

Charity registration number: 1183228

Scarlets Community Foundation

Charitable Incorporated Organisation

Annual Report and Financial Statements

for the Year Ended 30 June 2022

Scarlets Community Foundation

Contents

Trustees' Report	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 15

Scarlets Community Foundation

Trustees' Report

The trustees present their annual report together with the financial statements of the charitable incorporated organisation for the year ended 30 June 2022. The trustees have adopted the the provisions of Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Objects and aims

The objects of the CIO are for the benefit of the public generally and the geographical area of the Scarlets region by:

1. Promoting community participation in healthy recreation by providing rugby football union and other health enhancing sports facilities
2. Advancing child and youth education by means such as the trustees think fit in accordance with the charity law.
3. Promoting and improving the health of individuals by means such as workshops and talks about nutritional health.

Achievements and performance

Outputs and Outcomes for the Charity's Beneficiaries

Following the global pandemic, the focus during the year has been restarting and rebuilding the core work of the Foundation. Four Hub officers were recruited in collaboration with the Welsh Rugby Union to extend the reach and delivery of key camps and visit to schools and rugby clubs with the aim of increasing young participation.

How the Public Have Benefitted

In addition to the delivery of programmes for young people during the Foundation received donations from individuals of £29,794 which were used to festive hamper donations for vulnerable families, support workers and hospitals in the region.

The trustees of the Scarlets Community Foundation confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Contributing to Activities Run by Other Organisations

In the year ending June 2022 no collaborative activities were contributed to.

Trustee Development

Trustees are encouraged to participate in development opportunities as and when appropriate

Scarlets Community Foundation

Trustees' Report

Financial review

As the foundation benefits from non-contributory access to physical space at Parc Y Scarlets the low reserves are acceptable. The strategy moving forward will be to generate funding, including unrestricted funds to support growth in reserves.

Policy on reserves

The Foundation's aim for reserves is to generate and maintain a balance which is sufficient:

(a) to preserve the financial viability of the Charity in the event that unforeseen and/or unavoidable circumstances precipitate a short-term fall in its income;

(b) to enable the Charity, in the interests of meeting its objectives, to undertake from time to time the setting up of new and innovative projects on a pilot basis to demonstrate the viability and potential benefits of such activities as a precursor to securing the external funding necessary to maintain such projects on an on-going basis.

Unfortunately, in the current financial year the reserves are not reflective of these aims. Whilst these targets have not been achieved, the Foundation has no liabilities this satisfies the Trustees that the risk is acceptable.

Funds in deficit

The Charity has no funds that are materially in deficit.

Principal funding sources

To June 2022 all income received was from private donations, associated Gift Aid and £7,332 generated from auctions and community rugby camps.

Similarly, the only expenditure incurred was payment for food parcel contents and staff costs delivering rugby camps.

Scarlets Community Foundation

Trustees' Report

Reference and Administrative Details

Charity Registration Number: 1183228

Registered Office: Parc y Scarlets
Pemberton Regional Park
Trostre Roundabout
Llanelli
SA14 9UZ

Independent Examiner: LHP Carmarthen
Chartered Certified Accountants
Llys Deri
Parc Pensarn
Carmarthen
SA31 2NF

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees: Mr D Owen, Chairman
Mr P J Morgan, Treasurer
Mr D J Daniels
Mrs N Owen-Lloyd
Mr J Harper

Chairman: Mr D Owen, Chairman

Structure, governance and management

Nature of governing document

Constitution - based on the Charity Commission's model governing document for Charitable Incorporated Organisations, i.e., the Trustees are the only members of the charity.

Recruitment and appointment of trustees

There must be at least three Charity Trustees. The maximum number of trustees is 12.

In accordance with the Constitution, Trustees are appointed or re-appointed for a term of three years by a resolution passed at a properly convened meeting of the charity's Trustees.

In appointing Trustees due consideration is given to ensure that the Trustees have, between them, relevant skills and experience necessary to manage the charity effectively and in accordance with charity law.

Scarlets Community Foundation

Trustees' Report

Arrangements for setting key management personnel remuneration

All Trustees act in a voluntary capacity and receive no remuneration or other material benefits from their service to the Charity.

Out-of-pocket expenses necessarily and reasonably incurred by the Trustees in promoting the purpose of the Charity are reimbursed at cost.

During the period covered by this report there were £Nil (2020 : £Nil) of claims for reimbursement of expenses.

Organisational structure

Scarlets Community Foundation is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and for monitoring and scrutinising its progress and performance against agreed objectives. The Trustees carry the ultimate responsibility for the conduct of Scarlets Community Foundation and for ensuring that the charity satisfies its legal and contractual obligations. Trustees plan to meet at least quarterly and delegate the day-to-day operation of the organisation to the Foundation's employees. Following the restrictions placed on the Foundation as a result of COVID-19, the focus this year has been restarting and rebuilding the base programmes.

