

REGISTERED COMPANY NUMBER: 03596581 (Wales)
REGISTERED CHARITY NUMBER: 1108461

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
Seren Ffestiniog Cyf
Trading as Grwp Seren

Dunn & Ellis Cyf
Chartered Accountants & Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

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for the Year Ended 31 March 2022

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Seren Ffestiniog Cyf
Trading as Grwp Seren

Report of the Trustees
for the Year Ended 31 March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

In line with the requirements of UK GAAP at the time, the incorporation of Gwesty Seren, a 100% owned subsidiary registered at Companies House under the reference 08077369 on the 21 May 2012, the 2013 figures were the inaugural consolidated financial statements of the Seren Group.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The company's objectives are:

To promote such general charitable purposes for the benefit of people with learning and other difficulties in Gwynedd and the surrounding area as the trustees see fit from time to time including, but not limited to the foregoing by: providing relief from financial hardship and/or economic disadvantage, advancing education and relieving unemployment; and in particular providing opportunities for the aforementioned persons to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage; and

To develop their capacity and skills in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

Report of the Trustees
for the Year Ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Significant activities

Seren Ffestiniog Cyf

The charitable company's main activities are the provision of care services for its clients, both social and private. This includes day and domiciliary care. Other activities which support the charitable company's aims included income from Noddfa, Bryn Afon and 2 other tenancies, later reduced to 1 tenancy in November 21 due to significantly changed care needs of 1 tenant.

Trading income also received from its retail outlets known as Gainsborough, Cylch yr Efail, Gerddi Stiniog, and both Furniture Centres, one in Porthmadog and the other in Blaenau Ffestiniog. Due to Covid all our trading income has been affected and reflect a reduction on previous years' figures.

Training courses for its clients in cooperation with Coleg Meirion-Dwyfor (part of the Llandrillo Menai Group) carried on for the third year in 2021, and which continues to prove a big success with Seren's clients, their families, and Social Care workers. This training consists of courses such as cooking, gardening, health & beauty, arts and crafts, Touch Trust, general life skills and Performing Arts. The courses re-started after Covid in early 2021 via online classes, however tutors have now begun attending face to face sessions as more of the restrictions are lifted.

Day Care provision has not yet quite returned to its potential of full capacity, however opportunities within the various outlets are available offering placements in a safe environment, to all the clients following Covid Regulation.

In March, the Respite Tender which had been submitted to the Local authority, worth £400,000 over 3 years, was accepted. However, this does not mean that Gwesty will be receiving all the funds, as the respite packages will be shared with one other company in Gwynedd. All fees are paid directly to Seren, but Gwesty invoices Seren for all income relating to the use of its facilities, i.e., for the accommodation & food etc.

Board meetings were reduced during the year due to Covid, and the meetings which were held were mostly done online. Sub-committees were also put on hold but did re-start early in early 2021.

Maldwyn Jones was appointed to the Board of Seren in May 2021. A retired Bank Manager with over 30 years Banking and Financial experience and will be an important new member to the Board.

Mrs E S Davies resigned from the Board of Seren in July 2021, followed by Mrs G Grabowski in November. Also, Mrs K Madoc-Jones resigned as Company Secretary for both Seren and Gwesty Seren in May 2021 and replaced by Aled Ellis in July.

Mrs Rona Morgan who is a Board member for both Seren and Gwesty Seren took over the role of Responsible Individual from Linda Jones who stepped down.

In June 2021, Angela Middleton Jones was appointed the new CEO, with the permanency of her role and position confirmed by the Board on 25th November 2021. Angela brings with her a wealth of business experience both in the Private and Public Sectors and specifically on HR matters.

Aled Williams was appointed Care Manager during the year. Aled has had a wide and varied early career until he found his interest in the Care Sector in 1993 where he has remained ever since. Originally commencing as a Learning Disability Support Worker which sparked his interest in this field, Aled progressed to Housing and Supported Learning Disability Manager and has also been an NVQ Lecturer/Assessor to support those wishing to gain a recognised qualification in this field. In addition to Learning Disabilities, Aled has also worked in management positions for Elderly and Dementia Residential as well as Nursing homes and left his role as Manager Community Homes for individuals with mental health/learning disabilities and serious challenging behaviour to join Seren.

Due to the changes at the top, the Management team was restructured in order to focus on key aspects of running the company, with the new team all having the necessary skills and experience in order to move the Company forward. However, following the resignation of the Project and Finance Manager early in the new year, the opportunity to restructure was again taken to create the role of a qualified Accounts Manager to focus solely on the financial aspects of the business. Until this role had been filled a temporary Financial Consultant role was created to manage the interim period. Seren has subsequently retained these services in order to strengthen the financial forecasting and long-term financial projections which has allowed Seren to review its financial priorities for the future.

Report of the Trustees
for the Year Ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Apart from its own responsibilities and charitable operation, the Company has continued its financial support of Gwesty Seren, its wholly owned trading subsidiary, for whom it provides care services for the guests and Seren's clients. The financial support provided to 31st March 2022 is much less than that provided in previous years. The Gwesty continues to be an integral part of Seren's vision for the future as it provides a unique selling point for the Care side as this respite model is not known to be replicated elsewhere in Wales. Therefore, a greater emphasis will be made in our marketing strategy over the coming years in order to maximise the potential it clearly has.

Gwesty Seren

Gwesty Seren offers holiday breaks and respite care packages as a holiday model for individuals with learning and other disabilities, their caregivers and families in luxury accommodation in the heart of Snowdonia. The hotel offers short or long breaks that can be exciting, active, relaxing, quiet and totally different to meet our clientele's individual needs. The property has some of the best views within the area overlooking the beautiful Vale of Ffestiniog and Black Rock Sands, Morfa Bychan (near Porthmadog) on the Cambrian Coast. It is surrounded by the Cnicht, Moelwyn Bach and Moelwyn Mawr mountains, some of these stunning views have been photographed and are displayed around the hotel. All of our bedrooms are decorated and finished to a very high level, whilst still being comfortable. They are en-suite, and some are fitted with ceiling tracked hoists. Every bedroom has a television and a built-in phone system connected to the reception desk. We also have night porters on the premises, so there will be assistance if required on a 24-hour basis.

In December 2021, Gwesty Seren celebrated the fact that it had been trading and fully operational for 7 years. The Hotel offers holidays and respite care for people with any disabilities including their families. In addition to our main aim of providing accommodation and hospitality services for those with disabilities, we are also open to, and have other guests staying for short breaks. A new Manager has started and brings with her experience within the hospitality sector. New and exciting ideas for the Hotel have already been discussed which will help the Hotel evolve over the coming years. A new Head Chef was appointed in January 2022, following the resignation of the previous holder of the position.

Although the Hotel caters for the disabled and people with learning difficulties, we have to follow the guidelines and regulations as set out by the Wales Tourism Authority, Visit Wales, and as such the Hotel is open to all and we do not discriminate with regard offering its accommodation to customers. Gwesty Seren has its own individual booking system as well as using Booking.com. Since going live with Bookings.com some years ago, we have seen a steady increase in the number of Hotel bookings. We also have secured referrals from various Local Authorities within North Wales as well as those referred from Seren Ffestiniog Cyf.

"Meals On Wheels" provided additional income during the year, financially supported via Grants.

Seren Ffestiniog Cyf has established a strong and successful working relationship with the local College, Coleg Meirion Dwyfor which is part of Grwp Llandrillo Menai. This has been crucial in providing accredited qualifications to their day service clients. The range of courses on offer, include Health & Beauty, Art & Craft, Gardening and Numeracy. Other courses, especially Cooking and Gardening are undertaken and Gwesty Seren serves as a setting for Seren Ffestiniog Cyf to run these. The benefits of having courses held at Gwesty Seren are substantial as they provide the opportunity to advertise and promote the facilities and provisions on offer, and raising awareness of the courses on websites, social media sites and through word of mouth also provides huge benefits. Seren Ffestiniog Cyf also has a contract to provide care with the local Social Services department and therefore Gwesty Seren charges a 'Facility Fee' for using the hotel and its facilities as a location.

