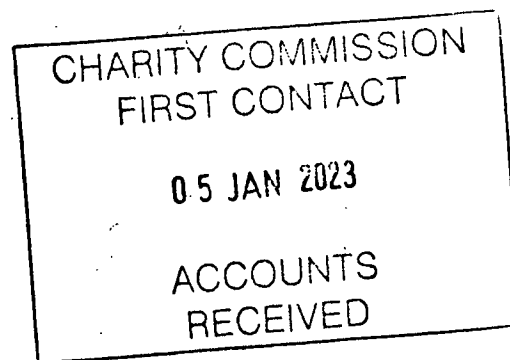


Company registration number: 1816889 (England and Wales)

Charity registration number: 1094652

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
PROMO-CYMRU LTD**



**Robert Hugh Limited
Registered Auditors
and Chartered Accountants
15 Dan y Bryn Avenue
Radyr
Cardiff
CF15 8DD**

PROMO-CYMRU LTD

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FOR THE YEAR ENDED 31 MARCH 2022

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PROMO-CYMRU LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name Promo-Cymru Ltd

Charity registration number 1094652

Company registration number 1816889

Principal office 17 West Bute Street
Cardiff
CF10 5EP

Registered office 17 West Bute Street
Cardiff
CF10 5EP

The charity is incorporated in England and Wales.

Trustees M Morgan, Chair
M Bowden
D M Martin
S Corria
A Rogan
MD Williams
AS Ozalp

Secretary M Gil-Cervantes

Auditors Robert Hugh Limited
Registered Auditors and Chartered Accountants
15 Dan y Bryn Avenue
Radyr
Cardiff
CF15 8DD

PROMO-CYMRU LTD

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2022.

Structure, Governance and Management

Governing Document

The charity is controlled by its governing document, its Memorandum and Articles of Association, and is limited by guarantee and not having a share capital, as defined by the Companies Act 2006.

Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/she is a member or within one year after he/she ceased to be a member, for repayment of the company's debts and liabilities contracted before he/she ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributors amongst themselves.

Recruitment and Appointment of New Trustees

The company is directed by a board of trustees, the members of which are all committed to the sector's principles and ideals.

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a year after which they must be re-elected at the next Annual General Meeting.

The members of the board receive no material benefits or remuneration from the company for their time and services.

Induction and Training of New Trustees

Most trustees are already familiar with the practical work of the charity. Information is made available covering the following.

- The obligations of Management Committee members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Organisational Structure

The board of trustees, who meet bi-monthly, administer the charity. A chief executive is appointed by the trustees to manage the day-to-day operation of the charity.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Wider Network

Promo-Cymru has continued to work with a number of partners, funders and clients. These include:-

Partners:

- Council for Wales Voluntary Youth Service - CWWYS
- Wales Council for Voluntary Action - WCVA
- Cwmpas
- Voluntary Councils across Wales
- European Youth Information and Counselling Agency - ERYICA
- National Museums of Wales Voluntary Councils across Wales
- Catalyst
- Ethnic Youth Support Team - EYST
- Race Alliance Wales - RAW
- National Academy for Educational Leadership Wales
- Local Authorities

Funders:

- Community Investment Fund
- Lloyds Bank Foundation
- Paul Hamlyn Foundation
- Big Lottery Foundation

Clients:

- Cardiff Third Sector Council
- Development Trust Association
- Children in Wales
- Cyfannol Women's Aid
- Barod Gwent N-Gage

Subsidiary Undertakings

Promo-Cymru Ltd is the holding company of a trading subsidiary company called Promo-Cymru Trading Limited. The principal activities of the company in the year under review were:

1. Activities centred around providing information, advice and advocacy for young people in Wales. This was carried out under the project name MEIC (The National Information and Advice and Advocacy Service - direct contact, telephone, instant messaging and text based).
2. The trading development of the Ebbw Vale Institute as a youth, community and cultural centre for the communities of Blaenau Gwent and beyond.
3. In the area of digital, multimedia and communications, Promo-Cymru Trading continued to deliver goods and services such as consultation, service design, video production, social media training and website development and administration.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Major risks are reported to the board via the Chief Executive and Deputy Chief Executive via the project and finance reports produced for and presented at the Promo-Cymru Management Board. The examination will cover the major strategies, business and operational risks which the charity faces. The reporting system so established is to enable regular reports to be produced so that any necessary steps can be taken to mitigate exposure to these risks. These procedures are to be periodically reviewed to ensure that they still meet the needs of the charity.

PROMO-CYMRU LTD

TRUSTEES' REPORT

The risk management strategy will comprise:-

- an annual review of the risks the charity may face
- the establishment of systems and procedures to mitigate those risks identified in the plan
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

Trustees:

- risk management statement - reviewed each year
- conflict of interest register - updated each year
- trustee welcome pack inclusive of signed statements of ability to serve as a trustee

Staff:

- proof of ID required
- DBS checks (where applicable)
- references
- probation period
- regular appraisals
- comprehensive personnel files
- trained to ensure capability to undertake role

HR:

- ongoing updates and training to keep up with changes in legislation
- robust policy and procedures - updates where required
- back up legal assistance in place

Health & safety:

- office risk assessments
- updates and training when necessary

Information technology:

- all laptops are password protected
- all laptops are set for scheduled security updates and are protected by AVG antivirus
- users are forced to change their Office365 password every 90 days for security purposes
- All websites are secured with SSL Certificates. They are also protected by industry leading security plugin Wordfence.
- Independent web security testing takes place annually
- All websites are updated monthly for relevant themes, plugins and OS

The risk register of the organisation is maintained and regularly reviewed at trustee meetings. The trustees' comments and response to the risk register are recorded in the minutes including follow up actions. The trustees are satisfied that Promo-Cymru is undertaking all actions required to mitigate risk across the organisation.

Objectives and Activities

Objectives and Aims

The objective of Promo-Cymru is to support the development of young people, families and the communities they live in.

Promo-Cymru's Vision:

Promo-Cymru works to ensure young people and communities are informed, engaged, connected and heard.

Promo-Cymru's Mission:

We work collaboratively to make links between people and services using creativity and user led thinking and have developed a particular expertise in Digital. We support the third and public sectors to imagine, test and create better services.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Promo-Cymru works with communities through communications, advocacy, social and cultural engagement, digital and media production. Our work is informed by over 20 years of delivering youth and community projects. We share this knowledge through training and consultancy, forming long term partnerships to benefit people and organisations.

