

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.

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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.

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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

		Restricted £	Unrestricted £	2024 Total £	2023 Total £
	Note				
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		<u>208,947</u>	<u>573,208</u>	<u>73,010</u>	<u>370,407</u>
		451,833	889,629	222,057	1,420,373
Liabilities					
Creditors: amounts falling due within 1 year	19	<u>164,682</u>	<u>167,262</u>	<u>69,317</u>	<u>85,012</u>
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		6,423,640	6,897,172	6,250,754	7,458,501
Creditors: amounts falling due after 1 year	20	20,111	29,851	20,111	29,851
Provisions for liabilities	22	<u>12,500</u>	<u>26,910</u>	<u>12,500</u>	<u>26,910</u>
Net assets	24	<u>6,391,029</u>	<u>6,840,411</u>	<u>6,218,143</u>	<u>7,401,740</u>
Funds	25				
Restricted funds		228,648	278,507	228,648	278,507
Unrestricted funds					
General funds		<u>6,162,381</u>	<u>6,561,904</u>	<u>5,989,495</u>	<u>7,123,233</u>
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	<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): <ul style="list-style-type: none">▪ 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 No.	2023 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>	<u>21,184</u>
At 31 March 2024	<u>63,792</u>	<u>26,294</u>	<u>30,887</u>	<u>120,973</u>
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>	<u>21,425</u>
At 31 March 2024	<u>23,805</u>	<u>18,156</u>	<u>19,992</u>	<u>61,953</u>
Net book value				
At 31 March 2024	<u>39,987</u>	<u>8,138</u>	<u>10,895</u>	<u>59,020</u>
At 31 March 2023	<u>38,721</u>	<u>10,818</u>	<u>9,722</u>	<u>59,261</u>

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>	<u>17,630</u>
At 31 March 2024	<u>12,261</u>	<u>18,985</u>	<u>5,369</u>	<u>36,615</u>
Depreciation				
At 1 April 2023	-	11,391	-	11,391
Charge for the year	<u>884</u>	<u>3,797</u>	<u>-</u>	<u>4,681</u>
At 31 March 2024	<u>884</u>	<u>15,188</u>	<u>-</u>	<u>16,072</u>
Net book value				
At 31 March 2024	<u>11,377</u>	<u>3,797</u>	<u>5,369</u>	<u>20,543</u>
At 31 March 2023	<u>-</u>	<u>7,594</u>	<u>-</u>	<u>7,594</u>

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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,062,355</u>
Total additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,062,355</u>
Disposals:					
Carrying value	-	186,800	-	-	-
Proceeds	<u>-</u>	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revaluations	<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 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.

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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	<u>-</u>	<u>-</u>
Operating loss	<u><u>(113,870)</u></u>	<u><u>(20,458)</u></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><u>(675,198)</u></u>	<u><u>(561,328)</u></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><u>(1,183,597)</u></u>	<u><u>(169,561)</u></u>

17. Stock

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

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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.

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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	(48,616)	(48,313)
At 31 March 2024	43,006	48,616

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	(14,410)	(20,897)	(14,410)	(20,897)
At the end of the year	12,500	26,910	12,500	26,910

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.

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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	228,648	6,162,381	6,391,029

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	278,507	6,561,904	6,840,411

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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

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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.