

THE GREGYNOG TRUST

England & Wales · Charity number 1180943

Details

Status Registered

Legal form Charitable company

Company number [10479711](#)

Registered 2018-11-30

Register [View on the Charity Commission register](#)

Contact

Address Gregynog Trust
Gregynog Hall
Tregynon
Newtown
Powys
SY16 3PW

Phone 01686650224

Email trustees@gregynog.org

Website www.gregynog.org

Activities

Objects: THE GREGYNOG TRUST'S OBJECTS ARE, FOR THE PUBLIC BENEFIT WITHOUT DISTINCTION OF AGE, RACE, GENDER OR POLITICAL, RELIGIOUS OR OTHER OPINION:1. TO CONSERVE, DEVELOP, MAINTAIN AND IMPROVE THE NATURAL AND HISTORICAL ENVIRONMENT OF GREGYNOG HALL AND GREGYNOG ESTATE, AND2. TO ADVANCE THE ARTS, CULTURE AND HERITAGE, AND3. TO ADVANCE EDUCATION, AND4. TO ADVANCE PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT, AND5. TO CONTRIBUTE TO THE IMPROVEMENT OF THE CONDITIONS OF LIFE FOR PEOPLE WITHIN AND BEYOND WALES BY PROVIDING FACILITIES IN THE INTEREST OF SOCIAL WELFARE FOR RECREATION AND LEISURE TIME OCCUPATION, AND6. TO FURTHER SUCH OTHER EXCLUSIVELY CHARITABLE OBJECTS AS THE TRUST MAY FROM TIME TO TIME DETERMINE.

Activities: Listed Historic House (Grade II*) & Gardens (Grade I) with SSSI, Nature Reserve & art collection accessible by the public, supporting Welsh culture, arts & music. Venue for events, concerts, festivals, art exhibitions and filming & photography. Self-catering accommodation, in-house short courses, Cafe and shop. Archive and library for research. Small grant-giving fund for music-related activities.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Recreation
- **Who:** The General Public/mankind

Geography

- Powys

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-03-31 | £1,050,206 | £1,299,472 | £6,124,091 | 42 |
| 2024-03-31 | £737,657 | £1,142,240 | £6,391,029 | 37 |
| 2023-03-31 | £749,522 | £927,818 | £6,840,411 | 37 |
| 2022-03-31 | £527,737 | £896,773 | £7,030,428 | 28 |
| 2021-03-31 | £825,958 | £886,353 | £7,690,898 | 40 |

Trustees

| Name | Role | Appointed |
|---------------------------|-------|------------|
| CAROLE-ANNE DAVIES | Chair | 2016-11-15 |
| ANDREW MICHAEL JEDWELL | | 2016-11-15 |
| Colin Patrick Sweeney | | 2026-02-12 |
| Dr JANE ELIZABETH SIBERRY | | 2016-11-15 |
| Dr JANET DIANA LEWIS ACSS | | 2016-11-15 |
| Eira Janice Lane | | 2025-07-21 |
| James Matthew Audsley | | 2025-07-21 |
| Miriam Jane Parker | | 2025-07-21 |
| ROBERT KENDALL MEYRICK | | 2016-11-15 |

THE GREGYNOG TRUST

England & Wales - Charity number 1180943

Accounts

Company no. 10479711
Charity no. 1180943

The Gregynog Trust
Report and Audited Financial Statements
31 March 2025

The Gregynog Trust

Reference and administrative details

For the year ended 31 March 2025

Company number 10479711

Charity number 1180943

Registered office and operational address Gregynog Hall
Tregynon
Powys
Wales
SY16 3PW

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:
Carole-Anne Davies
Andrew Jedwell
Dr Janet Lewis
Professor Robert Meyrick
Dr Jane Elizabeth Siberry

Chief Executive David Chell

Bankers HSBC Bank
Queen Street
Cardiff
CF10 2PX

Solicitors Russell Cooke Solicitors
2 Putney Hill
London
SW15 6AB

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the year **1 April 2024 to 31 March 2025**. The annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Overview from the Chair of Trustees

The Gregynog Trust was incorporated on 15th November 2016 as a Private Limited Company Number 10479711. The Trust was granted Charitable Status by the Charity Commission on 30th November 2018; registered Charity Number 1180943. The transfer of the ownership, from the University of Wales to the Gregynog Trust, was completed on 21 June 2019. The Trust's first full trading periods of 2020-21 and 2021-22 have previously been noted as being seriously affected by Covid 19 pandemic conditions and business restructuring. The period 2023 to the current year 2024-25 focussed on consolidating operational changes, addressing governance, leadership and workforce items, dealing with legacy liabilities and driving costs down whilst developing new initiatives and activities.

The 750 acre Gregynog estate includes the Grade II* listed Hall, early concrete structures, William Emes designed gardens, along with a SSSI National Nature Reserve and arboretum, Gwgia reservoir, a lake, farmland, and associated buildings, some of which also have individual or group listed status. Gregynog has a long history and is perhaps best known for its 20th century occupants, sisters Gwendoline and Margaret Davies originally of Llandinam. These two philanthropists, social entrepreneurs and renowned art collectors played a vital role in Welsh cultural, educational and social history. Their achievements are of international significance and their former home at Gregynog is of considerable public, academic and cultural interest – continuing to inform several of the Trust's activities aligned with its charitable purposes. Gregynog has suffered from lengthy periods of poor or no maintenance of its assets. The Trust continues therefore to stabilise and refurbish large parts of the estate, and develop new activities and sources of income which contribute to its charitable objects.

Previous financial reports have reflected inherent challenges to the Trust's work , which have required significant strategic and operational input from Trustees, including the phased reopening in July 2021, the resulting short trading year to March 2022, reflecting just 8 months activity characterised by the need for postponement of bookings and an operational return to work only under safe conditions as well as essential business restructuring.

In this accounting period 1 April 2024 – 31st March 2025 Trustees continued to strengthen governance arrangements, informed by appropriate advice as to the GE Ltd structure and directors' roles.

In the prior year as reported, intercompany arrangements were formalised, historic VAT items were resolved by the Trust's Chief Financial Officer and clarity has been achieved as to the VAT position.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

The prior year 2023-24 saw successful fundraising activity and the award of £33K from Local Places for Nature to fund restoration works of our Walled Garden, working with local community groups and new volunteers. This work as well as our Welcome Home to Nature project work has continued through 2024-25 and attracted a number of visits including one from the Deputy First Minister for Wales Huw Irranca-Davies, and media coverage of the work being done at Gregynog in relation to nature and the environment.

Additional successful fundraising that year of a £20K grant from the Architectural Heritage Fund in December 2023, supported a tender process and fees for architects to develop a major National Lottery Heritage Fund bid for essential roof repairs to the listed Gregynog Hall. Buttress Architects were appointed and supported the Trust in its bid submission. Mid-year 2024-25 the Trust was advised that subject to raising match funding the first phase of its Raise the Roof bid for £866,591 was awarded. During the summer of 2025 both public announcement and permission to start work was confirmed. Match funding of £75K against a target of £60K has been secured from three sources – the Architectural Heritage Fund £20,000, The Pilgrim Trust £30,000 and just after the end of the period 2024-25, in early May 2025 we received news of a further award of £25,000 from the Historic Houses Foundation.

In March 2024 our Section 16 agreement with Natural Resources Wales (NRW) and partnership with the Woodland Trust led to our successful bid to the Nature Networks 3 Fund via Welsh Government and the Heritage Lottery Fund, for our Welcome Home to Nature activity at Gregynog, to the value of £246,966K. Delivery of this project has formed a large part of our activity in the period 2024-25.

Previously acknowledged risks to payment of capitalisation funds due under the original Business Transfer Agreement have not materialised and payment has been received in full.

Trustees acknowledge that saving Gregynog for the nation remains an immense challenge. However, we continue to generate and maintain income from agricultural and residential tenancies; accommodation, conference, food and beverage activity which continue to be aligned, Hall tours and visits to our historic buildings, grounds and nature reserve which generate income and contribute to our charitable purposes.

Smaller scale commercial tenancies are among the trading activities of GE Ltd and have been agreed for premises in our Courtyard buildings for Rogers Jones & Co Valuers and Auctioneers. A new income stream has been developed from certified timber sales, with the assistance of the Woodland Trust in the context of our Woodland Management plan and felling licence. The introduction and refurbishment of the Joicey Room Bar in Gregynog Hall has enhanced visitor experience and added value to conference and events activities. Major risks for the Trust such as the engineering work required to Gwgia reservoir were completed in August 2024 at a much lower cost of £22k rather than the anticipated £50k. The Warden's House is now available for premium leisure rental and regularly booked as well as being available for immediate family and couples choosing Gregynog as their wedding venue.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

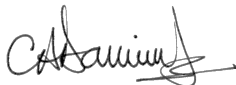
Trustees took further action in 2024-25 to build capacity in its finance team, appointing external financial accounts team Mitchell Charlesworth; updated and renewed all policies and procedures including Risk Policy and Registers and addressed remaining workforce matters. Further systems upgrades and supplier reviews have improved cost control, are reducing losses and improving internal financial practices and controls. A significant liability in the form of a derelict Grade I listed Welsh Longhouse called Wood Cottage was sold on the open market in 2025. Overall we are now seeing favourable impact of these measures with reduced costs and increased business in hand and forecast for the coming year.

The Trust previously forecast that business planning for a two-year stabilisation period in the context of a five-year projection would see some very challenging periods in 2024-25. As forecast, income development, cash-flow and cost-control was incredibly challenging in the spring and summer quarters of 2024-25. The advice sought by the Trust, its consideration of third party investment and its attention to recovery plans – as recorded in the minutes and records of Trust Board meetings - meant that we were able to steer a positive course through 2024-25. It remains a possibility that, working with the Charities Aid Foundation, Gregynog Trust may further explore third party investment and we expect to continue to consider such options, to accelerate the achievement of charitable aims, throughout 2025-26.

In early 2025-26 we expect to review Governance again and recruit new Trustees, and to consider the Board profile and trading capabilities of GE Ltd. The Trust will in this process be considering succession planning as well as strengthening key areas of finance, environment and cultural programming. This will also be supported in part by capacity and funding via our successful National Heritage Lottery Funding.

Relationships with stakeholders, volunteers, and long-standing supporters continue to be positive as do those with professional advisors such as legal and financial advisors. Partnerships such as Sinfonia Cymru, Mid-Wales Opera, Montgomeryshire Beekeepers Association, the Woodland Trust, Natural Resources Wales, Welsh Government and the local authority in Powys remain positive.

We continue to closely monitor financial controls and sensitivities, performance, budgeting, transparency of reporting and operating procedures. We continue to promote the arts, education and environment and pursue our vision to become Wales' most welcoming home for nature and the arts whilst reinforcing our active approach to conservation and education aligned with our charitable purpose. I wish once again to record sincere thanks the board of Trustees who continue to apply their time, specialist skills and expertise to the most challenging of contexts, to positive effect. Despite the challenges of this large and complex estate, we remain committed to its care, refurbishment and enhancement of this important historic house and working estate.



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

Objectives and activities

a. Policies and objectives

The Charitable Objects of the Trust are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

- To conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
- To advance the arts, culture and heritage;
- To advance education;
- To advance protection and improvement of the environment;
- To contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
- To further such other exclusively charitable objects as the Trust may from time to time determine.

The Trust aims to secure a successful future for Gregynog as Wales' most welcoming home for creativity, nature and the arts.

The Trust works to ensure a robust financial future for the Trust through sustainable and ethical approach to income generation, investment and activities aligned with its objects and purpose.

We aim to ensure our built, cultivated, and natural assets are transformed by our refurbishment and conservation work for the enjoyment of diverse audiences.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

We enable a broad range of access opportunities to all the heritage assets and collections in our care.

We generate income through our agricultural and residential tenancies, trading, and fundraising.

We are prudent with our resources operating appropriate financial controls and achieving best value from suppliers, in kind contributions and activity in line with our values and charitable objects.

We communicate and interpret our work across a broad spectrum of platforms.

c. Activities undertaken to achieve objectives

The following activities were undertaken:

Trading and income generation activities include many that are sustainable and minimise detrimental impacts on our natural environment and resources. Where trading activities within the Gregynog Enterprises Ltd generates profit, that is reinvested in the Gregynog Trust.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

We have an Audit, Finance & Remuneration (AF&R) sub-committee which meets quarterly to review activities and make recommendations to the Board of Trustees. Trading activities include accommodation for day and residential conference guests (including educational, corporate and leisure); Food & Beverage; small scale retail events and venue hire, historic house tours events and workshops supporting the arts, culture, music, education and conservation; unique weddings and civil ceremonies. Income from the estate includes rental income from residential, commercial, and agricultural property, land and fishing tenancies as well as timber sale.

Access & Interpretation - We continue to develop ways of enabling access to and interpretation of our assets and collections working to conserve and promote them. This includes physical display and interpretation, social media communications, engagement opportunities, concerts, local community group events, volunteer and partner activity.

We provide free access to the Hall on Heritage Open Days; provide online information and resources for people to learn about the history, heritage and culture of Gregynog, and the wider richness of the cultural landscape of Wales. We provide volunteering opportunities across most of our conservation activities through a clear volunteering policy and strategy which engages members of our immediate communities.

d. Social investment policies

The Gregynog Trust has not yet considered its social investment capacity or policy. It is too early in its existence.

e. Grant-making policies

The Gregynog Trust does not make Grant Awards.

f. Volunteers

Promoting opportunities to volunteer across a broad spectrum of the Trust's activities is a key policy that continues to make a tangible contribution to our work in the grounds, heritage assets and archive. Our volunteers are growing in number and are engaged in meaningful projects. The Volunteering Policy and Statements are regularly updated along with administration associated with this area to ensure compliance with GDPR and other legislation relating to volunteering, including Health Safety and Risk assessments for all activities, training and recording of hours to support funding bids as recognition of matched funding and in-kind support.

g. Main activities undertaken to further the Charity's purposes for the public benefit

- Provide free access to the high-quality open space environment including a Green Gym;
- Provide free rehearsal space to the local groups, schools and choirs;
- Local schools programme and popular 'Monet Days';
- Promote access to all our assets and estate via the Gregynog Friends Scheme;
- Support or host community and partner events and societies agreeing shared income where appropriate, in advance; and
- Volunteering opportunities to support well-being, career development, encourage social interaction and engage directly with our work and the culture and heritage environment.

Strategic report - Achievements and performance

a. Main achievements of the Charity

Achievements in this period are detailed in the opening section of this report.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

b. Key performance indicators

A refreshed business plan supported new brand and marketing tools help to raise our profile and introduce new income streams and programme activities generated by the Trust. Additional audience research will contribute to further development.

c. Review of activities (including fundraising and income generation)

These are outlined in the opening section of this report.

d. Factors relevant to the achievement of objectives

Human and financial resources are significant as is the availability of capital and revenue funding from all sources.

As noted in previous reports, ageing water infrastructure repairs, action to secure heritage assets in terms of weather proofing and refurbishment allowing income generation through conference and wedding activity has been carried out and continues as noted above. Our courtyard accommodation continues to be upgraded in terms of fixtures, fittings and service infrastructure. Gregynog is an estate of considerable scale and a sixty-year legacy of maintenance failure precedes our ownership.

e. Investment policy

The Trustees have the power under the Charities Act to invest surplus funds. Trading activity (through Gregynog Enterprises Ltd) that results in any retained income being reinvested in the Trust. As previously stated, our wider policy will evolve as we develop our business and will focus wherever possible on ethical, environmentally beneficial investments supporting opportunities that align with our charitable purpose.

Financial review

a. Going concern

The Gregynog Trust commenced ownership and trading activity via the group on 21st June 2019 following the transfer of Gregynog Hall and Estate from the University of Wales. As previously reported, a trading loss was expected during transition, whilst revenue streams were established and developed, however these were further challenged by the impact of the pandemic throughout 2020 and until momentum was regained in mid-2023, and by significant estate demands in terms of refurbishment needs affecting the scope of our operations.

Trustees took relevant action to ensure receipt of payments of restricted and unrestricted funds owed to us under the Business Transfer Agreement; to strengthen governance and intercompany arrangements, as well as executive functions and team structures to strengthen financial and operational processes and create business development capacity. We continue to exercise financial control and monitoring with regular budgeting and cashflow monitoring.

Examining the financial position along with the value of the Trust's physical land and built assets, tenancies and business forecast, we are confident in our assessment of going concern. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, whilst we recognise those resources are pressurised. The Trust continues to actively manage inter-company loan arrangements with the trading company GE Ltd, and to work with its directors.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

The Trustees consider this appropriate having regard to knowledge that newly refurbished properties such as the Warden's House are increasingly generating additional income. The disposal of Wood Cottage was completed in March 2025 with capital returns received in the 2024/25 financial year. Business in hand and forecast is encouraging and reflected in business plans along with new business activity. Strong grant income performance in the 2023-24 period along with the prospect of a successful £5m heritage lottery bid for critical roof repair indicated in the autumn/winter of 2024-25 provides further confidence. There are close monitoring processes in place along with business plan forecasts and formal inter-company processes which are managing GE Ltd's repayments. Changes to operations designed to increase income generation have also been put in place to positive effect and are supplemented by revised cost and overhead apportionment and control.

Whilst we recognise the scale of the task Trustees are taking appropriate advice and making informed decisions based on their close monitoring of the financial profile.

For these reasons, we continue to adopt the going concern basis in preparing the financial statements for this period. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. 2024/25 financial performance

The consolidated results for the year ending 31 March 2025 show income as £1,050,206 (2024: £737,657) and expenditure as £1,299,472 (2024: £1,142,240) resulting in a consolidated loss of £266,938, compared to a loss of £449,382 in 2024. Although we are reporting another loss, we have taken steps to reduce the amount of loss compared to last year by generating revenue and reducing costs where possible.

c. Reserves policy

The Trust seeks to hold unrestricted financial reserves sufficient to sustain its operating activities for a minimum of three months which is approx. £280k and, although difficult, we seek to generate unrestricted income in order to comply with this. While unrestricted reserves appear at £5,906,009 at 31 March 2025 (2024: £6,162,381), it should be noted that £5,703,931 of these reserves relate to heritage assets and £109,847 as fixed assets owned by the Trust, leaving unrestricted free reserves of £92,231 (2024: £227,806). The Trustees keep this under continual review.

d. Principal risks and uncertainties

Long term impact of Covid-19 working practices and the availability of fundings sources remain an influence, as do energy and other costs we previously highlighted and expect to have an impact for future years. Trustees continue to be supported by legal advisors, Russell Cooke Solicitors to ensure commitments under the Business Transfer Agreement are met.

Other risks include:

- General economic environment, energy/utility costs;
- Changes in taxation and regulation;
- Staff recruitment, development and retention in a rural context;
- Safeguarding of assets;
- Fraud & theft; and
- Health & safety.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

e. Financial risk management objectives and policies

The principal subsidiary for the Gregynog Trust is Gregynog Enterprises Ltd.

The risk policies relating to all financial and trading activity within this company are detailed and reviewed within the Audit process, and they include:

- Fraud management override of control;
- Fraud revenue recognition; and
- Going concern.

We operate a risk assessment policy across our financial and other operations using a traffic light system to assess the severity of the risk. Risk policy and registers will be comprehensively updated in the forthcoming period 2025-26 in light of asset disposal, new practices and procedures.

Structure, governance and management

a. Constitution

The Gregynog Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed. The Gregynog Trust's objects ("Objects") are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

1. To conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
2. To advance the arts, culture, and heritage;
3. To advance education;
4. To advance protection and improvement of the environment;
5. To contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
6. To further such other exclusively charitable objects as the Trust may from time to time determine.

b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trustees are responsible for the management of the Group and the Charity. The Trustees have appointed a Chief Executive who is supported by a relevant staff structure, subject to regular review. Reporting lines are clear, team collaboration and commitment are highly valued. A full and regularly updated Handbook of Policies and Procedures is in place. All staff are provided with role profiles, appropriate contracts, and appraisal.

d. Policies adopted for the induction and training of Trustees

New Trustees are appointed based on clearly outlined role descriptions and inducted as to their responsibilities by the Chair and Board of Trustees. Each new Trustee is provided with a copy of the Charity Commission publication "The Essential Trustee" and a copy of the Trust's constitution along with other relevant documents and full induction. The Trust's professional advisors also provide timely regulatory updates.

e. Pay policy for key management personnel

All policies relating to remuneration and conditions are set out in the staff handbook and individual terms are included in staff contracts and are reviewed regularly through the Audit, Finance and Remuneration subcommittee.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

f. Related party relationships

The Trustees and key management personnel complete Related Party & Conflict of Interest & Register of Interest declarations and these are recorded and reviewed on a regular basis as part of the Audit process. All Trustees and key management personnel are prompted to complete new declarations in the event of a change of circumstances.

g. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity and are satisfied those systems and procedures are in place to mitigate exposure to the major risks.

h. Trustees' indemnities

The Trust has not taken out indemnity insurance on behalf of the Trustees. Trustees act in good faith and with full awareness of collective responsibility and the need to act with care, diligence and skill in the interests of the success of the business.

i. Fundraising practices

Donations - We encourage visitors to make donations. This is normally through donation boxes in and around the Hall and a permanent one in the Courtyard Café.

NLHF (Development Stage) - As part of our application and bid to the National Lottery Heritage Fund (NLHF) it was a condition that we raised a minimum of £60,000 in match funding. We targeted specific associations and organisations to help.

NLHF (Delivery Stage) – We now need to raise c.£270k-300k towards the Delivery Stage. In conjunction with NLHF criteria we will need to appoint a Fundraising consultant to help create and write our fundraising strategy. We are currently creating a role profile/job description for this role. Once completed this will be sent to NLHF to approve ahead of advertising the position. We expect the fundraising strategy and associated documents to be ready early Spring 2026.

Friends of Scheme (FOS) – We are currently reviewing our existing membership scheme, which is an annual car park scheme. It is likely this scheme is ended and replaced with a new “Friends of Scheme”. The FOS is likely to be aimed at donations from individuals who want to help. This scheme is still to be finalised, once it is finalised a full copy will be available.

No complaints were received in the year and we do not have a fundraising officer in place at the moment.

Plans for future periods

A 5 year business plan (2024-25 to 2029-30) has been recently updated and will be further refined to reflect the outcome of master planning exercise to reflect priorities, activities, and supporting financial information in the summer of 2025.

Statement of responsibilities of the trustees

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. 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 Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Disclosure of information to auditors

Each of the persons who are Trustees at the time of this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2025

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 24 November 2025 and signed on their behalf by:



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

Independent auditors' report

To the members of

The Gregynog Trust

Opinion

We have audited the financial statements of The Gregynog Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

Independent auditors' report

To the members of

The Gregynog Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report

To the members of

The Gregynog Trust

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

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

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

The Gregynog Trust

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 24 November 2025

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Gregynog Trust

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2025

| | Note | Restricted £ | Unrestricted £ | 2025 Total £ | Restated 2024 Total £ |
|------------------------------------|------|-----------------------|-------------------------|--------------------------------|--------------------------------|
| Income from: | | | | | |
| Donations | 3 | 196,886 | 9,727 | 206,613 | 18,620 |
| Charitable activities | 4 | - | 112,407 | 112,407 | 89,183 |
| Other trading activities | 5 | - | 604,685 | 604,685 | 589,988 |
| Investment income | | - | 9,862 | 9,862 | 9,486 |
| Other income | 6 | - | 116,639 | 116,639 | 30,380 |
| Total income | | <u>196,886</u> | <u>853,320</u> | <u>1,050,206</u> | <u>737,657</u> |
| Expenditure on: | | | | | |
| Raising funds | | - | 728,941 | 728,941 | 764,578 |
| Charitable activities | | <u>175,633</u> | <u>394,898</u> | <u>570,531</u> | <u>377,662</u> |
| Total expenditure | 8 | <u>175,633</u> | <u>1,123,839</u> | <u>1,299,472</u> | <u>1,142,240</u> |
| Net losses on investments | | <u>(10,468)</u> | <u>(7,204)</u> | <u>(17,672)</u> | <u>(44,799)</u> |
| Net income / (expenditure) | | 10,785 | (277,723) | (266,938) | (449,382) |
| Transfers between funds | | <u>(21,351)</u> | <u>21,351</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | 9 | (10,566) | (256,372) | (266,938) | (449,382) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>228,648</u> | <u>6,162,381</u> | <u>6,391,029</u> | <u>6,840,411</u> |
| Total funds carried forward | | <u><u>218,082</u></u> | <u><u>5,906,009</u></u> | <u><u>6,124,091</u></u> | <u><u>6,391,029</u></u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24 to the accounts.

Expenditure on raising funds and charitable activities in the prior period has been restated, however this has no effect on total expenditure. Further detail is disclosed in note 8 to the accounts.