Promo-Cymru is a registered charity and social enterprise; our profits are invested back into our community projects.

Promo-Cymru will work collectively, cooperatively and in partnership with people and organisations that share these objectives.

Public Benefit Statement

In setting our objectives and planning our activities, the trustees of Promo-Cymru have given careful consideration to The Charity Commission's general guidance on public benefit.

Promo-Cymru is committed to the development of young people and families in Wales through their participation in activities that enable young people to voice their opinions and contribute to an inclusive Wales in line with the United Nations Charter on the Rights of the Child and to work with partners to develop and deliver anti-poverty strategies.

Promo-Cymru is also committed to delivering a creative hub, facilitated at EVI as part of the regeneration of Ebbw Vale town and the surrounding area. This project will provide the local community with a much needed focus for cultural, social and economic development in Ebbw Vale and the Heads of the Valleys areas.

Significant Activities

The UK has left the European Union. Promo-Cymru has worked to keep abreast of changes and adaptations.

The significant activities undertaken during the year encompassed the following projects:

EVI - Ebbw Vale Institute Project - working to develop the Ebbw Vale Institute as a cultural centre in Ebbw Vale. EVI was awarded a £260,870 Community Regeneration Fund to support a full reopening of EVI. This fund has ensured employment of key staff in EVI. Developments have surpassed expectation and been led by the involvement of the communities surrounding EVI.

The Community Regeneration Fund is part of UK Government's Levelling up agenda which is seen as the replacement to European Funds.

www.thesprout.co.uk - Promo-Cymru supplies Cardiff's young people's information, financed and commissioned by Cardiff Council and Families First. The focus of this work has been to develop online activities that connect with and inform young people in Cardiff of their rights.

Meic Helpline - the Wales wide advocacy based helpline for young people in Wales. Promo-Cymru has been instrumental in this development from its inception. Meic operates every day of the year, seven days a week from 8am to 12 midnight. Meic also has an extensive online and social media presence which is increasingly used by Welsh Government as an information outlet for young people and professionals in Wales. Meic has developed a strong presence in the social and educational support landscape to support young people in Wales. In August 2022, Promo-Cymru was awarded a new 3 year contract to deliver the Meic Service going forward.

Desygn - a project to develop workshop material and an online course on Service Design for the youth sector in Europe. This is led by ERYICA (European Youth and Information and Counselling Agency) and funded by Erasmus. Other key partners are Koordinatti, Finland's Youth Information Service with support from a number of youth information services across Europe. This project has been successfully piloted with Youth information workers in Europe. Whilst the UK leaving the European Union does not stop us directly being involved with ERYICA, we are no longer able to be directly part of collaborative European bids.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Taith - we are keeping abreast of this Welsh government grant initiative to support Youth and Education establishments to have meaningful interchanges and collaborations with others in Europe and beyond and have been successful with one application which will allow Promo-Cymru to be involved with ERYICA training programmes.

Service Design Consultancy - Promo-Cymru has developed expertise in the area of Service Design/Agile working. This way of working has developed over a number of years and forms part of the internal working of our organisation, which will continue to develop and disseminate internally.

Support and Partnership with Black and Ethnic Minority Support Groups - Promo-Cymru has a long history of supporting many groups. Promo-Cymru is diverse as a staffing group. The impact of recent campaigns such as Black Lives Matter has highlighted the discrimination faced by Black and Ethnic Minority Groups. Promo-Cymru made conscious efforts to enhance our connections and work in this area. The main partnership work had been with EYST - Ethnic Youth Support Team and Race Alliance Wales. Promo-Cymru has worked with EYST to supply them with the knowledge, training and technology to set up the Multilingual Helpline. This has secured further funding to continue and expand its hours. The We are Wales' project gave voice to the many Black and Ethnic minority community members that supported many during the pandemic. The collaboration allowed Promo-Cymru to bring its multimedia and web knowledge and skills to the project and ensuring the success of the project.

Volunteers

Management Board

Promo-Cymru's Management Board are all volunteers who give of their time and invaluable experience. Without their advice and support Promo-Cymru would not have the organisational substance to deliver unique services.

European Volunteers

This year we have been able to provide a placement for a new European Volunteer. Evelyn Ravasio from Italy is supporting with a number of tasks within the digital team and supporting consultation with families from ethnic minority families in South Cardiff. This is the last volunteer programme Wales will be able to access via European Schemes due to not being part of the European Union.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Achievement and Performance

Charitable Activities

The Sprout.co.uk

This year this project continued to be funded by Cardiff's Families First Partnership to create a relevant, accessible information and communications vehicle for young people in Cardiff and, importantly, to support the work of the Families First Initiative in Wales.

EVI Ebbw Vale Institute Project

Promo-Cymru has, since the completion of the Community Asset Transfer several years ago, brought Ebbw Vale Institute back into use as a vibrant community space offering cultural and social activities for the Blaenau Gwent area and beyond.

As a community social, arts and music based activities venue, EVI facilities include:-

- A live venue for music and poetry
- A gallery exhibition space
- A fully equipped conference venue
- A social space for weddings and gatherings
- Rehearsal spaces including music showcase and dance studio
- Community café
- Multimedia facilities
- Video editing and production suite
- Business development space and facilities for young cultural businesses
- Rental spaces for cultural industry businesses
- The high specification music studio is also fully operational.

EVI is currently used by a wide range of public, third sector organisations and community groups and individuals. EVI has developed into a Cultural and Community Hub for the communities of Ebbw Vale and Blaenau Gwent.

Promo-Cymru is continuing to streamline and evaluate EVI's operations.

Internal and External Factors

The most significant internal and external factors arising during the year were as follows:

Internal

Promo-Cymru continues to develop its internal policies and procedures in line with legislative and HR developments. We endeavour also to keep up-to-date with communications and technological developments.

Promo-Cymru has developed a Senior Management Team to guide and control the operational management of the organisation and, with the Directors of Promo-Cymru, be part of the organisation's strategic direction. This work will also actively seek input from all staff, volunteers and clients of Promo-Cymru.

The development of Promo-Cymru's new headquarters building in Cardiff Bay has ensured that the building is energy efficient by installing new high grade insulation.

