

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**

---

<b>Company number</b>	10479711
<b>Charity number</b>	1180943
<b>Registered office and operational address</b>	Gregynog Hall Tregynon Powys Wales SY16 3PW
<b>Trustees</b>	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
<b>Head of Operations and Programmes</b>	Dr Russell Roberts (Resigned 27 February 2023)
<b>Interim Chief Executive</b>	David Chell (Appointed 14 August 2023)
<b>Bankers</b>	HSBC Bank Queen Street Cardiff CF10 2PX
<b>Solicitors</b>	Russell Cooke Solicitors 2 Putney Hill London SW15 6AB
<b>Auditors</b>	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.

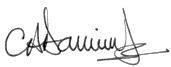
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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](http://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 £
<b>Income from:</b>					
Donations	3	-	8,136	<b>8,136</b>	39,991
Charitable activities	4	-	75,598	<b>75,598</b>	89,137
Other trading activities	5	-	607,785	<b>607,785</b>	286,175
Investment income		-	4,437	<b>4,437</b>	-
Other income	6	-	53,566	<b>53,566</b>	112,434
<b>Total income</b>		-	749,522	<b>749,522</b>	527,737
<b>Expenditure on:</b>					
Raising funds		-	641,947	<b>641,947</b>	639,675
Charitable activities		834	285,037	<b>285,871</b>	257,098
<b>Total expenditure</b>	8	834	926,984	<b>927,818</b>	896,773
<b>Net income / (expenditure)</b>		(834)	(177,462)	<b>(178,296)</b>	(369,036)
Net gains / (losses) on investments		-	(11,721)	<b>(11,721)</b>	164
<b>Net movement in funds</b>	9	(834)	(189,183)	<b>(190,017)</b>	(368,872)
<b>Reconciliation of funds:</b>					
Total funds brought forward		279,341	6,751,087	<b>7,030,428</b>	7,399,300
<b>Total funds carried forward</b>		278,507	6,561,904	<b>6,840,411</b>	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 £
<b>Fixed assets</b>					
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>
<b>Current assets</b>					
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		<u>573,208</u>	<u>591,695</u>	<u>370,407</u>	<u>536,106</u>
		889,629	883,127	1,420,373	1,394,010
<b>Liabilities</b>					
Creditors: amounts falling due within 1 year	19	<u>167,262</u>	<u>140,374</u>	<u>85,012</u>	<u>59,031</u>
<b>Net current assets</b>		<u>722,367</u>	<u>742,753</u>	<u>1,335,361</u>	<u>1,334,979</u>
<b>Total assets less current liabilities</b>		6,897,172	7,124,628	7,458,501	7,658,891
Creditors: amounts falling due after 1 year	20	29,851	46,393	29,851	39,782
Provisions for liabilities	22	<u>26,910</u>	<u>47,807</u>	<u>26,910</u>	<u>47,807</u>
<b>Net assets</b>	24	<u>6,840,411</u>	<u>7,030,428</u>	<u>7,401,740</u>	<u>7,571,302</u>
<b>Funds</b>	25				
Restricted funds		278,507	279,341	278,507	279,341
Unrestricted funds					
General funds		<u>6,561,904</u>	<u>6,751,087</u>	<u>7,123,233</u>	<u>7,291,961</u>
<b>Total charity funds</b>		<u>6,840,411</u>	<u>7,030,428</u>	<u>7,401,740</u>	<u>7,571,302</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 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 £		
<b>Cash provided by / (used in) operating activities:</b>				
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		
<b>Net cash provided by / (used in) operating activities</b>	<b>(228,504)</b>	<b>(325,966)</b>		
<b>Cash flows from investing activities:</b>				
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)		
<b>Net cash provided by / (used in) investing activities</b>	<b>219,518</b>	<b>(295,529)</b>		
<b>Cash flows from financing activities:</b>				
Repayment of borrowing	(9,501)	-		
<b>Net cash provided by / (used in) financing activities</b>	<b>(9,501)</b>	<b>-</b>		
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>(18,487)</b>	<b>(621,495)</b>		
Cash and cash equivalents at the beginning of the year	591,695	1,213,190		
<b>Cash and cash equivalents at the end of the year</b>	<b>573,208</b>	<b>591,695</b>		
<b>Analysis of changes in net debt</b>				
	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)
<b>Total</b>	<b>541,695</b>	<b>(8,986)</b>	<b>-</b>	<b>532,709</b>

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

### 3. Income from donations

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

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	<b>75,598</b>	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	-	-	<b>474,406</b>
Trading purchases	298,144	-	-	-	<b>298,144</b>
Marketing and communications	8,735	-	-	-	<b>8,735</b>
Other staff costs	-	8,315	-	-	<b>8,315</b>
Repairs and maintenance	-	14,968	-	-	<b>14,968</b>
Rates and utilities	-	45,693	-	-	<b>45,693</b>
Insurance	-	33,644	-	-	<b>33,644</b>
Depreciation	15,623	3,971	-	-	<b>19,594</b>
Irrecoverable VAT*	-	-	(20,897)	-	<b>(20,897)</b>
IT costs	-	-	(6,199)	-	<b>(6,199)</b>
Legal and professional	-	23,680	11,362	-	<b>35,042</b>
Licences and subscriptions	-	-	733	-	<b>733</b>
Bank charges	-	-	1,611	-	<b>1,611</b>
Investment manager fees	3,065	-	-	-	<b>3,065</b>
Accountancy costs	-	-	-	10,130	<b>10,130</b>
Sundry expenses	-	834	-	-	<b>834</b>
<b>Sub-total</b>	<b>641,947</b>	<b>289,131</b>	<b>(13,390)</b>	<b>10,130</b>	<b>927,818</b>
Allocation of support and governance costs	-	(3,260)	13,390	(10,130)	-
<b>Total expenditure</b>	<b>641,947</b>	<b>285,871</b>	<b>-</b>	<b>-</b>	<b>927,818</b>

