

Report of the Trustees and
Financial Statements for the Year Ended 31st March 2023
for
Seren Ffestiniog Cyf
Trading as Grwp Seren

A.Hughes-Jones, Dyson & Co.
Statutory Auditor
Chartered Accountants
Capel Moreia
South Penrallt
Caernarfon
Gwynedd
LL55 1NS

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for the Year Ended 31st March 2023

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Seren Ffestiniog Cyf
Trading as Grwp Seren

Reference and Administrative Details
for the Year Ended 31st March 2023

TRUSTEES

A L Ellis
E J Lewis
Mrs M A Williams
Ms R E Morgan
W A Evans
M Jones
Ms A M Ellis (resigned 9.9.22)
Ms L A W Jones (resigned 5.9.22)
Mr J E Ellis (resigned 9.9.22)

COMPANY SECRETARY

A L Ellis

REGISTERED OFFICE

Unit 2 Llwyngell
Blaenau Ffestiniog
Gwynedd
LL41 3NE

**REGISTERED COMPANY
NUMBER**

03596581 (Wales)

**REGISTERED CHARITY
NUMBER**

1108461

AUDITORS

A.Hughes-Jones, Dyson & Co.
Statutory Auditor
Chartered Accountants
Capel Moreia
South Penrallt
Caernarfon
Gwynedd
LL55 1NS

BANKERS

Unity Trust PLC
9 Brindley Place
Birmingham
B1 2HB

HSBC PLC
62 Stryd Fawr
Porthmadog
Gwynedd
LL49 9LN

Report of the Trustees
for the Year Ended 31st March 2023

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 31st March 2023. 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).

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.

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, domiciliary and respite care.

Domiciliary income came from Noddfa, Bryn Afon and 1 other tenancy. The Bryn Afon tenancy was offered to a different provider and responsibility was transferred early in 2023. However, Seren initially temporarily took over the responsibility for Hafan during the summer of 2022 and was later awarded the tenancy for Hafan for up to 5 years with effect from August 2023.

Trading outlets were significantly reduced - Drill Hall, Waverley and Gainsborough were closed as costs were unsustainable and products centralised to the Warehouse and Recycling Centre, known as Harods, being the charity's flagship retail outlet. This resulted in a small number of redundancies as redeployment to care offered wasn't accepted. On this site, both new and second hand furniture and other household goods are sold. Textiles and clothing reuse and recycling projects are also undertaken from here. A small amount of income came from Cylch yr Efail and Gerddi 'Stiniog.

As a result of the redundancies and to provide improved experiences for the individuals, the business model was amended to ensure that the individuals are at the heart of every decision made. The decision to centralise all retail under 1 roof and to offer improved opportunities to individuals has proved successful and will be replicated over time to all outlets, including Gwesty Seren.

Day Care provision continued to grow steadily during this financial year with a small minority of individuals choosing not to return, however an increase in new individuals exceeded these reductions, so overall the provision increased, creating additional staffing needs.

Gwesty Seren

Gwesty Seren is used wholly but not exclusively for the respite care provision, with a secondary day care provision run from there, which includes offering work experience to individuals in all aspects of hospitality and catering. Seren continues to support the Hotel as it's wholly owned trading subsidiary which has been in operation since April 2014. This unique respite care as a holiday model is not knowingly replicated elsewhere in Wales, whilst also providing a destination point for guests enjoying vacations, including older guests with accessibility needs. It is regularly used to host meetings with other stakeholders and hosts the Seren weekly club amongst other things. Gwesty Seren will play an integral role in Seren's marketing strategy which is being developed.

Gwesty Seren also provides a 'Meals on Wheels' service.

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 guidelines 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.

Report of the Trustees
for the Year Ended 31st March 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

Most of Seren's income is generated from care fees, and similar to those in previous years, 2022/23 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 leading to an increase in respite care.

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 an increasing number of those in need within our community.

Staff are continually provided with a comprehensive Care training programme which covers most aspects of care qualifications and other relevant short courses.

As our staff are key, wages and pension provision are constantly reviewed to ensure they meet or 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 the previous year, and the Company has been able to achieve this and ensure that the right staff are in the right areas to grow the business 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 6 months even if all income streams should suddenly end. This would in our view provide sufficient time for those who rely on our services to find replacement support services should a worse case scenario occur. The trustees therefore consider £600,000 to be an appropriate level of reserves to cover its expenditure for 6 months.