Promo-Cymru has continued to embrace effective communication tools with young people in Wales and have endeavoured to be the leading provider. We have embraced social media communication and are providing advice and support to the third and public sectors.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Promo-Cymru has embraced Service Design methodologies as a natural progression to our work and are gaining recognition for this innovative work across Wales, UK and the European Youth Sector.

Promo-Cymru periodically has staff observers attending board meetings, where appropriate, to allow for their direct input into discussions.

Clients are fully involved in Promo-Cymru projects via our core co-production and engagement methodology. Their involvement and feedback is channelled into project delivery and into the Management Board.

As a value driven organisation, we have made steps to make our values clearer and publish them on our website and make them part of our recruitment process to ensure we let the public, clients and our staff know what is important to us. This work is on-going and has a group made up of board and staff members to review.

External

The Covid pandemic has been a challenge. Promo-Cymru's high level use and understanding of the possibilities of digital communications has allowed Promo-Cymru to respond quickly, as the tools and our agile mind set and practices are part of Promo-Cymru's DNA. This has allowed Promo-Cymru to ramp up contact points with young people over Wales utilising focused social media campaigns and provide support for the voluntary and statutory youth sectors over Wales.

Promo-Cymru was technologically well placed to respond at speed. The decision for all to work at home was taken early and appreciated by staff. As all ICT was remote/homeworking ready the change took place with immediate effect and little to no interruption.

Promo-Cymru also realised that it had a skills base able to help many organisations adapt to the new challenges brought by Covid. We set up a free set of workshops accessed by the voluntary sector across Wales which sped up the 'digitalisation' of many organisations.

Promo-Cymru also developed its youth focused communications knowledge, especially on social media, to target young people no longer in schools, youth services and the social services they were previously able to access face-to-face. The Meic Instagram account grew exponentially. This targeted young people to make sure they had someone to contact in need for the 16 hours a day the helpline was open.

We have also started successful communications pilots using the Tik Tok platform with one piece going viral with 3.5 million views.

The external environment continues to be a challenge. We continue to monitor policy developments in Wales and the UK and make changes accordingly.

Promo-Cymru has led the field in digital transformation for a number of years. Clearer branding, identity, communications and self-belief have increased our profile and confidence leading to new markets and clients.

Promo-Cymru is currently assessing how we operate in a post pandemic world. We will work to incorporate and integrate the best of the pre and post pandemic world.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Financial Review

The trustees receive management financial reports and review the financial position of Promo-Cymru on a regular basis as a key standing agenda item. The trustees have considered budgets and forecasts for the period to March 2023 and support the management team in the on-going financial development of the organisation as a going concern.

The management team work closely with the Chair of the trustees on a regular basis outside of board meetings.

Austerity has certainly impacted not only on Promo-Cymru, but also across the third sector. Promo-Cymru continues to innovate and forward think. Key corporate strategies of heightening the profile of Promo-Cymru, which have led to the winning of a number of key awards and the development of inroads in new markets, are beginning to work.

Unrestricted reserves before transfers increased by £98,634 (group £111,990) during the year, compared with an increase in the previous year of £41,713 (group £45,787). Depreciation charges on assets owned by Promo-Cymru Ltd, including the land and buildings of Ebbw Vale Institute and 17 West Bute Street, also impact on the financial activities reported.

Promo-Cymru continues to invest in its staff and profile.

At the year end Promo-Cymru Ltd remains in a strong financial position, with unrestricted reserves of £413,704 (group £476,713) and total net assets of £1,432,061 (group £1,495,070).

The organisation also continues to maintain adequate working capital to facilitate its activities.

The staffing restructure which took place in 2018, and the longer term focused decision to keep key capacity in place, which meant a careful use of reserves, has now had an effect which has seen our incomes, impact and profile expand.

Reserves Policy

Purpose

The purpose of the Reserves Policy of Promo-Cymru is to ensure the stability of the projects, employment and ongoing operations of the organisation. The Operating Reserve (ie, unrestricted reserves) is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserves may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Promo-Cymru for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserves Policy will be implemented in concert with the other governance and financial policies of Promo-Cymru and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

Definitions and Goals

The Operating Reserve Fund is defined as a designated fund set aside by action of the trustees. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programmes for a set period of time. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

PROMO-CYMRU LTD

TRUSTEES' REPORT

The target minimum Operating Reserve Fund is equal to 6 months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, loans, office, travel, project, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The calculation of average monthly expenses also excludes some expenses, eg, one-time or unusual and capital purchases. The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the trustees and Finance Sub Committee, and included in the regular financial reports.

Accounting for Reserves

The Operating Reserve Fund will be recorded in the financial records as unrestricted reserves. The Fund will be funded and available in cash or cash equivalent funds.

Funding of Reserves

The Operating Reserve Fund will be funded with surplus unrestricted operating funds. The trustees may from time to time direct that a specific source of revenue be set aside for Operating Reserves.

Use of Reserves

Use of the Operating Reserves requires three steps:

1. Identification of appropriate use of reserve funds

The trustees and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

2. Authority to use operating reserves

Authority for use of Operating Reserves is delegated to the CEO in consultation with the Chair of the trustees. The use of Operating Reserves will be reported to the trustees at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the Operating Reserve Fund to the target minimum amount. The CEO must receive prior approval from the trustees if the Operating Reserves will take longer than 12 months to replenish.

3. Reporting and monitoring

The CEO is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the CEO will maintain records of the use of funds and plan for replenishment. The CEO will provide regular reports to the Finance Sub Committee and board of trustees of progress to restore the Fund to the target minimum amount.

Policy Review

This policy will be reviewed every other year, at minimum, by the Finance Sub Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Sub Committee to the board of trustees.

Funding Sources

Promo-Cymru has a diverse portfolio of funding. Promo-Cymru is funded from the receipt of grant income from the Welsh Government, Cardiff County Council, UK Community Renewal Fund, Welsh Government's Community Division, Welsh Government Social Services Division and Paul Hamlyn.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Plans for Future Periods

Promo-Cymru seeks to further develop its charitable activities.

