-	1,297,068
Expenditure on:							
Charitable activities	7	1,301,680	-	1,301,680	1,139,422	-	1,139,422
Actuarial gains/(losses) in respect of pension schemes	12	1,000	-	1,000	53,000	-	53,000
Net incoming resources before transfers		48,676	-	48,676	210,646	-	210,646
Gross transfers between funds		18,444	(18,444)	-	18,444	(18,444)	-
Net income/(expenditure) for the year/							
Net movement in funds		67,120	(18,444)	48,676	229,090	(18,444)	210,646
Fund balances at 1 April 2022		932,434	296,215	1,228,649	703,344	314,659	1,018,003
Fund balances at 31 March 2023		999,554	277,771	1,277,325	932,434	296,215	1,228,649

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

All income and expenditure derive from continuing activities.

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

DIGARTREF CYF.**BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		554,371		577,426
Current assets					
Debtors	15	100,118		102,782	
Cash at bank and in hand		806,323		782,775	
		<u>906,441</u>		<u>885,557</u>	
Creditors: amounts falling due within one year	17	(86,487)		(99,832)	
Net current assets			<u>819,954</u>		<u>785,725</u>
Total assets less current liabilities			1,374,325		1,373,151
Creditors: amounts falling due after more than one year	18		-		(46,502)
Provisions for liabilities	19		(97,000)		(98,000)
Net assets			<u>1,277,325</u>		<u>1,228,649</u>
Income funds					
Restricted funds	21		277,771		286,215
<u>Unrestricted funds</u>					
Designated funds	22	237,979		233,423	
General unrestricted funds		<u>761,575</u>		<u>699,011</u>	
			<u>999,554</u>		<u>932,434</u>
			<u>1,277,325</u>		<u>1,228,649</u>

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BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

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, although an audit has been carried out under section 144 of the Charities Act 2011.

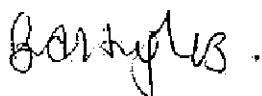
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, 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 4 October 2023

B A Hughes
Trustee



D LI Jones
Trustee



Company registration number 3518328

DIGARTREF CYF.**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	25		60,180		101,205
Investing activities					
Purchase of tangible fixed assets		-		(36,128)	
Proceeds from disposal of investments		1,000		53,000	
Investment Income received		1,444		58	
Net cash generated from Investing activities			2,444		16,930
Financing activities					
Repayment of bank loans		(49,086)		(7,468)	
Net cash used in financing activities			(49,086)		(7,468)
Net increase in cash and cash equivalents			13,548		110,667
Cash and cash equivalents at beginning of year			792,775		682,108
Cash and cash equivalents at end of year			<u>806,323</u>		<u>792,775</u>

DIGARTREF CYF.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity Information

Digartref Cyf. is a private company limited by guarantee incorporated in England and Wales. The registered office is Units 1, 2, 4 & 5 Holyhead Enterprise Centre, Kingsland Road, Holyhead, Anglesey, LL65 2HY.

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.

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

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Depreciation is provided at the rate of 30% (reducing balance) per annum on equipment, fixture and fittings. Individual items costing less than £1,000 are not capitalised. 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.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 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.

DIGARTREF CYF.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.11 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.

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.

DIGARTREF CYF.

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	<u>17,735</u>	<u>12,315</u>

4 Charitable activities

	2023	2022
	£	£
Grants and Rents	<u>1,277,068</u>	<u>1,283,125</u>

Grants received amounted to £962,663

Rents received amounted to £314,403

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Office charges and contributions	40,887	1,570
Management income	<u>12,234</u>	<u>-</u>
Other trading activities	<u>53,121</u>	<u>1,570</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Bank Interest received	<u>1,444</u>	<u>58</u>

DIGARTREF CYF.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2023**7 Charitable activities**

	2023 £	2022 £
Staff costs	882,993	827,858
Depreciation and impairment	23,055	19,112
Rent, rates and insurance	129,744	125,892
Heat and Light	26,917	25,171
Advertising and recruitment	2,718	2,949
Support, travel & subsistence	13,319	16,352
Training costs	9,839	8,687
Other charitable expenditure	207,232	120,227
	<u>1,295,817</u>	<u>1,146,248</u>
Share of governance costs (see note 8)	6,073	(6,826)
	<u><u>1,301,690</u></u>	<u><u>1,139,422</u></u>