Seren Ffestiniog Cyf also utilises the hotel and gardens for their clients and pays the hotel for this use. It is important however to highlight that Gwesty Seren does not provide any specialist care services itself, as these services are always provided by Seren Ffestiniog Cyf.

In 2021 Gwynedd Council confirmed that Seren was successful in their tender to provide respite care. Gwesty Seren benefits from this success since the hotel provides the accommodation with Seren providing the appropriate care support.

Report of the Trustees
for the Year Ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees confirm that they have complied with their duty as laid in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Through the implementation of the above-mentioned objectives and aims, we respond to the needs of our service users as well as the wider community.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Most of Seren's income is generated from care fees, and similar to those in previous years, 2021/22 continued to be challenging due to the after effect of the pandemic as well as Public Sector cuts in spending.

Seren, which is supported by its subsidiary Gwesty Seren continued with its main charitable aims despite challenges by offering people with a whole range of disabilities with a unique and ground-breaking facility. During the year the hotel catered for people with all kinds of disabilities as was originally designed and planned for.

Due to the tireless work of our staff, under the guidance of the trustees, the management function has once again enabled Seren Ffestiniog Cyf to provide care for those in need within our community.

Staff are continually provided with a comprehensive Care training programme which covers most aspects of care.

As our staff are key, wages and pension provision are constantly reviewed to ensure they meet or even exceed the minimum levels, and which reflect the important role they all have within the Company.

The company continues to comply with and retain the BS ISO 9001 Quality Standard award. Consolidation had to be the main priority and the Company has been able to achieve this without too much turmoil or staff losses.

FINANCIAL REVIEW

Reserves policy

It is the view of the trustees that sufficient reserves should be maintained to enable Seren Ffestiniog Cyf's charitable activities to continue for at least six months even if all income streams should suddenly halt. This would in our view provide sufficient time for all those that rely on our services to find replacement support services should a worst-case scenario occur. The trustees therefore consider £600,000 to be an appropriate level of reserve to cover its expenditure for six months.

The charitable company itself had a free reserve of £35,489 at the end of March 2021 (2021: £12,664).

On a group level the free reserve, defined here as the total group funds less the total fixed assets in the group, for the year were negative, with a balance £196,122 showing as a deficit (2021: deficit of £207,282).

These figures being defined as the charity and the group's total unrestricted funds at the year end, less the net book value of its fixed assets and investments.

Report of the Trustees
for the Year Ended 31 March 2022

FINANCIAL REVIEW

Going concern

The accounts have been prepared on the assumption that both the charity and the group is able to carry on its business as a going concern, with the charitable company itself returning a small surplus on its activities in the year.

However, as a group, the issues noted in the subsidiary's financial statements for the year are also evident in the consolidated figures, but the group's deficit on its free reserves decreased slightly, by some £11,160 to £196,122 in the year to March 2022.

Due to these financial pressures, worsened by the recent and ongoing cost of living crisis, the board has had to make tough and difficult decisions in order to deal with the current situation, with more detail on this being disclosed in the post balance sheet events note of these financial statements. In brief, a review of both Seren Ffestiniog Cyf & Gwesty Seren's business objectives and future plans was carried out in the post year end period and based on the initial findings, it was agreed that the existing model needed to change.

The main changes arising from the work carried out here was that in Seren Ffestiniog Cyf, the retail outlet activity was curtailed, with two of the properties, one in Porthmadog and one in Blaenau Ffestiniog, being put on the market. Which for the first time led to the charity having to take the difficult decision of making some staff redundancies. At Gwesty Seren, the model put in place, which will be subject to close monitoring and periodic amendment, is that the hotel will remain open as currently during the main holiday period i.e., Easter to October half term. The offering will include a mix of traditional guests, families with disabilities etc., and also respite care with support offered by Seren's employed care staff. However, during the winter months, the hotel's primary function would shift from providing quality holiday for all guests to the provision of respite care in a holiday model only.

Seren Ffestiniog Cyf
Trading as Grwp Seren

Report of the Trustees
for the Year Ended 31 March 2022

FUTURE PLANS
Seren Ffestiniog Cyf

Conversion of Llwynygell Industrial Unit to Pentre Seren (Seren Village)

At the heart of everything that Seren and Gwesty Seren does, it is done for the benefit of our individuals and what opportunities we can give them to excel and showcase what people with learning and physical disabilities can actually achieve to become a contributing member of the community. Blaenau Ffestiniog has always embraced our vision and has supported us since our inception over 25 years ago. However, due to circumstances we have had to streamline the business with some urgency without reducing services to the public and opportunities for our individuals. By amalgamating our retail outlets with our Furniture Centre at Llwynygell it will provide a shopping experience all under one roof. This has already resulted in a significant improvement to running costs and most importantly has given our individuals a better working experience in the variety of tasks and responsibilities they are able to achieve.

A comprehensive Business Plan is near completion which will outline where this important development sits within Seren's future plans.

Develop the garden area within Gerddi Stiniog to its full potential

We have plans to develop the garden area into a multi-disciplinary area - as a safe haven for the benefit of mental health and general fitness for the community, a place to appreciate magnificent natural views and as a place to volunteer in the garden. In addition, we would like to promote the wild nature element and the ecosystem by holding events with the local primary schools as well as the special schools (Hafod Lon, Pendalar and Gogarth); we already tailor the time spent in the garden to the needs of our individual clients. It is a place where they are able to go to see flowers, a sensory area and perhaps partake in creative activities.

We intend to develop nature trails drawing attention to wild nature in the area and take advantage of the Osprey scheme together with birds and other small animals, also focusing on ecosystem aspects, and create plans and educational materials appropriate for the age of primary schools, special education and our individuals.

Although much progress has already been achieved with the inclusion of our garden area within S4C's "Project Pum Mil" which served to transform the garden within a very short space of time, there is more to be done.

To achieve this and maximise its potential it is anticipated that some sort of grant funding will be required.

Development of building adjacent to Gwesty Seren known as Uned Stiniog

Seren currently uses this property for storage. It is owned by Gwynedd Council and discussions have taken place over many years with a view of Seren purchasing the building.

There has been much discussion as to how this building could best complement Seren's and Gwesty Seren's long term plans, ranging from additional bedrooms for the hotel to some form of educational or training establishment focusing on catering, hospitality, developing IT skills and also business skills to complement the roles required to run Pentref Seren, (whilst underpinning theoretical knowledge would be delivered from the training unit, consideration would need to be given as to how Seren would manage any practical sessions undertaken at the Gwesty and Pentref Seren). However, no final decision has been arrived at in this respect.

A separate business plan and feasibility study for this project is already in place.

Similar to the garden project it will require grant funding support.

Gwesty Seren

Investment in Gwesty Seren by the Charitable parent company:

Seren Board members in late 2022 unanimously agreed to continue financially supporting Gwesty as and when it is needed.

Report of the Trustees
for the Year Ended 31 March 2022

Over the coming year we intend to continue our evaluation and review of the initial changes made to the operating structure, namely the model adopted after the March 2022 yearend - i.e., that the hotel will remain open as currently during the main holiday period i.e., Easter to October half term. The offering will include a mix of traditional guests, families with disabilities etc., and also respite care with support offered by Seren's employed care staff. However, during the winter months, the hotel's primary function would shift from providing quality holiday for all guests to the provision of respite care in a holiday model only. This will range from ensuring that those staying with us for respite care have many quality experiences of a varied nature and those clients "working" at the hotel benefiting from supervised activities be they kitchen based, housekeeping or customer interface.

Day care provision has also grown in recent months which now operates from Gwesty Seren, supported by qualified Care Staff from Seren. By engaging this part of the business this way, we are seeking to optimise staffing capacity and costings.

Following Gwynedd Council's decision not to provide further financial support in respect of "Meals on Wheels" it was agreed that Gwesty Seren could not continue with the service due to reviewing its profitability and taking account the reduced number of participants within the scheme.

Following a review of costs and in particular wages, changes have been made with senior members of staff reducing their hours, with other staff members moving to other business locations within Seren Group. The business has been able to make savings and changes without the need for redundancies.