Promo-Cymru will continue to use its experience to develop its expertise across a number of areas. These are:

- 1 Helpline expertise, online and office information to include the promotion of citizen voices. We have developed an integrated communications model to better describe our offer.
- 2 The development of further support to communities, families and people of all ages to support both physical and social developments.
- 3 The development of support and mentoring services to other third sector organisations such as leadership and management development, finance management and other corporate issues.
- 4 The support of organisations to better utilise Service Design Methodologies, IT and communications technology, such as social media practice and policy.
- 5 The development of our central administrative building to allow disparate areas of Promo-Cymru to be housed together and the wider involvement of clients and other organisations in the work of the organisation is working well. We will continue to review better and more efficient use of the building and consider renting further spaces to like minded organisations.
- 6 Promo-Cymru continues to explore working with young people on the development of Social and Environmental Economy projects and organisations.
- 7 During the pandemic Promo-Cymru took a conscious decision to utilise its wide ranging digital expertise to support the third sector during these difficult times. We were able to mobilise our staff and reserves to do this. We have been working to sustain this work and are now part of the Newid partnership made up of WCVA, Cwmpas and Promo-Cymru to develop this support. We have also been in discussion with the Big Lottery for a number of years and have been awarded in September 2022 a £500,000 grant to further enhance this work over three years.
- 8 Promo-Cymru has been successful with a Big Lottery Mind Our Future bid to help design better mental health services for young people in Blaenau Gwent. We will work with MIND in Gwent to develop these services.

The annual report was approved by the trustees of the charity on 22 December 2022 and signed on its behalf by:


M Morgan
Trustee

PROMO-CYMRU LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

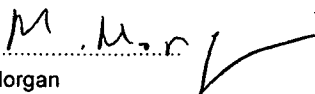
The trustees (who are also the directors of Promo-Cymru Ltd for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 22 December 2022 and signed on its behalf by:


M Morgan
Trustee

PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO-CYMRU LTD

Opinion

We have audited the financial statements of Promo-Cymru Ltd, the 'charitable parent company' and its subsidiary (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended:
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 original financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO-CYMRU LTD

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 12), 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 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 relating 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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO CYMRU LTD

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the charity that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to the Charities Act, Companies Acts, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the Trustees' meetings and any other relevant correspondence.

We completed samples of transaction testing with a focus on the income and expenditure throughout the year to ensure that activities were supported and in line with the charity's rules and practices. Any unusual findings were raised with management for further investigation.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

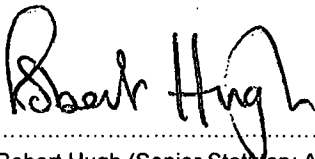
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's charity 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Hugh (Senior Statutory Auditor)

For and on behalf of Robert Hugh Limited, Statutory Auditor

15 Dan y Bryn Avenue
Radyr
Cardiff
CF15 8DD

Signed on 22 December 2022

PROMO-CYMRU LTD
STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

				Continuing operations	Discontinued operations	
	Notes	Unrestricted funds	Restricted funds	total 2022	total 2022	Total 2022
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Activities for generating funds	3	835,868	-	835,868	-	835,868
Voluntary income	4	75	-	75	-	75
Investment income	5	77,380	-	77,380	-	77,380
Charitable activities	6	8,970	321,355	330,325	-	330,325
Total income		922,293	321,355	1,243,648	-	1,243,648
EXPENDITURE ON:						
Charitable activities	7	810,178	256,507	1,066,685	-	1,066,685
Total expenditure		810,178	256,507	1,066,685	-	1,066,685
NET INCOME/(EXPENDITURE)		112,115	64,848	176,963	-	176,963
Gross transfers between funds		-125	125	-	-	-
NET MOVEMENT IN FUNDS		111,990	64,973	176,963	-	176,963
Reconciliation of funds:						
Total funds brought forward		364,723	953,384	1,318,107	-	1,318,107
TOTAL FUNDS CARRIED FORWARD	19	476,713	1,018,357	1,495,070	-	1,495,070

				Continuing operations	Discontinued operations	
	Notes	Unrestricted funds	Restricted funds	total 2021	total 2021	Total 2021
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Activities for generating funds	3	765,365	-	765,365	-	765,365
Voluntary income	4	1,000	-	1,000	-	1,000
Investment income	5	65,174	-	65,174	-	65,174
Charitable activities	6	34,560	350,324	384,884	-	384,884
Total income		866,099	350,324	1,216,423	-	1,216,423
EXPENDITURE ON:						
Charitable activities	7	820,312	132,368	952,680	-	952,680
Total expenditure		820,312	132,368	952,680	-	952,680
NET INCOME/(EXPENDITURE)		45,787	217,956	263,743	-	263,743
Gross transfers between funds		-	-	-	-	-
NET MOVEMENT IN FUNDS		45,787	217,956	263,743	-	263,743
Reconciliation of funds:						
Total funds brought forward		318,936	735,428	1,054,364	-	1,054,364
TOTAL FUNDS CARRIED FORWARD	19	364,723	953,384	1,318,107	-	1,318,107

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 and 2021 is shown in note 19.

PROMO-CYMRU LTD
STATEMENT OF COMPANY FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Unrestricted funds £	Restricted funds £	Continuing operations total 2022 £	Discontinued operations total 2022 £	Total 2022 £
INCOME AND ENDOWMENTS FROM:						
Voluntary income		200,075	-	200,075	-	200,075
Charitable activities		60,006	321,355	381,361	-	381,361
Total income		260,081	321,355	581,436	-	581,436
EXPENDITURE ON:						
Charitable activities		161,322	256,507	417,829	-	417,829
Total expenditure		161,322	256,507	417,829	-	417,829
NET INCOME/(EXPENDITURE)		98,759	64,848	163,607	-	163,607
Gross transfers between funds		-125	125	-	-	-
NET MOVEMENT IN FUNDS		98,634	64,973	163,607	-	163,607
Reconciliation of funds:						
Total funds brought forward		315,070	953,384	1,268,454	-	1,268,454
TOTAL FUNDS CARRIED FORWARD	20	413,704	1,018,357	1,432,061	-	1,432,061

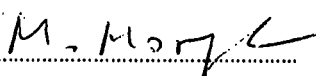
	Notes	Unrestricted funds £	Restricted funds £	Continuing operations total 2021 £	Discontinued operations total 2021 £	Total 2021 £
INCOME AND ENDOWMENTS FROM:						
Voluntary income		31,000	-	31,000	-	31,000
Charitable activities		92,740	350,324	443,064	-	443,064
Total income		123,740	350,324	474,064	-	474,064
EXPENDITURE ON:						
Charitable activities		82,027	132,368	214,395	-	214,395
Total expenditure		82,027	132,368	214,395	-	214,395
NET INCOME/(EXPENDITURE)		41,713	217,956	259,669	-	259,669
Gross transfers between funds		-	-	-	-	-
NET MOVEMENT IN FUNDS		41,713	217,956	259,669	-	259,669
Reconciliation of funds:						
Total funds brought forward		273,357	735,428	1,008,785	-	1,008,785
TOTAL FUNDS CARRIED FORWARD	20	315,070	953,384	1,268,454	-	1,268,454

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 and 2021 is shown in note 19.