8 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Audit fees	-	3,120	3,120	3,120
Legal and professional	-	2,142	2,142	-
Central Overheads Charge	-	-	-	(9,946)
AGM Costs	-	811	811	-
	<u>-</u>	<u>6,073</u>	<u>6,073</u>	<u>(6,826)</u>
Analysed between				
Charitable activities	<u>-</u>	<u>6,073</u>	<u>6,073</u>	<u>(6,826)</u>

Governance costs include payments to the auditors of £3,120 (2022: £3,120) for audit fees.

9 Trustees

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

Expenses paid to trustees amounted to £127 (2022: £nil)

DIGARTREF CYF.

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

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Llys y Gwynt cluster	13	12
Coedlys Cluster	12	12
Homeless Prevention and Day Centre	8	8
Other Projects	4	3
Administrative Support	3	3
Total	<u>40</u>	<u>38</u>
Employment costs	2023 £	2022 £
Wages and salaries	<u>882,993</u>	<u>827,858</u>

Only one employee received emoluments in excess of £60,000, falling in the band of £60,000 to £70,000.

DIGARTREF CYF.

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

11 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 2022 to inform the liabilities for the accounting year ended 31 March 2023.

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)

	31 March 2023 £000's	31 March 2022 £000's
Fair value of plan assets	450	697
Present value of defined benefit obligation	547	795
Surplus (deficit) in plan	(97)	(98)
Defined benefit asset (liability) to be recognised	(97)	(98)

Reconciliation of the Impact of the Asset Ceiling

	Period ended 31 March 2023 £000's	
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 CYF.

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

11 Pension scheme - Defined Benefit

(Continued)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligations

	Period ended 31 March 2023 £000's	
Defined benefit obligation at start of period		795
Current service cost	-	
Expenses	3	
Interest expense		22
Member contributions	-	
Actuarial losses (gains) due to scheme experience	(18)	
Actuarial losses (gains) due to changes in demographic assumptions		(1)
Actuarial losses (gains) due to changes in financial assumptions	(233)	
Benefits paid and expenses	(21)	
Defined benefit obligation at end of period	547	

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

	Period ended 31 March 2023 £000's	
Fair value of plan assets at start of period	697	
Interest income	20	
Experience on plan assets (excluding amounts included in interest income) — gain (loss)	(275)	
Employer contributions	29	
Member contributions	-	
Benefits paid and expenses	(21)	
Fair value of plan assets at end of period	450	

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£255,000).

Defined Benefit Costs Recognised In Statement of Comprehensive Income (SoCI)

	Period from 31 March 2022 to 31 March 2023 £000's	
Current service cost	-	
Expenses	3	
Net interest expense	2	
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)		5

Defined Benefit Costs Recognised In Other Comprehensive Income (OCI)

	Period ended 31 March 2023 (£000's)	
Experience on plan assets (excluding amounts included in net interest cost) — gain(loss)		(275)
Experience gains and losses arising on the plan liabilities — gain(loss)		18
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain(loss)	1	
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation — gain(loss)		233
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) — gain(loss)	(23)	
Total amount recognised in Other Recognised Gains/(Losses)		(23)

DIGARTREF CYF.

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

11 Pension scheme - Defined Benefit

(Continued)

Key Assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.86	2.79
Inflation (RPI)	3.19	3.54
Inflation (CPI)	2.77	3.17
Salary Growth	3.77	4.17
Allowance for commutation of pension for cash at retirement	75% of max allowance	75% of max allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

Assets

	31 March 2023 (£000's)	31 March 2022 (£000's)
Global Equity	8	134
Absolute Return	6	28
Distressed Opportunities	14	25
Credit Relative Value	17	23
Alternative Risk Premia	1	23
Emerging Market Debt	2	20
Risk Sharing	33	23
Insurance-Linked Securities	11	16
Property	19	19
Infrastructure	51	50
Private Debt	20	18
Opportunistic Illiquid Credit	19	23
High Yield	2	6
Opportunistic Credit	-	2
Cash	3	2
Corporate Bond Fund	-	-
47	-	-
Liquid Credit	-	-
-	-	-
Long Lease Property	14	18
Secured Income	21	26
Liability Driven Investment	208	-
195	-	-
Currency Hedging	1	(3)
Net Current Assets	1	2
Total Assets	450	692

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 CYF.