The Gregynog Trust

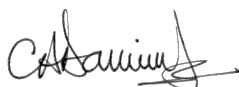
Consolidated balance sheets

As at 31 March 2025

| | Note | The group 2025 £ | The group 2024 £ | The charity 2025 £ | Restated The charity 2024 £ |
|--|------|------------------------|------------------------|--------------------------|--------------------------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 109,847 | 59,020 | 83,124 | 20,543 |
| Heritage assets | 13 | 5,703,931 | 5,875,555 | 5,703,931 | 5,875,555 |
| Investments | 14 | 191,446 | 201,914 | 191,448 | 201,916 |
| | | <u>6,005,224</u> | <u>6,136,489</u> | <u>5,978,503</u> | <u>6,098,014</u> |
| Current assets | | | | | |
| Stocks | 17 | 9,152 | 11,173 | - | - |
| Debtors due within one year | 18 | 152,652 | 181,713 | 803,600 | 947,132 |
| Debtors due after one year | 18 | - | 50,000 | - | 50,000 |
| Cash at bank and in hand | | 211,958 | 208,947 | 179,377 | 73,010 |
| | | <u>373,762</u> | <u>451,833</u> | <u>982,977</u> | <u>1,070,142</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within 1 year | 19 | 210,624 | 164,682 | 57,516 | 69,317 |
| | | <u>163,138</u> | <u>287,151</u> | <u>925,461</u> | <u>1,000,825</u> |
| Net current assets | | | | | |
| | | <u>6,168,362</u> | <u>6,423,640</u> | <u>6,903,964</u> | <u>7,098,839</u> |
| Total assets less current liabilities | | | | | |
| Creditors: amounts falling due after 1 year | 20 | 44,271 | 20,111 | 44,271 | 20,111 |
| Provisions for liabilities | 22 | - | 12,500 | - | 12,500 |
| | | <u>6,124,091</u> | <u>6,391,029</u> | <u>6,859,693</u> | <u>7,066,228</u> |
| Net assets | | | | | |
| | 24 | | | | |
| Funds | | | | | |
| Restricted funds | | 218,082 | 228,648 | 218,082 | 228,648 |
| Unrestricted funds | | | | | |
| General funds | | 5,906,009 | 6,162,381 | 6,641,611 | 6,837,580 |
| | | <u>6,124,091</u> | <u>6,391,029</u> | <u>6,859,693</u> | <u>7,066,228</u> |
| Total charity funds | | | | | |

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 24 November 2025 and signed on their behalf by



Carole-Anne Davies - Chair

The Gregynog Trust

Consolidated statement of cash flows

For the year ended 31 March 2025

| | 2025 £ | 2024 £ | | |
|--|-------------------------|------------------|--------------------------------------|-----------------------------------|
| Cash used in operating activities: | | | | |
| Net movement in funds | (266,938) | (449,382) | | |
| <i>Adjustments for:</i> | | | | |
| Depreciation charges | 25,799 | 21,425 | | |
| Dividends, interest and rents from investments | 9,862 | 9,486 | | |
| Net loss on investments | 17,672 | 44,799 | | |
| Profit on the sale of fixed assets | (6,849) | - | | |
| Profit on the sale of heritage assets | (103,376) | - | | |
| Decrease in stock | 2,021 | 3,734 | | |
| Decrease in debtors | 79,061 | 69,801 | | |
| Increase / (decrease) in creditors | 45,942 | (2,580) | | |
| Decrease in provisions | (12,500) | (14,410) | | |
| Net cash used in operating activities | (209,306) | (317,127) | | |
| Cash flows from investing activities: | | | | |
| Dividends, interest and rents from investments | (9,862) | (9,486) | | |
| Purchase of investments | (42,189) | (50,414) | | |
| Proceeds from disposal of investments | 42,061 | 35,623 | | |
| Movements in cash held by investment manager | (7,076) | 8,067 | | |
| Proceeds from sale of fixed assets | 11,400 | - | | |
| Proceeds from sale of heritage assets | 275,000 | - | | |
| Purchase of tangible fixed assets | (81,177) | (21,184) | | |
| Net cash provided by / (used in) investing activities | 188,157 | (37,394) | | |
| Cash flows from financing activities: | | | | |
| Repayment of borrowing | 24,160 | (9,740) | | |
| Net cash provided in / (used in) financing activities | 24,160 | (9,740) | | |
| Decrease in cash and cash equivalents in the year | 3,011 | (364,261) | | |
| Cash and cash equivalents at the beginning of the year | 208,947 | 573,208 | | |
| Cash and cash equivalents at the end of the year | 211,958 | 208,947 | | |
| Analysis of changes in net debt | | | | |
| | At 1 April 2024 £ | Cash flows £ | Other non- cash movements £ | At 31 March 2025 £ |
| Cash | 208,947 | 3,011 | - | 211,958 |
| Loans falling due within 1 year | (10,648) | - | - | (10,648) |
| Loans falling due after 1 year | (20,111) | (24,160) | - | (44,271) |
| Total | 178,188 | (21,149) | - | 157,039 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies

a) General information and basis of preparation

The Gregynog Trust is a charitable company limited by guarantee registered in England and Wales. The registered office address is Gregynog Hall, Tregynon, Powys, Wales, SY16 3PW.

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

The Gregynog Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the group is able to continue as a going concern. The trustees consider this appropriate having regard to the current level of unrestricted reserves and as previously reported, having considered the impact on the budget and financial plans for 2025/26. Also, in the knowledge that refurbished properties such as Warden's House are now generating additional income. A further asset disposal of No 2 Gregynog Cottage is planned for the year 2025/26. The Trust carefully considers any asset disposals before proceeding, however it is not restricted by any covenants or other agreements, should there be further strategic or operational need for future disposals.

Business in hand and forecast is reflected in business plans along with new business activity. Costs are being driven down, business development and new branding/marketing tools are taking effect - changes to governance arrangements which aid the return to profitability of the trading subsidiary Gregynog Enterprises Ltd have been completed and are now proving valuable. In addition, and whilst the Trust does not intend to immediately 'call-in' the entire amount owed to it, a formal inter-company loan agreement is in place along with monitoring of regular and lump sum intercompany payments. Changes to operations designed to increase income generation have been put in place to positive effect and are supplemented by revised cost and overhead apportionment and control, driven by our Chief Executive.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of goods or services is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds 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 at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to charitable activities.

j) Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and initially measured at cost (or fair value if donated).

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------|-------------------------|
| Fixtures and fittings | 5 years straight line |
| Plant and equipment | 3-5 years straight line |
| Office equipment | 5 years straight line |

k) Heritage assets

The Trust holds and maintains a number of properties, land and a collection of chattels of historical, artistic or scientific importance. In accordance with section 34 of FRS102, heritage assets have been recognised on the balance sheet. In all cases the items have been recorded at cost at the time of acquisition, or an estimate of cost if the assets are donated. Adjustments have been made to reflect additions and disposals.

Heritage assets are not depreciated since their indefinite or long economic life and high residual value mean that any depreciation would not be material. One of the objectives of the Trust is the preservation and conservation of assets, therefore it is the Trust's responsibility to ensure that the condition of the heritage assets do not deteriorate over time.

At each reporting date, the charity assesses whether there is any indication of impairment. If such indication exists, the value of the asset is written down to its recoverable amount.

l) Listed investments

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

m) Investments in subsidiaries

Investments in subsidiaries are valued at cost less provision for impairment.

n) Stock

Stock is included at the lower of cost or net realisable value after making provision for obsolete and slow moving stock.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

o) 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.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors

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

r) Provisions

A provision is recognised in the balance sheet when the charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

s) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

t) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

u) Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

v) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

v) Accounting estimates and key judgements

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Heritage assets

As described in note 1k to the financial statements, donated heritage assets are valued at estimated cost and not depreciated. Due to the unique nature of heritage assets, their valuation is a key source of estimation uncertainty.

Depreciation

As described in note 1j to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities (restated)

| | Restricted | Unrestricted | 2024 Total |
|-------------------------------------|-----------------|------------------|------------------|
| | £ | £ | £ |
| Income from: | | | |
| Donations | 11,000 | 7,620 | 18,620 |
| Charitable activities | - | 89,183 | 89,183 |
| Other trading activities | - | 589,988 | 589,988 |
| Investment income | - | 9,486 | 9,486 |
| Other income | - | 30,380 | 30,380 |
| Total income | 11,000 | 726,657 | 737,657 |
| Expenditure on: | | | |
| Raising funds | - | 764,578 | 764,578 |
| Charitable activities | 12,773 | 364,889 | 377,662 |
| Total expenditure | 12,773 | 1,129,467 | 1,142,240 |
| Net expenditure | (1,773) | (402,810) | (404,583) |
| Net gains / (losses) on investments | (48,086) | 3,287 | (44,799) |
| Net movement in funds | (49,859) | (399,523) | (449,382) |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

3. Income from donations

| | Restricted £ | Unrestricted £ | 2025 Total £ |
|------------------------------------|-----------------|-------------------|--------------------|
| Donations | - | 9,727 | 9,727 |
| Grants | 196,886 | - | 196,886 |
| Total income from donations | 196,886 | 9,727 | 206,613 |

Prior year comparative:

| | Restricted £ | Unrestricted £ | 2024 Total £ |
|------------------------------------|-----------------|-------------------|--------------------|
| Donations | - | 7,620 | 7,620 |
| Grants | 11,000 | - | 11,000 |
| Total income from donations | 11,000 | 7,620 | 18,620 |

4. Income from charitable activities

| | 2025 £ | 2024 £ |
|---------------|----------------|-----------|
| Estate income | 112,407 | 89,183 |

All income from charitable activities in the current and prior year was unrestricted.

5. Income from other trading activities

| | 2025 £ | 2024 £ |
|--------------------------------------|----------------|-----------|
| Income from Gregynog Enterprises Ltd | 604,685 | 589,988 |

All income from other trading activities in the current and prior year was unrestricted.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

6. Other income

| | 2025 £ | 2024 £ |
|---------------------------------|-----------------------|----------------------|
| Gain on sale of heritage assets | 103,376 | - |
| Gain on sale of fixed assets | 6,849 | - |
| Other income | <u>6,414</u> | <u>30,380</u> |
| | <u><u>116,639</u></u> | <u><u>30,380</u></u> |

In the prior year, the charity received £23,308 through an insurance claim to cover the costs of the The Warden's House repair works.

All other income in the current and prior year was unrestricted.

7. Government grants

The charitable company receives government grants, defined as funding from the Welsh Government and Powys County Council to fund charitable activities. The total value of such grants in the period ending 31 March 2025 was £168,435 (2024: £11,000). There are no unfulfilled conditions or contingencies attaching to these grants in 2024/25.

8. Total expenditure

| | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2025 Total £ |
|---|-----------------------|-------------------------------|-----------------------|--------------------------|-------------------------|
| Staff costs (note 10) | 416,147 | 127,809 | 57,989 | - | 601,945 |
| Trading purchases | 298,169 | - | - | - | 298,169 |
| Marketing and communications | 923 | - | - | - | 923 |
| Other staff costs | - | 5,232 | - | - | 5,232 |
| Repairs and maintenance | - | 42,784 | - | - | 42,784 |
| Rates and utilities | - | 88,557 | - | - | 88,557 |
| Insurance | - | 33,546 | - | - | 33,546 |
| Depreciation | 13,702 | 12,097 | - | - | 25,799 |
| IT costs | - | - | 1,842 | - | 1,842 |
| Legal and professional | - | 19,852 | 16,353 | 2,895 | 39,100 |
| Licences and subscriptions | - | - | 983 | - | 983 |
| Bank charges | - | - | 8,733 | - | 8,733 |
| Accountancy costs | - | - | - | 19,296 | 19,296 |
| Sundry expenses | - | <u>132,563</u> | - | - | <u>132,563</u> |
| Sub-total | 728,941 | 462,440 | 85,900 | 22,191 | 1,299,472 |
| Allocation of support and governance costs | <u>-</u> | <u>108,091</u> | <u>(85,900)</u> | <u>(22,191)</u> | <u>-</u> |
| Total expenditure | <u>728,941</u> | <u>570,531</u> | <u>-</u> | <u>-</u> | <u>1,299,472</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

8. Total expenditure (continued)

Prior year comparative (restated)

| | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2024 Total £ |
|---|-----------------------|-------------------------------|-----------------------|--------------------------|------------------|
| Staff costs (note 10) | 401,478 | 114,941 | 44,495 | - | 560,914 |
| Trading purchases | 332,552 | - | - | - | 332,552 |
| Marketing and communications | 13,130 | - | - | - | 13,130 |
| Other staff costs | - | 17,886 | - | - | 17,886 |
| Repairs and maintenance | - | 72,544 | - | - | 72,544 |
| Rates and utilities | - | 61,667 | - | - | 61,667 |
| Insurance | - | 40,303 | - | - | 40,303 |
| Depreciation | 16,509 | 4,916 | - | - | 21,425 |
| Irrecoverable VAT* | - | - | (26,910) | - | (26,910) |
| IT costs | - | - | 83 | - | 83 |
| Legal and professional | - | 20,284 | 7,749 | - | 28,033 |
| Licences and subscriptions | - | - | 953 | - | 953 |
| Bank charges | - | - | 4,713 | - | 4,713 |
| Investment manager fees | 909 | - | - | - | 909 |
| Accountancy costs | - | - | - | 12,265 | 12,265 |
| Sundry expenses | - | 1,773 | - | - | 1,773 |
| Sub-total | 764,578 | 334,314 | 31,083 | 12,265 | 1,142,240 |
| Allocation of support and governance costs | - | 43,348 | (31,083) | (12,265) | - |
| Total expenditure | 764,578 | 377,662 | - | - | 1,142,240 |

* Irrecoverable VAT has a credit balance due to reversing the provision for the historic overclaim of VAT.

The split of staff time across raising funds, charitable activities and support costs has been restated to more accurately reflect the time spent on each activity. This has resulted in an increase in expenditure on raising funds of £46,917 and a corresponding decrease in expenditure on charitable activities. There has been no impact on total expenditure.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

9. Net movement in funds

This is stated after charging:

| | 2025 £ | 2024 £ |
|---|------------|------------|
| Depreciation | 25,799 | 21,425 |
| Operating lease payments | 7,833 | 13,075 |
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | Nil | 1,334 |
| Auditors' remuneration (excluding VAT): | | |
| ▪ Statutory audit | 13,750 | 13,500 |
| ▪ Other services | 700 | 350 |
| | <u>700</u> | <u>350</u> |

In the prior year, expenses totalling £1,334 were reimbursed to 2 trustees in respect of purchases made on behalf of The Gregynog Trust, and travel to meetings.

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

10. Staff costs and numbers

Staff costs were as follows:

| | 2025 £ | 2024 £ |
|-----------------------|----------------|----------------|
| Salaries and wages | 544,434 | 511,819 |
| Social security costs | 36,530 | 30,546 |
| Pension costs | 20,981 | 18,549 |
| | <u>601,945</u> | <u>560,914</u> |

Included in salaries is a termination payment of £2,500 to one employee in the year (2024: Nil).

One employee earned between £60,000 and £70,000 during the current year (2024: Nil).

The key management personnel of the charitable company in the current and prior year comprise the trustees, Chief Executive (from August 2023), Finance Operations Manager, Deputy Operations Manager, Director of Business Development and Trust Administrator. The total employee benefits of the key management personnel were £170,390 (2024: £173,275).

The average number of employees employed by the group during the year was as follows:

| | 2025 No. | 2024 No. |
|-------------|-------------|-------------|
| Trust | 7 | 6 |
| Enterprises | <u>35</u> | <u>31</u> |
| Total | <u>42</u> | <u>37</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The trading subsidiary donates its taxable profits to the parent charity under the gift aid scheme.

12. Tangible fixed assets

| Group | Fixtures and fittings £ | Plant and equipment £ | Office equipment £ | Total £ |
|-------------------------|------------------------------------|----------------------------------|-------------------------------|------------------------|
| Cost | | | | |
| At 1 April 2024 | 63,792 | 26,294 | 30,887 | 120,973 |
| Additions in year | 6,590 | 70,118 | 4,469 | 81,177 |
| Disposals in year | <u>(15,879)</u> | <u>(3,595)</u> | <u>-</u> | <u>(19,474)</u> |
| At 31 March 2025 | <u>54,503</u> | <u>92,817</u> | <u>35,356</u> | <u>182,676</u> |
| Depreciation | | | | |
| At 1 April 2024 | 23,805 | 18,156 | 19,992 | 61,953 |
| Charge for the year | 12,508 | 8,944 | 4,347 | 25,799 |
| Disposals in year | <u>(12,670)</u> | <u>(2,253)</u> | <u>-</u> | <u>(14,923)</u> |
| At 31 March 2025 | <u>23,643</u> | <u>24,847</u> | <u>24,339</u> | <u>72,829</u> |
| Net book value | | | | |
| At 31 March 2025 | <u>30,860</u> | <u>67,970</u> | <u>11,017</u> | <u>109,847</u> |
| At 31 March 2024 | <u>39,987</u> | <u>8,138</u> | <u>10,895</u> | <u>59,020</u> |
| Charity | | | | |
| Cost | | | | |
| At 1 April 2024 | 12,261 | 18,985 | 5,369 | 36,615 |
| Additions in year | 5,467 | 66,000 | 3,631 | 75,098 |
| Disposals in year | <u>-</u> | <u>(2,100)</u> | <u>-</u> | <u>(2,100)</u> |
| At 31 March 2025 | <u>17,728</u> | <u>82,885</u> | <u>9,000</u> | <u>109,613</u> |
| Depreciation | | | | |
| At 1 April 2024 | 884 | 15,188 | - | 16,072 |
| Charge for the year | 2,304 | 7,367 | 2,426 | 12,097 |
| Disposals in year | <u>-</u> | <u>(1,680)</u> | <u>-</u> | <u>(1,680)</u> |
| At 31 March 2025 | <u>3,188</u> | <u>20,875</u> | <u>2,426</u> | <u>26,489</u> |
| Net book value | | | | |
| At 31 March 2025 | <u>14,540</u> | <u>62,010</u> | <u>6,574</u> | <u>83,124</u> |
| At 31 March 2024 | <u>11,377</u> | <u>3,797</u> | <u>5,369</u> | <u>20,543</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

13. Heritage assets - group and charity

| | Gregynog Hall £ | Chattels £ | Estate land and buildings £ | Total £ |
|-------------------|-----------------------|-----------------------|--------------------------------------|-------------------------|
| Value | | | | |
| At 1 April 2024 | 375,000 | 669,555 | 4,831,000 | 5,875,555 |
| Disposals in year | - | - | (171,624) | (171,624) |
| At 31 March 2025 | <u>375,000</u> | <u>669,555</u> | <u>4,659,376</u> | <u>5,703,931</u> |

Gregynog Hall is a substantial mansion house dating from the 1840s. The freehold interest in the hall has been valued at the market value on the date that the asset was donated to the Trust. The valuation takes into account a cost estimate of repairs for £3,345,000 which was taken from a report prepared in 2013 which was undertaken for valuation purposes.

Chattels include a collection of fine and decorative art, furniture, musical instruments and books. These assets are of historical significance to the estate and have been valued at the market value on the date that the assets were donated to the trust. The value is intended to indicate the cost of buying the assets at auction. Gregynog Hall also cares for and securely displays assets including original works by Rodin and other renowned artists, on long-term loan from the National Museum of Wales and which the Davies sisters expressly wished to see remain at Gregynog via this arrangement. These assets have an approximate value of £1.065m. These are not recognised in the chattels valuation above.

Estate land and buildings includes 425 acres of let agricultural land together with some farm and Estate buildings, 218 acres of in hand forestry, 10 let residential properties, a commercial property on a long lease and a reservoir. The estate land and buildings have been valued at the market value on the date that the asset was donated to the Trust. This valuation is based on a valuation of the property in June 2013 updated for general changes to comparable values over the intervening period, changes of tenure or occupations, and any significant works during the period.

All of the heritage assets were gifted to the Trust for nil consideration under a transfer agreement with the University of Wales dated 21 June 2019. A summary of other movements is given below:

Five year summary of heritage asset transactions:

| | 2025 £ | 2024 £ | 2023 £ | 2022 £ | 2021 £ |
|-------------------|-----------------------|-----------|----------------|-----------|-----------|
| Disposals: | | | | | |
| Carrying value | 171,624 | - | 186,800 | - | - |
| Proceeds | <u>275,000</u> | - | <u>235,000</u> | - | - |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

14. Investments - group and charity

| | The group | | The charity | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Listed investments | 191,446 | 201,914 | 191,446 | 201,914 |
| Gregynog Enterprises Limited | - | - | 2 | 2 |
| Total investments at 31 March 2025 | <u>191,446</u> | <u>201,914</u> | <u>191,448</u> | <u>201,916</u> |

| Listed investments: | The group | | The charity | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Market value at the start of the year | 201,914 | 239,989 | 201,914 | 239,989 |
| Additions | 42,189 | 50,414 | 42,189 | 50,414 |
| Disposal proceeds | (42,061) | (35,623) | (42,061) | (35,623) |
| Net losses | (17,672) | (44,799) | (17,672) | (44,799) |
| Movements in investment cash | 7,076 | (8,067) | 7,076 | (8,067) |
| Market value at the end of the year | <u>191,446</u> | <u>201,914</u> | <u>191,446</u> | <u>201,914</u> |

Investments in subsidiaries

The investment represents 100% of the ordinary share capital of Gregynog Enterprises Limited (company number 08998400), whose principal activity is to carry out trading activities in support of the charity. A summary of the financial results and position of trading subsidiary is given in note 15.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

15. Investments in subsidiaries

Gregynog Enterprises Limited

| | 2025 £ | 2024 £ |
|---|-------------------------|-------------------------|
| Turnover | 604,685 | 589,988 |
| Cost of sales | <u>(92,491)</u> | <u>(107,113)</u> |
| Gross profit | 512,194 | 482,875 |
| Administrative expenses | (572,597) | (596,745) |
| Other operating income | <u>-</u> | <u>-</u> |
| Operating loss | <u><u>(60,403)</u></u> | <u><u>(113,870)</u></u> |
| The aggregate of the assets, liabilities and funds was: | | |
| | 2025 £ | 2024 £ |
| Assets | 129,431 | 278,836 |
| Liabilities | <u>(865,032)</u> | <u>(954,034)</u> |
| Funds | <u><u>(735,601)</u></u> | <u><u>(675,198)</u></u> |

16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | 2025 £ | Restated 2024 £ |
|----------------------|-------------------------|-------------------------|
| Gross income | 445,520 | 147,669 |
| Results for the year | <u><u>(206,536)</u></u> | <u><u>(335,512)</u></u> |

The 2024 parent charity result has been restated following the removal of the doubtful debt provision applied to the intercompany loan balance.

17. Stock

| | The group | | The charity | |
|------------------|---------------------|----------------------|-----------------|-----------------|
| | 2025 £ | 2024 £ | 2025 £ | 2024 £ |
| Goods for resale | <u><u>9,152</u></u> | <u><u>11,173</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

18. Debtors

| | The group | | The charity | |
|------------------------------------|-----------------------|----------------|-----------------------|-----------------------|
| | 2025 £ | 2024 £ | 2025 £ | Restated 2024 £ |
| Amounts due within 1 year: | | | | |
| Amounts owed by group undertakings | - | - | 708,524 | 848,085 |
| Trade debtors | 89,542 | 116,635 | 56,964 | 59,557 |
| Prepayments and accrued income | 63,110 | 65,078 | 34,714 | 28,907 |
| Other debtors | - | - | 3,398 | 10,583 |
| | <u>152,652</u> | <u>181,713</u> | <u>803,600</u> | <u>947,132</u> |
| Amounts due after 1 year: | | | | |
| Trade debtors | - | 50,000 | - | 50,000 |
| | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>50,000</u> |
| Total debtors balance | <u>152,652</u> | <u>231,713</u> | <u>803,600</u> | <u>997,132</u> |

The 2024 charity debtors balance has been restated to remove a doubtful debt provision that was incorrectly applied to the intercompany loan.

19. Creditors: amounts due within 1 year

| | The group | | The charity | |
|------------------------------------|-----------------------|----------------|----------------------|---------------|
| | 2025 £ | 2024 £ | 2025 £ | 2024 £ |
| Trade creditors | 27,790 | 45,205 | 12,533 | 20,497 |
| Accruals | 36,816 | 40,704 | 17,845 | 18,816 |
| Deferred income (note 21) | 76,226 | 43,006 | - | 2,029 |
| Other taxation and social security | 13,091 | 11,009 | 2,714 | 3,217 |
| Loans | 10,648 | 10,648 | 10,648 | 10,648 |
| Hire purchase | 6,293 | - | 6,293 | - |
| Other creditors | 39,760 | 14,110 | 7,483 | 14,110 |
| | <u>210,624</u> | <u>164,682</u> | <u>57,516</u> | <u>69,317</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

20. Creditors: amounts due after 1 year

| | The group | | The charity | |
|---------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Loans | 10,185 | 20,111 | 10,185 | 20,111 |
| Hire purchase | 34,086 | - | 34,086 | - |
| | <u>44,271</u> | <u>20,111</u> | <u>44,271</u> | <u>20,111</u> |

The charity secured a Government backed Business Interruption Payment - Bounce Back Loan via HSBC. The loan was secured at 2.5% interest with no payments due within the first year of the loan. The loan is fully repayable within 5 years.