PROMO-CYMRU LTD
BALANCE SHEETS
AT 31 MARCH 2022

		Consolidated		Company	
		2022	2021	2022	2021
	Notes	Total	Total	Total	Total
		funds	funds	funds	funds
		£	£	£	£
FIXED ASSETS					
Tangible assets	14	1,357,114	1,363,734	1,349,067	1,354,782
Investments	15	-	-	100	100
		<u>1,357,114</u>	<u>1,363,734</u>	<u>1,349,167</u>	<u>1,354,882</u>
CURRENT ASSETS					
Stocks		1,830	1,913	-	-
Debtors	16	237,255	124,456	163,939	102,035
Cash at bank and in hand		284,943	347,046	168,408	205,205
		<u>524,028</u>	<u>473,415</u>	<u>332,347</u>	<u>307,240</u>
CREDITORS					
Amounts falling due within one year	17	-169,073	-317,812	-33,704	-193,788
NET CURRENT ASSETS		<u>354,955</u>	<u>155,603</u>	<u>298,643</u>	<u>113,452</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,712,069	1,519,337	1,647,810	1,468,334
CREDITORS AND PROVISIONS					
Amounts falling due after one year	18	-215,749	-199,880	-215,749	-199,880
Provisions for liabilities	18	-1,250	-1,350	-	-
		<u>1,495,070</u>	<u>1,318,107</u>	<u>1,432,061</u>	<u>1,268,454</u>
FUNDS					
Unrestricted funds	19	476,713	364,723	413,704	315,070
Restricted funds	19	1,018,357	953,384	1,018,357	953,384
NET ASSETS		<u>1,495,070</u>	<u>1,318,107</u>	<u>1,432,061</u>	<u>1,268,454</u>

The financial statements on pages 16 to 35 were approved by the trustees, and authorised for issue on 22 December 2022 and signed on their behalf by


M Morgan (Trustee)

PROMO-CYMRU LTD**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

		Consolidated		Company	
	Notes	2022 Total funds £	2021 Total funds £	2022 Total funds £	2021 Total funds £
Cash flows from operating activities					
Net cash income		176,963	263,743	163,607	259,669
Adjustments to cash flows from non-cash items					
Depreciation		50,523	33,945	47,311	30,209
		227,486	297,688	210,918	289,878
Working capital adjustments					
(Increase)/decrease in stocks		83	-356	-	-
(Increase)/decrease in debtors	15	-112,799	-43,243	-61,904	-22,752
(Decrease)/increase in creditors	16	-144,858	161,737	-140,368	129,717
(Decrease)/increase in deferred income	17	-8,232	28,217	-24,067	14,410
(Decrease)/increase in provisions	17	-100	-250	-	-
Net cash flows from operating activities		-38,420	443,793	-15,421	411,253
Cash flows from investing activities					
Purchase of tangible fixed assets	14	-43,903	-256,107	-41,596	-254,409
Net cash flows from investing activities		-43,903	-256,107	-41,596	-254,409
Cash flows from financing activities					
Repayments of loans and borrowings		20,220	-4,842	20,220	-4,842
Net cash flows from financing activities		20,220	-4,842	20,220	-4,842
Net (decrease)/increase in cash and cash equivalents					
		-62,103	182,844	-36,797	152,002
Cash and cash equivalents at 1 April		347,046	164,202	205,205	53,203
Cash and cash equivalents at 31 March		284,943	347,046	168,408	205,205

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2022**

1 CHARITY STATUS

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office and principal place of business is:
17 West Bute Street, Cardiff Bay CF10 5EP

These financial statements were authorised for issue by the trustees on 22 December 2022.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

Promo-Cymru Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The financial statements have been prepared on the going concern basis.

The trustees assess whether the use of going concern is appropriate, ie, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Group accounts and investment in subsidiary

The accounts have been consolidated to include the results of the charity's subsidiary. No income and expenditure account of the charity has been presented as permitted by the Companies Act 2006 and paragraph 423 of the SORP. The investment in the subsidiary is stated at cost less provision for any impairment.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intercompany transactions, balances and unrealised gains on transactions between the charity and its subsidiary, which are related parties, are eliminated in full.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Deferred income

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

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

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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

Support costs

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

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £150.00 or more are initially recorded at cost.

Depreciation and amortisation

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

Freehold property	•	2% on cost
Fixtures, fittings and equipment	•	10% to 25% on reducing balance
Computer equipment	•	33 1/3% on reducing balance

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2022**

Fixed asset investments

Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the charities share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, where applicable.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method.

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit and loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 ACTIVITIES FOR GENERATING FUNDS

	Consolidated	
	2022	2021
	£	£
Projects, consultancy, workshops, events and helpline fees	835,868	765,365

4 VOLUNTARY INCOME

	Consolidated	
	2022	2021
	£	£
Donations	75	1,000

5 INVESTMENT INCOME

	Consolidated	
	2022	2021
	£	£
Rents received	77,380	65,154
Interest received	-	20
	<u>77,380</u>	<u>65,174</u>

6 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Consolidated	
	General		2022	2021
	£	£	£	£
NEWED grant	-	166,900	166,900	-
UKCRF funding grant	-	64,629	64,629	-
Emotional Health Wellbeing grant	-	13,850	13,850	-
C3CS grant	-	5,000	5,000	-
Money and Pensions Services grant	-	-	-	30,000
Paul Hamlyn grant	-	-	-	30,000
Youth Access grant	-	20,272	20,272	14,682
EVI CFAP grant	-	-	-	249,867
EYST grant	-	5,125	5,125	15,375
National Lottery Awards for All grant	-	10,000	10,000	-
National Lottery Community Fund account	-	10,000	10,000	-
Social Business Growth Fund	-	17,339	17,339	-
Other project grants	-	1,000	1,000	10,400
Covid grant	-	7,240	7,240	25,000
Fees and rental income	8,970	-	8,970	9,560
	<u>8,970</u>	<u>321,355</u>	<u>330,325</u>	<u>384,884</u>