As previously stated, remedial action has commenced to address the re-positioning of the hotel's trading operation and from November 2022, its relationship with booking.com was reviewed to reflect the revised public trading pattern of April to October only.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing documents, its memorandum & articles of association and a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Related party transactions and trustees' expenses and remuneration

During the year ended in March 2022, as in the previous year, the trustees, in their capacity as such, give their time and expertise without any form of remuneration or other benefit in cash or kind. There were no expenses paid to the trustees in the year (2021: Nil).

The board consider its key management personnel for the charity to comprise the trustees, the Chief Executive Officer, and the other department heads, as together they are responsible for the day-to-day operations of the charity. The total employment benefits, which included employer national insurance and pension contributions, of the key management personnel was £203,239 (2021: £167,362). In the group context, the Hotel Manager and Deputy Manager would also be considered to be key management, and the total group cost for 2022 was £254,190 (2021: £213,524). No employee received any benefits in excess of £60,000.

Report of the Trustees
for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Upon registration the upper limit on the number of charitable company members was 500, but the management committee can from time to time register an increase in the numbers, but no such election has been made to date.

The first members of the charitable company were the original subscribers to the company's Memorandum of Association.

The management committee may admit to membership any person who has attained the age of eighteen years and who is in agreement with the objectives of the charitable company, without discrimination between persons by reference to wealth, politics, race, religion, gender or disability.

A member who is a corporate body or association shall by the resolution of its governing body appoint a deputy, who shall during the continuance of their appointment be entitled to exercise in any general meeting of the charitable company all such rights and powers as the body corporate or association would exercise if it were an individual person.

A copy of said resolution, signed by the governing body will be sent to the secretary.

Every application for membership shall be considered but the management committee at its first meeting after the application was made or as soon as is practicable.

Membership of the charitable company is free of charge.

Decision making

The charity board of trustees' regular board meetings, and with a new management team in place, together with dedicated purpose sub committees being established to focus on three key areas, Finance, Staffing and Marketing, the key management of the charity are excellently informed and can move quickly as the current circumstances necessitate.

The charity board also hold monthly meetings with their counterparts on the Gwesty Seren board, this being so as to keep abreast of events in the subsidiary and the expected level of care provision resources required at the hotel at the present time.

Induction and training of new trustees

After the initial induction, carried out by a selected and appropriate member of the management committee, every member shall be allocated to one of the following categories of membership at the absolute discretion of the management committee:

Supporting Members - are members that have an interest in the company mainly by having provided money, facilities or other practical direct assistance to the company.

Employee Members - are employees of the company. Employee members shall be subject to a six-month probationary period.

Community Members - are members who live, work or have an interest within the community of Cyngor Tref Ffestiniog.

User Members - are members that use the services provided by the company.

Corporate Members - are members admitted under article 5(b) of the company's Articles of Association.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03596581 (Wales)

Registered Charity number

1108461

Seren Ffestiniog Cyf
Trading as Grwp Seren

Report of the Trustees
for the Year Ended 31 March 2022

Registered office

Uned 1-2
Llwyn y Gell Industrial Estate
Blaenau Ffestiniog
Gwynedd
LL41 3NE

Trustees

Mr J E Ellis	(resigned 9.9.22)
Mrs A M Ellis	(resigned 9.9.22)
Mr A L I Ellis	
Mr W A Evans	
Mrs L A W Jones	(resigned 5.9.22)
Mr E J Lewis	
Mrs G P Grabowski	(resigned 25.11.21)
Mrs M A Williams	
Mrs E S Davies	(resigned 9.7.21)
Ms R E Morgan	
Mr M Jones	(appointed 13.5.21)

Company Secretary

Mr A L I Ellis

Auditors

Dunn & Ellis Cyf
Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Bankers

HSBC Plc
62 Stryd Fawr
Porthmadog
Gwynedd
LL49 9LN

Unity Trust Plc
9 Brindley Place
Birmingham
B1 2HB

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Report of the Trustees
for the Year Ended 31 March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Dunn & Ellis Cyf, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24 January 2023 and signed on its behalf by Mr A Ll Ellis (Secretary)

Report of the Independent Auditors to the Members of Seren Ffestiniog Cyf

Opinion

We have audited the financial statements of Seren Ffestiniog Cyf (the 'charitable parent company'), and its subsidiary as part of the consolidated group financial statements for the year ended 31 March 2022 which comprise consolidated and charity statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity cash flow statement and notes to the financial statements, including a summary of the subsidiary's financial position and significant accounting policies for the group and its component parts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group, the charitable parent company and of the trading subsidiary 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 group and charitable parent company's 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 group and charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Emphasis of matter

Material uncertainty related to going concern

We draw your attention to the information set out in the trustees' report and notes of the financial statements. Specifically, the going concern and post balance sheet event sections of both the trustees report and the financial statements. These disclosures have been prepared by the trustees and set out the main impact and mitigating measures put in place by the charitable company with regard the existing material uncertainties that may cast significant doubt about the group's ability to continue as a going concern.

Particular attention should also be drawn to the emphasis of matter paragraph that is included in the subsidiary's audit report for the year ended 31 March 2022. With this referring to the accumulated reserve losses, the losses incurred in the pre- and post-coronavirus trading years, and the effect that the proposed restructuring of the company's core trading focus may have in the post March 2022 period.

The subsidiary is currently, and will continue to be in the medium term, dependent on the continued support of its parent, Seren Ffestiniog Cyf, which has confirmed that support will continue on the grounds that it is seen as an essential part of the larger charitable group, and that this continued support would exceed a period of at least 12 months from when the financial statements are agreed. Additionally, late in 2022, both boards, the charitable parent's and the subsidiary company's, met to agree a plan for a group-wide restructure and refocus of the overall activities undertaken.

Our opinion is not modified in respect of this matter, but attention needed to be drawn to these matters.

Report of the Independent Auditors to the Members of Seren Ffestiniog Cyf

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of Seren Ffestiniog Cyf

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

Identifying and assessing potential risks:

- the nature of the industry and sector, control environment and business performance.
- results of our enquiries of management, and those charged with governance about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the charitable company & group's information of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance.
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - any matters discussed among the audit engagement team including, if relevant, external specialists, any tax or other valuations of note etc.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company & wider group for fraud and identified the greatest potential for fraud is in relation to revenue recognition, with specific procedures being performed here. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company & wider group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, UK GAAP and any other laws and regulations that although might not have a direct effect on the financial statements, compliance with which may be fundamental to the charitable company & group's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- enquiring of management and those charged with governance concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading the minutes of meetings of those charged with governance on a group wide basis and enquire about any correspondence or issues raised with relevant regulatory bodies.

**Report of the Independent Auditors to the Members of
Seren Ffestiniog Cyf**

- obtained an understanding of, through discussions with management, the basis of recognising income; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

Gareth Lloyd Jones FCCA, ACA, FMAAT, DChA
(Senior Statutory Auditor)

for and on behalf of

Dunn & Ellis Cyf
Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Date: 31st January 2023

CONSOLIDATED Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	11,769	-	11,769	35,390
Charitable activities	6				
Care in the community		1,316,402	-	1,316,402	1,316,404
Gwesty Seren		-	29,025	29,025	-
Other trading activities	4	197,234	305,695	502,929	286,559
Investment income	5	13	-	13	32
Other income		5,300	175	5,475	89,377
Total		<u>1,530,718</u>	<u>334,895</u>	<u>1,865,613</u>	<u>1,727,762</u>
EXPENDITURE ON					
Raising funds	7	118,438	69,573	188,011	97,838
Charitable activities	8				
Care in the community		1,380,084	-	1,380,084	1,240,580
Gwesty Seren		-	267,327	267,327	226,481
Other		18,649	13,960	32,609	37,297
Total		<u>1,517,171</u>	<u>350,860</u>	<u>1,868,031</u>	<u>1,602,196</u>
Taxation		-	1,724	1,724	(89)
NET INCOME/(EXPENDITURE)		13,547	(17,689)	(4,142)	125,655
Transfers between funds	24	(39,363)	39,363	-	-
Consolidation adjustments		-	2,197	2,197	3,264
Net movement in funds		(25,816)	23,871	(1,945)	128,919
RECONCILIATION OF FUNDS					
Total funds brought forward		689,308	710,099	1,399,407	1,270,488
TOTAL FUNDS CARRIED FORWARD		<u>663,492</u>	<u>733,970</u>	<u>1,397,462</u>	<u>1,399,407</u>