21. Deferred income

| | The group | |
|--------------------------|-----------------|-----------------|
| | 2025 | 2024 |
| | £ | £ |
| At 1 April 2024 | 43,006 | 48,616 |
| Deferred during the year | 76,226 | 43,006 |
| Released during the year | <u>(43,006)</u> | <u>(48,616)</u> |
| At 31 March 2025 | <u>76,226</u> | <u>43,006</u> |

Deferred income relates to deposits for accommodation booked in advance.

22. Provisions

| | The group | | The charity | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| At the start of the year | 12,500 | 26,910 | 12,500 | 26,910 |
| Adjustment | <u>(12,500)</u> | <u>(14,410)</u> | <u>(12,500)</u> | <u>(14,410)</u> |
| At the end of the year | <u>-</u> | <u>12,500</u> | <u>-</u> | <u>12,500</u> |

In the previous year, a provision was made for the rectification work on the Gwgja dam. The works took place in 24/25, and the actual cost was £12,500.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

23. Analysis of group net assets between funds

| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|------------------------------------|--------------------------|----------------------------|---------------------|
| Tangible fixed assets | - | 109,847 | 109,847 |
| Heritage assets | - | 5,703,931 | 5,703,931 |
| Investments | 191,446 | - | 191,446 |
| Current assets | 26,636 | 347,126 | 373,762 |
| Current liabilities | - | (210,624) | (210,624) |
| Non current liabilities | - | (44,271) | (44,271) |
| | <u>218,082</u> | <u>5,906,009</u> | <u>6,124,091</u> |
| Net assets at 31 March 2025 | | | |
| | <u>218,082</u> | <u>5,906,009</u> | <u>6,124,091</u> |
| Prior year comparative | | | |
| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
| Tangible fixed assets | - | 59,020 | 59,020 |
| Heritage assets | - | 5,875,555 | 5,875,555 |
| Investments | 201,914 | - | 201,914 |
| Current assets | 26,734 | 425,099 | 451,833 |
| Current liabilities | - | (164,682) | (164,682) |
| Non current liabilities | - | (32,611) | (32,611) |
| | <u>228,648</u> | <u>6,162,381</u> | <u>6,391,029</u> |
| Net assets at 31 March 2024 | | | |
| | <u>228,648</u> | <u>6,162,381</u> | <u>6,391,029</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

24. Movements in funds

| | At 1 April 2024 £ | Income £ | Expenditure £ | Transfers £ | Gains/ (losses) on investments £ | At 31 March 2025 £ |
|---------------------------------|----------------------|------------------|--------------------|-----------------|---|--------------------------|
| Restricted funds | | | | | | |
| Gregynog Music Fund | 228,648 | - | (2,083) | - | (10,468) | 216,097 |
| Nature Networks Fund | - | 96,199 | (74,848) | (21,351) | - | - |
| The Architectural Heritage Fund | - | 19,951 | (19,951) | - | - | - |
| Powys County Council | - | 50,238 | (50,238) | - | - | - |
| Local Places for Nature | - | 21,998 | (20,013) | - | - | 1,985 |
| The Woodland Trust | - | 8,500 | (8,500) | - | - | - |
| Total restricted funds | 228,648 | 196,886 | (175,633) | (21,351) | (10,468) | 218,082 |
| Unrestricted funds | | | | | | |
| General funds | 6,162,381 | 853,320 | (1,123,839) | 21,351 | (7,204) | 5,906,009 |
| Total unrestricted funds | 6,162,381 | 853,320 | (1,123,839) | 21,351 | (7,204) | 5,906,009 |
| Total funds | 6,391,029 | 1,050,206 | (1,299,472) | - | (17,672) | 6,124,091 |

Purposes of restricted funds

Gregynog Music Fund

The purpose of the fund is the promotion of the art and science of music and the advancement of musical education in the Principality of Wales, assisting the furtherance of courses in music and other musical activities to be carried out under the auspices of the Trustee at Gregynog Hall, in the County of Powys.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

24. Movements in funds (continued)

Purposes of restricted funds (continued)

Nature Networks Fund

Gregynog's 'Welcome Home to Nature' project is one of just 17 in Wales set to benefit from £3.78 million in Welsh Government conservation funding. The Nature Networks Fund is being delivered by The National Lottery Heritage Fund in Wales on behalf of the Welsh Government and in partnership with Natural Resources Wales. The funding supports nature recovery and encourages more public access to some of Wales' most special natural environments.

The Architectural Heritage Fund

The grant supported work to assess the level of damage to the buildings and the cost of repairing the roof.

Powys County Council

Gregynog as a national treasure and one of Wales' key cultural assets – at the same time as reinvigorating our hospitality business for conferences, weddings and events. The short term nature of this funding will allow us to market test a cultural programme designed to reestablish Gregynog as a home for the performing arts and celebrate the Hall's deep connections to the 150th anniversary of the birth of the Impressionist movement, and the Davies' sisters immense contribution to Wales' visual arts history through their donation of a vast array of impressionist works by Monet, Cezanne, Renoir and others to the newly founded National Museum and Gallery of Wales.

Local Places for Nature

The funding is administered nationally by WCVA and locally by the Powys Nature Partnership via Powys County Council. The project will stabilise the structure of the Walled garden, which is part of a Grade 1 listed garden, allowing us to replant the orchard and begin work on creating productive vegetable and cut flower gardens using plans and photographs from the hall's records to inform our planting and the layout of the gardens.

The Woodland Trust

Restoring beech PAWS* ancient woodland by removal of beech under oak; restoring mixed conifer PAWS* ancient woodland by graduated density thinning; control of Rhododendron ponticum and cherry laurel.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

24 Movements in funds (continued)

Transfers

A transfer is made from the Nature Networks Fund to General Funds for the hire purchase of a new tractor.

Prior year comparative

| | At 1 April 2023 £ | Income £ | Expenditure £ | Gains/ (losses) on investments £ | At 31 March 2024 £ |
|---------------------------------|-------------------------|-----------------------|---------------------------|---|--------------------------|
| Restricted funds | | | | | |
| Gregynog music fund | 278,507 | - | (1,773) | (48,086) | 228,648 |
| WCVA | - | 11,000 | (11,000) | - | - |
| Total restricted funds | <u>278,507</u> | <u>11,000</u> | <u>(12,773)</u> | <u>(48,086)</u> | <u>228,648</u> |
| Unrestricted funds | | | | | |
| General funds | <u>6,561,904</u> | <u>726,657</u> | <u>(1,129,467)</u> | <u>3,287</u> | <u>6,162,381</u> |
| Total unrestricted funds | <u>6,561,904</u> | <u>726,657</u> | <u>(1,129,467)</u> | <u>3,287</u> | <u>6,162,381</u> |
| Total funds | <u><u>6,840,411</u></u> | <u><u>737,657</u></u> | <u><u>(1,142,240)</u></u> | <u><u>(44,799)</u></u> | <u><u>6,391,029</u></u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2025

25. Financial instruments at fair value

| | 2025 | 2024 |
|---|-----------------------|----------------|
| | £ | £ |
| Financial assets measured at fair value | <u>191,446</u> | <u>201,914</u> |

Financial assets measured at fair value comprise listed investments.

26. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

| | The group | | The charity | |
|---------------------|---------------------|---------------|---------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Amount falling due: | | | | |
| Within 1 year | 5,608 | 8,723 | 3,956 | 7,072 |
| Within 1 - 5 years | <u>-</u> | <u>5,057</u> | <u>-</u> | <u>3,956</u> |
| | <u>5,608</u> | <u>13,780</u> | <u>3,956</u> | <u>11,028</u> |

27. Related party transactions

In accordance with FRS102, transactions with Gregynog Enterprises Limited have not been disclosed since it is a wholly owned subsidiary of The Gregynog Trust.

As an exception to this, the group discloses that an intercompany balance of £708,524 was owed by Gregynog Enterprises Limited to The Gregynog Trust at the year end.

During the year, the charity received a £20,000 interest-free loan from one of its trustees. The charity repayed the loan in full before the year end.

THE GREGYNOG TRUST

England & Wales - Charity number 1180943

Accounts

Company no. 10479711
Charity no. 1180943

The Gregynog Trust
Report and Audited Financial Statements
31 March 2024

The Gregynog Trust

Reference and administrative details

For the year ended 31 March 2024

Company number 10479711

Charity number 1180943

Registered office and operational address Gregynog Hall
Tregynon
Powys
Wales
SY16 3PW

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Carole-Anne Davies
Andrew Jedwell
Dr Janet Lewis
Professor Robert Meyrick
Simon Richards (Resigned 26 February 2024)
Dr Jane Elizabeth Siberry

Chief Executive David Chell (Appointed 14 August 2023)

Bankers HSBC Bank
Queen Street
Cardiff
CF10 2PX

Solicitors Russell Cooke Solicitors
2 Putney Hill
London
SW15 6AB

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the year **1 April 2023 to 31 March 2024**. The annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Overview from the Chair of Trustees

The Gregynog Trust was incorporated on 15th November 2016 as a Private Limited Company Number 10479711. The Trust was granted Charitable Status by the Charity Commission on 30th November 2018; registered Charity Number 1180943. The transfer of the ownership, from the University of Wales to the Gregynog Trust, was completed on 21 June 2019 following complex negotiations involving the University of Wales and the Margaret Davies Charity. The Trust's first full trading periods of 2020/21 and 2021/22 were affected by pandemic conditions and business restructuring, as reflected in previous year end reports and financial statements. The last two trading years have been concerned with consolidating operational changes, addressing governance, leadership and workforce items and dealing with legacy liabilities whilst developing new initiatives and activities.

The 750acre Gregynog estate includes the Grade II* listed Hall, early concrete structures, William Emes designed gardens, along with a National Nature Reserve and SSSI and arboretum, Gwgia reservoir, a lake, farmland, and associated buildings, some of which also have listed status. Gregynog has a long history and is perhaps best known for its most recent occupants, sisters Gwendoline and Margaret Davies originally of Llandinam. These two remarkable philanthropists, social entrepreneurs and renowned art collectors played a vital role in Welsh cultural, educational and social history. Their achievements are of international significance and their former home at Gregynog is of considerable public, academic and cultural interest – continuing to inform the focus for several of the Trust's activities in addressing its charitable objects and purposes. Gregynog has suffered from some 60 years of neglect and an absence of maintenance of its assets. The task of the Trust is therefore to rescue and stabilise large parts of the estate, deal with legacy liabilities and develop new activities and sources of income which contribute to its charitable objects.

Previous financial reports have reflected immensely challenging periods, requiring significant strategic and operational input from Trustees, up to and including and a phased post-covid reopening from July 2021 and the resulting short trading year to March 2022, reflecting just 8 months when business activity could resume, characterised by very limited activity and the need for postponement of bookings and a return to work only under safe working conditions. It also included a period of essential business restructuring due to the impacts noted above.

In this accounting period 1 April 2023 – 31 March 2024 Trustees acted with regard to governance arrangements, informed by legal advice as to the Gregynog Enterprises Ltd (GE Ltd) structure and existing directors' roles. Appropriate resolutions were made and recorded at board meetings, in relation to the board of the trading company, GE Ltd, specialist support was used to make two new appointments to GE Ltd. Similarly, a recruitment specialist was appointed to lead an executive search and a suitably skilled Chief Executive was appointed in August 2023.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

Trustees have monitored regular intercompany transfers via the formal intercompany loan agreement which sees the company regularly make payments towards its debt to the Trust, mindful of the need for sufficient working capital. New directors of GE Ltd are giving their time and attention to the trading opportunities and to the intercompany position.

Trustees have resolved historic VAT items and the Trust's Chief Financial Officer has worked tirelessly and successfully to clarify advice previously received and address the VAT position. This is now resolved.

In July 2023 we were awarded £33K from Local Places for Nature to fund the restoration of our Walled Garden working with local community groups and new volunteers.

The Trust was also successful in being awarded £20K grant funding from the Architectural Heritage Fund in December 2023, to pay for a tender process and fees for architects to develop a major National Heritage Lottery Fund bid for essential roof repairs to the listed Gregynog Hall. Buttress Architects were appointed and will support the Trust in its bid submission.

In this accounting period after lengthy negotiation, the Trust was successful in making a Section 16 agreement with Natural Resources Wales in relation to the designated National Nature Reserve, Sites of Special Scientific Interest (SSSI), ancient woodland and abundant species of lichen and invertebrates, recognised as globally important.

In the context of the Section 16 agreement, in March 2024 our partnership with the Woodland Trust led to our successful bid to the Nature Networks 3 Fund via Welsh Government and the Heritage Lottery Fund, for our Welcome Home to Nature activity at Gregynog, to the value of £246,966.

The period 2023-24 also saw the continued payment of capitalisation monies due under the Business Transfer Agreement terms set out for the previous owners, University of Wales.

Trustees acknowledge that saving Gregynog for the nation and resolving legacy issues remains challenging. However, we continue to generate and maintain income from agricultural and residential tenancies; accommodation, conference, food and beverage activity which are aligned with visits to our outstanding historic buildings, grounds and nature reserve which generate income directly for the Trust and contribute to our charitable purposes.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

Trustees have assessed business in hand for the coming year as part of the business planning, which cover both two-year stabilisation and five-year projection. We expect an extremely challenging year and to closely monitor cash-flows and cost control. The first quarter will be the most challenging.

We have now disposed of Bwlch Y Ffridd Lodge, upgraded our café; completed our brand, visual identity and marketing as well as refreshing our website. New booking and operating systems have replaced outmoded systems and practice. Further systems and supplier reviews have also been carried out to improve cost control, stem losses and optimise income generating activity, ensuring purchase order controls, reducing aged debtors, improving timeliness of invoicing and deposit payments.

Legacy liabilities relating to Gwgia reservoir, previously noted in our financial statements have been addressed with the estimated level of liability being reduced to £22K. Repair works have now been completed (August 2024).

The Warden's House has in the period 2023-24 been refurbished following completion of our insurance claim for extensive water damage and is available for self-catering holiday rental, generating income. We will start to generate new estate income from lettings in the 2024-25 accounting year and contribute to business in that period. We also expect in 2024-25 to dispose of another property, Wood Cottage, which has been prioritised for disposal as it represents a costly long-term liability which the Trust cannot refurbish or re-let in a reasonable timescale.

Recruitment to newly identified roles and directorships as well as a review of the workforce mean a new operational structure is in place, building a stronger team increasingly able to build our operational capabilities. Relationships with stakeholders, volunteers, and long-standing supporters continue to be positive as do those with professional advisors such as employment law and human resource providers. Partnerships such as Sinfonia Cymru, Mid-Wales Opera, Montgomeryshire Beekeepers Association, Cultivate, the Woodland Trust, Natural Resources Wales and the local authority in Powys are positive.

We continue to closely monitor financial movement and performance, budgeting, transparency of reporting and operating procedures. We continue to deliver on our charitable purposes, promoting the arts, education and environment and pursue our vision to become Wales' most welcoming home for nature and the arts whilst reinforcing our active approach to conservation and education. I also wish to record my sincere thanks once more to the board of Trustees who continue to apply their time, specialist skills and expertise to the most challenging of contexts, to positive effect. Despite the challenges of this large estate, we remain committed to the care, refurbishment and enhancement of this important historic house and working estate.



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

Objectives and activities

a. Policies and objectives

The Charitable Objects of the Trust are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

- To conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
- To advance the arts, culture and heritage;
- To advance education;
- To advance protection and improvement of the environment;
- To contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
- To further such other exclusively charitable objects as the Trust may from time to time determine.

The Trust aims to secure a successful future for Gregynog as Wales' most welcoming home for creativity, nature and the arts.

The Trust works to ensure a robust financial future for the Trust through sustainable and ethical approach to income generation, investment and activities aligned with its objects and purpose.

We aim to ensure our built, cultivated, and natural assets are transformed by our refurbishment and conservation work for the enjoyment of a diverse audiences.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

We enable a broad range of access opportunities to all the heritage assets and collections in our care.

We generate income through our agricultural and residential tenancies, trading, and fundraising.

We are prudent with our resources operating appropriate financial controls and achieving best value from suppliers, in kind contributions and activity in line with our values and charitable objects.

We communicate and interpret our work across a broad spectrum of platforms.

c. Activities undertaken to achieve objectives

The following activities were undertaken:

Trading and income generation activities include many that are sustainable and minimise detrimental impacts on our natural environment and resources. Where trading activities within the Gregynog Enterprises Ltd generates profit, that is reinvested in the Gregynog Trust.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

We have an Audit, Finance & Remuneration (AF&R) sub-committee which meets monthly to review activities and make recommendations to the Board of Trustees. Trading activities include accommodation for day and residential conference guests (including educational, corporate and leisure); Food & Beverage; small scale retail events and venue hire, historic house tours events and workshops supporting the arts, culture, music, education and conservation; unique weddings and civil ceremonies. Income from the estate includes rental income from residential, commercial, and agricultural property, land and fishing tenancies as well as timber sale.

Access & Interpretation - We continue to develop ways of enabling access to and interpretation of our assets and collections working to conserve and promote them. This includes physical display and interpretation, social media communications, engagement opportunities, concerts, local community group events, volunteer and partner activity.

We provide free access to the Hall on Heritage Open Days; provide online information and resources for people to learn about the history, heritage and culture of Gregynog, and the wider richness of the cultural landscape of Wales. We provide volunteering opportunities across most of our conservation activities through a clear volunteering policy and strategy which engages members of our immediate communities.

d. Social investment policies

The Gregynog Trust has not yet considered its social investment capacity or policy. It is too early in its existence.

e. Grant-making policies

The Gregynog Trust does not make Grant Awards.

f. Volunteers

Promoting opportunities to volunteer across a broad spectrum of the Trust's activities is a key policy that continues to make a tangible contribution to our work in the grounds, heritage assets and archive. Our volunteers are growing in number and are engaged in meaningful projects. The Volunteering Policy and Statements are regularly updated along with administration associated with this area to ensure compliance with GDPR and other legislation relating to volunteering, including Health Safety and Risk assessments for all activities, training and recording of hours to support funding bids as recognition of matched funding and in-kind support.

g. Main activities undertaken to further the Charity's purposes for the public benefit

- Provide free access to the high-quality open space environment including a fully maintained Green Gym;
- Provide free rehearsal space to the local groups, schools and choirs;
- Local schools programme and popular 'Monet Days';
- Promote access to all our assets and estate via the Gregynog Friends Scheme;
- Support or host community and partner events and societies agreeing shared income where appropriate, in advance; and
- Volunteering opportunities to support well-being, career development, encourage social interaction and engage directly with our work and the culture and heritage environment.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

Strategic report - Achievements and performance

a. Main achievements of the Charity

Achievements in this period are detailed in the opening section of this report.

b. Key performance indicators

A refreshed business plan supported new brand and marketing tools help to raise our profile and introduce new income streams and programme activities generated by the Trust. Additional audience research will contribute to further development.

c. Review of activities (including fundraising and income generation)

These are outlined in the opening section of this report.

d. Factors relevant to the achievement of objectives

Human and financial resources are significant as is the availability of capital and revenue funding from all sources.

As noted in previous reports, ageing water infrastructure repairs, action to secure heritage assets in terms of weather proofing and refurbishment allowing income generation through conference and wedding activity has been carried out and continues as noted above. Our courtyard accommodation continues to be upgraded in terms of fixtures, fittings and service infrastructure. Gregynog is an estate of considerable scale and a sixty-year legacy of maintenance failure precedes our ownership.

e. Investment policy

The Trustees have the power under the Charities Act to invest surplus funds. Trading activity (through Gregynog Enterprises Ltd) that results in any retained income being reinvested in the Trust. As previously stated, our wider policy will evolve as we develop our business and will focus wherever possible on ethical, environmentally beneficial investments supporting opportunities that align with our charitable purpose.

Financial review

a. Going concern

The Gregynog Trust commenced ownership and trading activity via the group on 21st June 2019 following the transfer of Gregynog Hall and Estate from the University of Wales. As previously reported, a trading loss was expected during transition, whilst revenue streams were established and developed, however these were further challenged by the impact of the pandemic throughout 2020 and until momentum was regained in mid-2023, and by significant estate demands in terms of refurbishment needs affecting the scope of our operations.

Trustees took relevant action to ensure receipt of payments of restricted and unrestricted funds owed to us under the Business Transfer Agreement; to strengthen governance and intercompany arrangements, as well as executive functions and team structures to strengthen financial and operational processes and create business development capacity. We continue to exercise financial control and monitoring with regular budgeting and cashflow monitoring.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

Examining the financial position along with the value of the Trust's physical land and built assets, tenancies and business forecast, we are confident in our assessment of going concern. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, whilst we recognise those resources are pressurised. The Trust continues to actively manage inter-company loan arrangements with the trading company GE Ltd, and to work with its directors.

The Trustees consider this appropriate having regard to knowledge that newly refurbished properties such as the Warden's House are increasingly generating additional income, and that Wood Cottage disposal is nearing completion with capital returns expected early in the autumn of the financial year 2024-25. Business in hand and forecast is encouraging and reflected in business plans along with new business activity. Strong grant income performance in the 2023-24 period along with the prospect of a successful £5m heritage lottery bid for critical roof repair indicated in the autumn/winter of 2024-25 provides further confidence. There are close monitoring processes in place along with business plan forecasts and formal inter-company processes which are managing GE Ltd's repayments. Changes to operations designed to increase income generation have also been put in place to positive effect and are supplemented by revised cost and overhead apportionment and control.

Whilst we recognise the scale of the task Trustees are taking appropriate advice and making informed decisions based on their close monitoring of the financial profile.

b. Reserves policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approx. three months of unrestricted charitable expenditure, being £282,000. The balance held as unrestricted funds at 31 March 2024 was £58,503 being unrestricted current assets less liabilities. The cash flow outflows from operating activities of £317,127 reflected the difficult trading circumstances faced by the Trust due to a shortfall in income and the need to carry out essential repairs. The trustees are aware that the lack of free reserves, together with the economic backdrop, will provide a challenging environment in the year to come. The trustees have plans in hand to address this situation and restore the reserves. The Trustees keep this under continual review.

c. Principal risks and uncertainties

Long term impact of Covid-19 working practices and the availability of fundings sources remain an influence, as do energy and other costs we previously highlighted and expect to have an impact for future years. Trustees continue to be supported by legal advisors, Russell Cooke Solicitors to ensure commitments under the Business Transfer Agreement are met.

Other risks include:

- General economic environment, energy/utility costs;
- Changes in taxation and regulation;
- Staff recruitment, development and retention in a rural context;
- Safeguarding of assets;
- Fraud & theft; and
- Health & safety.

d. Financial risk management objectives and policies

The principal subsidiary for the Gregynog Trust is Gregynog Enterprises Ltd.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

The risk policies relating to all financial and trading activity within this company are detailed and reviewed within the Audit process, and they include:

- Fraud management override of control;
- Fraud revenue recognition; and
- Going concern.

We operate a risk assessment policy across our financial and other operations using a traffic light system to assess the severity of the risk. Risk policy and registers will be comprehensively updated in the forthcoming period 2024-25 in light of asset disposal, new practices and procedures.

Structure, governance and management

a. Constitution

The Gregynog Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed. The Gregynog Trust's objects ("Objects") are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

1. To conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
2. To advance the arts, culture, and heritage;
3. to advance education;
4. to advance protection and improvement of the environment;
5. to contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
6. to further such other exclusively charitable objects as the Trust may from time to time determine.

b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trustees are responsible for the management of the Group and the Charity. The Trustees have appointed a Chief Executive who is supported by a relevant staff structure, subject to regular review. Reporting lines are clear, team collaboration and commitment are highly valued. A full and regularly updated Handbook of Policies and Procedures is in place. All staff are provided with role descriptions, appropriate contracts, and appraisal.

d. Policies adopted for the induction and training of Trustees

New Trustees are appointed based on clearly outlined role descriptions and inducted as to their responsibilities by the Chair and Board of Trustees. Each new Trustee is provided with a copy of the Charity Commission publication "The Essential Trustee" and a copy of the Trust's constitution along with other relevant documents and full induction. The Trust's professional advisors also provide timely regulatory updates.

e. Pay policy for key management personnel

All policies relating to remuneration and conditions are set out in the staff handbook and individual terms are included in staff contracts and are reviewed regularly through the Audit, Finance and Remuneration subcommittee.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

f. Related party relationships

The Trustees and key management personnel complete Related Party & Conflict of Interest & Register of Interest declarations and these are recorded and reviewed on a regular basis as part of the Audit process. All Trustees and key management personnel are prompted to complete new declarations in the event of a change of circumstances.

g. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity and are satisfied those systems and procedures are in place to mitigate exposure to the major risks.

h. Trustees' indemnities

The Trust has not taken out indemnity insurance on behalf of the Trustees. Trustees act in good faith and with full awareness of collective responsible and the need to act with care, diligence and skill in the interests of the success of the business.