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Consolidated	
	£	£	2022 £	2021 £
Subsidiary company	644,431	-	644,431	734,075
Staff costs	61,365	196,599	257,964	14,982
Exchange workers	-	-	-	-
Project costs	36,982	19,036	56,018	114,508
Freelance consultants	-	-	-	-
Office costs	3,933	2,803	6,736	5,779
Advertising and marketing	-	-	-	-
Repairs and renewals	12,012	200	12,212	15,222
Insurance	11,238	2,500	13,738	12,318
Premises costs	3,794	1,000	4,794	5,282
Loan interest	14,306	-	14,306	11,920
Depreciation	12,942	34,369	47,311	30,209
	801,003	256,507	1,057,510	944,295

	Activity undertaken directly	Activity support costs	Consolidated	
	£	£	2022 £	2021 £
Subsidiary company	644,431	-	644,431	734,075
Staff costs	257,964	-	257,964	14,982
Exchange workers	-	-	-	-
Project costs	56,018	-	56,018	114,508
Freelance consultants	-	-	-	-
Office costs	-	6,736	6,736	5,779
Advertising and marketing	-	-	-	-
Repairs and renewals	12,212	-	12,212	15,222
Insurance	-	13,738	13,738	12,318
Premises costs	-	4,794	4,794	5,282
Loan interest	-	14,306	14,306	11,920
Depreciation	47,311	-	47,311	30,209
	1,017,936	39,574	1,057,510	944,295

In addition to the expenditure analysed above, there are also governance costs of £9,175 (2021 - £8,385) which relate directly to charitable activities. See note 8 for further details.

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS**SUPPORT COSTS**

Finance	Admin	Premises	Other	Totals 2022	Totals 2021
£	£	£	£	£	£
14,306	6,736	4,794	13,738	39,574	36,049

The support costs cover the promotion of youth, adult and family development work.

GOVERNANCE COSTS

	Consolidated	
	2022 £	2021 £
Auditor's remuneration	9,175	8,385

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2022**

9 GOVERNMENT GRANTS

The following government and other funded grants were received during the year.

SBGF

Promo-Cymru received funding from Social Business Growth Fund (SBGF) to create and sustain three new job opportunities.

CRF

Promo-Cymru received a grant from The UK Community Renewal Fund (CRF) to support the further development of the Ebbw Vale Institute, creating opportunities to trial new approaches and innovative ideas at the local level.

THE NATIONAL LOTTERY 'Awards for All'

Promo-Cymru received a grant from National Lottery under their 'Awards for All' programme providing environmental activities to inform and entertain young people and families and the wider community.

THE NATIONAL LOTTERY 'Community Fund'

Promo-Cymru received a grant from the National Lottery Community Fund to create animated videos to share young people's worries about the pandemic and make them aware of the support that was available.

GAVO

Promo-Cymru received a grant to support the reopening of Ebbw Vale Institute to the public, to enable us to continue to provide support to the most vulnerable and isolated in the community.

YOUTH ACCESS

Promo-Cymru is working with youth access as part of a national project funded by the National Lottery UK. We are working with young people and partners to help ensure that youth voice is heard in the design process of mental health and wellbeing services.

EYST

Promo-Cymru received a grant to support the 'We Are Wales' project with video editorial, training support and web creative, which worked with citizen journalists to gather video stories of the great volunteering and work carried out by ethnic minorities in Wales during the pandemic.

BGCBC COVID RECOVERY GRANT

Promo-Cymru received a grant aimed at supporting the purchase of equipment or modifications to premises to enable social distancing in areas of a business which customers and members of the public congregate are served food and drink or rest.

C3SC

Promo-Cymru received a grant to work with partners to support the establishment of a Framework for region-wide collaboration with public service and the third sector formulating a co-ordinated approach to engagement.

CARDIFF COUNCIL WELLBEING (GAMING)

Promo-Cymru received a grant to support young people to share their mental health experiences through gaming and art.

NEWED

Promo-Cymru received a Welsh Government grant in partnership with WCVA and Cwmpass to research and define the digital needs of the third sector organisations. Promo-Cymru then worked to deliver the required digital skills.

The amount of grants recognised in the financial statement was £321,355 (2021: £375,324).

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10 NET INCOMING (OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Consolidated	
	2022	2021
	£	£
Audit fees	9,175	8,385
Depreciation - owned assets	50,523	33,945

11 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' Expenses

No expenses were paid to trustees for the year ended 31 March 2022 (2021: £NIL).

12 TAXATION

No taxation is payable by the charity for the year as it is able to make use of the tax exemptions on income and capital gains available to charities.

The taxable profit in the subsidiary was £17,443 (2021: £6,906).

13 GROUP STAFF COSTS

	2022	2021
	£	£
Wages, salaries and pensions	785,098	671,113

The average number of persons employed by the group and included in the above figures during the year was 33 (2021: 30).

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14	TANGIBLE FIXED ASSETS	Freehold property	Furn. & equip.	Totals
	a) Consolidated fixed assets	£	£	£
	COST			
	At 1 April 2021	1,509,845	471,872	1,981,717
	Additions	7,100	36,803	43,903
	Disposals	-	-	-
	At 31 March 2022	1,516,945	508,675	2,025,620
	DEPRECIATION			
	At 1 April 2021	189,859	428,124	617,983
	Charge for year	29,963	20,560	50,523
	Eliminated on disposals	-	-	-
	At 31 March 2022	219,822	448,684	668,506
	NET BOOK VALUE			
	At 31 March 2022	1,297,123	59,991	1,357,114
	At 1 April 2021	1,319,986	43,748	1,363,734

The cost brought forward at 1 April 2016 of freehold property includes a valuation of £175,000 in respect of the freehold interest in The Ebbw Vale Institute transferred to the charity for nil consideration. The remainder of the balance brought forward of freehold property represents building improvements that have been undertaken by the charity during subsequent years together with the addition of, and improvements to, the freehold property at 17 West Bute Street, Cardiff.