CONSOLIDATED Balance Sheet
31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	15	628,003	965,581	1,593,584	1,606,689
CURRENT ASSETS					
Stocks	16	24,120	2,574	26,694	30,469
Debtors: amounts falling due within one year	17	117,287	17,646	134,933	117,598
Cash at bank and in hand		240,979	52,094	293,073	248,194
		382,386	72,314	454,700	396,261
CREDITORS					
Amounts falling due within one year	18	(152,392)	(89,716)	(242,108)	(170,174)
NET CURRENT ASSETS		229,994	(17,402)	212,592	226,087
TOTAL ASSETS LESS CURRENT LIABILITIES		857,997	948,179	1,806,176	1,832,776
CREDITORS					
Amounts falling due after more than one year	19	(194,505)	(201,543)	(396,048)	(422,427)
PROVISIONS FOR LIABILITIES	23	-	(12,666)	(12,666)	(10,942)
NET ASSETS		663,492	733,970	1,397,462	1,399,407
FUNDS	24				
Unrestricted funds:					
General fund				663,492	689,308
Restricted funds:					
Gwesty Seren				733,970	710,099
TOTAL FUNDS				1,397,462	1,399,407

CONSOLIDATED Balance Sheet - continued
31 March 2022

The trustees have prepared group accounts in accordance with section 398 of Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 January 2023 and were signed on its behalf by Mr W A Evans and Mr A Ll Jones (both Trustees).

CONSOLIDATED Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	103,911	138,362
Interest paid		<u>(21,663)</u>	<u>(19,004)</u>
Net cash provided by operating activities		<u>82,248</u>	<u>119,358</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(19,505)	(6,383)
Interest received		<u>13</u>	<u>32</u>
Net cash used in investing activities		<u>(19,492)</u>	<u>(6,351)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(17,877)</u>	<u>(7,317)</u>
Net cash used in financing activities		<u>(17,877)</u>	<u>(7,317)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		44,879	105,690
Cash and cash equivalents at the beginning of the reporting period		<u>248,194</u>	<u>142,504</u>
Cash and cash equivalents at the end of the reporting period		<u><u>293,073</u></u>	<u><u>248,194</u></u>

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

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22	31.3.21
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,945)	125,655
Adjustments for:		
Depreciation charges	32,609	30,221
Losses on investments	(2,197)	-
Loss on disposal of fixed assets	-	271
Interest received	(13)	(32)
Interest paid	21,663	19,004
(Increase)/Decrease in provisions	-	(89)
Decrease/(increase) in stocks	3,775	(1,946)
(Increase)/decrease in debtors	(16,933)	26,406
Increase/(decrease) in creditors	<u>66,952</u>	<u>(61,128)</u>
Net cash provided by operations	<u><u>103,911</u></u>	<u><u>138,362</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>248,194</u>	<u>44,879</u>	<u>293,073</u>
	<u>248,194</u>	<u>44,879</u>	<u>293,073</u>
Debt			
Debts falling due within 1 year	(28,092)	(8,504)	(36,596)
Debts falling due after 1 year	<u>(422,427)</u>	<u>26,379</u>	<u>(396,048)</u>
	<u>(450,519)</u>	<u>17,875</u>	<u>(432,644)</u>
Total	<u><u>(202,325)</u></u>	<u><u>62,754</u></u>	<u><u>(139,571)</u></u>

CHARITY Statement of Financial Activities
(Incorporating an Income and Expenditure Account)

	Notes	31.3.22 Unrestricted funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	11,768	35,389
Charitable activities	5		
Provision of care in the community		1,316,402	1,316,404
Other trading activities	3	197,234	100,799
Investment income	4	13	32
Other income		5,300	3,100
Total		<u>1,530,717</u>	<u>1,455,724</u>
 EXPENDITURE ON			
Raising funds	6	115,866	38,684
Charitable activities	7		
Provision of care in the community		1,384,804	1,270,247
Other		18,649	25,607
Total		<u>1,519,319</u>	<u>1,334,538</u>
 NET INCOME		11,398	121,186
 RECONCILIATION OF FUNDS			
Total funds brought forward		986,212	865,026
 TOTAL FUNDS CARRIED FORWARD		<u>997,610</u>	<u>986,212</u>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure is derived from continuing activities.

CHARITY Balance Sheet
31 March 2022

	Notes	31.3.22 Unrestricted funds £	31.3.21 Total funds £
FIXED ASSETS			
Tangible assets	14	628,003	641,043
Investments	15	334,118	332,505
		962,121	973,548
CURRENT ASSETS			
Stocks	16	24,120	29,317
Debtors: amounts falling due within one year	17	117,287	105,791
Cash at bank and in hand		240,979	242,566
		382,386	377,674
CREDITORS			
Amounts falling due within one year	18	(152,392)	(162,086)
NET CURRENT ASSETS		229,994	215,588
TOTAL ASSETS LESS CURRENT LIABILITIES		1,192,115	1,189,136
CREDITORS			
Amounts falling due after more than one year	19	(194,505)	(202,924)
NET ASSETS		997,610	986,212
FUNDS	22		
Unrestricted funds:			
General fund		997,610	986,212
TOTAL FUNDS		997,610	986,212

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

The financial statements were approved by the Board of Trustees and authorised for issue 24 January 2023 and were signed on its behalf by Mr W A Evans and Mr A Ll Jones (both Trustees).

CHARITY Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	19,901	128,404
Interest paid		<u>(8,296)</u>	<u>(8,537)</u>
Net cash provided by operating activities		<u>11,605</u>	<u>119,867</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,610)	(4,300)
Interest received		<u>13</u>	<u>32</u>
Net cash used in investing activities		<u>(5,597)</u>	<u>(4,268)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(7,595)</u>	<u>(7,317)</u>
Net cash used in financing activities		<u>(7,595)</u>	<u>(7,317)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(1,587)	108,282
Cash and cash equivalents at the beginning of the reporting period		<u>242,566</u>	<u>134,284</u>
Cash and cash equivalents at the end of the reporting period		<u>240,979</u>	<u>242,566</u>

The notes form part of these financial statements

Notes to the CHARITY Cash Flow Statement
for the Year Ended 31 March 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22	31.3.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	11,398	121,186
Adjustments for:		
Depreciation charges	18,649	18,531
Loss on disposal of fixed assets	-	271
Interest received	(13)	(32)
Interest paid	8,296	8,537
Movement on the inter-company balance	(1,613)	(33,701)
Decrease/(increase) in stocks	5,197	(1,694)
(Increase)/decrease in debtors	(11,496)	33,252
Decrease in creditors	(10,517)	(17,946)
Net cash provided by operations	<u>19,901</u>	<u>128,404</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>242,566</u>	<u>(1,587)</u>	<u>240,979</u>
	<u>242,566</u>	<u>(1,587)</u>	<u>240,979</u>
Debt			
Debts falling due within 1 year	(7,595)	(825)	(8,420)
Debts falling due after 1 year	<u>(202,924)</u>	<u>8,419</u>	<u>(194,505)</u>
	<u>(210,519)</u>	<u>7,594</u>	<u>(202,925)</u>
Total	<u>32,047</u>	<u>6,007</u>	<u>38,054</u>

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. GOING CONCERN

The accounts have been prepared on the assumption that both the charitable company and the group is able to carry on its business as a going concern, with the charitable company itself returning a small surplus on its activities in the year.

However, as a group, the issues noted in the subsidiary's financial statements for the year are also evident in the consolidated figures, but the group's deficit on its free reserves decreased slightly, by some £11,160 to £196,122 in the year to March 2022.

Due to these financial pressures, worsened by the recent and ongoing cost of living crisis, the board has had to make tough and difficult decisions in order to deal with the current situation, which included a review of both Seren Ffestiniog Cyf & Gwesty Seren's business objectives and future plans. This being carried out in the post year end period and, based on the initial findings, it was agreed that the existing model needed to change. More details on this are included within the 'future plans' section of the report of the trustees and the 'post balance sheet event' disclosure note.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention and assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The trustees, having reviewed the charity's position, are of a view that the charity is able to carry on its business as a going concern and thus these financial statements have been prepared on this basis.