\* 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)**

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

## 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	11,850	10,000

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	15,960	14,536
	<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 No.	2022 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 £
<b>Cost</b>				
At 1 April 2022	43,527	21,965	24,798	<b>90,290</b>
Additions in year	<u>8,004</u>	<u>1,495</u>	<u>-</u>	<u><b>9,499</b></u>
At 31 March 2023	<u>51,531</u>	<u>23,460</u>	<u>24,798</u>	<u><b>99,789</b></u>
<b>Depreciation</b>				
At 1 April 2022	3,100	7,677	10,157	<b>20,934</b>
Charge for the year	<u>9,710</u>	<u>4,965</u>	<u>4,919</u>	<u><b>19,594</b></u>
At 31 March 2023	<u>12,810</u>	<u>12,642</u>	<u>15,076</u>	<u><b>40,528</b></u>
<b>Net book value</b>				
<b>At 31 March 2023</b>	<u><u>38,721</u></u>	<u><u>10,818</u></u>	<u><u>9,722</u></u>	<u><u><b>59,261</b></u></u>
At 31 March 2022	<u><u>40,427</u></u>	<u><u>14,288</u></u>	<u><u>14,641</u></u>	<u><u>69,356</u></u>

#### Tangible fixed assets - charity

	Plant and equipment £	Total £
<b>Cost</b>		
At 1 April 2022	18,985	<b>18,985</b>
Additions in year	<u>-</u>	<u>-</u>
At 31 March 2023	<u>18,985</u>	<u><b>18,985</b></u>
<b>Depreciation</b>		
At 1 April 2022	7,594	<b>7,594</b>
Charge for the year	<u>3,797</u>	<u><b>3,797</b></u>
At 31 March 2023	<u>11,391</u>	<u><b>11,391</b></u>
<b>Net book value</b>		
<b>At 31 March 2023</b>	<u><u>7,594</u></u>	<u><u><b>7,594</b></u></u>
At 31 March 2022	<u><u>11,391</u></u>	<u><u>11,391</u></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 £
<b>Value</b>				
At 1 April 2022	375,000	671,355	5,016,000	<b>6,062,355</b>
Disposals	<u>-</u>	<u>(1,800)</u>	<u>(185,000)</u>	<b><u>(186,800)</u></b>
At 31 March 2023	<u>375,000</u>	<u>669,555</u>	<u>4,831,000</u>	<b><u>5,875,555</u></b>

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 £
<b>Additions:</b>				
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>
<b>Disposals:</b>				
Carrying value	<u>186,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Proceeds	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revaluations</b>	<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	<b>239,989</b>	250,164	<b>239,989</b>	250,164
Gregynog Enterprises Limited	-	-	<b>2</b>	2
<b>Total investments at 31 March 2023</b>	<b><u>239,989</u></b>	<b><u>250,164</u></b>	<b><u>239,991</u></b>	<b><u>250,166</u></b>

#### Listed investments:

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

#### 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**

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

**19. Creditors: amounts due within 1 year**

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

## 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><b>29,851</b></u>	<u><b>46,393</b></u>	<u><b>29,851</b></u>	<u><b>39,782</b></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	<b>48,313</b>	32,137
Deferred during the year	<b>48,616</b>	48,313
Released during the year	<u><b>(48,313)</b></u>	<u>(32,137)</u>
At 31 March 2023	<u><b>48,616</b></u>	<u><b>48,313</b></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	<b>47,807</b>	-	<b>47,807</b>	-
Adjustment to reduce anticipated costs	<u><b>(20,897)</b></u>	<u>47,807</u>	<u><b>(20,897)</b></u>	<u>47,807</u>
Provision for overclaimed VAT	<u><b>26,910</b></u>	<u><b>47,807</b></u>	<u><b>26,910</b></u>	<u><b>47,807</b></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	<b>59,261</b>
Heritage assets	-	5,875,555	<b>5,875,555</b>
Investments	-	239,989	<b>239,989</b>
Current assets	278,507	611,122	<b>889,629</b>
Current liabilities	-	(167,262)	<b>(167,262)</b>
Non current liabilities	-	(56,761)	<b>(56,761)</b>
<b>Net assets at 31 March 2023</b>	<b><u>278,507</u></b>	<b><u>6,561,904</u></b>	<b><u>6,840,411</u></b>

	Restricted funds £	Unrestricted funds £	Total funds £
<b>Prior year comparative (restated)</b>			
Tangible fixed assets	-	69,356	<b>69,356</b>
Heritage assets	-	6,062,355	<b>6,062,355</b>
Investments	-	250,164	<b>250,164</b>
Current assets	279,341	603,786	<b>883,127</b>
Current liabilities	-	(140,374)	<b>(140,374)</b>
Non current liabilities	-	(94,200)	<b>(94,200)</b>
<b>Net assets at 31 March 2022</b>	<b><u>279,341</u></b>	<b><u>6,751,087</u></b>	<b><u>7,030,428</u></b>

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 £
<b>Restricted funds</b>					
Gregynog music fund	279,341	-	(834)	-	278,507
<b>Total restricted funds</b>	279,341	-	(834)	-	278,507
<b>Unrestricted funds</b>					
General funds	6,751,087	749,522	(926,984)	(11,721)	6,561,904
<b>Total unrestricted funds</b>	6,751,087	749,522	(926,984)	(11,721)	6,561,904
<b>Total funds</b>	7,030,428	749,522	(927,818)	(11,721)	6,840,411

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

## 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.