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 group as a whole generating a surplus of £30,421. Gwesty Seren suffered a post tax loss of £35,078 and has net liabilities as at the 31st March 2023 of £300,369. The trading model of Gwesty Seren has been reviewed and changes introduced to mitigate these losses. Gwesty Seren is seen as an integral part of the group's ability to deliver its aims and the parent company has resolved to continue its support for Gwesty Seren.

Future plans

Future long term strategic plans for Seren include developing an out-of-town style retail outlet at the Llwyngell site.

Future developments for Gwesty Seren include developing Gerddi Stiniog to enhance the gardens experience for both customers and individuals and developing a training centre at Gwesty Seren concentrating on catering/hospitality and business/marketing skills to promote a more active involvement with aspects of the business.

A feasibility study has also been prepared to explore the possibility of purchasing and developing the building known as Uned Stiniog adjacent to Gwesty Seren to provide additional facilities for the hotel and the training centre.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

Three Board resignations were received during this financial year, however the remaining Board members decided to retain the current number of members for the time being due to their in-depth understanding of the background and current financial challenges with a possible review when the situation improved or should the current levels prove to be too challenging to manage Board decisions effectively.

Report of the Trustees
for the Year Ended 31st March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Chief Executive Officer -

Angela Middleton-Jones, appointed on 29/06/22. Angela has worked in the public, private and educational sectors for over 30 years, specialising in HR Management and holds a CIPD professional qualification and membership, together with a NEBOSH qualification in Health and Safety. Angela is listed as Company Secretary and Director for Williams a Williams Cyf and is also a newly appointed as a Board Director for Cymunedoli Cyf

Care Manager -

Aled Williams, appointed on 05/07/21. Aled comes with 30 years of experience in all aspects of Care, mainly but not exclusively in Learning Disability. His initial care experience came from the shop floor and included a period of time as an NVQ Lecturer/Assessor. He progressed into management roles for the Elderly and Dementia Residential and Nursing homes as well as managing community homes for individuals with mental health/learning disabilities and serious challenging behaviours before joining Seren.

Finance Manager -

Guto Evens, appointed on 09/05/22. Guto is professionally qualified and has an experienced background in a privately owned Accountancy Firm of 11 years prior to joining Seren. He brought with him added value to the field of financial accounting and budgeting from the private sector and introduced an in-depth understanding of working accounts which improved day to day business efficiency.

Sales, Business and Marketing Manager -

Sioned Lewis, appointed on 06/01/14. With a degree in Business and Marketing, and having previously worked in the majority of outlets within Seren, this newly developed role has allowed Sioned to bring her previous experience together with her academic background to develop the retail opportunities and enhance trading income.

HR, H&S, Training and Quality Manager -

Joanne Farrington, appointed on 08/03/04 initially in Care at the shop floor, developing into Team Leader, she grew over time to take responsibility for all aspects of the corporate provision. Jo holds professional qualifications in HR having undertaken a CIPD course, as well as a NEBOSH qualification and is the longest serving member of the Management Team with an in-depth knowledge of staff and also the company's history.

Key management remuneration

The board consider its key management personnel for the charity to comprise of the trustees, the chief executive officer and the other department heads, as they are responsible for the day to day running of the charity.

Total employment benefits, which include employer national insurance and pension contributions, of the key management personnel was £172,315 (2022 £167,362)

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).

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Report of the Trustees
for the Year Ended 31st March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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, A.Hughes-Jones, Dyson & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13th December 2023 and signed on the board's behalf by:

W A Evans - Trustee

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 company') and its subsidiary as part of the consolidated group financial statements for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 31st March 2023 and of its 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 going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 relating to going concern.

We draw your attention to the information set out in the trustees' report and notes to the financial statements regarding the trading results and accumulated reserve losses in the trading company Gwesty Seren.

Particular attention should be drawn to the emphasis of matter paragraph included in the subsidiary's audit report for the year ended 31st March 2023. The subsidiary will continue in the medium term to be dependent on the support of the parent company, which has confirmed that support will continue on the grounds that the facility is seen as an essential part in delivering the charitable company's aims and objectives.

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 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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:

We obtained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates. We determined that the the key laws and regulations affecting the company are the Companies Act 2006, UK GAAP, Charities Act 2011 and social care regulations..