The financial statements consolidate the results of the charity and its wholly owned subsidiary Gwesty Seren on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has also been presented herein.

The charitable company is limited by guarantee and should there be any assets whatsoever remaining upon any future winding up or dissolution, after satisfying all its debts and liabilities, they shall be paid to or distributed to another charitable institution which has similar objectives to those of the charity.

Preparation of consolidated financial statements

The financial statements contain consolidated information about Seren Ffestiniog Cyf and Gwesty Seren as of its incorporation on the 21 May 2012.

Income

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds.
- Any performance condition attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary.
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

Primary purpose and other trading operations

Income from commercial trading operations is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Where goods and/or services are to be provided for in a future period the income is deferred. Turnover represents goods sold and services provided to external customers, net of value added tax.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Income

Other income & investment income

Other income is recognised in the year in which it is received or receivable.

Investment income is accounted for on the accruals basis.

Incoming resources from charitable activities

Incoming resources from charitable activities includes income for the use of the charity's resource and is recognised as earned. Income is deferred when fees have been received in advance.

Grants received

Income from government and other grants, whether 'capital' or 'revenue' in nature, are recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, and it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Cost of generating funds comprises those costs incurred in the commercial trading activities. These are recognised on an accruals basis as the liability is incurred.

Charitable activities

Charitable activities are recognised on an accruals basis and include expenditure in relation to the charity's projects and both direct and support costs relating to these activities. Expenditure is summarised under functional headings on a direct cost basis.

Governance costs

Governance costs are recognised on an accruals basis and include those costs incurred in the governance of the charity and its assets and are primarily associated with meeting constitutional and statutory requirements but also includes other costs where appropriate.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Seren Ffestiniog Cyf	Freehold Property and Improvements	2% on cost per annum
Gwesty Seren	Freehold Property and Improvements	1% on cost per annum
Seren Group	Group freehold land	This is not depreciated
Seren Group	Plant and Machinery	20% on the reducing balance basis
Seren Group	Fixtures and Fittings	20% on the reducing balance basis
Seren Group	Motor Vehicles	25% on the reducing balance basis
Seren Ffestiniog Cyf	Computer Equipment	26% on the reducing balance basis
Gwesty Seren	Computer Equipment	20% on the reducing balance basis

Tangible fixed asset additions are capitalised if they cost more than £500 and can be used for more than one year. They are valued at cost or, if gifted, at their value on receipt.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value in use are recognised as impairments. Impairments of re-valued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until carrying amount reaches depreciated historical cost. All other impairments are recognised in the statement of financial activity.

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

Corporation Tax

Seren Ffestiniog Cyf, as a charitable company is exempt from tax on income and gains 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 object.

Gwesty Seren as a subsidiary undertaking and a company limited by guarantee is liable to income and corporation tax on its income and gains.

Value Added Tax

Seren Ffestiniog Cyf is registered for VAT under the registration number 810 9554 35 and Gwesty Seren under the registration number 160 8833 02 and in line with accounting convention the financial statements are prepared on the basis that, where applicable, all necessary figures are disclosed net of VAT.

Irrecoverable VAT

In most circumstances irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Fund accounting

Unrestricted funds

The general funds are unrestricted and can be used in accordance with the charitable objectives at the discretion of the trustees; these are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided to set aside for a specific reason or purpose.

Non-charitable trading funds

These funds are unrestricted in nature and are expendable for the furtherance of the objectives of the charity's group undertaking, Gwesty Seren without further specified purposes.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Restricted funds

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Social investments

Fixed asset investments are recognised at costs and are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Current asset investments are recognised when funds are transferred and the reconciled balance at the yearend is carried on the balance sheet.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Other policies

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are usually recognised at their settlement amount after allowing for any trade discounts due.

Legal status of the charitable company

The charitable company is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Bank accounts maintained, under contract, for the benefit of third parties

The Charitable company has tender awarded contracts for the Noddfa & Bryn Afon. As part of the contract, two bank accounts are maintained by the company. The moneys therein are not owned by Seren Ffestiniog Cyf, and these are not included within the financial statements. On 31 March 2022, these values of the amounts held in these accounts amounted to £7,709 (2021: £19,970).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. DONATIONS AND LEGACIES

GROUP

	31.3.22	31.3.21
	£	£
Donations	11,769	390
Grants	<u>-</u>	<u>35,000</u>
	<u>11,769</u>	<u>35,390</u>

Grants received, included in the above, are as follows:

	31.3.22	31.3.21
	£	£
Other grants	<u>-</u>	<u>35,000</u>

There were no grants received in the year ended 31 March 2022 by either the Parent or the Subsidiary

The £35,000 received by Seren Ffestiniog Cyf in the year ended 31 March 2021 were covid restriction related receipts from regional & local government sources.

There were no donations received from related parties in the year and in accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

CHARITY

	31.3.22	31.3.21
	£	£
Donations	11,768	389
Grants	<u>-</u>	<u>35,000</u>
	<u>11,768</u>	<u>35,389</u>

Grants received, included in the above, are as follows:

	31.3.22	31.3.21
	£	£
Other grants	<u>-</u>	<u>35,000</u>

Seren Ffestiniog Cyf
Trading as Grwp Seren

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

4. OTHER TRADING ACTIVITIES

GROUP

	31.3.22	31.3.21
	£	£
Shop income	197,234	97,901
Hotel income	269,011	143,025
Meals on wheels	36,684	45,633
	<u>502,929</u>	<u>286,559</u>

The shop income relates entirely to the trading activities undertaken by the charitable parent company, net of any transactions with the subsidiary. This income is deemed to be intertwined with the charitable objectives due to its nature and scope.

The hotel and meals on wheels income, which began during the first nationwide lockdown, represents the third-party turnover made by the subsidiary during the period noted. The wholly owned trading subsidiary, Gwesty Seren, is incorporated in the United Kingdom (company number 08077369) and the following is a summary of its trading results, gross of the intra-group trading:

	31.3.22	31.3.21
	£	£
Turnover	324,900	219,385
Other income	38,264	95,247
Cost of sales and other expenditure	(367,916)	(301,281)
Taxation	<u>(1,724)</u>	<u>89</u>
Net profit / (loss) after taxation	<u>(6,476)</u>	<u>13,440</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	965,581	965,647
Net current assets/(liabilities)	(17,403)	10,499
Non-current liabilities, deferred income and provisions	<u>(1,213,469)</u>	<u>(1,234,961)</u>
Net liabilities	<u>(265,291)</u>	<u>(258,815)</u>
Revaluation reserve	38,374	38,374
Retained earnings	(303,665)	(297,189)
Reserve totals	<u>(265,291)</u>	<u>(258,815)</u> *

* The subsidiary is limited by guarantee, with the charitable parent company as the sole member, hence it does not hold any share capital.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

4. OTHER TRADING ACTIVITIES

CHARITY

	31.3.22	31.3.21
	£	£
Shop income	<u>197,234</u>	<u>100,799</u>

5. INVESTMENT INCOME

GROUP & CHARITY

	31.3.22	31.3.21
	£	£
Deposit account interest	<u>13</u>	<u>32</u>

All of the group's investment income arises from money held in interest bearing deposit accounts.