Plans for future periods

A 5-year business plan (2024/25 to 2029/30) has been recently updated and will be further refined to reflect the outcome of masterplanning exercise to reflect priorities, activities, and supporting financial information in the autumn of 2024.

Statement of responsibilities of the trustees

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. 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 Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2024

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Disclosure of information to auditors

Each of the persons who are Trustees at the time of this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 11 November 2024 and signed on their behalf by:



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

Independent auditors' report

To the members of

The Gregynog Trust

Opinion

We have audited the financial statements of The Gregynog Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

Independent auditors' report

To the members of

The Gregynog Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report

To the members of

The Gregynog Trust

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

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

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Independent auditors' report

To the members of

The Gregynog Trust

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 12 November 2024

**Alison Godfrey FCA
(Senior Statutory Auditor)**

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Gregynog Trust

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2024

| | Note | Restricted £ | Unrestricted £ | 2024 Total £ | 2023 Total £ |
|-------------------------------------|------|-----------------------|-------------------------|--------------------------------|-------------------------|
| Income from: | | | | | |
| Donations | 3 | 11,000 | 7,620 | 18,620 | 8,136 |
| Charitable activities | 4 | - | 89,183 | 89,183 | 75,598 |
| Other trading activities | 5 | - | 589,988 | 589,988 | 607,785 |
| Investment income | | - | 9,486 | 9,486 | 4,437 |
| Other income | 6 | - | 30,380 | 30,380 | 53,566 |
| Total income | | <u>11,000</u> | <u>726,657</u> | <u>737,657</u> | <u>749,522</u> |
| Expenditure on: | | | | | |
| Raising funds | | - | 717,661 | 717,661 | 641,947 |
| Charitable activities | | <u>12,773</u> | <u>411,806</u> | <u>424,579</u> | <u>285,871</u> |
| Total expenditure | 8 | <u>12,773</u> | <u>1,129,467</u> | <u>1,142,240</u> | <u>927,818</u> |
| Net expenditure | | (1,773) | (402,810) | (404,583) | (178,296) |
| Net gains / (losses) on investments | | <u>(48,086)</u> | <u>3,287</u> | <u>(44,799)</u> | <u>(11,721)</u> |
| Net movement in funds | 9 | (49,859) | (399,523) | (449,382) | (190,017) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | <u>278,507</u> | <u>6,561,904</u> | <u>6,840,411</u> | <u>7,030,428</u> |
| Total funds carried forward | | <u><u>228,648</u></u> | <u><u>6,162,381</u></u> | <u><u>6,391,029</u></u> | <u><u>6,840,411</u></u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the accounts.

The Gregynog Trust

Consolidated balance sheets

As at 31 March 2024

| | Note | The group 2024 £ | The group 2023 £ | The charity 2024 £ | The charity 2023 £ |
|--|------|------------------------|------------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 59,020 | 59,261 | 20,543 | 7,594 |
| Heritage assets | 13 | 5,875,555 | 5,875,555 | 5,875,555 | 5,875,555 |
| Investments | 14 | 201,914 | 239,989 | 201,916 | 239,991 |
| | | <u>6,136,489</u> | <u>6,174,805</u> | <u>6,098,014</u> | <u>6,123,140</u> |
| Current assets | | | | | |
| Stocks | 17 | 11,173 | 14,907 | - | - |
| Debtors due within one year | 18 | 181,713 | 201,514 | 99,047 | 949,966 |
| Debtors due after one year | 18 | 50,000 | 100,000 | 50,000 | 100,000 |
| Cash at bank and in hand | | 208,947 | 573,208 | 73,010 | 370,407 |
| | | <u>451,833</u> | <u>889,629</u> | <u>222,057</u> | <u>1,420,373</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within 1 year | 19 | 164,682 | 167,262 | 69,317 | 85,012 |
| Net current assets | | <u>287,151</u> | <u>722,367</u> | <u>152,740</u> | <u>1,335,361</u> |
| Total assets less current liabilities | | <u>6,423,640</u> | <u>6,897,172</u> | <u>6,250,754</u> | <u>7,458,501</u> |
| Creditors: amounts falling due after 1 year | 20 | 20,111 | 29,851 | 20,111 | 29,851 |
| Provisions for liabilities | 22 | 12,500 | 26,910 | 12,500 | 26,910 |
| Net assets | 24 | <u>6,391,029</u> | <u>6,840,411</u> | <u>6,218,143</u> | <u>7,401,740</u> |
| Funds | | | | | |
| Restricted funds | 25 | 228,648 | 278,507 | 228,648 | 278,507 |
| Unrestricted funds | | | | | |
| General funds | | 6,162,381 | 6,561,904 | 5,989,495 | 7,123,233 |
| Total charity funds | | <u>6,391,029</u> | <u>6,840,411</u> | <u>6,218,143</u> | <u>7,401,740</u> |

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 11 November 2024 and signed on their behalf by



Carole-Anne Davies - Chair

The Gregynog Trust

Consolidated statement of cash flows

For the year ended 31 March 2024

| | 2024 £ | 2023 £ | | |
|--|-------------------------|------------------|--------------------------------------|-----------------------------------|
| Cash used in operating activities: | | | | |
| Net movement in funds | (449,382) | (190,017) | | |
| <i>Adjustments for:</i> | | | | |
| Depreciation charges | 21,425 | 19,594 | | |
| Dividends, interest and rents from investments | 9,486 | 4,437 | | |
| Net loss on investments | 44,799 | 11,721 | | |
| Profit on the sale of heritage assets | - | (48,200) | | |
| Decrease in stock | 3,734 | 263 | | |
| Decrease / (increase) in debtors | 69,801 | (25,252) | | |
| (Decrease) / increase in creditors | (2,580) | 19,847 | | |
| Decrease in provisions | (14,410) | (20,897) | | |
| Net cash used in operating activities | (317,127) | (228,504) | | |
| Cash flows from investing activities: | | | | |
| Dividends, interest and rents from investments | (9,486) | (4,437) | | |
| Purchase of investments | (50,414) | (231,587) | | |
| Proceeds from disposal of investments | 35,623 | 18,974 | | |
| Movements in cash held by investment manager | 8,067 | 211,067 | | |
| Proceeds from sale of heritage assets | - | 235,000 | | |
| Purchase of tangible fixed assets | (21,184) | (9,499) | | |
| Net cash provided by / (used in) investing activities | (37,394) | 219,518 | | |
| Cash flows from financing activities: | | | | |
| Repayment of borrowing | (9,740) | (9,501) | | |
| Net cash used in financing activities | (9,740) | (9,501) | | |
| Decrease in cash and cash equivalents in the year | (364,261) | (18,487) | | |
| Cash and cash equivalents at the beginning of the year | 573,208 | 591,695 | | |
| Cash and cash equivalents at the end of the year | 208,947 | 573,208 | | |
| Analysis of changes in net debt | | | | |
| | At 1 April 2023 £ | Cash flows £ | Other non- cash movements £ | At 31 March 2024 £ |
| Cash | 573,208 | (364,261) | - | 208,947 |
| Loans falling due within 1 year | (10,648) | - | - | (10,648) |
| Loans falling due after 1 year | (29,851) | 9,740 | - | (20,111) |
| Total | 532,709 | (354,521) | - | 178,188 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies

a) Basis of preparation

The Gregynog Trust is a charitable company limited by guarantee registered in England and Wales. The registered office address is Gregynog Hall, Tregynon, Powys, Wales, SY16 3PW.

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

The Gregynog Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the group is able to continue as a going concern. The trustees consider this appropriate having regard to the current level of unrestricted reserves and as previously reported, having considered the impact of the Covid-19 pandemic on the budget and financial plans for 2023/24. Also, in the knowledge that refurbished properties such as Warden's House are generating additional income. A further asset disposal of Wood Cottage is planned in the year 2024/25. The Trust carefully considers any asset disposals before proceeding, however it is not restricted by any covenants or other agreements, should there be further strategic or operational need for future disposal.

Business in hand and forecast is reflected in business plans along with new business activity and systems upgrades such as the incorporation of the new Guestline booking system. Costs are being driven down, business development and new branding/marketing tools are taking effect - changes to governance arrangements which aid the return to profitability of the trading subsidiary Gregynog Enterprises Ltd have been completed. In addition, and whilst the Trust does not intend to immediately 'call-in' the entire amount owed to it, a formal inter-company loan agreement is in place along with monitoring of regular and lump sum intercompany payments. Changes to operations designed to increase income generation have been put in place to positive effect and are supplemented by revised cost and overhead apportionment and control, driven by the new Chief Executive.

There are no material uncertainties about the group's ability to continue as a going concern.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of goods or services is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds 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 at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to charitable activities.

j) Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and initially measured at cost (or fair value if donated).

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------|-------------------------|
| Fixtures and fittings | 5 years straight line |
| Plant and equipment | 3-5 years straight line |
| Office equipment | 5 years straight line |

k) Heritage assets

The Trust holds and maintains a number of properties, land and a collection of chattels of historical, artistic or scientific importance. In accordance with section 34 of FRS102, heritage assets have been recognised on the balance sheet. In all cases the items have been recorded at cost at the time of acquisition, or an estimate of cost if the assets are donated. Adjustments have been made to reflect additions and disposals.

Heritage assets are not depreciated since their indefinite or long economic life and high residual value mean that any depreciation would not be material. One of the objectives of the Trust is the preservation and conservation of assets, therefore it is the Trust's responsibility to ensure that the condition of the heritage assets do not deteriorate over time.

At each reporting date, the charity assesses whether there is any indication of impairment. If such indication exists, the value of the asset is written down to its recoverable amount.

l) Listed investments

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

m) Investments in subsidiaries

Investments in subsidiaries are valued at cost less provision for impairment.

n) Stock

Stock is included at the lower of cost or net realisable value after making provision for obsolete and slow moving stock.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

o) 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.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors

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

r) Provisions

A provision is recognised in the balance sheet when the charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

s) Contingent liability

A contingent liability is a present obligation that is not recognised because it fails to meet the definition of a provision (see above). Further detail is given in note 23 to the accounts.

t) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

u) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

v) Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

w) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Heritage assets

As described in note 1k to the financial statements, donated heritage assets are valued at estimated cost and not depreciated. Due to the unique nature of heritage assets, their valuation is a key source of estimation uncertainty.

Depreciation

As described in note 1j to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities

| | Restricted | Unrestricted | 2023 Total |
|------------------------------|--------------|------------------|------------------|
| | £ | £ | £ |
| Income from: | | | |
| Donations | - | 8,136 | 8,136 |
| Charitable activities | - | 75,598 | 75,598 |
| Other trading activities | - | 607,785 | 607,785 |
| Investment income | - | 4,437 | 4,437 |
| Other income | - | 53,566 | 53,566 |
| | <u>-</u> | <u>749,522</u> | <u>749,522</u> |
| Total income | <u>-</u> | <u>749,522</u> | <u>749,522</u> |
| Expenditure on: | | | |
| Raising funds | - | 641,947 | 641,947 |
| Charitable activities | 834 | 285,037 | 285,871 |
| | <u>834</u> | <u>926,984</u> | <u>927,818</u> |
| Total expenditure | <u>834</u> | <u>926,984</u> | <u>927,818</u> |
| Net expenditure | (834) | (177,462) | (178,296) |
| Net losses | - | (11,721) | (11,721) |
| | <u>-</u> | <u>(11,721)</u> | <u>(11,721)</u> |
| Net movement in funds | <u>(834)</u> | <u>(189,183)</u> | <u>(190,017)</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

3. Income from donations

| | Restricted £ | Unrestricted £ | 2024 Total £ | 2023 Total £ |
|------------------------------------|-----------------|-------------------|--------------------|--------------------|
| Donations | - | 7,620 | 7,620 | 8,136 |
| Grants | 11,000 | - | 11,000 | - |
| Total income from donations | 11,000 | 7,620 | 18,620 | 8,136 |

All income from donations in the prior year was unrestricted.

4. Income from charitable activities

| | 2024 £ | 2023 £ |
|---------------|---------------|---------------|
| Estate income | 89,183 | 75,598 |

All income from charitable activities in the current and prior year was unrestricted.

5. Income from other trading activities

| | 2024 £ | 2023 £ |
|--------------------------------------|----------------|----------------|
| Income from Gregynog Enterprises Ltd | 589,988 | 607,785 |

All income from other trading activities in the current and prior year was unrestricted.

6. Other income

| | 2024 £ | 2023 £ |
|------------------------------|---------------|---------------|
| Other income | 30,380 | 5,366 |
| Gain on sale of fixed assets | - | 48,200 |
| | 30,380 | 53,566 |

During the year, the charity received £23,308 through an insurance claim to cover the costs of the The Warden's House repair works.

All other income in the current and prior year was unrestricted.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

7. Government grants

The charitable company did not receive any government grants during the current or prior year.

8. Total expenditure

| | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2024 Total £ |
|---|-----------------------|-------------------------------|-----------------------|--------------------------|------------------|
| Staff costs (note 10) | 354,561 | 206,353 | - | - | 560,914 |
| Trading purchases | 332,552 | - | - | - | 332,552 |
| Marketing and communications | 13,130 | - | - | - | 13,130 |
| Other staff costs | - | 17,886 | - | - | 17,886 |
| Repairs and maintenance | - | 72,544 | - | - | 72,544 |
| Rates and utilities | - | 61,667 | - | - | 61,667 |
| Insurance | - | 40,303 | - | - | 40,303 |
| Depreciation | 16,509 | 4,916 | - | - | 21,425 |
| Irrecoverable VAT* | - | - | (26,910) | - | (26,910) |
| IT costs | - | - | 83 | - | 83 |
| Legal and professional | - | 20,284 | 7,749 | - | 28,033 |
| Licences and subscriptions | - | - | 953 | - | 953 |
| Bank charges | - | - | 4,713 | - | 4,713 |
| Investment manager fees | 909 | - | - | - | 909 |
| Accountancy costs | - | - | - | 12,265 | 12,265 |
| Sundry expenses | - | 1,773 | - | - | 1,773 |
| Sub-total | 717,661 | 425,726 | (13,412) | 12,265 | 1,142,240 |
| Allocation of support and governance costs | - | (1,147) | 13,412 | (12,265) | - |
| Total expenditure | 717,661 | 424,579 | - | - | 1,142,240 |

* Irrecoverable VAT has a credit balance due to reversing the provision for the historic overclaim of VAT. Further detail is provided in note 22 to the accounts.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

8. Total expenditure (continued)

| Prior year comparative | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2023 Total £ |
|--|--------------------|----------------------------|--------------------|-----------------------|-----------------|
| Staff costs (note 10) | 316,380 | 158,026 | - | - | 474,406 |
| Trading purchases | 298,144 | - | - | - | 298,144 |
| Marketing and communications | 8,735 | - | - | - | 8,735 |
| Other staff costs | - | 8,315 | - | - | 8,315 |
| Repairs and maintenance | - | 14,968 | - | - | 14,968 |
| Rates and utilities | - | 45,693 | - | - | 45,693 |
| Insurance | - | 33,644 | - | - | 33,644 |
| Depreciation | 15,623 | 3,971 | - | - | 19,594 |
| Irrecoverable VAT | - | - | (20,897) | - | (20,897) |
| IT costs | - | - | (6,199) | - | (6,199) |
| Legal and professional | - | 23,680 | 11,362 | - | 35,042 |
| Licences and subscriptions | - | - | 733 | - | 733 |
| Bank charges | - | - | 1,611 | - | 1,611 |
| Investment manager fees | 3,065 | - | - | - | 3,065 |
| Accountancy costs | - | - | - | 10,130 | 10,130 |
| Sundry expenses | - | 834 | - | - | 834 |
| Sub-total | 641,947 | 289,131 | (13,390) | 10,130 | 927,818 |
| Allocation of support and governance costs | - | (3,260) | 13,390 | (10,130) | - |
| Total expenditure | 641,947 | 285,871 | - | - | 927,818 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

9. Net movement in funds

This is stated after charging:

| | 2024 | 2023 |
|---|---------------|---------------|
| | £ | £ |
| Depreciation | 21,425 | 19,594 |
| Operating lease payments | 13,075 | 13,075 |
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | 1,334 | 277 |
| Auditors' remuneration (excluding VAT): | | |
| ▪ Statutory audit | <u>13,500</u> | <u>11,850</u> |

During the year, expenses totalling £1,334 (2023: £277) were reimbursed to 2 trustees (2023: 1 trustee) in respect of purchases made on behalf of The Gregynog Trust, and travel to meetings.

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

10. Staff costs and numbers

Staff costs were as follows:

| | 2024 | 2023 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Salaries and wages | 511,819 | 434,151 |
| Social security costs | 30,546 | 24,295 |
| Pension costs | <u>18,549</u> | <u>15,960</u> |
| | <u>560,914</u> | <u>474,406</u> |

There were no employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the current or prior year.

The key management personnel of the charitable company in the current and prior year comprise the trustees, Chief Executive (from August 2023), Finance Operations Manager, Deputy Operations Manager, Director of Business Development (from June 2023) and Trust Administrator. The total employee benefits of the key management personnel were £173,275 (2023: £102,578).

The average number of employees employed by the group during the year was as follows:

| | 2024 | 2023 |
|-------------|-----------|-----------|
| | No. | No. |
| Trust | 6 | 6 |
| Enterprises | <u>31</u> | <u>31</u> |
| Total | <u>37</u> | <u>37</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The trading subsidiary donates its taxable profits to the parent charity under the gift aid scheme.

12. Tangible fixed assets - group

| | Fixtures and fittings £ | Plant and equipment £ | Office equipment £ | Total £ |
|-------------------------|----------------------------|--------------------------|-----------------------|----------------|
| Cost | | | | |
| At 1 April 2023 | 51,531 | 23,460 | 24,798 | 99,789 |
| Additions in year | <u>12,261</u> | <u>2,834</u> | <u>6,089</u> | 21,184 |
| At 31 March 2024 | <u>63,792</u> | <u>26,294</u> | <u>30,887</u> | 120,973 |
| Depreciation | | | | |
| At 1 April 2023 | 12,810 | 12,642 | 15,076 | 40,528 |
| Charge for the year | <u>10,995</u> | <u>5,514</u> | <u>4,916</u> | 21,425 |
| At 31 March 2024 | <u>23,805</u> | <u>18,156</u> | <u>19,992</u> | 61,953 |
| Net book value | | | | |
| At 31 March 2024 | <u>39,987</u> | <u>8,138</u> | <u>10,895</u> | 59,020 |
| At 31 March 2023 | <u>38,721</u> | <u>10,818</u> | <u>9,722</u> | 59,261 |

Tangible fixed assets - charity

| | Fixtures and fittings £ | Plant and equipment £ | Office equipment £ | Total £ |
|-------------------------|----------------------------|--------------------------|-----------------------|---------------|
| Cost | | | | |
| At 1 April 2023 | - | 18,985 | - | 18,985 |
| Additions in year | <u>12,261</u> | <u>-</u> | <u>5,369</u> | 17,630 |
| At 31 March 2024 | <u>12,261</u> | <u>18,985</u> | <u>5,369</u> | 36,615 |
| Depreciation | | | | |
| At 1 April 2023 | - | 11,391 | - | 11,391 |
| Charge for the year | <u>884</u> | <u>3,797</u> | <u>-</u> | 4,681 |
| At 31 March 2024 | <u>884</u> | <u>15,188</u> | <u>-</u> | 16,072 |
| Net book value | | | | |
| At 31 March 2024 | <u>11,377</u> | <u>3,797</u> | <u>5,369</u> | 20,543 |
| At 31 March 2023 | <u>-</u> | <u>7,594</u> | <u>-</u> | 7,594 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

13. Heritage assets - group and charity

| | Gregynog Hall £ | Chattels £ | Estate land and buildings £ | Total £ |
|-----------------------------------|-----------------------|----------------|--------------------------------------|------------------|
| Value | | | | |
| At 1 April 2023 and 31 March 2024 | <u>375,000</u> | <u>669,555</u> | <u>4,831,000</u> | <u>5,875,555</u> |

Gregynog Hall is a substantial mansion house dating from the 1840s. The freehold interest in the hall has been valued at the market value on the date that the asset was donated to the Trust. The valuation takes into account a cost estimate of repairs for £3,345,000 which was taken from a report prepared in 2013 which was undertaken for valuation purposes.

Chattels include a collection of fine and decorative art, furniture, musical instruments and books. These assets are of historical significance to the estate and have been valued at the market value on the date that the assets were donated to the trust. The value is intended to indicate the cost of buying the assets at auction. Gregynog Hall also cares for and securely displays assets including original works by Rodin and other renowned artists, on long-term loan from the National Museum of Wales and which the Davies sisters expressly wished to see remain at Gregynog via this arrangement. These assets have an approximate value of £1.065m. These are not recognised in the chattels valuation above.

Estate land and buildings includes 425 acres of let agricultural land together with some farm and Estate buildings, 218 acres of in hand forestry, 10 let residential properties, a commercial property on a long lease and a reservoir. The estate land and buildings have been valued at the market value on the date that the asset was donated to the Trust. This valuation is based on a valuation of the property in June 2013 updated for general changes to comparable values over the intervening period, changes of tenure or occupations, and any significant works during the period.

All of the heritage assets were gifted to the Trust for nil consideration under a transfer agreement with the University of Wales dated 21 June 2019. A summary of other movements is given below:

Five year summary of heritage asset transactions:

| | 2024 £ | 2023 £ | 2022 £ | 2021 £ | 2020 £ |
|---------------------|-----------|-----------|-----------|-----------|------------------|
| Additions: | | | | | |
| Donations | - | - | - | - | 6,062,355 |
| Total additions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,062,355</u> |
| Disposals: | | | | | |
| Carrying value | - | 186,800 | - | - | - |
| Proceeds | - | 235,000 | - | - | - |
| Revaluations | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

14. Investments - group and charity

| | The group | | The charity | |
|---|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Listed investments | 201,914 | 239,989 | 201,914 | 239,989 |
| Gregynog Enterprises Limited | - | - | 2 | 2 |
| Total investments at 31 March 2024 | 201,914 | 239,989 | 201,916 | 239,991 |

Listed investments:

| | The group | | The charity | |
|--|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Market value at the start of the year | 239,989 | 250,164 | 239,989 | 250,164 |
| Additions | 50,414 | 231,587 | 50,414 | 231,587 |
| Disposal proceeds | (35,623) | (18,974) | (35,623) | (18,974) |
| Net losses | (44,799) | (11,721) | (44,799) | (11,721) |
| Movements in investment cash | (8,067) | (211,067) | (8,067) | (211,067) |
| Market value at the end of the year | 201,914 | 239,989 | 201,914 | 239,989 |

Investments in subsidiaries

The investment represents 100% of the ordinary share capital of Gregynog Enterprises Limited (company number 08998400), whose principal activity is to carry out trading activities in support of the charity. A summary of the financial results and position of trading subsidiary is given in note 15.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

15. Investments in subsidiaries

Gregynog Enterprises Limited

| | 2024 £ | 2023 £ |
|-------------------------|------------------|-----------------|
| Turnover | 589,988 | 609,864 |
| Cost of sales | <u>(107,113)</u> | <u>(93,961)</u> |
| Gross profit | 482,875 | 515,903 |
| Administrative expenses | (596,745) | (536,361) |
| Other operating income | - | - |
| Operating loss | <u>(113,870)</u> | <u>(20,458)</u> |

The aggregate of the assets, liabilities and funds was:

| | 2024 £ | 2023 £ |
|-------------|------------------|------------------|
| Assets | 278,836 | 419,060 |
| Liabilities | <u>(954,034)</u> | <u>(980,388)</u> |
| Funds | <u>(675,198)</u> | <u>(561,328)</u> |

16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | 2024 £ | 2023 £ |
|----------------------|--------------------|------------------|
| Gross income | 147,669 | 139,658 |
| Results for the year | <u>(1,183,597)</u> | <u>(169,561)</u> |

17. Stock

| | The group | | The charity | |
|------------------|---------------|---------------|-------------|-----------|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Goods for resale | <u>11,173</u> | <u>14,907</u> | <u>-</u> | <u>-</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

18. Debtors

| | The group | | The charity | |
|------------------------------------|----------------|----------------|----------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Amounts due within 1 year: | | | | |
| Amounts owed by group undertakings | - | - | 848,085 | 891,333 |
| Provision for doubtful debts | - | - | (848,085) | - |
| Trade debtors | 116,635 | 156,019 | 59,557 | 41,478 |
| Prepayments and accrued income | 65,078 | 45,495 | 28,907 | 10,352 |
| Other debtors | - | - | 10,583 | 6,803 |
| | <u>181,713</u> | <u>201,514</u> | <u>99,047</u> | <u>949,966</u> |
| Amounts due after 1 year: | | | | |
| Trade debtors | <u>50,000</u> | <u>100,000</u> | <u>50,000</u> | <u>100,000</u> |
| Total debtor balance | <u>231,713</u> | <u>301,514</u> | <u>149,047</u> | <u>1,049,966</u> |

19. Creditors: amounts due within 1 year

| | The group | | The charity | |
|------------------------------------|----------------|----------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Trade creditors | 45,205 | 46,028 | 20,497 | 20,519 |
| Accruals | 40,704 | 48,760 | 18,816 | 37,960 |
| Deferred income (note 21) | 43,006 | 48,616 | 2,029 | 2,029 |
| Other taxation and social security | 11,009 | 1,594 | 3,217 | 2,238 |
| Loans | 10,648 | 10,648 | 10,648 | 10,648 |
| Other creditors | 14,110 | 11,616 | 14,110 | 11,618 |
| | <u>164,682</u> | <u>167,262</u> | <u>69,317</u> | <u>85,012</u> |

20. Creditors: amounts due after 1 year

| | The group | | The charity | |
|-------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Loans | <u>20,111</u> | <u>29,851</u> | <u>20,111</u> | <u>29,851</u> |

The charity secured a Government backed Business Interruption Payment - Bounce Back Loan via HSBC. The loan was secured at 2.5% interest with no payments due within the first year of the loan. The loan is fully repayable within 5 years.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

21. Deferred income

| | The group | |
|--------------------------|-----------------|-----------------|
| | 2024 | 2023 |
| | £ | £ |
| At 1 April 2023 | 48,616 | 48,313 |
| Deferred during the year | 43,006 | 48,616 |
| Released during the year | <u>(48,616)</u> | <u>(48,313)</u> |
| At 31 March 2024 | <u>43,006</u> | <u>48,616</u> |

Deferred income relates to deposits for accommodation booked in advance and land rental.