We identified that the the greatest audit risk in relation to fraud and error was in relation to revenue recognition. We have assessed that the the risk to the financial statements of being susceptible to material misstatement is low.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud may occur. Audit procedures performed by the engagement team included:

Assessing the design and implementation of management control to prevent and detect fraud;
Identifying and testing manual journal entries, in particular entries posted to revenue;
Assessing the extent of compliance with laws and regulations.

We made inquiries with management to understand whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. We corroborated the results of our enquiries to supporting documentation such as board minutes.

We have not identified or been advised of actual or suspected fraud or instances of non compliance with key regulations. The experience of the audit team was deemed to be sufficient to identify fraud or errors in this engagement.

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.

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

Use of our report

This report is made solely to the group and 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.

Brian Hughes (Senior Statutory Auditor)
for and on behalf of A.Hughes-Jones, Dyson & Co.
Statutory Auditor
Chartered Accountants
Capel Moreia
South Penrallt
Caernarfon
Gwynedd
LL55 1NS

13th December 2023

Seren Ffestiniog Cyf
Trading as Grwp Seren

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2023

	Notes	Unrestricted fund £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,935	-	3,935	11,769
Charitable activities	5				
Provision of care in the community		1,824,593	-	1,824,593	1,316,402
Gwesty Seren		-	40,066	40,066	29,025
Other trading activities	3	134,942	255,780	390,722	503,104
Investment income	4	600	135	735	13
Other income		-	-	-	5,300
Total		1,964,070	295,981	2,260,051	1,865,613
EXPENDITURE ON					
Raising funds	6	93,864	55,130	148,994	188,012
Charitable activities	7				
Provision of care in the community		1,742,241	-	1,742,241	1,382,655
Gwesty Seren		-	314,042	314,042	268,201
Other		22,409	14,610	37,019	32,611
Total		1,858,514	383,782	2,242,296	1,871,479
Taxation		-	12,666	12,666	1,724
NET INCOME/(EXPENDITURE)		105,556	(75,135)	30,421	(4,142)
Transfers between funds		(85,125)	85,125	-	-
Consolidation adjustments		-	-	-	2,197
Net movement in funds		20,431	9,990	30,421	(1,945)
RECONCILIATION OF FUNDS					
Total funds brought forward		663,492	733,970	1,397,462	1,399,407
TOTAL FUNDS CARRIED FORWARD		683,923	743,960	1,427,883	1,397,462

The notes form part of these financial statements

Seren Ffestiniog Cyf
Trading as Grwp Seren

Consolidated Balance Sheet
31st March 2023

	Notes	Unrestricted fund £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	13	626,375	959,045	1,585,420	1,593,584
		<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS					
Stocks	15	15,205	1,898	17,103	26,694
Debtors	16	120,274	43,969	164,243	134,933
Cash at bank and in hand		267,952	5,618	273,570	293,073
		<hr/>	<hr/>	<hr/>	<hr/>
		403,431	51,485	454,916	454,700
CREDITORS					
Amounts falling due within one year	17	(149,585)	(71,239)	(220,824)	(242,108)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		253,846	(19,754)	234,092	212,592
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		880,221	939,291	1,819,512	1,806,176
CREDITORS					
Amounts falling due after more than one year	18	(196,298)	(195,331)	(391,629)	(396,048)
PROVISIONS FOR LIABILITIES	21	-	-	-	(12,666)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		683,923	743,960	1,427,883	1,397,462
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	22				
Unrestricted funds – General funds				683,923	663,492
Restricted funds- Gwesty Seren				743,960	733,970
				<hr/>	<hr/>
TOTAL FUNDS				1,427,883	1,397,462
				<hr/>	<hr/>

The trustees have prepared group accounts in accordance with section 398 of the 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 13th December 2023 and were signed on its behalf by:

W A Evans - Trustee

The notes form part of these financial statements

Seren Ffestiniog Cyf
Trading as Grwp Seren

Consolidated Cash Flow Statement
for the Year Ended 31st March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	55,329	103,911
Interest paid		<u>(25,577)</u>	<u>(21,663)</u>
Net cash provided by operating activities		<u>29,752</u>	<u>82,248</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(28,855)	(19,505)
Interest received		<u>735</u>	<u>13</u>
Net cash used in investing activities		<u>(28,120)</u>	<u>(19,492)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(21,135)</u>	<u>(17,877)</u>
Net cash used in financing activities		<u>(21,135)</u>	<u>(17,877)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(19,503)	44,879
Cash and cash equivalents at the beginning of the reporting period		<u>293,073</u>	<u>248,194</u>
Cash and cash equivalents at the end of the reporting period		<u><u>273,570</u></u>	<u><u>293,073</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31st March 2023