6. INCOME FROM CHARITABLE ACTIVITIES

GROUP

		31.3.22	31.3.21
	Activity	£	£
Care in the community	Care in the community	779,066	709,091
Service level agreement	Care in the community	415,256	377,861
Grants	Care in the community	101,498	166,346
Private client fees	Care in the community	7,949	48,466
Bryn Afon	Care in the community	7,714	3,304
Noddfa	Care in the community	4,919	11,336
Grants	Gwesty Seren	<u>29,025</u>	<u>-</u>
		<u>1,345,427</u>	<u>1,316,404</u>

CHARITY

		31.3.22	31.3.21
	Activity	£	£
Care services	Provision of care in the community	779,066	709,091
Day services	Provision of care in the community	415,256	377,861
Grants	Provision of care in the community	101,498	166,346
Private client fees	Provision of care in the community	7,949	48,466
Bryn Afon income	Provision of care in the community	7,714	3,304
Noddfa income	Provision of care in the community	<u>4,919</u>	<u>11,336</u>
		<u>1,316,402</u>	<u>1,316,404</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. RAISING FUNDS

GROUP

Raising donations and legacies

	31.3.22	31.3.21
	£	£
Staff costs	<u>11,050</u>	<u>4,473</u>

Other trading activities

	31.3.22	31.3.21
	£	£
Opening stock	29,317	28,523
Purchases	165,869	94,248
Closing stock	(26,693)	(30,469)
Bad debts	<u>8,468</u>	<u>1,063</u>
	<u>176,961</u>	<u>93,365</u>

Aggregate amounts	<u>188,011</u>	<u>97,838</u>
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CHARITY

Raising donations and legacies

	31.3.22	31.3.21
	£	£
Staff costs	<u>11,050</u>	<u>4,473</u>

Other trading activities

	31.3.22	31.3.21
	£	£
Opening stock	29,317	27,623
Purchases	82,942	35,905
Closing stock	(24,119)	(29,317)
Bad debts	<u>16,676</u>	<u>-</u>
	<u>104,816</u>	<u>34,211</u>

Aggregate amounts	<u>115,866</u>	<u>38,684</u>
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Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. CHARITABLE ACTIVITIES COSTS

GROUP

	Direct Costs £	Support costs (see note 9) £	Totals £
Care in the community	1,354,024	26,060	1,380,084
Gwesty Seren	249,351	19,700	269,051
	<u>1,603,375</u>	<u>45,760</u>	<u>1,649,135</u>

CHARITY

	Direct Costs £	Support costs (see note 8) £	Totals £
Provision of care in the community	1,356,494	28,310	1,384,804

9. SUPPORT COSTS

GROUP

	Management £	Finance £	Governance costs £	Totals £
Care in the community	6,684	11,891	7,485	26,060
Gwesty Seren	1,318	13,367	5,015	19,700
	<u>8,002</u>	<u>25,258</u>	<u>12,500</u>	<u>45,760</u>

CHARITY

	Management £	Finance £	Governance costs £	Totals £
Provision of care in the community	8,934	11,891	7,485	28,310

10. NET INCOME/(EXPENDITURE)

GROUP

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

	31.3.22 £	31.3.21 £
Depreciation - owned assets	32,610	30,220
Hire of plant and machinery	6,892	3,066
Deficit on disposal of fixed assets	-	271

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

10. NET INCOME/(EXPENDITURE) – continued

CHARITY

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

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	18,650	18,531
Hire of plant and machinery	6,371	2,776
Deficit on disposal of fixed assets	-	271
	<u>-</u>	<u>271</u>

11. AUDITORS' REMUNERATION

GROUP

	31.3.22	31.3.21
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	8,100	7,370
Accountancy services	<u>4,400</u>	<u>4,065</u>

CHARITY

	31.3.22	31.3.21
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	4,500	4,090
Accountancy services	<u>2,985</u>	<u>2,715</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

GROUP & CHARITY

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

There were no salaried trustees in the year to March 2022 nor in the previous year to March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

13. STAFF COSTS

GROUP

	31.3.22	31.3.21
	£	£
Wages and salaries	1,288,015	1,142,742
Social security costs	97,829	76,358
Other pension costs	<u>26,629</u>	<u>24,069</u>
	<u>1,412,473</u>	<u>1,243,169</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. STAFF COSTS - continued

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

	31.3.22	31.3.21
Seren Management	11	5
Gwesty Management	2	2
Other staff at Seren	45	50
Other staff at Gwesty	13	8
	<u>71</u>	<u>65</u>

No employees received emoluments in excess of £60,000.

CHARITY

	31.3.22	31.3.21
	£	£
Wages and salaries	1,115,850	1,008,620
Social security costs	86,905	69,768
Other pension costs	23,763	19,916
	<u>1,226,518</u>	<u>1,098,304</u>

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

	31.3.22	31.3.21
Management	11	5
Other staff	45	50
	<u>56</u>	<u>55</u>

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

2021 GROUP SoFA breakdown

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	35,390	-	35,390
Charitable activities			
Care in the community	1,316,404	-	1,316,404
Other trading activities	97,901	188,658	286,559
Investment income	32	-	32
Other income	<u>3,100</u>	<u>86,277</u>	<u>89,377</u>
Total	<u>1,452,827</u>	<u>274,935</u>	<u>1,727,762</u>
EXPENDITURE ON			
Raising funds	37,625	60,213	97,838
Charitable activities			
Care in the community	1,240,580	-	1,240,580
Gwesty Seren (including deferred tax provision)	-	226,392	226,392
Other	<u>25,607</u>	<u>11,690</u>	<u>37,297</u>
Total	<u>1,303,812</u>	<u>298,295</u>	<u>1,602,107</u>
NET INCOME/(EXPENDITURE)	149,015	(23,360)	125,655
Transfers between funds	(26,692)	26,692	-
Consolidation adjustment	<u>-</u>	<u>3,264</u>	<u>3,264</u>
Net movement in funds	122,323	6,596	128,919
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>566,985</u>	<u>703,503</u>	<u>1,270,488</u>
TOTAL FUNDS CARRIED FORWARD	<u>689,308</u>	<u>710,099</u>	<u>1,399,407</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

2021 CHARITY SoFA breakdown

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	35,389
Charitable activities	
Provision of care in the community	1,316,404
Other trading activities	100,799
Investment income	32
Other income	<u>3,100</u>
Total	<u><u>1,455,724</u></u>
EXPENDITURE ON	
Raising funds	38,684
Charitable activities	
Provision of care in the community	1,270,247
Other	<u>25,607</u>
Total	<u><u>1,334,538</u></u>
NET INCOME	121,186
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>865,026</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>986,212</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

15. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Recycling shed at cost £	Improvements to properties £	Plant and machinery £
COST				
At 1 April 2021	948,383	89,329	905,142	44,261
Additions	-	-	-	5,260
At 31 March 2022	948,383	89,329	905,142	49,521
DEPRECIATION				
At 1 April 2021	244,414	18,508	100,996	40,629
Charge for year	11,716	1,475	8,937	1,778
At 31 March 2022	256,130	19,983	109,933	42,407
NET BOOK VALUE				
At 31 March 2022	692,253	69,346	795,209	7,114
At 31 March 2021	703,969	70,821	804,146	3,632
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2021	47,642	45,818	34,462	2,115,037
Additions	3,968	-	10,277	19,505
At 31 March 2022	51,610	45,818	44,739	2,134,542
DEPRECIATION				
At 1 April 2021	41,543	30,597	31,661	508,348
Charge for year	2,013	3,722	2,969	32,610
At 31 March 2022	43,556	34,319	34,630	540,958
NET BOOK VALUE				
At 31 March 2022	8,054	11,499	10,109	1,593,584
At 31 March 2021	6,099	15,221	2,801	1,606,689

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

15. TANGIBLE FIXED ASSETS – continued

CHARITY

	Freehold property £	Recycling shed at cost £	Improvements to properties £	Plant and machinery £
COST				
At 1 April 2021	711,938	89,329	102,676	44,261
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	711,938	89,329	102,676	44,261
DEPRECIATION				
At 1 April 2021	227,894	18,508	34,037	40,629
Charge for year	<u>10,084</u>	<u>1,475</u>	<u>1,430</u>	<u>726</u>
At 31 March 2022	237,978	19,983	35,467	41,355
NET BOOK VALUE				
At 31 March 2022	473,960	69,346	67,209	2,906
At 31 March 2021	<u>484,044</u>	<u>70,821</u>	<u>68,639</u>	<u>3,632</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2021	20,289	43,735	19,830	1,032,058
Additions	<u>-</u>	<u>-</u>	<u>5,610</u>	<u>5,610</u>
At 31 March 2022	20,289	43,735	25,440	1,037,668
DEPRECIATION				
At 1 April 2021	20,210	30,180	19,557	391,015
Charge for year	<u>16</u>	<u>3,389</u>	<u>1,530</u>	<u>18,650</u>
At 31 March 2022	20,226	33,569	21,087	409,665
NET BOOK VALUE				
At 31 March 2022	63	10,166	4,353	628,003
At 31 March 2021	<u>79</u>	<u>13,555</u>	<u>273</u>	<u>641,043</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

16. FIXED ASSET INVESTMENTS

CHARITY

	31.3.22	31.3.21
	£	£
Gwesty Seren investment	<u>334,118</u>	<u>332,505</u>
		Loans to group undertakings £
At 1 April 2021		332,505
New in year		<u>1,613</u>
At 31 March 2022		<u>334,118</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:

Gwesty Seren

Registered office: Unit 2 Llwyn Gell Industrial Estate, Blaenau Ffestiniog, Gwynedd, Wales, LL41 3NE

Nature of business: Hotel

	31.3.22	31.3.21
	£	£
Aggregate capital and reserves	(265,291)	(258,815)
Profit/(Loss) for the year	<u>(6,476)</u>	<u>13,440</u>

The investment being held as a programme related investment for its surplus funds, one which has been agreed by the board to advance the objectives of the charity through the support of the aligned services offered by its subsidiary.