22. Provisions

| | The group | | The charity | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| At the start of the year | 26,910 | 47,807 | 26,910 | 47,807 |
| Adjustment | <u>(14,410)</u> | <u>(20,897)</u> | <u>(14,410)</u> | <u>(20,897)</u> |
| At the end of the year | <u>12,500</u> | <u>26,910</u> | <u>12,500</u> | <u>26,910</u> |

In the previous year, the charity identified an issue with overclaimed input VAT related to exempt activities in the Gregynog Trust. An analysis of the overclaimed balance has been undertaken and it was determined that no amounts were owed, therefore the provision was reversed. During this year, a provision was made for the rectification work on the Gwgia dam. The works took place in 24/25, and the actual cost was £12,500.

23. Contingent liabilities

In the previous year, the charity was aware of a contingent liability related to rectification work to be undertaken on the Gwgia dam which is situated on the estate. The rectification work was identified in June 2021 and work was underway to draw up plans for the rectification. The works are funded by the charity. At the year ended 31 March 2023, there was no reliable estimate of the costs involved in undertaking the work. It was believed the work may cost in the region of £50-105k. These works have since taken place in 2024-25, and a provision has been recognised in the current year.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

24. Analysis of group net assets between funds

| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|------------------------------------|--------------------------|----------------------------|-------------------------|
| Tangible fixed assets | - | 59,020 | 59,020 |
| Heritage assets | - | 5,875,555 | 5,875,555 |
| Investments | - | 201,914 | 201,914 |
| Current assets | 228,648 | 223,185 | 451,833 |
| Current liabilities | - | (164,682) | (164,682) |
| Non current liabilities | - | (32,611) | (32,611) |
| Net assets at 31 March 2024 | <u>228,648</u> | <u>6,162,381</u> | <u>6,391,029</u> |
| Prior year comparative | | | |
| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
| Tangible fixed assets | - | 59,261 | 59,261 |
| Heritage assets | - | 5,875,555 | 5,875,555 |
| Investments | - | 239,989 | 239,989 |
| Current assets | 278,507 | 611,122 | 889,629 |
| Current liabilities | - | (167,262) | (167,262) |
| Non current liabilities | - | (56,761) | (56,761) |
| Net assets at 31 March 2023 | <u>278,507</u> | <u>6,561,904</u> | <u>6,840,411</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

25. Movements in funds

| | At 1 April 2023 £ | Income £ | Expenditure £ | Gains/ (losses) on investments £ | At 31 March 2024 £ |
|---------------------------------|-------------------------|----------------|--------------------|---|--------------------------|
| Restricted funds | | | | | |
| Gregynog music fund | 278,507 | - | (1,773) | (48,086) | 228,648 |
| WCVA | - | 11,000 | (11,000) | - | - |
| Total restricted funds | 278,507 | 11,000 | (12,773) | (48,086) | 228,648 |
| Unrestricted funds | | | | | |
| General funds | 6,561,904 | 726,657 | (1,129,467) | 3,287 | 6,162,381 |
| Total unrestricted funds | 6,561,904 | 726,657 | (1,129,467) | 3,287 | 6,162,381 |
| Total funds | 6,840,411 | 737,657 | (1,142,240) | (44,799) | 6,391,029 |

Purposes of restricted funds

Gregynog music fund The purpose of the fund is the promotion of the art and science of music and the advancement of musical education in the Principality of Wales, assisting the furtherance of courses in music and other musical activities to be carried out under the auspices of the Trustee at Gregynog Hall, in the County of Powys.

WCVA The project will stabilise the structure of the Walled garden, which is part of a Grade 1 listed garden, allowing us to replant the orchard and begin work on creating productive vegetable and cut flower gardens using plans and photographs from the hall's records to inform our planting and the layout of the gardens.

| Prior year comparative | At 1 April 2022 £ | Income £ | Expenditure £ | Losses on investments £ | At 31 March 2023 £ |
|---------------------------------|-------------------------|----------------|------------------|-------------------------------|--------------------------|
| Restricted funds | | | | | |
| Gregynog music fund | 279,341 | - | (834) | - | 278,507 |
| Total restricted funds | 279,341 | - | (834) | - | 278,507 |
| Unrestricted funds | | | | | |
| General funds | 6,751,087 | 749,522 | (926,984) | (11,721) | 6,561,904 |
| Total unrestricted funds | 6,751,087 | 749,522 | (926,984) | (11,721) | 6,561,904 |
| Total funds | 7,030,428 | 749,522 | (927,818) | (11,721) | 6,840,411 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2024

26. Financial instruments at fair value

| | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| Financial assets measured at fair value | <u>201,914</u> | <u>239,989</u> |

Financial assets measured at fair value comprise listed investments.

27. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

| | The group | | The charity | |
|---------------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Amount falling due: | | | | |
| Within 1 year | 8,723 | 15,949 | 7,072 | 14,297 |
| Within 1 - 5 years | <u>5,057</u> | <u>14,428</u> | <u>3,956</u> | <u>11,676</u> |
| | <u>13,780</u> | <u>30,377</u> | <u>11,028</u> | <u>25,973</u> |

28. Related party transactions

In accordance with FRS102, transactions with Gregynog Enterprises Limited have not been disclosed since it is a wholly owned subsidiary of The Gregynog Trust.

As an exception to this, the group discloses that an intercompany balance of £848,085 was owed by Gregynog Enterprises Limited to The Gregynog Trust at the year end. Due to uncertainty over the recoverability of this balance, the Trust has provided for the balance in full in the year, as detailed in note 18. The Trust still aims to pursue repayment of the loan and have not formally cancelled the debt, therefore no adjustment has been made in Gregynog Enterprises Limited.

The charity did not enter into any other related party transactions during the current or prior year.

THE GREGYNOG TRUST

England & Wales - Charity number 1180943

Accounts

Company no. 10479711
Charity no. 1180943

The Gregynog Trust
Report and Audited Financial Statements
31 March 2023

The Gregynog Trust

Reference and administrative details

For the year ended 31 March 2023

| | |
|--|--|
| Company number | 10479711 |
| Charity number | 1180943 |
| Registered office and operational address | Gregynog Hall Tregynon Powys Wales SY16 3PW |
| Trustees | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Carole-Anne Davies Andrew Jedwell Dr Janet Lewis Professor Robert Meyrick Simon Richards Dr Jane Elizabeth Siberry |
| Head of Operations and Programmes | Dr Russell Roberts (Resigned 27 February 2023) |
| Interim Chief Executive | David Chell (Appointed 14 August 2023) |
| Bankers | HSBC Bank Queen Street Cardiff CF10 2PX |
| Solicitors | Russell Cooke Solicitors 2 Putney Hill London SW15 6AB |
| Auditors | Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD |

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 01 April 2022 to 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Overview from the Chair of Trustees

The Gregynog Trust was incorporated on 15 November 2016 as a Private Limited Company Number 10479711. The Trust was granted charitable status by the Charity Commission on 30 November 2018; registered charity number 1180943. The transfer of the ownership, from the University of Wales to the Gregynog Trust, was completed on 21 June 2019 following complex negotiations involving the University of Wales and the Davies Charity. The Trust's first full trading periods of 2020/21 and 2021/22 were seriously affected by pandemic conditions and business restructuring, as reflected in previous year end reports and financial statements.

The 750 acre Gregynog estate includes the Grade II listed Hall, early concrete structures, Grade I listed William Emes designed gardens, along with a National Nature Reserve, Sites of Specialist Scientific Interest (SSSI) and arboretum, Gwgia reservoir, a lake, farmland, and associated buildings, some of which also have listed status. Gregynog has a long history and is perhaps best known for its association with sisters Gwendoline and Margaret Davies originally of Llandinam. These two remarkable philanthropists, social entrepreneurs and renowned art collectors played a vital role in Welsh cultural, educational and social history. Their achievements are of international significance and their former home at Gregynog is of considerable public, academic and cultural interest – continuing to inform the focus for several of the Trust's activities in addressing its charitable objects and purposes.

Previous financial reports have reflected immensely challenging periods, requiring significant strategic and operational input from Trustees, up to and including the recruitment of a new Head of Operations & Programmes, confirmed in late June 2021 and a phased post-covid reopening from July 2021.

The prior accounting period therefore reflected just 8 months when business activity could resume, characterised by very limited activity and the need for postponement of bookings and a return to work only under safe working conditions. It also included a period of essential business restructuring due to the impacts noted above.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

In this accounting period 01 April 2022 – 31 March 2023 some areas have been stabilised and others have presented fresh challenges. Trustees acted with regard to governance arrangements, informed by legal advice as to Gregynog Enterprises Ltd (GE Ltd) structure and existing directors' roles. Appropriate resolutions were made and recorded at board meetings, in relation to the board of the trading company, GE Ltd, and in 2022/23 the Trust advertised openly for new non-executive directors to GE Ltd. Limited response at the time saw this recruitment campaign subsequently placed in the hands of specialist recruitment advisors. Following the resignation of the Head of Operations tendered in autumn 2022, the Trust also experienced a prolonged and challenging recruitment period from January 2023 resulting in the need for Trustees to provide strategic, governance and hands on support to the small staff team. Appointing recruitment specialists has been necessary to assist with the challenge of finding a suitably skilled Chief Executive and, in tandem, reinvigorating the search for non-executive directors of GE Ltd.

As noted above the Trust has actioned towards strengthening the governance arrangements of GE Ltd and put in place a formal inter-company loan agreement which sees the company regularly make payments towards its debt to the Trust. We expect new directors to be appointed in the coming financial year and to assist a return to profitability. Meanwhile, Trustees have committed to work with GE Ltd to reach an agreed increase in monthly payments and a lump sum to be paid over, towards the debt. Trustees are mindful that sufficient working capital must remain available to GE Ltd. In the new financial year an agreement will be settled as to amounts both for the lump sum and increased monthly payments.

As noted in the prior year Trustees are committed to resolving historic VAT items and to clarifying advice previously received. The Trust commissioned Centurion specialists in this area to identify, quantify and subsequently to make relevant adjustments. We expect some work still to be in hand at the close of this financial year.

New arrangements are being made in relation to the designated National Nature Reserve, SSSI, ancient woodland and abundant species of lichen and invertebrates recognised as globally important. Constructive discussions continue with Natural Resources Wales (NRW) as to support for the SSSI and Reserve, and with the Woodland Trust, governed significantly by the NRW timetable but now bearing fruit.

The Warden's House a newly refurbished letting property was badly damaged on 17 December 2022 with prolonged freezing weather conditions causing water pipe and tank damage which led to extensive flood damage. The property has therefore not been available for use and forecasted income reflected in budgets could not be realised. Lengthy insurance processes mean that settlement will not be reached before the end of this accounting period. The new contractor is scheduled for November 2023 with a view to the property being available for letting in early spring 2024.

The period also saw the continued payment of capitalisation monies to the Trust, due as per the Business Transfer Agreement terms set out for the previous owners, University of Wales.

We acknowledge that our journey remains challenging and that the entire estate that was inherited has significant refurbishment needs due to a previous lack of maintenance and repair. However, we continue to generate and maintain income from agricultural and residential tenancies; accommodation, conferences, café and food and beverage activity which are aligned with visits to our historic buildings and grounds, and which generate income directly for the Trust.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

Trustees have assessed the business in hand for the coming year as part of their refreshed business planning, along with identifying new business opportunity over the next two to five years and taking action to appoint a member of staff directly contributing to business development. We have disposed of Bwlch Y Ffridd Lodge and upgraded our café and courtyard. We have completed our brand, visual identity and marketing as well as beginning to refresh our website. New, customer facing booking and operating systems have been identified and will shortly replace outmoded systems and practice. Having successfully appointed a suitably skilled Chief Executive who took up the role on 14 August 2023, further systems and supplier reviews are underway to help stem losses and optimise income generating activity.

Relationships with stakeholders, volunteers, and long-standing supporters continue to be positive, as do those with professional advisors such as employment law and human resource providers. Partnerships, among them Sinfonia Cymru, Mid-Wales Opera, Quindici Choir, Montgomeryshire Beekeepers Association, Cultivate, the Woodland Trust, Natural Resources Wales and the local authority in Powys, are positive.

Applications have been made for local authority funds to assist with the renewal of aspects of our walled garden orchards and we expect news later in 2023. Key projects in our built estate have been identified and scoped to allow seed funding to be allocated in capital expenditure budgets and so that fundraising can begin. These include the repair of the roof at Gregynog Hall and the refurbishment of some 30 bathrooms in the hall. Plans are evolving to define our Friends scheme to raise support, awareness and donations from individuals, as well as approaches to grant giving bodies and public sources such as the Welsh Government.

We continue to deliver on our charitable purposes, promoting the arts, education and environment and pursue our vision to become Wales' most welcoming home for nature and the arts whilst reinforcing our active approach to conservation and education.

I also wish to record my sincere thanks once more to the board of Trustees who have applied their time, specialist skills and expertise in the most challenging of contexts to positive effect.

Despite the challenges of this large estate, we remain committed to the care, refurbishment and enhancement of this important historic house and working estate. We continue to closely monitor finance, performance, transparency of reporting and operating procedures. We are better placed to welcome visitors, to act both as a receiving venue and to offer a restorative creative environment for the enjoyment of our visitors and for wider public benefit.



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

11 December 2023

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

Objectives and activities

a. Policies and objectives

The charitable objects of the Trust are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

- to conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
 - to advance the arts, culture and heritage;
 - to advance education;
 - to advance protection and improvement of the environment;
 - to contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
 - to further such other exclusively charitable objects as the Trust may from time to time determine.
- > The Trust aims to secure a successful future for Gregynog as Wales' most welcoming home for creativity, nature and the arts.
- > The Trust works to ensure a robust financial future for the Trust through a sustainable and ethical approach to income generation, investment and activities aligned with its objects and purpose.
- > We aim to ensure our built, cultivated, and natural assets are transformed by our refurbishment and conservation work for the enjoyment of diverse audiences.
- > In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

- > We enable a broad range of access opportunities to all the heritage assets and collections in our care.
- > We generate income through our agricultural and residential tenancies, trading, and fundraising.
- > We are prudent with our resources operating appropriate financial controls and achieving best value from suppliers, in kind contributions and activity in line with our values and charitable objects.
- > We communicate and interpret our work across a broad spectrum of platforms.

c. Activities undertaken to achieve objectives

The following activities were undertaken:

Trading and income generation activities that are sustainable and minimise detrimental impacts on our natural environment and resources. Where trading activities within the Gregynog Enterprises Ltd generate profit, that is reinvested in the Gregynog Trust.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

We have an Audit, Finance & Remuneration sub-committee which meets monthly to review activities and make recommendations to the Board of Trustees. Trading activities include accommodation for day and residential conference guests (including educational, corporate and leisure); food and beverage; small scale retail events and venue hire, historic house tours, events and workshops supporting the arts, culture, music, education and conservation; unique weddings and civil ceremonies. Income from the estate includes rental income from residential, commercial, and agricultural and fishing tenancies as well as timber sales.

Access & Interpretation - We are committed to developing ways of enabling access to and interpreting our assets and collections, working to conserve and promote them. This includes physical display and interpretation, social media communications, engagement opportunities, concerts, musical festivals, literary festivals, local community group events and partner activities.

We provide free access to the Hall on Heritage Open Days; provide online information and resources for people to learn about the history, heritage and culture of Gregynog, and the wider richness of the cultural landscape of Wales. We provide volunteering opportunities across most of our conservation activities through a clear volunteering policy and strategy which engages members of our immediate communities. In 2022, we successfully completed our first international volunteers programme in partnership with the Wales Centre for International Affairs, culminating in improved archive records, new findings from our collection and an exhibition reflecting the work done and discoveries made by the volunteers.

d. Social investment policies

The Gregynog Trust has not yet considered its social investment capacity or policy. It is too early in its existence.

e. Grant-making policies

The Gregynog Trust does not make grant awards. It may on occasion deploy restricted funds from its designated Music Fund toward music related activities such as its memorandum of understanding (MOU) with Sinfonia Cymru.

f. Volunteers

Promoting opportunities to volunteer across a broad spectrum of the Trust's activities is a key policy that continues to make a tangible contribution to our work in the grounds, heritage assets and archive. The volunteering policy and statements are regularly updated along with administration associated with this area to ensure compliance with GDPR and other legislation relating to volunteering, including Health & Safety and Risk assessments for all activities, training and recording of hours to support funding bids as recognition of matched funding and in-kind support.

g. Main activities undertaken to further the charity's purposes for the public benefit

- > Provide free access to the high-quality open space environment including a fully maintained Green Gym.
- > Provide free rehearsal space to the local schools and choirs.
- > Promote access to all our assets and estate via the Gregynog Friends Scheme and Open House days, some of which are free of charge.
- > Support or host community and partner events and societies agreeing shared income where appropriate, in advance.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

- > Volunteering opportunities to support well-being, career development, encourage social interaction and engage directly with our work and the heritage environment.

Achievements and performance

a. Main achievements of the charity

The transfer of ownership to the Gregynog Trust from the University of Wales in June 2019, along with post-Covid reopening and essential restructuring of the business are major steps forward in Gregynog's fortunes. Relationships with the university, higher education and cultural sector are strong and new partnerships are being built through business development. The arrival of the newly appointed Chief Executive along with the anticipated appointment of new directors to GE Ltd bode well as does our reopened café space, themed courtyard evenings and new events offer.

Actions taken in this period also include the termination of blood sport licences on our land, halting the negative business effects of reputational association with such activity which has taken place at Gregynog in the past. This has positively re-cast our relationship with Natural Resources Wales and the Woodland Trust advancing the negotiations regarding funding for our National Nature Reserve and SSSI. The coming year marks the centenary of Gregynog becoming the home of Gwendoline and Margaret Davies which will provide numerous opportunities for celebratory events through until 2026, which begin in July 2023 with a one-day symposium marking a century since the publication of the first Gregynog Press book.

b. Key performance indicators

The annual business plan review includes an update as to the new brand and marketing tools now available to assist in raising the profile of Gregynog and introduce new income streams and programme activities. Revised budgets and business forecasts accompanying the new plan are in hand along with staff development work to ensure greater efficiency and enhanced performance across the piece.

c. Review of activities (including fundraising and income generation)

During the period covered by this report new fundraising sources have been identified and our business review and planning reflects suitable alignment with our objects and prioritisation of several sources. Annual tariff and supplier reviews are in hand for the new financial year.

d. Factors relevant to the achievement of objectives

Human and financial resource impacts have been significant, as detailed above and continue to be challenging.

As noted in the prior year report, ageing water infrastructure repairs have been carried out in some areas, reducing our liabilities, but not in all the areas where we would wish to address in the inherited legacy of disrepair. Action to secure the primary heritage assets, such as the Hall, in terms of weather proofing and basic refurbishment, which allows income generation through conference and wedding activity has been carried out to some extent but continues to need attention. Our courtyard accommodation continues to be upgraded in terms of fixtures, fittings and service infrastructure as does our café. Once again, we emphasise that these are stabilising, limited works ahead of larger capital fundraising exercises for the greater needs of the estate. Gregynog is an estate of considerable scale and a lengthy period of maintenance failure precedes our ownership.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

e. Investment policy

The Trustees have the power under the Charities Act to invest surplus funds. Trading activity (through Gregynog Enterprises Ltd) that results in any retained income is reinvested in the Trust. As previously stated, our wider policy will evolve as we develop our business and will focus wherever possible on ethical, environmentally beneficial investments supporting opportunities that align with our charitable purpose.

Financial review

a. Going concern

The Gregynog Trust commenced trading on 21 June 2019 following the transfer of Gregynog Hall and Estate from the University of Wales. A trading loss was expected during transition, whilst revenue streams were established and developed, however these were further challenged by the impact of the pandemic in this and the prior accounting year along with significant estate demands in terms of refurbishment needs affecting the scope of our operations.

Trustees took relevant action to ensure payments of restricted and unrestricted funds owed to us under the Business Transfer Agreement were honored, to strengthen governance and intercompany arrangements, change financial and operational processes and create business development capacity. We continue to exercise financial control and monitoring with regular budgeting and cashflow production.

Examining the financial position along with the value of our physical land and built assets, business in hand and forecast, we are confident in our assessment of going concern and continued trading. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trust has taken measures in relation to formal inter-company loan arrangements with the trading company GE Ltd, which are reasonable and will assist its return to profitability and its capacity to repay its debt to the Trust, fulfilling its commitment to the charitable Trust.

For these reasons, we continue to adopt the going concern basis in preparing the financial statements for this period. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Group has free reserves, as at 31 March 2023, amounting to £443,860 being unrestricted current assets less liabilities. The Trustees are working to a policy of free reserves equivalent to 3 months operational expenditure to allow for variations in the timing of income flows. The Trustees keep this under continual review.

c. Principal risks and uncertainties

Long term impact of Covid-19 working practices and the availability of funding sources remain key influences, as do energy and other costs previously noted, which we expect to have an impact for at least three years. The Trust is committed to monitoring the trading performance of GE Ltd following the agreement of a new lump sum and upwardly revised regular payments via the existing inter-company loan arrangement. The Trust itself will, in the coming financial year, consider further strategic asset disposal in the context of its capacity to manage some aspects of the estate and in the interests of the protecting and enhancing the core heritage assets and the success of the Trust. Trustees continue to be supported by legal advisors, Russell Cooke Solicitors to ensure commitments under the Business Transfer Agreement are met.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

Other risks include:

- general economic environment - unpredictable pattern of Covid-19 in coming years accompanied by energy and living cost rises;
- cost and timescales for prioritised refurbishments;
- changes in taxation and regulation;
- staff recruitment, development and retention in a rural context;
- reputational risk associated with environmental and wildlife policies;
- safeguarding of assets;
- fraud and theft; and
- health and safety.

c. Financial risk management objectives and policies

The principal subsidiary for the Gregynog Trust is Gregynog Enterprises Ltd (GE Ltd).

The risk policies relating to all financial and trading activity within this company are reviewed within the audit process, and they include:

- fraud management override of control;
- fraud revenue recognition; and
- going concern.

A risk assessment policy exists across our financial and other operations using a traffic light system to assess the severity of the risk. This is raised at board meetings as regular agenda item.

Structure, governance and management

a. Constitution

The Gregynog Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the Trustees who are appointed and/or co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trustees are responsible for the management of the group and the charity. The Trustees will appoint a Chief Executive who will be supported by a relevant staff structure, subject to regular review. A regularly updated Handbook of Policies and Procedures is in place. All staff are provided with role descriptions, appropriate contracts, and appraisal.

d. Policies adopted for the induction and training of Trustees

New Trustees are appointed on the basis of clearly outlined role descriptions and inducted as to their responsibilities by the Chair and Board of Trustees. Each new Trustee is provided with a copy of the Charity Commission publication "The Essential Trustee" and a copy of the Trust's constitution along with other relevant documents and a full induction. The Trust's professional advisors also provide timely regulatory updates.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

e. Pay policy for key management personnel

All policies relating to remuneration and conditions are set out in the staff handbook, individual terms are included in staff contracts and are reviewed regularly through the Audit, Finance and Remuneration subcommittee (AF&R).

f. Related party relationships

The Trustees and key management personnel complete Related Party, Conflict of Interest and Register of Interest declarations. These are recorded and reviewed on a regular basis as part of the audit process. All Trustees and key management personnel are prompted to complete new declarations in the event of a change of circumstances.

g. Financial risk management

The Trustees have assessed the major risks to which the group and the charity are exposed, in particular those related to the operations and finances of the group and the charity and are satisfied systems and procedures are in place to mitigate exposure to the major risks.

h. Trustees' indemnities

The Trust has not taken out indemnity insurance on behalf of the Trustees. Trustees act in good faith and with full awareness of collective responsibility and the need to act with care, diligence and skill in the interests of the success of the business.