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

	31.3.23	31.3.22
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	30,421	(1,945)
Adjustments for:		
Depreciation charges	37,019	32,609
Consolidation adjustment	-	(2,197)
Interest received	(735)	(13)
Interest paid	25,577	21,663
Decrease in stocks	9,591	3,775
Increase in debtors	(29,193)	(16,933)
(Decrease)/increase in creditors	<u>(17,351)</u>	<u>66,952,</u>
Net cash provided by operations	<u>55,329</u>	<u>103,911</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>293,073</u>	<u>(19,503)</u>	<u>273,570</u>
	<u>293,073</u>	<u>(19,503)</u>	<u>273,570</u>
Debt			
Debts falling due within 1 year	(36,595)	16,716	(19,879)
Debts falling due after 1 year	<u>(396,048)</u>	<u>4,419</u>	<u>(391,629)</u>
	<u>(432,643)</u>	<u>21,135</u>	<u>(411,508)</u>
Total	<u><u>(139,570)</u></u>	<u><u>1,632</u></u>	<u><u>(137,938)</u></u>

Notes to the Financial Statements
for the Year Ended 31st March 2023

1. 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. The trustees have reviewed the charity's position and are of the view that the charity is able to carry on its business as a going concern and thus these financial statements have been prepared on that basis.

Preparation of consolidated financial statements

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, 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.

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 the 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 include 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.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

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

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

1. ACCOUNTING POLICIES - continued

Taxation

Corporation Tax:- Seren Ffestiniog Cyf as a charitable company is exempt from corporation tax on income and gains within section 505 of the Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Gwesty Seren is subject to corporation tax.

VAT:- both companies in the group are registered for VAT and all figures are disclosed net of VAT

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 can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

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.

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 account maintained under contract for the benefit of third parties

The charity has a contract to run the Noddfa facility. As part of the contract a bank account is maintained by the company. The monies therein are not owned by Seren Ffestiniog Cyf and the account is not included within the financial statements. On the 31st March 2023 the balance held in the account was £1,545

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations	<u>3,935</u>	<u>11,769</u>

3. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Shop income	134,942	197,234
Gwesty Seren	<u>255,780</u>	<u>305,870</u>
	<u>390,722</u>	<u>503,104</u>

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	<u>735</u>	<u>13</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.23	31.3.22
	Activity	£	£
Care services	Provision of care in the community	1,260,743	779,066
Day care	Provision of care in the community	447,587	415,256
Private client fees	Provision of care in the community	6,328	7,949
Bryn Afon Income	Provision of care in the community	7,670	7,714
Grants	Provision of care in the community	88,920	101,498
Noddfa income	Provision of care in the community	13,345	4,919
Grants	Gwesty Seren	40,066	29,025
		<u>1,864,659</u>	<u>1,345,427</u>

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

31.3.23	31.3.22
£	£

6. RAISING FUNDS

Other trading activities

	31.3.23	31.3.22
	£	£
Opening stock	26,693	29,317
Purchases	109,473	165,870
Closing stock	(17,103)	(26,693)
Staff costs	13,013	11,050
Bad debts	13,427	8,468
Rent	3,491	-
	<u>148,994</u>	<u>188,012</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Provision of care in the community	1,708,019	34,222	1,742,241
Gwesty Seren	290,042	24,000	314,042
	<u>1,998,061</u>	<u>58,222</u>	<u>2,056,283</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Provision of care in the community	9,225	16,499	8,498	34,222
Gwesty Seren	1,061	19,039	3,900	24,000
	<u>10,286</u>	<u>35,538</u>	<u>12,398</u>	<u>58,222</u>

9. NET INCOME/(EXPENDITURE)

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

	31.3.23 £	31.3.22 £
Auditors' remuneration	8,900	8,100
Other non-audit services	3,498	4,400
Depreciation - owned assets	37,019	32,610
Hire of plant and machinery	<u>5,983</u>	<u>6,371</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

11. STAFF COSTS

	31.3.23 £	31.3.22 £
Wages and salaries	1,558,860	1,288,015
Social security costs	126,431	97,829
Other pension costs	<u>30,225</u>	<u>26,629</u>
	<u>1,715,516</u>	<u>1,412,473</u>