The investment has, in the formative period of the subsidiary, been structured as a concessionary loan, and this treatment was extended due to the current Coronavirus restrictions. This means that the investment is recognised at cost, less any repayments or impairments.

17. STOCKS

GROUP

	31.3.22	31.3.21
	£	£
Harrods stock	10,036	14,114
Drill Hall stock	4,191	4,790
Gwesty Seren stock	2,574	1,152
Cylch yr Efail stock	3,605	3,500
Gainsborough stock	<u>6,288</u>	<u>6,913</u>
	<u>26,694</u>	<u>30,469</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

17. STOCKS – continued

CHARITY

	31.3.22	31.3.21
	£	£
Harrods stock	10,036	14,114
Drill Hall stock	4,191	4,790
Cylch yr Efail stock	3,605	3,500
Gainsborough stock	6,288	6,913
	<u>24,120</u>	<u>29,317</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	31.3.22	31.3.21
	£	£
Trade debtors	114,449	100,829
Other debtors	9,282	5,469
Value added tax	-	3,522
Prepayments	11,202	7,778
	<u>134,933</u>	<u>117,598</u>

CHARITY

	31.3.22	31.3.21
	£	£
Trade debtors	102,823	94,491
Other debtors	9,282	-
Value added tax	-	3,522
Prepayments	5,182	7,778
	<u>117,287</u>	<u>105,791</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	31.3.22	31.3.21
	£	£
Bank loans and overdrafts (see note 21)	36,596	28,092
Trade creditors	37,197	24,575
Credit card account	190	-
Social security and other taxes	28,225	20,328
Value added tax	15,527	8,030
Other creditors	100,583	77,714
Accrued expenses	17,994	11,435
Deferred government grants	5,796	-
	<u>242,108</u>	<u>170,174</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

CHARITY

	31.3.22	31.3.21
	£	£
Bank loans and overdrafts (see note 21)	8,420	7,595
Trade creditors	20,746	49,644
Credit card account	190	-
Social security and other taxes	25,500	20,328
Value added tax	1,939	-
Other creditors	88,112	77,714
Accrued expenses	7,485	6,805
	<u>152,392</u>	<u>162,086</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

GROUP

	31.3.22	31.3.21
	£	£
Bank loans (see note 21)	<u>396,048</u>	<u>422,427</u>

CHARITY

	31.3.22	31.3.21
	£	£
Bank loans (see note 21)	<u>194,505</u>	<u>202,924</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

21. LOANS

GROUP

An analysis of the maturity of loans is given below:

	31.3.22	31.3.21
	£	£
Amounts falling due within one year on demand:		
Unity Trust loan account	8,420	7,595
Gwesty Seren loan	28,176	20,497
	<u>36,596</u>	<u>28,092</u>
Amounts falling between one and two years:		
Unity Trust loan account - 1-2 years	8,204	7,904
Gwesty Seren loan	28,176	27,330
	<u>36,380</u>	<u>35,234</u>
Amounts falling due between two and five years:		
Unity Trust loan account - 2-5 years	26,730	25,667
Gwesty Seren loan	84,527	81,990
	<u>111,257</u>	<u>107,657</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Unity Trust loan	159,571	169,353
Gwesty Seren loan	88,840	110,183
	<u>248,411</u>	<u>279,536</u>

CHARITY

An analysis of the maturity of loans is given below:

	31.3.22	31.3.21
	£	£
Amounts falling due within one year on demand:		
Unity trust bank due in < 1 year	8,420	7,595
Amounts falling between one and two years:		
Unity trust bank due in 1 - 2 years	8,204	7,904
Amounts falling due between two and five years:		
Unity trust bank due in 2 - 5 years	26,730	25,667
Amounts falling due in more than five years:		
Repayable by instalments:		
Unity trust bank due in > 5 years	159,571	169,353

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

22. LEASING AGREEMENTS

GROUP & CHARITY

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

	31.3.22	31.3.21
	£	£
Within one year	7,982	10,152
Between one and five years	<u>23,945</u>	<u>40,606</u>
	<u>31,927</u>	<u>50,758</u>

23. SECURED DEBTS

GROUP

The following secured debts are included within creditors:

	31.3.22	31.3.21
	£	£
Bank loans	<u>432,644</u>	<u>450,519</u>

CHARITY

The following secured debts are included within creditors:

	31.3.22	31.3.21
	£	£
Bank loans	<u>202,925</u>	<u>210,519</u>

Recorded Charges:

Seren Ffestiniog Cyf

HSBC Bank plc

Charge date: 01/06/2015

Charge code: 0359 6581 0007

Type: Legal mortgage

Details: A legal mortgage over the freehold property known as land and buildings lying to the north east side of Dorvil Street, Blaenau Ffestiniog - HM Land Registry Title number WA567730.

The agreement also contains a negative pledge.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

23. SECURED DEBTS – continued

Unity Trust Bank Plc

Charge date: 23/02/2015

Charge code: 0359 6581 0005

Type: Legal mortgage

Details: By way of legal mortgage, all estate, right, title and other interests of the company in the freehold property known as 17 Church Street, Blaenau Ffestiniog, LL41 3HB - HM Land Registry Title number WA629517.

Unity Trust Bank Plc

Charge date: 23/02/2015

Charge code: 0359 6581 0006

Type: Legal mortgage

Details: By way of legal mortgage, all estate, right, title and other interests of the company in the freehold property known as Units 1 & 2 Llwyngell Enterprise Park, Blaenau Ffestiniog, LL41 3HT - HM Land Registry Title number CYM378420.

Gwesty Seren

The Charity Bank Limited have as of the 12th July 2012 a legal charge over the freehold property known as Bryn Llewelyn, Llan Ffestiniog, Gwynedd, LL41 4NS.

The Big Lottery Fund also have as of the 9th August 2012 a legal charge over the freehold property known as Bryn Llewelyn, Llan Ffestiniog, Gwynedd, LL41 4NS.

The restrictions imposed by this legal charge as well as legal charge imposed by The Charity Bank Limited mean that no disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any other registered charge, not being a charge registered before the entry of these restrictions, is to be registered without a written consent signed by the proprietor for the time being of the charges dated 12th July 2012 and 9th August 2012 respectively in favour of The Charity Bank Limited and the Big Lottery Fund referred to in the Charges Register.

Both of these charges have been registered at Companies House and are detailed on the title document held by the Land Registry under title number CYM566060.