Plans for future periods

A new 2-5 year business plan is in progress as per annual processes, which will reflect priorities, activities, policies, and supporting financial information to create a sustainable future for the Trust.

Statement of responsibilities of the trustees

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2023

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group 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.

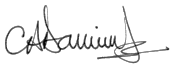
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 11 December 2023 and signed on their behalf by:



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

Independent auditors' report

To the members of

The Gregynog Trust

Opinion

We have audited the financial statements of The Gregynog Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

Independent auditors' report

To the members of

The Gregynog Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report

To the members of

The Gregynog Trust

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

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

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- testing the appropriateness of journal entries;
- assessing judgements and accounting estimates for potential bias;
- reviewing related party transactions; and
- testing transactions that are unusual or outside the normal course of business.

Independent auditors' report

To the members of

The Gregynog Trust

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 12 December 2023

**Alison Godfrey FCA
(Senior Statutory Auditor)**

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Gregynog Trust

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2023

| | Note | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|-------------------------------------|------|-----------------|-------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations | 3 | - | 8,136 | 8,136 | 39,991 |
| Charitable activities | 4 | - | 75,598 | 75,598 | 89,137 |
| Other trading activities | 5 | - | 607,785 | 607,785 | 286,175 |
| Investment income | | - | 4,437 | 4,437 | - |
| Other income | 6 | - | 53,566 | 53,566 | 112,434 |
| Total income | | - | 749,522 | 749,522 | 527,737 |
| Expenditure on: | | | | | |
| Raising funds | | - | 641,947 | 641,947 | 639,675 |
| Charitable activities | | 834 | 285,037 | 285,871 | 257,098 |
| Total expenditure | 8 | 834 | 926,984 | 927,818 | 896,773 |
| Net income / (expenditure) | | (834) | (177,462) | (178,296) | (369,036) |
| Net gains / (losses) on investments | | - | (11,721) | (11,721) | 164 |
| Net movement in funds | 9 | (834) | (189,183) | (190,017) | (368,872) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 279,341 | 6,751,087 | 7,030,428 | 7,399,300 |
| Total funds carried forward | | 278,507 | 6,561,904 | 6,840,411 | 7,030,428 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the accounts.

The Gregynog Trust

Consolidated balance sheets

As at 31 March 2023

| | Note | The group 2023 £ | The group 2022 £ | The charity 2023 £ | The charity 2022 £ |
|--|------|------------------------|------------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 59,261 | 69,356 | 7,594 | 11,391 |
| Heritage assets | 13 | 5,875,555 | 6,062,355 | 5,875,555 | 6,062,355 |
| Investments | 14 | 239,989 | 250,164 | 239,991 | 250,166 |
| | | <u>6,174,805</u> | <u>6,381,875</u> | <u>6,123,140</u> | <u>6,323,912</u> |
| Current assets | | | | | |
| Stocks | 17 | 14,907 | 15,170 | - | - |
| Debtors due within one year | 18 | 201,514 | 176,262 | 949,966 | 757,904 |
| Debtors due after one year | 18 | 100,000 | 100,000 | 100,000 | 100,000 |
| Cash at bank and in hand | | 573,208 | 591,695 | 370,407 | 536,106 |
| | | <u>889,629</u> | <u>883,127</u> | <u>1,420,373</u> | <u>1,394,010</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within 1 year | 19 | 167,262 | 140,374 | 85,012 | 59,031 |
| | | <u>722,367</u> | <u>742,753</u> | <u>1,335,361</u> | <u>1,334,979</u> |
| Net current assets | | | | | |
| | | <u>6,897,172</u> | <u>7,124,628</u> | <u>7,458,501</u> | <u>7,658,891</u> |
| Total assets less current liabilities | | | | | |
| Creditors: amounts falling due after 1 year | 20 | 29,851 | 46,393 | 29,851 | 39,782 |
| Provisions for liabilities | 22 | 26,910 | 47,807 | 26,910 | 47,807 |
| | | <u>6,840,411</u> | <u>7,030,428</u> | <u>7,401,740</u> | <u>7,571,302</u> |
| Net assets | | | | | |
| Funds | | | | | |
| Restricted funds | 25 | 278,507 | 279,341 | 278,507 | 279,341 |
| Unrestricted funds | | | | | |
| General funds | | 6,561,904 | 6,751,087 | 7,123,233 | 7,291,961 |
| | | <u>6,840,411</u> | <u>7,030,428</u> | <u>7,401,740</u> | <u>7,571,302</u> |
| Total charity funds | | | | | |

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 11 December 2023 and signed on their behalf by



Carole-Anne Davies - Chair

The Gregynog Trust

Consolidated statement of cash flows

For the year ended 31 March 2023

| | 2023 £ | 2022 £ | | |
|---|-------------------------|------------------|--------------------------------------|-----------------------------------|
| Cash provided by / (used in) operating activities: | | | | |
| Net movement in funds | (190,017) | (368,872) | | |
| <i>Adjustments for:</i> | | | | |
| Depreciation charges | 19,594 | 11,124 | | |
| Dividends, interest and rents from investments | 4,437 | - | | |
| Unrealised (gain) / loss | 11,721 | (164) | | |
| Loss / (profit) on the sale of heritage assets | (48,200) | - | | |
| Decrease / (increase) in stock | 263 | 1,518 | | |
| Decrease / (increase) in debtors | (25,252) | (34,809) | | |
| Increase / (decrease) in creditors | 19,847 | 17,430 | | |
| Increase / (decrease) in provisions | (20,897) | 47,807 | | |
| Net cash provided by / (used in) operating activities | (228,504) | (325,966) | | |
| Cash flows from investing activities: | | | | |
| Dividends, interest and rents from investments | (4,437) | - | | |
| Purchase of investments | (231,587) | (250,000) | | |
| Proceeds from disposal of investments | 18,974 | - | | |
| Movements in cash held by investment manager | 211,067 | - | | |
| Proceeds from sale of heritage assets | 235,000 | - | | |
| Purchase of tangible fixed assets | (9,499) | (45,529) | | |
| Net cash provided by / (used in) investing activities | 219,518 | (295,529) | | |
| Cash flows from financing activities: | | | | |
| Repayment of borrowing | (9,501) | - | | |
| Net cash provided by / (used in) financing activities | (9,501) | - | | |
| Increase / (decrease) in cash and cash equivalents in the year | (18,487) | (621,495) | | |
| Cash and cash equivalents at the beginning of the year | 591,695 | 1,213,190 | | |
| Cash and cash equivalents at the end of the year | 573,208 | 591,695 | | |
| Analysis of changes in net debt | | | | |
| | At 1 April 2022 £ | Cash flows £ | Other non- cash movements £ | At 31 March 2023 £ |
| Cash | 591,695 | (18,487) | - | 573,208 |
| Loans falling due within 1 year | (10,218) | (430) | - | (10,648) |
| Loans falling due after 1 year | (39,782) | 9,931 | - | (29,851) |
| Total | 541,695 | (8,986) | - | 532,709 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

a) Basis of preparation

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

The Gregynog Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the group is able to continue as a going concern. The trustees consider this appropriate having regard to the current level of unrestricted reserves and, as previously reported, having considered the impact of the Covid-19 pandemic on the budget and financial plans for 2022/23. Also in the knowledge that refurbished properties such as Warden's House are generating additional income whilst Bwlch Y Ffridd Lodge has been disposed of with capital returns expected early in the next financial year. A further asset disposal of Wood Cottage and a small land parcel is planned in the year 2023/24. The Trust carefully considers any asset disposals before proceeding however it is not restricted by any covenants or other agreements, should there be further strategic or operational need for future disposal.

Business in hand and forecast is reflected in business plans along with new business activity and systems upgrades such as the incorporation of the new Guestline booking system. Costs are being driven down, business development and new branding/marketing tools are taking effect - changes to governance arrangements which aid the return to profitability of the trading subsidiary Gregynog Enterprises Ltd have been completed. In addition, and whilst the Trust does not intend to immediately 'call-in' the entire amount owed to it, a formal inter-company loan agreement is in place along with monitoring of regular and lump sum intercompany payments. Changes to operations designed to increase income generation have been put in place to positive effect and are supplemented by revised cost and overhead apportionment and control, driven by the new Chief Executive.

There are no material uncertainties about the group's ability to continue as a going concern.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of goods or services is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds 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 at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to charitable activities.

j) Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and initially measured at cost (or fair value if donated).

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------|-------------------------|
| Fixtures and fittings | 5 years straight line |
| Plant and equipment | 3-5 years straight line |
| Office equipment | 5 years straight line |

k) Heritage assets

The Trust holds and maintains a number of properties, land and a collection of chattels of historical, artistic or scientific importance. In accordance with section 34 of FRS102, heritage assets have been recognised on the balance sheet. In all cases the items have been recorded at cost at the time of acquisition, or an estimate of cost if the assets are donated. Adjustments have been made to reflect additions and disposals.

Heritage assets are not depreciated since their indefinite or long economic life and high residual value mean that any depreciation would not be material. One of the objectives of the Trust is the preservation and conservation of assets, therefore it is the Trust's responsibility to ensure that the condition of the heritage assets do not deteriorate over time.

At each reporting date, the charity assesses whether there is any indication of impairment. If such indication exists, the value of the asset is written down to its recoverable amount.

l) Listed investments

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

m) Investments in subsidiaries

Investments in subsidiaries are valued at cost less provision for impairment.

n) Stock

Stock is included at the lower of cost or net realisable value after making provision for obsolete and slow moving stock.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

o) 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.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors

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

r) Provisions

A provision is recognised in the balance sheet when the charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

s) Contingent liability

A contingent liability is a present obligation that is not recognised because it fails to meet the definition of a provision (see above). Further detail is given in note 23 to the accounts.

t) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

u) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

v) Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

w) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Heritage assets

As described in note 1k to the financial statements, donated heritage assets are valued at estimated cost and not depreciated. Due to the unique nature of heritage assets, their valuation is a key source of estimation uncertainty.

Depreciation

As described in note 1j to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Provisions

Further detail on the provision is given in note 22. The amount provided may be subject to change as further work is required in determining the exact liability due.

Contingent liabilities

Further detail on the contingent liability is given in note 23. Though there is a present obligation and the expenditure is probable, this cost has not been provided for on the basis that a reliable estimate for the cost of the remedial works has not been determined.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

2. Prior period comparatives: statement of financial activities

| | Restricted £ | Unrestricted £ | 2022 Total £ |
|------------------------------|-----------------|-------------------|--------------------|
| Income from: | | | |
| Donations | - | 39,991 | 39,991 |
| Charitable activities | - | 89,137 | 89,137 |
| Other trading activities | - | 286,175 | 286,175 |
| Other income | - | 112,434 | 112,434 |
| Total income | - | 527,737 | 527,737 |
| Expenditure on: | | | |
| Raising funds | - | 639,675 | 639,675 |
| Charitable activities | - | 257,098 | 257,098 |
| Total expenditure | - | 896,773 | 896,773 |
| Net expenditure | - | (369,036) | (369,036) |
| Net gains on investments | - | 164 | 164 |
| Net movement in funds | - | (368,872) | (368,872) |

3. Income from donations

| | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|------------------------------------|-----------------|-------------------|--------------------|--------------------|
| Donations | - | 8,136 | 8,136 | 5,182 |
| Coronavirus Job Retention Scheme | - | - | - | 34,809 |
| Total income from donations | - | 8,136 | 8,136 | 39,991 |

All income from donations in the prior year was unrestricted.

4. Income from charitable activities

| | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|---------------|-----------------|-------------------|--------------------|--------------------|
| Estate income | - | 75,598 | 75,598 | 89,137 |

All income from charitable activities in the prior year was unrestricted.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

5. Income from other trading activities

| | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|--------------------------------------|-----------------|-------------------|--------------------|--------------------|
| Income from Gregynog Enterprises Ltd | - | 607,785 | 607,785 | 286,175 |

All income from other trading activities in the prior year was unrestricted.

6. Other income

| | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|------------------------------|-----------------|-------------------|--------------------|--------------------|
| Other income | - | 5,366 | 5,366 | - |
| Gain on sale of fixed assets | - | 48,200 | 48,200 | - |
| UOW redundancy income | - | - | - | 62,620 |
| UOW water liability income | - | - | - | 49,814 |
| | - | 53,566 | 53,566 | 112,434 |

In the prior year, the group received income from the University of Wales as part of the Business Transfer Agreement. £62,620 was received as a result of redundancies made by Gregynog Enterprises during the year, and represents the University of Wales' proportion of the redundancy liability relating to service prior to the transfer of staff. A further £49,814 was received from the University of Wales to cover the discharge of water liabilities outlined in the Business Transfer Agreement.

All other income in the prior year was unrestricted.

7. Government grants

The charitable company did not receive any government grants during the year (2022: Coronavirus Job Retention Scheme) to fund charitable activities. The total value of such grants in the year ending 31 March 2023 was £nil (2022: £34,809). There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

8. Total expenditure

| | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2023 Total £ |
|---|-----------------------|-------------------------------|-----------------------|--------------------------|-----------------|
| Staff costs (note 10) | 316,380 | 158,026 | - | - | 474,406 |
| Trading purchases | 298,144 | - | - | - | 298,144 |
| Marketing and communications | 8,735 | - | - | - | 8,735 |
| Other staff costs | - | 8,315 | - | - | 8,315 |
| Repairs and maintenance | - | 14,968 | - | - | 14,968 |
| Rates and utilities | - | 45,693 | - | - | 45,693 |
| Insurance | - | 33,644 | - | - | 33,644 |
| Depreciation | 15,623 | 3,971 | - | - | 19,594 |
| Irrecoverable VAT* | - | - | (20,897) | - | (20,897) |
| IT costs | - | - | (6,199) | - | (6,199) |
| Legal and professional | - | 23,680 | 11,362 | - | 35,042 |
| Licences and subscriptions | - | - | 733 | - | 733 |
| Bank charges | - | - | 1,611 | - | 1,611 |
| Investment manager fees | 3,065 | - | - | - | 3,065 |
| Accountancy costs | - | - | - | 10,130 | 10,130 |
| Sundry expenses | - | 834 | - | - | 834 |
| Sub-total | 641,947 | 289,131 | (13,390) | 10,130 | 927,818 |
| Allocation of support and governance costs | - | (3,260) | 13,390 | (10,130) | - |
| Total expenditure | 641,947 | 285,871 | - | - | 927,818 |

* Irrecoverable VAT has a credit balance due to reversing part of the provision for the historic overclaim of VAT. Further detail is provided in note 22 to the accounts.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

8. Total expenditure (continued)

| Prior year comparative | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2022 Total £ |
|--|--------------------|----------------------------|--------------------|-----------------------|-----------------|
| Staff costs (note 10) | 393,600 | 79,982 | - | - | 473,582 |
| Trading purchases | 227,989 | - | - | - | 227,989 |
| Marketing and communications | 630 | - | - | - | 630 |
| Other staff costs | - | 2,713 | - | - | 2,713 |
| Repairs and maintenance | - | 31,440 | - | - | 31,440 |
| Rates and utilities | - | 32,955 | - | - | 32,955 |
| Insurance | - | 29,059 | - | - | 29,059 |
| Depreciation | 7,327 | 3,797 | - | - | 11,124 |
| Irrecoverable VAT | - | - | 47,807 | - | 47,807 |
| Legal and professional | 10,129 | 9,286 | 5,246 | - | 24,661 |
| Licences and subscriptions | - | - | 1,119 | - | 1,119 |
| Bank charges | - | - | 1,346 | - | 1,346 |
| Accountancy costs | - | - | - | 12,348 | 12,348 |
| Sub-total | 639,675 | 189,232 | 55,518 | 12,348 | 896,773 |
| Allocation of support and governance costs | - | 67,866 | (55,518) | (12,348) | - |
| Total expenditure | <u>639,675</u> | <u>257,098</u> | <u>-</u> | <u>-</u> | <u>896,773</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

9. Net movement in funds

This is stated after charging:

| | 2023 | 2022 |
|-------------------------------|----------------------|----------------------|
| | £ | £ |
| Depreciation | 19,594 | 11,124 |
| Operating lease payments | 13,075 | 13,075 |
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | 277 | 7,498 |
| Auditors' remuneration: | | |
| ▪ Statutory audit | <u>11,850</u> | <u>10,000</u> |

During the year, expenses totalling £277 (2022: £7,498) were reimbursed to 1 trustee (2022: 2 trustees) in respect of purchases made on behalf of The Gregynog Trust.

10. Staff costs and numbers

Staff costs were as follows:

| | 2023 | 2022 |
|-----------------------|-----------------------|-----------------------|
| | £ | £ |
| Salaries and wages | 434,151 | 438,839 |
| Social security costs | 24,295 | 20,207 |
| Pension costs | <u>15,960</u> | <u>14,536</u> |
| | <u>474,406</u> | <u>473,582</u> |

Included within salaries and wages above are redundancy and termination payments of £5k (2022: £75k).

There were no employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the current or prior year.

The key management personnel of the charitable company in the current and prior year comprise the trustees, Head of Operations and Programmes, Deputy Operations Manager and the Finance Manager. The total employee benefits of the key management personnel were £102,578 (2022: £86,225).

The average number of employees employed by the group during the year was as follows:

| | 2023 | 2022 |
|-------------|------------------|------------------|
| | No. | No. |
| Trust | 6 | 2 |
| Enterprises | <u>31</u> | <u>26</u> |
| Total | <u>37</u> | <u>28</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The trading subsidiary donates its taxable profits to the parent charity under the gift aid scheme.

12. Tangible fixed assets - group

| | Fixtures and fittings £ | Plant and equipment £ | Office equipment £ | Total £ |
|-------------------------|----------------------------|--------------------------|-----------------------|----------------------|
| Cost | | | | |
| At 1 April 2022 | 43,527 | 21,965 | 24,798 | 90,290 |
| Additions in year | <u>8,004</u> | <u>1,495</u> | <u>-</u> | <u>9,499</u> |
| At 31 March 2023 | <u>51,531</u> | <u>23,460</u> | <u>24,798</u> | <u>99,789</u> |
| Depreciation | | | | |
| At 1 April 2022 | 3,100 | 7,677 | 10,157 | 20,934 |
| Charge for the year | <u>9,710</u> | <u>4,965</u> | <u>4,919</u> | <u>19,594</u> |
| At 31 March 2023 | <u>12,810</u> | <u>12,642</u> | <u>15,076</u> | <u>40,528</u> |
| Net book value | | | | |
| At 31 March 2023 | <u>38,721</u> | <u>10,818</u> | <u>9,722</u> | <u>59,261</u> |
| At 31 March 2022 | <u>40,427</u> | <u>14,288</u> | <u>14,641</u> | <u>69,356</u> |

Tangible fixed assets - charity

| | Plant and equipment £ | Total £ |
|-------------------------|--------------------------|----------------------|
| Cost | | |
| At 1 April 2022 | 18,985 | 18,985 |
| Additions in year | <u>-</u> | <u>-</u> |
| At 31 March 2023 | <u>18,985</u> | <u>18,985</u> |
| Depreciation | | |
| At 1 April 2022 | 7,594 | 7,594 |
| Charge for the year | <u>3,797</u> | <u>3,797</u> |
| At 31 March 2023 | <u>11,391</u> | <u>11,391</u> |
| Net book value | | |
| At 31 March 2023 | <u>7,594</u> | <u>7,594</u> |
| At 31 March 2022 | <u>11,391</u> | <u>11,391</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

13. Heritage assets - group and charity

| | Gregynog Hall £ | Chattels £ | Estate land and buildings £ | Total £ |
|------------------|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| Value | | | | |
| At 1 April 2022 | 375,000 | 671,355 | 5,016,000 | 6,062,355 |
| Disposals | <u>-</u> | <u>(1,800)</u> | <u>(185,000)</u> | <u>(186,800)</u> |
| At 31 March 2023 | <u><u>375,000</u></u> | <u><u>669,555</u></u> | <u><u>4,831,000</u></u> | <u><u>5,875,555</u></u> |

Gregynog Hall is a substantial mansion house dating from the 1840s. The freehold interest in the hall has been valued at the market value on the date that the asset was donated to the Trust. The valuation takes into account a cost estimate of repairs for £3,345,000 which was taken from a report prepared in 2013 which was undertaken for valuation purposes.

Chattels include a collection of fine and decorative art, furniture, musical instruments and books. These assets are of historical significance to the estate and have been valued at the market value on the date that the assets were donated to the trust. The value is intended to indicate the cost of buying the assets at auction. Gregynog Hall also cares for and securely displays assets including original works by Rodin and other renowned artists, on long-term loan from the National Museum of Wales and which the Davies sisters expressly wished to see remain at Gregynog via this arrangement. These assets have an approximate value of £1.065m. These are not recognised in the chattels valuation above.

Estate land and buildings includes 425 acres of let agricultural land together with some farm and Estate buildings, 218 acres of in hand forestry, 10 let residential properties, a commercial property on a long lease and a reservoir. The estate land and buildings have been valued at the market value on the date that the asset was donated to the Trust. This valuation is based on a valuation of the property in June 2013 updated for general changes to comparable values over the intervening period, changes of tenure or occupations, and any significant works during the period.

All of the heritage assets were gifted to the Trust for nil consideration under a transfer agreement with the University of Wales dated 21 June 2019. A summary of other movements is given below:

Five year summary of heritage asset transactions:

| | 2023 £ | 2022 £ | 2021 £ | 2020 £ |
|---------------------|-----------------------|-----------------|-----------------|-------------------------|
| Additions: | | | | |
| Donations | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,062,355</u> |
| Total additions | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>6,062,355</u></u> |
| Disposals: | | | | |
| Carrying value | <u><u>186,800</u></u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Proceeds | <u><u>235,000</u></u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Revaluations | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

14. Investments - group and charity

| | The group | | The charity | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Listed investments | 239,989 | 250,164 | 239,989 | 250,164 |
| Gregynog Enterprises Limited | <u>-</u> | <u>-</u> | <u>2</u> | <u>2</u> |
| Total investments at 31 March 2023 | <u>239,989</u> | <u>250,164</u> | <u>239,991</u> | <u>250,166</u> |

| Listed investments: | The group | | The charity | |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Market value at the start of the year | 250,164 | - | 250,164 | - |
| Additions | 231,587 | 250,000 | 231,587 | 250,000 |
| Disposal proceeds | (18,974) | - | (18,974) | - |
| Unrealised gains / (losses) | (11,721) | 164 | (11,721) | 164 |
| Movements in investment cash | <u>(211,067)</u> | <u>-</u> | <u>(211,067)</u> | <u>-</u> |
| Market value at the end of the year | <u>239,989</u> | <u>250,164</u> | <u>239,989</u> | <u>250,164</u> |

Investments in subsidiaries

The investment represents 100% of the ordinary share capital of Gregynog Enterprises Limited (company number 08998400), whose principal activity is to carry out trading activities in support of the charity. A summary of the financial results and position of trading subsidiary is given in note 15.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

15. Investments in subsidiaries

Gregynog Enterprises Limited

| | 2023 £ | 2022 £ |
|---------------------------|-----------------|------------------|
| Turnover | 609,864 | 282,691 |
| Cost of sales | <u>(93,961)</u> | <u>(33,498)</u> |
| Gross profit | 515,903 | 249,193 |
| Administrative expenses | (536,361) | (595,417) |
| Other operating income | <u>-</u> | <u>96,949</u> |
| Operating profit / (loss) | <u>(20,458)</u> | <u>(249,275)</u> |

The aggregate of the assets, liabilities and funds was:

| | 2023 £ | 2022 £ |
|-------------|------------------|------------------|
| Assets | 419,060 | 228,064 |
| Liabilities | <u>(980,388)</u> | <u>(768,934)</u> |
| Funds | <u>(561,328)</u> | <u>(540,870)</u> |

16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | 2023 £ | 2022 £ |
|----------------------|------------------|------------------|
| Gross income | 139,658 | 148,096 |
| Results for the year | <u>(169,561)</u> | <u>(119,597)</u> |

17. Stock

| | The group | | The charity | |
|------------------|---------------|---------------|-------------|-----------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Goods for resale | <u>14,907</u> | <u>15,170</u> | <u>-</u> | <u>-</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

18. Debtors

| | The group | | The charity | |
|------------------------------------|----------------|----------------|------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Amounts due within 1 year: | | | | |
| Trade debtors | 156,019 | 109,198 | 41,478 | 38,827 |
| Amounts owed by group undertakings | - | - | 891,333 | 673,639 |
| Prepayments and accrued income | 45,495 | 63,197 | 10,352 | 35,234 |
| Other debtors | - | 3,867 | 6,803 | 10,204 |
| | <u>201,514</u> | <u>176,262</u> | <u>949,966</u> | <u>757,904</u> |
| Amounts due after 1 year: | | | | |
| Trade debtors | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |
| Total debtor balance | <u>301,514</u> | <u>276,262</u> | <u>1,049,966</u> | <u>857,904</u> |

19. Creditors: amounts due within 1 year

| | The group | | The charity | |
|------------------------------------|----------------|----------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade creditors | 46,028 | 31,676 | 20,519 | 23,495 |
| Accruals | 48,760 | 41,630 | 37,960 | 17,666 |
| Deferred income (note 21) | 48,616 | 41,702 | 2,029 | - |
| Other taxation and social security | 1,594 | 10,132 | 2,238 | 1,631 |
| Loans | 10,648 | 10,218 | 10,648 | 10,218 |
| Other creditors | 11,616 | 5,016 | 11,618 | 6,021 |
| | <u>167,262</u> | <u>140,374</u> | <u>85,012</u> | <u>59,031</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

20. Creditors: amounts due after 1 year

| | The group | | The charity | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Deferred income (note 21) | - | 6,611 | - | - |
| Loans | <u>29,851</u> | <u>39,782</u> | <u>29,851</u> | <u>39,782</u> |
| | <u>29,851</u> | <u>46,393</u> | <u>29,851</u> | <u>39,782</u> |

The charity secured a Government backed Business Interruption Payment - Bounce Back Loan via HSBC. The loan was secured at 2.5% interest with no payments due within the first year of the loan. The loan is fully repayable within 5 years.