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

	31.3.23	31.3.22
Management	5	11
Other	53	45
Gwesty Management	2	2
Other staff Gwesty	<u>10</u>	<u>13</u>
	<u>70</u>	<u>71</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	11,769	-	11,769
Charitable activities			
Provision of care in the community	1,316,402	-	1,316,402
Gwesty Seren	-	29,025	29,025
Other trading activities	197,234	305,870	503,104
Investment income	13	-	13
Other income	5,300	-	5,300
Total	1,530,718	334,895	1,865,613
EXPENDITURE ON			
Raising funds	115,866	72,146	188,012
Charitable activities			
Provision of care in the community	1,382,655	-	1,382,655
Gwesty Seren	-	268,201	268,201
Other	18,650	13,961	32,611
Total	1,517,171	354,308	1,871,479
Taxation	-	1,724	1,724
NET INCOME/(EXPENDITURE)	13,547	(17,689)	(4,142)
Transfers between funds	(39,363)	39,363	-
Consolidation adjustment	-	2,197	2,197
Net movement in funds	(25,816)	23,871	(1,945)
RECONCILIATION OF FUNDS			
Total funds brought forward	689,308	710,099	1,399,407
TOTAL FUNDS CARRIED FORWARD	663,492	733,970	1,397,462

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1st April 2022	1,037,712	905,142	49,521
Additions	<u>-</u>	<u>-</u>	<u>7,130</u>
At 31st March 2023	<u>1,037,712</u>	<u>905,142</u>	<u>56,651</u>
DEPRECIATION			
At 1st April 2022	276,113	109,933	42,407
Charge for year	<u>13,192</u>	<u>8,936</u>	<u>2,849</u>
At 31st March 2023	<u>289,305</u>	<u>118,869</u>	<u>45,256</u>
NET BOOK VALUE			
At 31st March 2023	<u>748,407</u>	<u>786,273</u>	<u>11,395</u>
At 31st March 2022	<u>761,599</u>	<u>795,209</u>	<u>7,114</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st April 2022	51,610	45,818	44,739	2,134,542
Additions	<u>945</u>	<u>17,690</u>	<u>3,090</u>	<u>28,855</u>
At 31st March 2023	<u>52,555</u>	<u>63,508</u>	<u>47,829</u>	<u>2,163,397</u>
DEPRECIATION				
At 1st April 2022	43,556	34,319	34,630	540,958
Charge for year	<u>1,799</u>	<u>7,231</u>	<u>3,012</u>	<u>37,019</u>
At 31st March 2023	<u>45,355</u>	<u>41,550</u>	<u>37,642</u>	<u>577,977</u>
NET BOOK VALUE				
At 31st March 2023	<u>7,200</u>	<u>21,958</u>	<u>10,187</u>	<u>1,585,420</u>
At 31st March 2022	<u>8,054</u>	<u>11,499</u>	<u>10,109</u>	<u>1,593,584</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

14. SUBSIDIARY UNDERTAKING

Gwesty Seren

Registered office: Unit 2 Llwyngell Industrial Estate, Blaenau Ffestiniog, Gwynedd, LL41 3NE

Nature of business: Hotel

Details relating to the company results and Balance sheet are noted below.

	31.3.23	31.3.22
	£	£
Aggregate capital and reserves	(300,369)	(265,291)
Loss for the year	<u>(35,078)</u>	<u>(6,476)</u>

A summary of its adjusted turnover and expenditure are included as restricted funds on the face of the SOFA and in more detail within the notes to the financial statements. The subsidiary audit report for the year ended 31st March 2023 included an emphasis of matter paragraph to draw attention to the going concern disclosures made Within the financial statements.

The board of Seren Ffestiniog Cyf have confirmed their continued support for the subsidiary undertaking.

15. STOCKS

	31.3.23	31.3.22
	£	£
Stocks	1,898	2,574
Harrods stock	12,396	10,036
Drill Hall stock	-	4,191
Cylch yr Efail stock	2,809	3,605
Gainsborough stock	<u>-</u>	<u>6,288</u>
	<u>17,103</u>	<u>26,694</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	141,090	114,449
Other debtors	10,964	9,282
VAT	118	-
Prepayments	<u>12,071</u>	<u>11,202</u>
	<u>164,243</u>	<u>134,933</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans and overdrafts (see note 19)	19,879	36,595
Trade creditors	62,798	37,198
Social security and other taxes	34,007	28,225
VAT	444	15,527
Other creditors	93,470	100,583
Credit card	15	190
Accrued expenses	10,211	17,994
Deferred government grants	-	5,796
	<u>220,824</u>	<u>242,108</u>