24. PROVISIONS FOR LIABILITIES

GROUP

	31.3.22	31.3.21
	£	£
Gwesty Seren, the subsidiary's deferred tax provision	<u>12,666</u>	<u>10,942</u>

The abovementioned provision and movement in the year represents the timing differences between the depreciation and capital allowance claims that have not been reversed at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

25. MOVEMENT IN FUNDS

GROUP

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	689,308	13,547	(39,363)	663,492
Restricted funds				
Gwesty Seren	710,099	(15,492)	39,363	733,970
TOTAL FUNDS	<u>1,399,407</u>	<u>(1,945)</u>	<u>-</u>	<u>1,397,462</u>

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

	Incoming resources £	Resources expended £	Conjoining adjustments £	Movement in funds £
Unrestricted funds				
General fund	1,530,718	(1,517,171)	-	13,547
Restricted funds				
Gwesty Seren	334,895	(352,584)	2,197	(15,492)
TOTAL FUNDS	<u>1,865,613</u>	<u>(1,869,755)</u>	<u>2,197</u>	<u>(1,945)</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	566,985	149,015	(26,692)	689,308
Restricted funds				
Gwesty Seren	703,503	(20,096)	26,692	710,099
TOTAL FUNDS	<u>1,270,488</u>	<u>128,919</u>	<u>-</u>	<u>1,399,407</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

25. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Conjoining adjustments £	Movement in funds £
Unrestricted funds				
General fund	1,452,827	(1,303,812)	-	149,015
Restricted funds				
Gwesty Seren	274,935	(298,295)	3,264	(20,096)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,727,762</u>	<u>(1,602,107)</u>	<u>3,264</u>	<u>128,919</u>

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

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	566,985	162,562	(66,055)	663,492
Restricted funds				
Gwesty Seren	703,503	(35,588)	66,055	733,970
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,270,488</u>	<u>126,974</u>	<u>-</u>	<u>1,397,462</u>

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

	Incoming resources £	Resources expended £	Conjoining adjustments £	Movement in funds £
Unrestricted funds				
General fund	2,983,545	(2,820,983)	-	162,562
Restricted funds				
Gwesty Seren	609,830	(650,879)	5,461	(35,588)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,593,375</u>	<u>(3,471,862)</u>	<u>5,461</u>	<u>126,974</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

25. MOVEMENT IN FUNDS – continued

CHARITY

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	986,212	11,398	997,610
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	986,212	11,398	997,610
	<hr/>	<hr/>	<hr/>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,530,717	(1,519,319)	11,398
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	1,530,717	(1,519,319)	11,398
	<hr/>	<hr/>	<hr/>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	865,026	121,186	986,212
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	865,026	121,186	986,212
	<hr/>	<hr/>	<hr/>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,455,724	(1,334,538)	121,186
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	1,455,724	(1,334,538)	121,186
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

26. SUBSIDIARY UNDERTAKING DETAILS

Gwesty Seren is the charitable company's only subsidiary and is owned in its entirety by Seren Ffestiniog Cyf. Gwesty Seren is a private company, limited by guarantee, registered in England and Wales. The company's registered number is 08077369 and its registered office address is the same as the parent's, which can be found on the Company Information page.

A summary of its adjusted turnover and expenditure are included as the restricted fund on the face of the SoFA and in more detail within a note to these financial statements. The subsidiary's audit report for the year ended on 31 March 2022 was modified via an emphasis of matter paragraph included to draw attention to the 'going concern' disclosures made within the financial statements.

The Board of Seren ffestiniog Cyf have also confirmed their continued support for the subsidiary undertaking.

27. RELATED PARTY DISCLOSURES

The trustees have reviewed their requirements with regard related party disclosure, and deem the following to be the necessary group disclosure for the year:

Gwesty Seren

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key management costs and remuneration

The board consider its key management personnel for the charity to comprise the trustees, the Chief Executive Officer, and the other department heads, as together they are responsible for the day-to-day operations of the charity. The total employment benefits, which included employer national insurance and pension contributions, of the key management personnel was £203,239 (2021: £167,362). In the group context, the Hotel Manager and Deputy Manager would also be considered to be key management, and the total group cost for 2022 was £254,190 (2021: £213,524). No employee received any benefits in excess of £60,000.

There was no remuneration or out of pocket expenditure reimbursement paid to the trustees in this or the preceding year.

Madoc Construction

The Company Secretary resigned on 13 May 2021, and up to this date, a business owned and operated by her husband carried out work for the company. During the period to 13 May 2021 there were no invoices raised (2021: Nil).

Williams & Williams Cyf

Angela Middleton-Jones, the new chief executive (appointed 29/6/2021), is a director and company secretary for this business, which is owned by her husband. Seren Cyf makes use of the company's services with the following being paid in the period between the appointment and the end of March 2022: £2,040 (2021: was not related).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

28. POST BALANCE SHEET EVENTS

Care:

Seren has been informed by the CIW that the Non-Compliant notification issued in December 2020 has been removed and is now deemed to be fully compliant. The Local Authority Safeguarding Team has also confirmed that their investigation is now closed. As a result of the above, the Care Manager resigned and a new, experienced Care Manager has successfully completed his initial trial period with Seren, and now oversees all of the charity's care provisions.

Late into 2022, Seren were advised by the Local Authority that our service agreement in regard to Bryn Afon would not be extended beyond the end of January 2023. The impact of this decision will have a significant bearing on our financial situation going forward.

Retail Outlets:

Due to financial pressures within the retail sector over recent years and worsened by the recent and ongoing cost of living crisis, Seren reviewed all its retail businesses and as a result the Board had to make tough and difficult decisions in order to deal with the current situation.

As a result, two shops in Blaenau Ffestiniog, one owned with the other rented have closed with the owned premises currently on the market.

The retail outlet located 10 miles away in Porthmadog has also closed and is currently up for sale. The decision regarding this business was not solely taken for financial reasons but based on the new business plan, the location and condition of the premises was not beneficial.

Our main outlet at Llwyngell remains although heavily curtailed in the short term due in part to our revised vision for our retail operations in the future.

As a result of the changes to our retail operations meant that Seren for the first time had to take the difficult decision of staff redundancies. Before this however, the Company ensured that all staff affected were given the opportunity to move to the care side of Seren's business before taking redundancy.

Board Member changes:

Further to two Board members stepping down during 2021, three long established Board Members which included Seren's founder, Linda Jones stood down in September 2022. The Board recognised contributions made by all during their time serving the Company.

Senior Management Team changes:

Guto Evens joined the Management team in May 2022 as Accounts Manager. Guto is a qualified accountant and is a full member of AAT (Association of Accounting Technicians) with 11 years' experience in the field of financial accounting and budgeting, working mainly in the private sector.

Sioned Williams has returned to the Management Team as Business and Sales Manager following her maternity leave.

Investment in Gwesty Seren by the Charitable parent company:

Seren Board members unanimously agreed, in late 2022, to continue financially supporting Gwesty as and when it is needed and have confirmed their support of Gwesty and will continue to provide financial support as and when needed.

Over the coming year we intend to review how the hotel is used by the public with a view to make further amendments to the model. The model under consideration, is that the hotel will remain open as currently during the main holiday period i.e., Easter to October half term. The offering will include a mix of traditional guests, families with disabilities etc., and also respite care with support offered by Seren's employed care staff. However, during the winter months, the hotel's primary function would shift from providing quality holiday for all guests to the provision of respite care in a holiday model only. This will range from ensuring that those staying with us for respite care have many quality experiences of a varied nature and those clients "working" at the hotel benefiting from supervised activities be they kitchen based, housekeeping or customer interface.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

28. POST BALANCE SHEET EVENTS - continued

Day care provision has also grown in recent months which now also operates from Gwesty Seren, supported by qualified Care Staff from Seren. By engaging this part of the business this way, we are seeking to optimise staffing capacity and costings.

Following Gwynedd Council's decision not to provide further financial support in respect of "Meals on Wheels" it was agreed that Gwesty Seren could not continue with the service due to reviewing its profitability and taking account the reduced number of participants within the scheme.

Following a review of costs and in particular wages, changes have been made with senior members of staff reducing their hours, with other staff members moving to other business locations within Seren Group. The business has been able to make savings and changes without the need for redundancies.

As previously stated, remedial action has commenced to address the re-positioning of the hotel's trading operation and from November 2022, its relationship with booking.com was reviewed to reflect the revised public trading pattern of April to October only.

29. FINANCIAL INSTRUMENTS

The carrying value of the current financial assets & liabilities include:

Group level financial assets that are debt instruments measured at amortised costs

	31.3.22	31.3.21
	£	£
Trade debtors	134,933	117,598
Cash at bank and in hand	<u>293,072</u>	<u>248,194</u>

Group level financial liabilities that are debt instruments measured at amortised costs

	31.3.22	31.3.21
	£	£
Bank loans and overdrafts (see note 21)	36,596	28,092
Trade creditors	37,197	24,575
Other creditors	100,583	77,714
Accrued expenses	<u>17,994</u>	<u>11,435</u>

30. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties of the group are deemed to be Seren Ffestiniog Cyf's members.