	b) Company fixed assets	Freehold land and buildings	Fixtures, fittings & equip.	Total
		£	£	£
	COST			
	At 1 April 2021	1,509,845	380,144	1,889,989
	Additions	7,100	34,496	41,596
	Disposals	-	-	-
	At 31 March 2022	1,516,945	414,640	1,931,585
	DEPRECIATION			
	At 1 April 2021	189,859	345,348	535,207
	Charge for year	29,963	17,348	47,311
	Elimination on disposal	-	-	-
	At 31 March 2022	219,822	362,696	582,518
	NET BOOK VALUE			
	At 31 March 2022	1,297,123	51,944	1,349,067
	At 1 April 2021	1,319,986	34,796	1,354,782

PROMO-CYMRU LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15 FIXED ASSET INVESTMENTS

	Shares in group company £
NET BOOK VALUE	
At 31 March 2022	<u>100</u>
At 31 March 2021	<u>100</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Promo-Cymru Trading Limited

Nature of business: Providing information, advice and advocacy for young people in Wales.

Class of share:	holding
£1 ordinary	100%

	2022 £	2021 £
Aggregate reserves	63,009	49,653
Profit/(loss) for the year	<u>13,356</u>	<u>4,074</u>

The results for the charity's subsidiary at 31 March 2022 and 31 March 2021 were as follows.

	2022 £	2021 £
Turnover	1,184,199	915,996
Direct costs	<u>-814,648</u>	<u>-749,907</u>
Gross profit	369,551	166,089
Other income	<u>16,667</u>	<u>14,932</u>
	386,218	181,021
Other costs	<u>-372,862</u>	<u>-176,947</u>
Profit/(loss) for the year	<u>13,356</u>	<u>4,074</u>

PROMO-CYMRU LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated	
	2022	2021
	£	£
Trade debtors	116,190	79,608
Prepayments and accrued income	121,065	17,999
VAT recoverable	-	26,849
	<u>237,255</u>	<u>124,456</u>

	Company	
	2022	2021
	£	£
Trade debtors	12,083	5,360
Amounts owed by group undertakings	35,916	64,299
Prepayments and accrued income	115,940	5,527
VAT recoverable	-	26,849
	<u>163,939</u>	<u>102,035</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated	
	2022	2021
	£	£
Trade creditors	10,518	160,184
Other loans	11,985	7,634
Taxation and social security	66,884	59,548
VAT payable	4,822	-
Accruals and deferred income	69,846	85,091
Other creditors	5,018	5,355
	<u>169,073</u>	<u>317,812</u>

	Company	
	2022	2021
	£	£
Trade creditors	2,170	147,629
Loans	11,985	7,634
VAT payable	4,822	-
Accruals and deferred income	13,727	36,526
Other creditors	1,000	1,999
	<u>33,704</u>	<u>193,788</u>

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2022	2021
	£	£
Wales Council for Voluntary Action	<u>9,818</u>	<u>7,634</u>

Secured on freehold property at 17 West Bute Street, Cardiff CF10 5EP.

PROMO-CYMRU LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Borrowings

Loan from Wales Council for Voluntary Action

The loan has a carrying amount of £201,726 (2021 - £207,514) and is denominated in Sterling with a nominal interest rate of 7%. The final instalment is due in February 2037.

It is repayable at £1,678.08 per month for 20 years from 3 January 2017, increased to £1,804.27 from July 2017 arising from a further drawdown of £55,000.00.

Security is held on the freehold property at 17 West Bute Street, Cardiff CF10 5EP.

The charity undertakes with Wales Council for Voluntary Action, without prior notification or approval, the following.

1. Not to make any change in the project proposal.
2. Not to incorporate any company as its subsidiary.
3. Not to amend or replace its Memorandum and Articles of Association in any way which could materially and adversely affect the interests of the lender under the financing agreement.

Deferred income

Accruals and deferred income includes deferred income relating to grants received in advance of the period to which they relate:

	Consolidated	
	2022	2021
	£	£
At 31 March 2021	57,687	29,470
Amount released to incoming resources	-57,687	-19,470
Amount deferred in the year	54,694	47,687
At 31 March 2022	<u>54,694</u>	<u>57,687</u>

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CREDITORS AND PROVISIONS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR/PROVISIONS FOR LIABILITIES

	Consolidated	
	2022	2021
	£	£
Loans	215,749	199,880
Deferred tax	<u>1,250</u>	<u>1,350</u>

Creditors' amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity on the freehold property at 17 West Bute Street, Cardiff CF10 5EP.

	2022	2021
	£	£
Loan from Wales Council for Voluntary Action	<u>191,909</u>	<u>199,880</u>

Included in the creditors are the following amounts due after more than five years:

	2022	2021
	£	£
After more than five years by instalments	<u>154,098</u>	<u>163,413</u>

Borrowings due after five years

£154,098.00 repayable at £1,804.27 per month including interest at 7%, fixed, will be repaid in February 2037.

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19	MOVEMENT IN FUNDS	At 1.4.21 £	Incoming resources £	Resources expended £	Transfers £	At 31.3.22 £
	Unrestricted funds					
	General fund	364,723	922,293	-810,178	-125	476,713
		364,723	922,293	-810,178	-125	476,713
	Restricted funds					
	Cardiff Web Project	138	-	-138	-	-
	Heads of the Valleys Programme	154,563	-	-4,183	-	150,380
	Blaenau Gwent Youth Service					
	Capital and Revenue grant	20,342	-	-507	-	19,835
	Big Lottery Community Asset					
	Transfer	353,673	-	-9,362	-	344,311
	Blaenau Gwent Community					
	Economic Development grant	15,123	-	-526	-	14,597
	Blaenau Gwent Community Asset					
	Transfer	144,375	-	-3,500	-	140,875
	Arts for All grant	4,504	-	-99	-	4,405
	Tai Calon grant	217	-	-72	-	145
	Valleys Environment grant	4,550	-	-100	-	4,450
	Police and Crime					
	Commissioners Partnership	246	-	-82	-	164
	Gavo Cash4u grant	172	-	-57	-	115
	Social Business Growth Fund	122	-	-41	-	81
	WAG Landfill Disposal Scheme	17,692	-	-369	-	17,323
	Youth Access grant	-	20,272	-20,272	-	-
	EVI CFAP grant	237,667	-	-12,328	-	225,339
	EYST grant	-	5,125	-5,125	-	-
	Covid Support grant	-	7,241	-1,207	-	6,034
	Voluntary Services Recovery Fund	-	1,000	-1,000	-	-
	Social Business Growth Fund 2	-	17,338	-7,660	-	9,678
	C3CS grant	-	5,000	-5,125	125	-
	NEWED grant	-	166,900	-86,275	-	80,625
	UKCR Funding	-	64,629	-64,629	-	-
	Emotional Health and Wellbeing	-	13,850	-13,850	-	-
	Lottery Awards for All	-	10,000	-10,000	-	-
	Lottery Community Fund	-	10,000	-10,000	-	-
		953,384	321,355	-256,507	125	1,018,357
	TOTAL FUNDS	1,318,107	1,243,648	-1,066,685	-	1,495,070