21. Deferred income

| | The group | |
|--------------------------|------------------------|-----------------|
| | 2023 | 2022 |
| | £ | £ |
| At 1 April 2022 | 48,313 | 32,137 |
| Deferred during the year | 48,616 | 48,313 |
| Released during the year | <u>(48,313)</u> | <u>(32,137)</u> |
| At 31 March 2023 | <u>48,616</u> | <u>48,313</u> |

Deferred income relates to deposits for accommodation booked in advance and land rental.

22. Provisions

| | The group | | The charity | |
|--|------------------------|---------------|------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| At the start of the year | 47,807 | - | 47,807 | - |
| Adjustment to reduce anticipated costs | <u>(20,897)</u> | <u>47,807</u> | <u>(20,897)</u> | <u>47,807</u> |
| Provision for overclaimed VAT | <u>26,910</u> | <u>47,807</u> | <u>26,910</u> | <u>47,807</u> |

In the previous year, the charity identified an issue with overclaimed input VAT related to exempt activities in the Gregynog Trust. An analysis of the overclaimed balance has been undertaken and further revised downwards in 2023. Once the final balance is determined, a repayment plan will be agreed with HMRC.

23. Contingent liabilities

The charity is aware of a contingent liability related to rectification work to be undertaken on the Gwgia dam which is situated on the estate. The rectification work was identified in June 2021 and work is underway to draw up plans for the rectification. The works will be funded by the charity. However, at the year end, there was no reliable estimate of the costs involved in undertaking the work. It is believed the work may cost in the region of £50-105k.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

24. Analysis of group net assets between funds

| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|--|--------------------------|----------------------------|-------------------------|
| Tangible fixed assets | - | 59,261 | 59,261 |
| Heritage assets | - | 5,875,555 | 5,875,555 |
| Investments | - | 239,989 | 239,989 |
| Current assets | 278,507 | 611,122 | 889,629 |
| Current liabilities | - | (167,262) | (167,262) |
| Non current liabilities | - | (56,761) | (56,761) |
| Net assets at 31 March 2023 | <u>278,507</u> | <u>6,561,904</u> | <u>6,840,411</u> |
| | | | |
| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
| Prior year comparative (restated) | | | |
| Tangible fixed assets | - | 69,356 | 69,356 |
| Heritage assets | - | 6,062,355 | 6,062,355 |
| Investments | - | 250,164 | 250,164 |
| Current assets | 279,341 | 603,786 | 883,127 |
| Current liabilities | - | (140,374) | (140,374) |
| Non current liabilities | - | (94,200) | (94,200) |
| Net assets at 31 March 2022 | <u>279,341</u> | <u>6,751,087</u> | <u>7,030,428</u> |

The 2022 analysis of net assets between funds has been restated to correctly show the restricted music fund being held as a current asset investment.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

25. Movements in funds

| | At 1 April 2022 £ | Income £ | Expenditure £ | Losses on investments £ | At 31 March 2023 £ |
|---------------------------------|-------------------------|----------------|------------------|-------------------------------|--------------------------|
| Restricted funds | | | | | |
| Gregynog music fund | <u>279,341</u> | <u>-</u> | <u>(834)</u> | <u>-</u> | <u>278,507</u> |
| Total restricted funds | <u>279,341</u> | <u>-</u> | <u>(834)</u> | <u>-</u> | <u>278,507</u> |
| Unrestricted funds | | | | | |
| General funds | <u>6,751,087</u> | <u>749,522</u> | <u>(926,984)</u> | <u>(11,721)</u> | <u>6,561,904</u> |
| Total unrestricted funds | <u>6,751,087</u> | <u>749,522</u> | <u>(926,984)</u> | <u>(11,721)</u> | <u>6,561,904</u> |
| Total funds | <u>7,030,428</u> | <u>749,522</u> | <u>(927,818)</u> | <u>(11,721)</u> | <u>6,840,411</u> |

Purposes of restricted funds

Gregynog music fund

The purpose of the fund is the promotion of the art and science of music and the advancement of musical education in the Principality of Wales, assisting the furtherance of courses in music and other musical activities to be carried out under the auspices of the Trustee at Gregynog Hall, in the County of Powys.

| Prior year comparative | At 1 April 2021 £ | Income £ | Expenditure £ | Gains on investments £ | At 31 March 2022 £ |
|---------------------------------|-------------------------|----------------|------------------|------------------------------|--------------------------|
| Restricted funds | | | | | |
| Gregynog music fund | <u>279,341</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>279,341</u> |
| Total restricted funds | <u>279,341</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>279,341</u> |
| Unrestricted funds | | | | | |
| General funds | <u>7,119,959</u> | <u>527,737</u> | <u>(896,773)</u> | <u>164</u> | <u>6,751,087</u> |
| Total unrestricted funds | <u>7,119,959</u> | <u>527,737</u> | <u>(896,773)</u> | <u>164</u> | <u>6,751,087</u> |
| Total funds | <u>7,399,300</u> | <u>527,737</u> | <u>(896,773)</u> | <u>164</u> | <u>7,030,428</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2023

26. Financial instruments at fair value

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Financial assets measured at fair value | <u>239,989</u> | <u>250,164</u> |

Financial assets measured at fair value comprise listed investments.

27. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

| | The group | | The charity | |
|---------------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Amount falling due: | | | | |
| Within 1 year | 15,949 | 17,309 | 14,297 | 15,657 |
| Within 1 - 5 years | <u>14,428</u> | <u>31,025</u> | <u>11,676</u> | <u>26,621</u> |
| | <u>30,377</u> | <u>48,334</u> | <u>25,973</u> | <u>42,278</u> |

28. Related party transactions

In accordance with FRS102, transactions with Gregynog Enterprises Limited have not been disclosed since it is a wholly owned subsidiary of The Gregynog Trust.

The charity did not enter into any other related party transactions during the current or prior year.

THE GREGYNOG TRUST

England & Wales - Charity number 1180943

Accounts

Company no. 10479711
Charity no. 1180943

The Gregynog Trust
Report and Audited Financial Statements
31 March 2021

The Gregynog Trust

Reference and administrative details

For the year ended 31 March 2021

| | | |
|--|--|-----------------------------|
| Company number | 10479711 | |
| Charity number | 1180943 | |
| Registered office and operational address | Gregynog Hall Tregynon Powys Wales SY16 3PW | |
| Trustees | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Carole-Anne Davies Andrew Jedwell Dr Janet Lewis Professor Robert Meyrick Simon Richards Dr Jane Elizabeth Siberry | (appointed 12 April 2021) |
| Chief executive officer | Jan Wallwork-Clarke | (resigned 31 December 2020) |
| Head of operations and programmes | Russell Roberts | (appointed 27 July 2021) |
| Bankers | HSBC Bank Queen Street Cardiff CF10 2PX | |
| Solicitors | Russell Cooke Solicitors 2 Putney Hill London SW15 6AB | |
| Auditors | Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD | |

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

The trustees present their annual report together with the audited financial statements of the charity and group for the year 1 April 2020 to 31 March 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Overview from the Chair of trustees

The Gregynog Trust was incorporated on 15 November 2016 as a private limited company, number 10479711. The Trust was granted charitable status by the Charity Commission on 30 November 2018; registered charity number 1180943. The transfer of the ownership, from the University of Wales to the Gregynog Trust, was completed on 21 June 2019 following complex negotiations involving the University of Wales and the Margaret Davies Charity. These financial reports therefore reflect the second year of activity of the independent Trust as owners, operators and stewards of Gregynog Hall and Estate.

The 750 acre estate includes the Grade II* listed Hall, early concrete structures, William Emes designed gardens, along with a national nature reserve and arboretum, Gwgia reservoir, a lake, farmland, and associated buildings, some of which also have listed status. Gregynog has a long history and is perhaps best known for its 20th century occupants, sisters Gwendoline and Margaret Davies originally of Llandinam. These two remarkable philanthropists, social entrepreneurs and renowned art collectors played a vital role in Welsh cultural, educational, and social history. Their achievements are of international significance and the archive at their former home at Gregynog is of considerable public, academic and cultural interest – continuing to inform the focus for several of the Trust’s activities in addressing its charitable purposes. Gregynog was bequeathed by Margaret Davies in 1964 to the University of Wales who owned the estate in its entirety until transfer to the Gregynog Trust in 2019.

The Trust appointed its first Chief Executive early in 2019 and her time with the Trust ended in early December 2020. These financial reports therefore reflect the period 1 April 2020 – 31 March 2021, as immensely challenging, requiring significant strategic and operational input from trustees. This was particularly sharply felt between December 2020 and late spring 2021, prior to the recruitment of a new Head of Operations & Programme (confirmed in late June 2021 – outside this accounting period) following open recruitment.

In late March 2020 and throughout this accounting period, public health measures introduced to combat the spread of Coronavirus Covid-19 severely affected our operations and activity. Nationwide restrictions defined our operating environment resulting in a significant hiatus to our trading and development plans, heavily restricted operations and significant staff numbers being placed on to the UK government ‘furlough’ Coronavirus Job Retention Scheme. At times complete buildings and estate closure were required with significant human and financial resource impact. Gregynog’s accommodation, conferencing and café business was profoundly affected. A phased reopening only became possible in early July 2021 along with limited visits and use of the grounds.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

The period 1 April 2020 – 31 March 2021 is characterised therefore by very limited activity due to the pandemic and a very challenging, heavily restricted winter where a dedicated core staff of five maintained basic functions and estate care with daily support from trustees. All appropriate measures were maintained to allow safe working conditions. The trustees wish to record their sincere thanks to this small core team including the Trust Secretary Kylie Phillips, Finance Manager Laura Bennett, Estates and Grounds Manager Owen Pugh. We are also immensely grateful to the wider staff team who endured long periods of furlough, uncertainty, and extremely challenging personal and professional circumstances.

During this time trustees focused on strengthening governance arrangements and ensuring all policies and procedures relevant to the Trust, its objects and purpose were fully updated. Within the Trust full board meeting calendar and structure, a sub-committee for the purposes of Audit, Finance & Remuneration (AF&R) was also formed, facilitating detailed financial analysis and control, timely guidance, scrutiny, and recommendations to the full board of trustees for effective decision making as well providing support to the small staff team.

Trustees also used the dormant periods imposed by the pandemic to carefully assess several inherited activities for their suitability and alignment to our charitable purpose, leading to the termination of traditional sporting licenses on our land. This has allowed us to realign activity with our objects and to halt the negative environmental impact on the condition and value of our designated National Nature Reserve, areas of Special Scientific Interest (SSSI), ancient woodland and abundant species of lichen and invertebrates recognised by Natural Resources Wales as globally important. Enhancing the natural capital and biodiverse health of our estate is a major feature of our future and the negative impact of the public health crisis worked to positive effect in creating time for strategic considerations such as these. The prudent strategic actions we took in this period are now informing our revised business planning.

The period also saw the completion of the final accounting process and payment of monies owed to the Trust to date by the previous owners, University of Wales, as per the Business Transfer Agreement documents. This includes reaching agreement and commitment to payment of sums detailed in the Business Transfer Agreement related to estate watercourse liabilities and the successful transfer of the significant restricted fund known as the Music Fund. We acknowledge that the first year of our journey has been challenging however we have been successful in achieving support from Government recovery funds as well as maintaining income from our agricultural and residential tenancies.

Whilst conference, wedding and café business was heavily affected, several bookings were retained and we were able to defer some to later dates when we hoped to be able to reopen. Trustees also recognised that whilst some business retention was possible, we expected to have to make very difficult decisions toward spring 2021, the period immediately following this reporting period.

Closure periods in early 2021 did however allow for an assessment of the condition of the built fabric of our key assets and allowed us to embark upon some of the most manageable refurbishment of common areas and accommodation at Gregynog Hall along with one other residential property, to be able to increase our income generating capacity and enhance visitor experience.

The Gregynog Trust


Report of the trustees

For the year ended 31 March 2021

Fresh engagement with stakeholders, colleagues, volunteers, and long-standing supporters has been largely positive. Relationships with suppliers and specialist advisors have been positively revised and strengthened overall including the identification and retention of employment law services and human resource support. Partnerships including Gregynog Young Musicians, Sinfonia Cymru, Montgomeryshire Beekeepers Association have all been strengthened. Despite staffing, funding, and wider social challenges, we continue to deliver on our purpose, to promote new and emerging talent for the benefit of audiences and reinforce our active approach to conservation of and access to nature.

I also wish to record my sincere thanks to an immensely skilled board of trustees who have applied their time, specialist skills and expertise to the most challenging of contexts in this period to incredibly positive effect.

Despite the challenges of our first and second operating year, we remain committed to the care, refurbishment and enhancement of this important historic house and working estate. We have experienced a more stable recent operating period and the measures we have put in place to closely monitor financial movement and performance, budgeting, transparency of reporting and new operating procedures have had a largely positive effect. Having been able to reopen in late July 2021 we are now better equipped to welcome visitors, to host and originate stimulating conferences and debate, along with events for all to enjoy and new activities, offering a restorative creative environment for the enjoyment of our visitors and for wider public benefit. We continue to offer a warm welcome to all and are confident that Gregynog will go from strength to strength as the fullest possible recovery is achieved in the coming years.



Carole-Anne Davies
Chair of Trustees, Gregynog Trust

17 January 2022

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

Objectives and activities

a. Policies and objectives

The charitable objects of the Trust are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

- to conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
 - to advance the arts, culture and heritage;
 - to advance education;
 - to advance protection and improvement of the environment;
 - to contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
 - to further such other exclusively charitable objects as the Trust may from time to time determine.
- > The Trust aims to secure a successful future for Gregynog as Wales' most welcoming home for the arts, creativity, and access to nature, where people may gather to discover, debate, and learn in our outstanding landscape setting.
- > The Trust works to ensure a robust financial future for the Trust through sustainable and ethical approach to income generation, investment and activities aligned with its objects and purpose.
- > We aim to ensure our built, cultivated, and natural assets are transformed by our refurbishment and conservation work for the enjoyment of a diverse audience across physical, intellectual, and virtual platforms.
- > In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

- > We enable a broad range of access opportunities to all the heritage assets and collections in our care.
- > We generate income through our agricultural and residential tenancies, trading, and fundraising.
- > We are prudent with our resources operating appropriate financial controls and achieving best value from suppliers, in kind contributions and activity in line with our values and charitable objects.
- > We communicate and interpret our work across a broad spectrum of platforms and promote the use of the Welsh language where possible.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

c. Activities undertaken to achieve objectives

The following activities were undertaken:

Trading and income generation activities that are sustainable and minimise detrimental impacts on our natural environment and resources. Where trading activities within the Gregynog Enterprises Ltd generates profit, that is reinvested in the Gregynog Trust.

We have an Audit, Finance & Remuneration sub-committee which meets monthly to review such activities and make recommendations to the board of trustees. Trading activities undertaken include accommodation for residential conference guests (including educational, corporate and leisure); food & beverage; retail; events venue hire, historic house tours and events supporting the arts, culture, music, and conservation; weddings and civil ceremonies. Income from the estate includes rental income from residential, commercial, and agricultural tenants.

Access & Interpretation - We enable access to and interpretation of our assets and collections working to conserve and promote them. This includes physical display and interpretation, social media communications, engagement opportunities, concerts, musical festivals, literary festivals, local community group events and partner activity.

We provide free access to the Hall on Heritage Open Days; provide online information and resources for people to learn about the history, heritage and culture of Gregynog, and the wider richness of the cultural landscape of Wales. We provide volunteering opportunities across most of our conservation activities through a clear volunteering policy and strategy which engages members of our immediate communities.

d. Social investment policies

The Gregynog Trust has not yet considered its social investment capacity or policy. It is too early in its existence.

e. Grant-making policies

The Gregynog Trust does not make grant awards.

f. Volunteers

Promoting opportunities to volunteer across a broad spectrum of the Trust's activities is a key policy that continues to make a tangible contribution to our work in the grounds, heritage assets and archive. The Volunteering Policy and statements are regularly updated along with administration associated with this area to ensure compliance with GDPR and other legislation relating to volunteering, including health & safety and risk assessments for all activities, training and recording of hours to support funding bids as recognition of matched funding and in-kind support.

These policies, procedures and activities remain in place despite the disruption of the pandemic in this accounting period.

g. Main activities undertaken to further the charity's purposes for the public benefit

- > Provide free access to the high-quality open space environment including a fully maintained Green gym.
- > Provide free rehearsal space to the local schools and choirs.
- > Promote free access to all our assets and estate via the Gregynog Friends Scheme.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

- > Support or host community and partner events and societies such as the Montgomery Beekeeping Society.
- > Volunteering opportunities to support well-being, career development, encourage social interaction and engage directly with our work and the heritage environment.

Achievements and performance

a. Main achievements of the charity

The transfer of ownership to the Gregynog Trust from the University of Wales in June 2019, was the most significant achievement in the prior year, alongside the careful stewardship and management in the challenging context of this financial year. The process was complex however the residual outstanding transactions due to date have been completed in this financial year with the payment of significant monies owed. Despite the severe impact of the pandemic and some hiatus, trustees have taken difficult but essential decisions to effect business recovery and continuity.

Key partnerships with the National Museum of Wales, Sinfonia Cymru, Gregynog Young Musicians and others have been maintained and strengthened as have relationships with the university sector in particular, Bangor, Aberystwyth, and Cardiff.

b. Key performance indicators

A new and fully refined vision and business planning, brand development and marketing strategy is underway as part of the recovery and strategic direction for the future. Key indicators will be reflected in throughout.

c. Review of activities (including fundraising and income generation)

During the period covered by this report new fundraising sources have been identified and our business planning reflects suitable alignment with several of these sources. Details of our activities and the review undertaken by trustees is detailed in the Chair's overview above. In addition, tariff reviews have been undertaken and will be subject to review again in the next financial year.

d. Factors relevant to the achievement of objectives

Human and financial resource impact have been significant as detailed above.

Immediate ageing water infrastructure repairs have been carried out reducing our liabilities and this work will continue for a further year which will address a significant inherited legacy. Effective action has been taken in this period to secure the heritage assets in terms of weather proofing and basic refurbishment allowing income generation through conference and wedding activity. Our courtyard accommodation continues to be upgraded in terms of fixtures, fittings and service infrastructure as does our café.

There is overall considerable support for the Trust and a welcome response to the news that the highly valued heritage and cultural asset that is Gregynog is to be cared for by an appropriate entity. This is particularly apparent in the renewed local authority relationship at officer and political levels.

e. Investment policy

The trustees have the power under the Charities Act to invest surplus funds. Trading activity (through Gregynog Enterprises Ltd) that results in any retained income being reinvested in the Trust. Our wider policy will evolve as part of our new business planning and will focus on ethical and environmentally beneficial investments supporting opportunities that are in line with our charitable purpose.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

Financial review

a. Going concern

The Gregynog Trust commenced trading on 21 June 2019 following the transfer of Gregynog Hall and Estate from the University of Wales. A trading loss was expected during transition, whilst revenue streams were established and developed however these have been further challenged by the impact of the pandemic in the accounting period to which this report refers.

However, trustees have taken relevant action to ensure the completion of final accounting and the payment of restricted and unrestricted funds owed. Additionally, trustees continue to operate sound financial control and monitoring with regular budgeting and cashflow production and monitoring, allowing swift action as necessary.

Trustees have assessed and taken prudent but controlled action to dispose of lower heritage value assets to realise significant capital in the early part of next year and to refurbish residential accommodation and property which will come on stream early in 2022 contributing to significant income generation.

Trustees' assessment of secured bookings and new events gives us confidence that the coming year will be one of considerable recovery and progress, despite the remaining challenges of the public health context. Interest and demand is high and bookings are strong including repeat and returning clients. Our fresh business planning, brand development and marketing improvements will also help drive our profile and attract new business as will our refurbished café offer.

The Trust closely monitors its trading subsidiary, Enterprises Ltd. In the current context, we are content to support the entity and understand that trading has been significantly challenged by the context of the pandemic (resulting in a net liabilities position at 31 March 2021). We will continue to monitor performance, increase opportunity for enhanced trading and ensure recovery of our investment.

After making appropriate enquiries and whilst they recognise the challenge and the need for continued close monitoring, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, they continue to adopt the going concern basis in preparing the financial statements for this period. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Trustees are engaged in revised financial and business planning resulting from the impact of the pandemic on its activities. Our reserves policy will be developed and informed by our budgeting considerations as part of this process, by available Charity Commission guidance and by our professional advisors and ratified by trustees.

c. Principal risks and uncertainties

Longer term impact of Covid-19 is a key consideration in our trading and activities for future years. The trustees continue to be supported by its legal advisors, Russell Cooke Solicitors to ensure commitments under the Business Transfer Agreement are met.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

Other risks include:

- general economic environment - further affected by unpredictable pattern of Covid-19 in coming years;
- changes in taxation and regulation;
- safeguarding of assets;
- fraud & theft; and
- health & safety.

Structure, governance and management

a. Constitution

The Gregynog Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed. The Gregynog Trust's objects ("Objects") are, for the public benefit without distinction of age, race, gender or political, religious, or other opinion:

1. to conserve, develop, maintain, and improve the natural and historical environment of Gregynog Hall and Gregynog Estate;
2. to advance the arts, culture, and heritage;
3. to advance education;
4. to advance protection and improvement of the environment;
5. to contribute to the improvement of the conditions of life for people within and beyond Wales by providing facilities in the interest of social welfare for recreation and leisure time occupation; and
6. to further such other exclusively charitable objects as the Trust may from time to time determine.

b. Methods of appointment or election of trustees

The management of the group and the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The trustees are responsible for the management of the group and the charity. The trustees have appointed a Head of Operations & Programme who is supported by a relevant staff structure. Reporting lines are clear, team collaboration and commitment are highly valued. A full and regularly updated handbook of policies and procedures is in place. All staff are provided with role descriptions, appropriate contracts, and regular appraisal.

d. Policies adopted for the induction and training of trustees

New trustees are appointed on the basis of clearly outlined role descriptions and inducted as to their responsibilities by the Chair and Board of trustees. Each new trustee is provided with a copy of the Charity Commission publication "The Essential trustee" and a copy of the Trust's constitution along with other relevant documents and full induction. The Trust's professional advisors also provide timely regulatory updates.

e. Pay policy for key management personnel

All policies relating to remuneration and conditions are set out in the staff handbook and individual terms are included in staff contracts and are reviewed regularly through the Audit, Finance and Remunerations subcommittee.

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

f. Related party relationships

The trustees and key management personnel have completed related party, conflict of interest and register of interest declarations and these are recorded and reviewed on a regular basis as part of the audit process. All trustees and key management personnel are prompted to complete new declarations in the event of a change of circumstances.

g. Financial risk management

The trustees have assessed the major risks to which the group and the charity are exposed, in particular those related to the operations and finances of the group and the charity and are satisfied those systems and procedures are in place to mitigate exposure to the major risks.

h. Trustees' indemnities

The Trust has not taken out indemnity insurance on behalf of the trustees.

Plans for future periods

A new business plan is in progress which will articulate the new activities, policies, and related supporting financial information to create a sustainable future for the Trust and its charitable purposes.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The Gregynog Trust

Report of the trustees

For the year ended 31 March 2021

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.