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

12 Actuarial gains/(losses) in respect of pension schemes

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Actuarial gain/(loss) in respect of pension schemes	1,000	53,000

13 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.

14 Tangible fixed assets

	Freehold land and buildings	Equipment, fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2022	697,949	177,781	875,730
At 31 March 2023	697,949	177,781	875,730
Depreciation and impairment			
At 1 April 2022	157,468	140,836	298,304
Depreciation charged in the year	11,972	11,083	23,055
At 31 March 2023	169,440	151,919	321,359
Carrying amount			
At 31 March 2023	528,509	25,862	554,371
At 31 March 2022	540,481	36,945	577,426

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

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	63,151	20,221
Other debtors	18,674	74,733
Prepayments and accrued income	18,293	7,828
	100,118	102,782

DIGARTREF CYF.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****16 Loans and overdrafts**

	2023	2022
	£	£
Bank loans	6,317	55,403
Payable within one year	6,317	8,901
Payable after one year	-	46,502

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.

17 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	16	6,317	8,901
Other taxation and social security		12,612	13,057
Deferred grants	20	36,811	18,811
Trade creditors		4,781	29,769
Other creditors		2,582	2,572
Accruals		23,384	28,722
		<u>86,487</u>	<u>99,832</u>

18 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	16	-	46,502

19 Provisions for liabilities

	2023	2022
	£	£
	<u>97,000</u>	<u>98,000</u>

Movements on provisions:

	£
At 1 April 2022	98,000
Actuarial (gain)/loss	(1,000)
At 31 March 2023	<u>97,000</u>

20 Government grants

DIGARTREF CYF.

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

20 Government grants

(Continued)

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	36,811	18,811
Movements in the year:		
Deferred income at 1 April 2022	18,811	20,449
Released from previous periods	-	(1,638)
Resources deferred in the year	18,000	-
Deferred income at 31 March 2023	36,811	18,811

DIGARTREF CYF.

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

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds		Balance at 1 April 2022 £	Movement in funds		Transfers	Balance at 31 March 2023 £
	£	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£	£
Restricted Income fund	314,659	-	-	296,215	-	-	(18,444)	277,771

DIGARTREF CYF.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Designated funds

The Income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Transfers £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Designated major repair fund	29,000	4,423	33,423	4,556	37,979
Designated HEC redevelopment fund	100,000	100,000	200,000	-	200,000
	<u>129,000</u>	<u>104,423</u>	<u>233,423</u>	<u>4,556</u>	<u>237,979</u>

23 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	554,371	-	554,371	577,426	-	577,426
Current assets/(liabilities)	542,183	277,771	819,954	499,610	296,215	795,725
Long term liabilities	-	-	-	(46,502)	-	(46,502)
Provisions	(97,000)	-	(97,000)	(98,000)	-	(98,000)
	<u>999,554</u>	<u>277,771</u>	<u>1,277,325</u>	<u>932,434</u>	<u>296,215</u>	<u>1,228,649</u>

24 Related party transactions

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

25 Cash generated from operations

	2023 £	2022 £
Surplus for the year	48,676	210,646
Adjustments for:		
Investment income recognised in statement of financial activities	(1,444)	(58)
Gain on disposal of investments	(1,000)	(53,000)
Depreciation and impairment of tangible fixed assets	23,055	19,112
Movements in working capital:		
Decrease/(increase) in debtors	2,664	(27,501)
(Decrease)/increase in creditors	(28,761)	25,644
Increase in provisions	(1,000)	(72,000)
Increase/(decrease) in deferred income	18,000	(1,638)
Cash generated from operations	<u>60,190</u>	<u>101,205</u>

DIGARTREF CYF.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****26 Analysis of changes in net funds**

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	792,775	13,548	806,323
Loans falling due within one year	(8,901)	2,584	(6,317)
Loans falling due after more than one year	(46,502)	46,502	-
	<u>737,372</u>	<u>62,634</u>	<u>800,006</u>