The general fund balance at 31 March 2022 includes £63,109 of funds retained within the non-charitable subsidiary (2021: £49,753).

The incoming resources include £913,248 (2021: £830,539) of income received by the non-charitable subsidiary. The resources expended include £936,474 (2021: £838,674) of costs expended by the non-charitable subsidiary. The non-charitable subsidiary paid £200,000 (2021: £30,000) to Promo-Cymru Ltd by way of gift aid. The net surplus for the year achieved by the non-charitable subsidiary was £13,156 (2021: £4,074).

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****MOVEMENT IN FUNDS**

	At 1.4.20 £	Incoming resources £	Resources expended £	Transfers £	At 31.3.21 £
Unrestricted funds					
General fund	318,936	866,099	-820,312	-	364,723
	<u>318,936</u>	<u>866,099</u>	<u>-820,312</u>	<u>-</u>	<u>364,723</u>
Restricted funds					
Cardiff Web Project	138	-	-	-	138
Heads of the Valleys Programme	158,817	-	-4,254	-	154,563
Blaenau Gwent Youth Service					
Capital and Revenue grant	20,849	-	-507	-	20,342
Big Lottery Community Asset					
Transfer	363,564	-	-9,891	-	353,673
Blaenau Gwent Community					
Economic Development grant	15,735	-	-612	-	15,123
Blaenau Gwent Community Asset					
Transfer	147,875	-	-3,500	-	144,375
Arts for All grant	4,603	-	-99	-	4,504
Tai Calon grant	326	-	-109	-	217
Valleys Environment grant	4,650	-	-100	-	4,550
Police and Crime					
Commissioners Partnership	369	-	-123	-	246
Gavo Cash4u grant	258	-	-86	-	172
Social Business Growth Fund	183	-	-61	-	122
Paul Hamlyn Trust	-	30,000	-30,000	-	-
WAG Landfill Disposal Scheme	18,061	-	-369	-	17,692
Money and Pensions					
Service grant	-	30,000	-30,000	-	-
Youth Access grant	-	14,682	-14,682	-	-
Cast grant	-	3,400	-3,400	-	-
EVI CFAP grant	-	249,867	-12,200	-	237,667
Youth Work Support grant	-	7,000	-7,000	-	-
EYST grant	-	15,375	-15,375	-	-
	<u>735,428</u>	<u>350,324</u>	<u>-132,368</u>	<u>-</u>	<u>953,384</u>
TOTAL FUNDS	<u>1,054,364</u>	<u>1,216,423</u>	<u>-952,680</u>	<u>-</u>	<u>1,318,107</u>

The general fund balance at 31 March 2021 includes £49,753 of funds retained within the non-charitable subsidiary (2020: £45,679).

The incoming resources include £830,539 (2020: £815,661) of income received by the non charitable subsidiary.
The resources expended include £838,674 (2020: £818,427) of costs expended by the non-charitable subsidiary.
The non-charitable subsidiary paid £30,000 (2020: £66,422) to Promo-Cymru Ltd by way of gift aid. The net surplus for the year achieved by the non-charitable subsidiary was £4,074 (2020: £7,410).

PROMO-CYMRU LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Consolidated		Consolidated	
	Unrestricted funds	Restricted funds	total funds 2022	total funds 2021
	£	£	£	£
Tangible fixed assets	419,382	937,732	1,357,114	1,363,734
Current assets	322,301	201,727	524,028	473,415
Current liabilities	-71,811	-97,262	-169,073	-317,812
Deferred liabilities	-193,159	-23,840	-216,999	-201,230
TOTAL FUNDS	476,713	1,018,357	1,495,070	1,318,107

	Company		Company	
	Unrestricted funds	Restricted funds	total funds 2021	total funds 2020
	£	£	£	£
Tangible fixed assets	411,335	937,732	1,349,067	1,354,782
Fixed asset investments	100	-	100	100
Current assets	230,940	201,727	432,667	307,240
Current liabilities	-36,762	-97,262	-134,024	-193,788
Deferred liabilities	-191,909	-23840	-215,749	-199,880
TOTAL FUNDS	413,704	1,018,357	1,432,061	1,268,454

21 ANALYSIS OF NET FUNDS

	At 1 April 2021	Cashflow	At 31 March 2022
	£	£	£
Cash at bank and in hand	347,046	-62,103	284,943
Debt due within one year	-7,634	-2,184	-9,818
Debt due after more than one year	-199,880	-15,869	-215,749
Net debt	139,532	-80,156	59,376

	At 1 April 2020	Cashflow	At 31 March 2021
	£	£	£
Cash at bank and in hand	164,202	182,844	347,046
Debt due within one year	-4,089	-3,545	-7,634
Debt due after more than one year	-208,267	8,387	-199,880
Net debt	-48,154	187,686	139,532

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22 RELATED PARTIES

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

Related party transactions

Promo-Cymru Ltd contracts with Promo-Cymru Trading Ltd for the provision of support resources to facilitate the completion of grant funded projects.

During the year the charity purchased goods or received services or incurred other liabilities from Promo-Cymru Trading Limited, a wholly owned subsidiary company, in the sum of £287,619 (2021: £85,457) and, sold goods or rendered services or provided other assets to Promo-Cymru Trading Limited in the sum of £36,875 (2021: £58,180). The charity also received £200,000 (2021: £30,000) by way of gift aid from Prom-Cymru Trading Limited. The balance due to the charity at the year end was £35,915 (2021: £64,299).