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

	31.3.23	31.3.22
	£	£
Bank loans (see note 19)	<u>391,629</u>	<u>396,048</u>

19. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year on demand:		
Bank loans	19,879	27,031
No description	-	9,564
	<u>19,879</u>	<u>36,595</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>21,530</u>	<u>36,380</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>74,159</u>	<u>111,257</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	295,940	248,411

Seren Ffestiniog Cyf
Notes to the Financial Statements – continued
For the Year Ended 31st March 2023

20. SECURED DEBTS

The following secured debts are included within creditor:

	31.3.23	31.3.22
	£	£
Bank loans	<u>411,508</u>	<u>432,643</u>

HSBC Bank PLC

Legal mortgage over the freehold property known as land and buildings lying to the north of Dorvil Street, Blaenau Ffestiniog - HM Land Registry title WA567730

Unity Trust Bank PLC

Legal mortgage over the freehold property known as 17 Church Street, Blaenau Ffestiniog, LL41 3HB – HM Land Registry Title Number WA629517

Legal mortgage over the freehold property known as Units 1 & 2 Llwyngell Enterprise Park, Blaenau Ffestiniog, LL41 3HT – HM Land Registry Title Number CYM378420.

21. PROVISIONS FOR LIABILITIES

	31.3.23	31.3.22
	£	£
Provisions	<u>-</u>	<u>12,666</u>

22. MOVEMENT IN FUNDS

	At 1.4.22	Net Movement in funds	Transfers between funds	At 31.03.23
	£	£	£	£
Unrestricted funds				
General fund	663,492	105,556	(85,125)	683,923
Restricted funds				
Gwesty Seren	<u>733,970</u>	<u>(75,135)</u>	<u>85,125</u>	<u>743,960</u>
TOTAL FUNDS	<u>1,397,462</u>	<u>30,421</u>	<u>-</u>	<u>1,427,883</u>

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

	Incoming Resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,964,070	1,858,514	105,556
Restricted funds			
Gwesty Seren	<u>295,981</u>	<u>371,116</u>	<u>(75,135)</u>
TOTAL FUNDS	<u>2,260,051</u>	<u>(2,229,630)</u>	<u>30,421</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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	1,530,718	(1,517,171)	-	13,547
Restricted funds				
Gwesty Seren	<u>334,895</u>	<u>(352,584)</u>	<u>2,197</u>	<u>(15,492)</u>
TOTAL FUNDS	<u>1,865,613</u>	<u>(1,867,557)</u>	<u>2,197</u>	<u>(1,945)</u>

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

	At 1.4.21 £	Net movement in funds £	Transfer between funds £	At 31.3.23 £
Unrestricted funds				
General fund	689,308	119,103	(124,488)	683,923
Restricted funds				
Gwesty Seren	<u>710,099</u>	<u>(90,627)</u>	<u>124,488</u>	<u>743,960</u>
TOTAL FUNDS	<u>1,399,407</u>	<u>28,476</u>	<u>-</u>	<u>1,427,883</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

22. MOVEMENT IN FUNDS - continued

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	3,494,787	(3,375,684)	-	119,103
Restricted funds				
Gwesty Seren	<u>630,876</u>	<u>(723,700)</u>	<u>2,197</u>	<u>(90,627)</u>
TOTAL FUNDS	<u>4,125,663</u>	<u>(4,099,384)</u>	<u>2,197</u>	<u>28,476</u>

23. RELATED PARTY DISCLOSURES

Williams & Williams Cyf

Angela Middleton-Jones the chief executive officer is a director and company secretary for the business, which is owned by her husband. Seren Cyf makes use of the company's services on normal commercial terms. The total paid to the company in the year ended 31st march 2023 was £445 (2022 £2,040)

24. POST BALANCE SHEET EVENTS

Café

With grant funding from the Lottery to purchase equipment and at the request of the public and the Council, Seren opened Caffi Seren in the Glaslyn Leisure Centre, Porthmadog at the end of October 2023. As well offering a service to the local population and Leisure Centre, Library and Bank users (all housed in the building), Seren runs employability skills from here, offering work experience in café and catering skills supplemented by training and qualifications towards gainful external employment.

25. ULTIMATE CONTROLLING PARTY

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