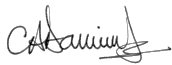
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 17 January 2022 and signed on their behalf by



Carole-Anne Davies - Chair

Independent auditors' report

To the members of

The Gregynog Trust

Opinion

We have audited the financial statements of The Gregynog Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

Independent auditors' report

To the members of

The Gregynog Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report

To the members of

The Gregynog Trust

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

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

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- Investments in subsidiaries are valued at cost less provision for impairment.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Independent auditors' report

To the members of

The Gregynog Trust

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 18 January 2022

**Alison Godfrey FCA
(Senior Statutory Auditor)**

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Gregynog Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

| | Note | Restricted £ | Unrestricted £ | 2021 Total £ | Restated 2020 Total £ |
|---|------|-----------------|-------------------|-------------------------|--------------------------------|
| Income from: | | | | | |
| Donations | 3 | 279,341 | 376,062 | 655,403 | 7,623,730 |
| Charitable activities | 4 | - | 101,499 | 101,499 | 71,005 |
| Other trading activities | 5 | - | 64,761 | 64,761 | 602,415 |
| Other income | 6 | - | 4,295 | 4,295 | 774 |
| Total income | | <u>279,341</u> | <u>546,617</u> | <u>825,958</u> | <u>8,297,924</u> |
| Expenditure on: | | | | | |
| Raising funds | | - | 598,717 | 598,717 | 661,018 |
| Charitable activities | | - | 287,636 | 287,636 | 177,211 |
| Total expenditure | 8 | <u>-</u> | <u>886,353</u> | <u>886,353</u> | <u>838,229</u> |
| Net income / (expenditure) and net movement in funds | 9 | 279,341 | (339,736) | (60,395) | 7,459,695 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | - | 7,459,695 | 7,459,695 | - |
| Total funds carried forward | | <u>279,341</u> | <u>7,119,959</u> | <u>7,399,300</u> | <u>7,459,695</u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

The 2020 comparatives have been restated in line with the Charities SORP (FRS 102). The restatements are purely reclassifications of income and expenditure and do not affect net income.

The Gregynog Trust

Consolidated balance sheets

As at 31 March 2021

| | Note | The group 2021 £ | Restated The group 2020 £ | The charity 2021 £ | Restated The charity 2020 £ |
|--|------|-------------------------|------------------------------------|--------------------------|--------------------------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 34,951 | 25,385 | 15,188 | - |
| Heritage assets | 13 | 6,062,355 | 6,062,355 | 6,062,355 | 6,062,355 |
| Investments | 14 | - | - | 2 | 2 |
| | | <u>6,097,306</u> | <u>6,087,740</u> | <u>6,077,545</u> | <u>6,062,357</u> |
| Current assets | | | | | |
| Stocks | 17 | 16,688 | 20,170 | - | - |
| Debtors | 18 | 241,453 | 463,396 | 632,759 | 655,462 |
| Cash at bank and in hand | | <u>1,213,190</u> | <u>1,093,945</u> | <u>1,096,894</u> | <u>854,768</u> |
| | | 1,471,331 | 1,577,512 | 1,729,653 | 1,510,230 |
| Liabilities | | | | | |
| Creditors: amounts falling due within 1 year | 19 | <u>119,337</u> | <u>205,557</u> | <u>66,300</u> | <u>54,289</u> |
| Net current assets | | 1,351,994 | 1,371,955 | 1,663,353 | 1,455,941 |
| Creditors: amounts falling due after 1 year | 20 | <u>50,000</u> | - | <u>50,000</u> | - |
| Net assets | 21 | <u><u>7,399,300</u></u> | <u><u>7,459,695</u></u> | <u><u>7,690,898</u></u> | <u><u>7,518,298</u></u> |
| Funds | | | | | |
| Restricted funds | 22 | 279,341 | - | 279,341 | - |
| Unrestricted funds | | | | | |
| General funds | | <u>7,119,959</u> | <u>7,459,695</u> | <u>7,411,557</u> | <u>7,518,298</u> |
| Total charity funds | | <u><u>7,399,300</u></u> | <u><u>7,459,695</u></u> | <u><u>7,690,898</u></u> | <u><u>7,518,298</u></u> |

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 17 January 2022 and signed on their behalf by



Carole-Anne Davies - Chair

The Gregynog Trust

Consolidated statement of cash flows

For the year ended 31 March 2021

| | 2021 £ | 2020 £ |
|---|-------------------------|--------------------|
| Cash provided by / (used in) operating activities: | | |
| Net movement in funds | (60,395) | 7,459,695 |
| <i>Adjustments for:</i> | | |
| Depreciation charges | 9,419 | 391 |
| Decrease / (increase) in stock | 3,482 | (20,170) |
| Decrease / (increase) in debtors | 221,945 | (463,396) |
| Increase / (decrease) in creditors | <u>(86,221)</u> | <u>205,556</u> |
| Net cash provided by / (used in) operating activities | <u>88,230</u> | <u>7,182,076</u> |
| Cash flows from investing activities: | | |
| Donation of heritage assets | - | (6,062,355) |
| Purchase of tangible fixed assets | <u>(18,985)</u> | <u>(25,776)</u> |
| Net cash provided by / (used in) investing activities | <u>(18,985)</u> | <u>(6,088,131)</u> |
| Cash flows from financing activities: | | |
| Net inflows from borrowing | <u>50,000</u> | - |
| Net cash provided by / (used in) financing activities | <u>50,000</u> | - |
| Increase / (decrease) in cash and cash equivalents in the year | 119,245 | 1,093,945 |
| Cash and cash equivalents at the beginning of the year | <u>1,093,945</u> | - |
| Cash and cash equivalents at the end of the year | <u>1,213,190</u> | <u>1,093,945</u> |

Analysis of changes in net debt

| | At 1 April 2020 £ | Cash flows £ | New loans £ | Other non- cash movements £ | At 31 March 2021 £ |
|---------------------------------|-------------------------|-----------------|-----------------|--------------------------------------|--------------------------|
| Cash | <u>1,093,945</u> | <u>69,245</u> | <u>50,000</u> | - | <u>1,213,190</u> |
| Loans falling due within 1 year | - | - | - | - | - |
| Loans falling due after 1 year | - | - | <u>(50,000)</u> | - | <u>(50,000)</u> |
| Total | <u>1,093,945</u> | <u>69,245</u> | <u>-</u> | <u>-</u> | <u>1,163,190</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

a) Basis of preparation

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

The Gregynog Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the group is able to continue as a going concern. The trustees consider this appropriate having regard to the current level of unrestricted reserves and having considered the impact of the ongoing Covid-19 pandemic on the budget and financial plans for 2021/22. There are no material uncertainties about the group's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of goods or services is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

e) Donated services and facilities (continued)

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to charitable activities.

j) Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and initially measured at cost (or fair value if donated).

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|-----------------------|-----------------------|
| Fixtures and fittings | 5 years straight line |
| Plant and equipment | 5 years straight line |
| Office equipment | 3 years straight line |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

k) Heritage assets

The Trust holds and maintains a number of properties, land and a collection of chattels of historical, artistic or scientific importance. In accordance with section 34 of FRS102, heritage assets have been recognised on the balance sheet. In all cases the items have been recorded at cost at the time of acquisition, or an estimate of cost if the assets are donated. Adjustments have been made to reflect additions and disposals.

Heritage assets are not depreciated since their indefinite or long economic life and high residual value mean that any depreciation would not be material. One of the objectives of the Trust is the preservation and conservation of assets, therefore it is the Trust's responsibility to ensure that the condition of the heritage assets do not deteriorate over time.

At each reporting date, the charity assesses whether there is any indication of impairment. If such indication exists, the value of the asset is written down to its recoverable amount.

l) Investments

Investments in subsidiaries are valued at cost less provision for impairment.

m) Stock

Stock is included at the lower of cost or net realisable value after making provision for obsolete and slow moving stock.

n) 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.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors

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

q) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

r) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

s) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Heritage assets

As described in note 1k to the financial statements, donated heritage assets are valued at estimated cost. Due to the unique nature of heritage assets, their valuation is a key source of estimation uncertainty.

Depreciation

As described in note 1j to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

t) Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. Prior period comparatives: statement of financial activities (restated)

| | Restricted | Unrestricted | 2020 Total |
|---|------------|------------------|------------------|
| | £ | £ | £ |
| Income from: | | | |
| Donations | - | 7,623,730 | 7,623,730 |
| Charitable activities | - | 71,005 | 71,005 |
| Other trading activities | - | 602,415 | 602,415 |
| Other income | - | 774 | 774 |
| Total income | - | 8,297,924 | 8,297,924 |
| Expenditure on: | | | |
| Raising funds | - | 661,018 | 661,018 |
| Charitable activities | - | 177,211 | 177,211 |
| Total expenditure | - | 838,229 | 838,229 |
| Net income and net movement in funds | - | 7,459,695 | 7,459,695 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

3. Income from donations

| | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
|------------------------------------|-----------------|-------------------|--------------------|--------------------|
| Donations | 279,341 | 110,193 | 389,534 | 512,899 |
| Donation - transfer of assets | - | - | - | 7,110,831 |
| Coronavirus Job Retention Scheme | - | 265,869 | 265,869 | - |
| Total income from donations | 279,341 | 376,062 | 655,403 | 7,623,730 |

All donations income in the prior year was unrestricted.

On 21 June 2019 the ownership of the Gregynog Estate was transferred to The Gregynog Trust from the University of Wales. The transfer was recorded as a donation and was made up of heritage assets (£6,062,355), stock (£22,981) and cash and other funds (£1,025,495).

4. Income from charitable activities

| | Restricted £ | Unrestricted £ | 2021 Total £ | Restated 2020 Total £ |
|---------------|-----------------|-------------------|--------------------|--------------------------------|
| Estate income | - | 101,499 | 101,499 | 71,005 |

All income from charitable activities in the prior year was unrestricted.

5. Income from other trading activities

| | Restricted £ | Unrestricted £ | 2021 Total £ | 2020 Total £ |
|--------------------------------------|-----------------|-------------------|--------------------|--------------------|
| Income from Gregynog Enterprises Ltd | - | 64,761 | 64,761 | 602,415 |

All income from other trading activities in the prior year was unrestricted.

6. Other income

| | Restricted £ | Unrestricted £ | 2021 Total £ | Restated 2020 Total £ |
|--------------|-----------------|-------------------|--------------------|--------------------------------|
| Other income | - | 4,295 | 4,295 | 774 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

7. Government grants

The charitable company receives government grants, defined as funding from the Coronavirus Job Retention Scheme, Powys Council and the Cultural Recovery Fund to fund charitable activities. The total value of such grants in the year ending 31 March 2021 was £375,094 (2020: £nil). There are no unfulfilled conditions or contingencies attaching to these grants.

8. Total expenditure

| | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2021 Total £ |
|---|-----------------------|-------------------------------|-----------------------|--------------------------|-----------------|
| Staff costs (note 10) | 403,580 | 103,472 | - | - | 507,052 |
| Trading purchases | 150,355 | - | - | - | 150,355 |
| Marketing and communications | 12,500 | - | - | - | 12,500 |
| Other staff costs | - | 1,740 | - | - | 1,740 |
| Repairs and maintenance | - | 49,246 | - | - | 49,246 |
| Rates and utilities | - | 54,509 | - | - | 54,509 |
| Insurance | - | 18,408 | - | - | 18,408 |
| Depreciation | 5,622 | 3,797 | - | - | 9,419 |
| Legal and professional | 26,660 | - | 27,717 | 17,875 | 72,252 |
| Licences and subscriptions | - | - | 224 | - | 224 |
| Bank charges | - | - | 563 | - | 563 |
| Accountancy costs | - | - | - | 10,085 | 10,085 |
| Sub-total | 598,717 | 231,172 | 28,504 | 27,960 | 886,353 |
| Allocation of support and governance costs | - | 56,464 | (28,504) | (27,960) | - |
| Total expenditure | 598,717 | 287,636 | - | - | 886,353 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

8. Total expenditure (continued)

| Prior year comparative | Raising funds £ | Charitable activities £ | Support costs £ | Governance costs £ | 2020 Total £ |
|--|--------------------|----------------------------|--------------------|-----------------------|-----------------|
| Staff costs (note 10) | 389,120 | 64,847 | - | - | 453,967 |
| Trading purchases | 271,507 | - | - | - | 271,507 |
| Other staff costs | - | 615 | - | - | 615 |
| Repairs and maintenance | - | 30,763 | - | - | 30,763 |
| Rates and utilities | - | 19,641 | - | - | 19,641 |
| Insurance | - | 17,256 | - | - | 17,256 |
| Depreciation | 391 | - | - | - | 391 |
| IT costs | - | - | 11,322 | - | 11,322 |
| Legal and professional | - | - | 23,709 | - | 23,709 |
| Licences and subscriptions | - | - | 55 | - | 55 |
| Bank charges | - | - | 2,333 | - | 2,333 |
| Accountancy costs | - | - | - | 6,670 | 6,670 |
| Sub-total | 661,018 | 133,122 | 37,419 | 6,670 | 838,229 |
| Allocation of support and governance costs | - | 44,089 | (37,419) | (6,670) | - |
| Total expenditure | 661,018 | 177,211 | - | - | 838,229 |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

9. Net movement in funds

This is stated after charging:

| | 2021 | 2020 |
|-----------------------------------|--------------|--------------|
| | £ | £ |
| Depreciation | 9,419 | 391 |
| Operating lease payments | 12,938 | 11,088 |
| Trustees' remuneration | Nil | Nil |
| Trustees' reimbursed expenses | 414 | 2,745 |
| Auditors' remuneration: | | |
| ▪ Statutory audit (including VAT) | <u>8,400</u> | <u>9,200</u> |

During the year, expenses totalling £414 (2020: £2,745) were reimbursed to 1 trustee (2020: 1 trustee) in respect of purchases made on behalf of The Gregynog Trust..

10. Staff costs and numbers

Staff costs were as follows:

| | 2021 | 2020 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Salaries and wages | 460,901 | 411,374 |
| Social security costs | 31,113 | 29,966 |
| Pension costs | <u>15,038</u> | <u>12,627</u> |
| | <u>507,052</u> | <u>453,967</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2021 | 2020 |
|-------------------|----------|----------|
| | No. | No. |
| £70,001 - £80,000 | <u>1</u> | <u>1</u> |

The key management personnel of the charitable company comprise the trustees, Chief Executive Officer, Finance Manager, HR & Admin Manager, System & Support Manager, Sales & Marketing Manager, Bar Manager and the Facilities & Maintenance Manager (2020: trustees and Chief Executive Officer). The total employee benefits of the key management personnel were £229,012 (2020: £73,923).

The average number of employees employed by the group during the year was as follows:

| | 2021 | 2020 |
|-------------|-----------|-----------|
| | No. | No. |
| Trust | 7 | 6 |
| Enterprises | <u>33</u> | <u>31</u> |
| Total | <u>40</u> | <u>37</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The trading subsidiary donates its taxable profits to the parent charity under the gift aid scheme.

12. Tangible fixed assets - group

| | Fixtures and fittings £ | Plant and equipment £ | Office equipment £ | Total £ |
|-------------------------|----------------------------|--------------------------|-----------------------|----------------------|
| Cost | | | | |
| At 1 April 2020 | 978 | - | 24,798 | 25,776 |
| Additions in year | <u>-</u> | <u>18,985</u> | <u>-</u> | <u>18,985</u> |
| At 31 March 2021 | <u>978</u> | <u>18,985</u> | <u>24,798</u> | <u>44,761</u> |
| Depreciation | | | | |
| At 1 April 2020 | 22 | - | 369 | 391 |
| Charge for the year | <u>956</u> | <u>3,797</u> | <u>4,666</u> | <u>9,419</u> |
| At 31 March 2021 | <u>978</u> | <u>3,797</u> | <u>5,035</u> | <u>9,810</u> |
| Net book value | | | | |
| At 31 March 2021 | <u>-</u> | <u>15,188</u> | <u>19,763</u> | <u>34,951</u> |
| At 31 March 2020 | <u>956</u> | <u>-</u> | <u>24,429</u> | <u>25,385</u> |

Tangible fixed assets - charity

| | Plant and equipment £ | Total £ |
|-------------------------|--------------------------|----------------------|
| Cost | | |
| At 1 April 2020 | - | - |
| Additions in year | <u>18,985</u> | <u>18,985</u> |
| At 31 March 2021 | <u>18,985</u> | <u>18,985</u> |
| Depreciation | | |
| At 1 April 2020 | - | - |
| Charge for the year | <u>3,797</u> | <u>3,797</u> |
| At 31 March 2021 | <u>3,797</u> | <u>3,797</u> |
| Net book value | | |
| At 31 March 2021 | <u>15,188</u> | <u>15,188</u> |
| At 31 March 2020 | <u>-</u> | <u>-</u> |

The Gregynog Trust

Notes to the financial statements

For the year ended 31 March 2021

13. Heritage assets - group and charity

| | Gregynog Hall £ | Chattels £ | Estate land and buildings £ | Total £ |
|--------------------------------------|-----------------------|----------------|-----------------------------------|------------------|
| Value | | | | |
| At 1 April 2020 and at 31 March 2021 | <u>375,000</u> | <u>671,355</u> | <u>5,016,000</u> | <u>6,062,355</u> |

Gregynog Hall is a substantial mansion house dating from the 1840s. The freehold interest in the hall has been valued at the market value on the date that the asset was donated to the Trust. The valuation takes into account a cost estimate of repairs for £3,345,000 which was taken from a report prepared in 2013 which was undertaken for valuation purposes.

Chattels include a collection of fine and decorative art, furniture, musical instruments and books. These assets are of historical significance to the estate and have been valued at the market value on the date that the assets were donated to the trust. The value is intended to indicate the cost of buying the assets at auction. Gregynog Hall also cares for and securely displays assets including original works by Rodin and other renowned artists, on long-term loan from the National Museum of Wales and which the Davies sisters expressly wished to see remain at Gregynog via this arrangement. These assets have an approximate value of £1.065m. These are not recognised in the chattels valuation above.

Estate land and buildings includes 425 acres of let agricultural land together with some farm and Estate buildings, 218 acres of in hand forestry, 10 let residential properties, a commercial property on a long lease and a reservoir. The estate land and buildings have been valued at the market value on the date that the asset was donated to the Trust. This valuation is based on a valuation of the property in June 2013 updated for general changes to comparable values over the intervening period, changes of tenure or occupations, and any significant works during the period.

All of the heritage assets were gifted to the Trust for nil consideration under a transfer agreement with the University of Wales dated 21 June 2019. There have been no other additions, disposals, depreciation or impairment since the assets were gifted to the charity.

14. Investments

| | The group | | The charity | |
|---------------------------|-----------|----------|-------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Investments in subsidiary | <u>-</u> | <u>-</u> | <u>2</u> | <u>2</u> |

The investment represents 100% of the ordinary share capital of Gregynog Enterprises Limited (company number 08998400), whose principal activity is to carry out trading activities in support of the charity. A summary of the financial results and position of trading subsidiary is given in note 15.

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Notes to the financial statements

For the year ended 31 March 2021

15. Investments in subsidiaries

Gregynog Enterprises Ltd

| | 2021 £ | 2020 £ |
|---------------------------|-------------------------|------------------------|
| Turnover | 64,761 | 602,415 |
| Cost of sales | <u>(7,038)</u> | <u>(77,658)</u> |
| Gross profit | 57,723 | 524,757 |
| Administrative expenses | (552,519) | (583,360) |
| Other operating income | <u>261,802</u> | <u>-</u> |
| Operating profit / (loss) | <u><u>(232,994)</u></u> | <u><u>(58,603)</u></u> |

The aggregate of the assets, liabilities and funds was:

| | 2021 £ | 2020 £ |
|-------------|-------------------------|------------------------|
| Assets | 181,182 | 517,783 |
| Liabilities | <u>(472,777)</u> | <u>(576,384)</u> |
| Funds | <u><u>(291,595)</u></u> | <u><u>(58,601)</u></u> |

16. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | 2021 £ | 2020 £ |
|----------------------|-----------------------|-------------------------|
| Gross income | 499,395 | 7,695,509 |
| Results for the year | <u><u>172,599</u></u> | <u><u>7,518,298</u></u> |

17. Stock

| | The group | | The charity | |
|------------------|----------------------|----------------------|-----------------|-----------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Goods for resale | <u><u>16,688</u></u> | <u><u>20,170</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

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Notes to the financial statements

For the year ended 31 March 2021

18. Debtors

Amounts due within 1 year

| | The group | | The charity | |
|------------------------------------|---------------|------------------|----------------|------------------|
| | 2021 | Restated 2020 | 2021 | Restated 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 39,206 | 253,322 | 38,393 | 42,868 |
| Amounts owed by group undertakings | - | - | 418,737 | 425,116 |
| Prepayments and accrued income | 34,839 | 26,555 | 12,809 | 3,959 |
| Other debtors | 17,408 | 8,519 | 12,820 | 8,519 |
| | <u>91,453</u> | <u>288,396</u> | <u>482,759</u> | <u>480,462</u> |

Debtors: amounts due after 1 year

| | The group | | The charity | |
|--|-----------------------|----------------|-----------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | <u>150,000</u> | <u>175,000</u> | <u>150,000</u> | <u>175,000</u> |
| Total debtor balance at 31 March 2021 | <u>241,453</u> | <u>463,396</u> | <u>632,759</u> | <u>655,462</u> |

19. Creditors: amounts due within 1 year

| | The group | | The charity | |
|------------------------------------|----------------|----------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade creditors | 35,606 | 49,012 | 24,712 | 18,302 |
| Accruals | 37,622 | 42,713 | 26,611 | 14,770 |
| Other taxation and social security | 8,612 | 19,838 | 8,612 | 9,029 |
| Other creditors | 37,497 | 93,994 | 6,365 | 12,188 |
| | <u>119,337</u> | <u>205,557</u> | <u>66,300</u> | <u>54,289</u> |

20. Creditors: amounts due after 1 year

| | The group | | The charity | |
|-------|---------------|----------|---------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Loans | <u>50,000</u> | <u>-</u> | <u>50,000</u> | <u>-</u> |

The charity secured a Government backed Business Interruption Payment - Bounce Back Loan via HSBC. The loan was secured at 2.5% interest with no payments due within the first year of the loan. The loan is fully repayable within 5 years.

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Notes to the financial statements

For the year ended 31 March 2021

21. Analysis of net assets between funds

| | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|------------------------------------|--------------------------|----------------------------|-------------------------|
| Tangible fixed assets | - | 34,951 | 34,951 |
| Heritage assets | - | 6,062,355 | 6,062,355 |
| Current assets | 279,341 | 1,191,990 | 1,471,331 |
| Current liabilities | - | (119,337) | (119,337) |
| Non current liabilities | - | (50,000) | (50,000) |
| Net assets at 31 March 2021 | <u>279,341</u> | <u>7,119,959</u> | <u>7,399,300</u> |
| Prior year comparative | | | |
| Tangible fixed assets | - | 25,385 | 25,385 |
| Heritage assets | - | 6,062,355 | 6,062,355 |
| Current assets | - | 1,577,512 | 1,577,512 |
| Current liabilities | - | (205,557) | (205,557) |
| Net assets at 31 March 2020 | <u>-</u> | <u>7,459,695</u> | <u>7,459,695</u> |

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Notes to the financial statements

For the year ended 31 March 2021

22. Movements in funds

| | At 1 April 2020 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 March 2021 £ |
|---------------------------------|-------------------------|----------------|------------------|------------------------------------|--------------------------|
| Restricted funds | | | | | |
| Gregynog music fund | - | 279,341 | - | - | 279,341 |
| Total restricted funds | - | 279,341 | - | - | 279,341 |
| Unrestricted funds | | | | | |
| General funds | 7,459,695 | 546,617 | (886,353) | - | 7,119,959 |
| Total unrestricted funds | 7,459,695 | 546,617 | (886,353) | - | 7,119,959 |
| Total funds | <u>7,459,695</u> | <u>825,958</u> | <u>(886,353)</u> | <u>-</u> | <u>7,399,300</u> |

Purposes of restricted funds

Gregynog music fund

The purpose of the fund is the promotion of the art and science of music and the advancement of musical education in the Principality of Wales, assisting the furtherance of courses in music and other musical activities to be carried out under the auspices of the Trustee at Gregynog Hall, in the County of Powys.

| | At 1 April 2019 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 March 2020 £ |
|---------------------------------|-------------------------|------------------|------------------|------------------------------------|--------------------------|
| Prior year comparative | | | | | |
| Unrestricted funds | | | | | |
| General funds | - | 8,297,924 | (838,229) | - | 7,459,695 |
| Total unrestricted funds | - | 8,297,924 | (838,229) | - | 7,459,695 |
| Total funds | <u>-</u> | <u>8,297,924</u> | <u>(838,229)</u> | <u>-</u> | <u>7,459,695</u> |

23. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

| | The group | | The charity | |
|---------------------|----------------------|---------------|----------------------|---------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amount falling due: | | | | |
| Within 1 year | 15,657 | 4,235 | 15,657 | 4,235 |
| Within 1 - 5 years | 42,927 | 12,704 | 42,927 | 12,704 |
| | <u>58,584</u> | <u>16,939</u> | <u>58,584</u> | <u>16,939</u> |

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For the year ended 31 March 2021

24. Related party transactions

In accordance with FRS102, transactions with Gregynog Enterprises Limited have not been disclosed here since it is a wholly owned subsidiary of The Gregynog Trust.

The charity did not enter into any other related party transactions during the current or prior year.

25. Post balance sheet events

In response to the devastating business impact of the Covid-19 pandemic, on 8 April 2021 the group announced a significant restructure. This resulted in several staff redundancies. This process was concluded in October 2021.