The Foundation's employees and the Treasurer meet regularly and report back with recommendations for consideration to the Trustee Board.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Scarlets Community Foundation

Trustees' Report

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Statement of trustees' responsibilities

The trustees (who are also the directors of Scarlets Community Foundation 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

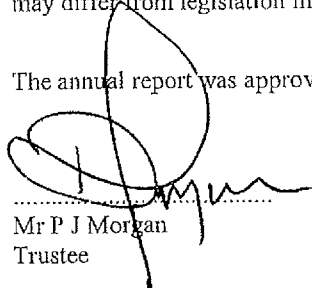
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 charitable company will continue in business.

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

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

The annual report was approved by the trustees of the charity on 28 April 2023 and signed on its behalf by:



.....
Mr P J Morgan
Trustee

Scarlets Community Foundation

Independent Examiner's Report to the trustees of Scarlets Community Foundation ('the Charity')

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011.

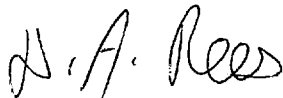
I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act 2011; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Dafydd Rees FCCA
LHP Accountants
Chartered Certified Accountants
Llys Deri
Parc Pensarn
Carmarthen
SA31 2NF

28 April 2023

Scarlets Community Foundation

Statement of Financial Activities for the Year Ended 30 June 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	2	32,169	-	32,169	45,733
Other trading activities	3	<u>7,332</u>	<u>-</u>	<u>7,332</u>	<u>2,200</u>
Total income		<u>39,501</u>	<u>-</u>	<u>39,501</u>	<u>47,933</u>
Expenditure on:					
Charitable activities	4	<u>(17,303)</u>	<u>-</u>	<u>(17,303)</u>	<u>(17,390)</u>
Total expenditure		<u>(17,303)</u>	<u>-</u>	<u>(17,303)</u>	<u>(17,390)</u>
Net income		<u>22,198</u>	<u>-</u>	<u>22,198</u>	<u>30,543</u>
Net movement in funds		22,198	-	22,198	30,543
Reconciliation of funds					
Total funds brought forward		<u>22,407</u>	<u>9,195</u>	<u>31,602</u>	<u>1,059</u>
Total funds carried forward	12	<u>44,605</u>	<u>9,195</u>	<u>53,800</u>	<u>31,602</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 12.

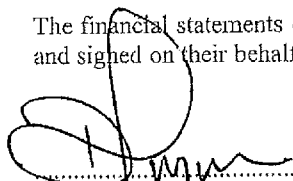
The notes on pages 9 to 15 form an integral part of these financial statements.

Scarlets Community Foundation

(Charity number: 1183228)
Balance Sheet as at 30 June 2022

	Note	2022 £	2021 £
Current assets			
Cash at bank and in hand	10	88,285	32,502
Creditors: Amounts falling due within one year	11	<u>(34,485)</u>	<u>(900)</u>
Net assets		<u>53,800</u>	<u>31,602</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		9,195	9,195
Unrestricted income funds			
Unrestricted funds		<u>44,605</u>	<u>22,407</u>
Total funds	12	<u>53,800</u>	<u>31,602</u>

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on 28 April 2023 and signed on their behalf by:


.....
Mr P J Morgan
Trustee

The notes on pages 9 to 15 form an integral part of these financial statements.

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

Basis of preparation

Scarlets Community Foundation 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	29,794	29,794	32,038
Gift aid reclaimed	2,375	2,375	4,500
Grants, including capital grants;			
Government grants	-	-	9,195
	<u>32,169</u>	<u>32,169</u>	<u>45,733</u>

3 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Auctions	1,131	1,131
Other trading income	6,201	6,201
Total for 2022	<u>7,332</u>	<u>7,332</u>
Total for 2021	<u>2,200</u>	<u>2,200</u>

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Provision of Rugby camps and Food parcels		15,227	15,227
Staff costs		855	855
Allocated support costs	5	201	201
Governance costs	5	1,020	1,020
Total for 2022		17,303	17,303
Total for 2021		17,390	17,390

	Activity undertaken directly £	Activity support costs £	2022 £	2021 £
Rugby camps	8,000	533	8,533	1,329
Food parcel cost of goods	7,227	533	7,760	12,593
Auction items	-	-	-	168
	<u>15,227</u>	<u>1,066</u>	<u>16,293</u>	<u>14,090</u>

In addition to the expenditure analysed above, there are also governance costs of £1,020 (2021 - £900) which relate directly to charitable activities. See note 5 for further details.

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	800	800
Legal fees	220	220
Total for 2022	1,020	1,020
Total for 2021	900	900

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

7 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	<u>855</u>	<u>2,400</u>

No employee received emoluments of more than £60,000 during the year.

8 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>800</u>	<u>750</u>

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>88,285</u>	<u>32,502</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	959	-
Other creditors	32,566	-
Accruals	<u>960</u>	<u>900</u>
	<u>34,485</u>	<u>900</u>

Scarlets Community Foundation

Notes to the Financial Statements for the Year Ended 30 June 2022

12 Funds

	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Balance at 30 June 2022 £
Unrestricted funds				
General	22,407	39,501	(17,303)	44,605
Restricted funds	<u>9,195</u>	<u>-</u>	<u>-</u>	<u>9,195</u>
Total funds	<u>31,602</u>	<u>39,501</u>	<u>(17,303)</u>	<u>53,800</u>
	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 30 June 2021 £
Unrestricted funds				
General	1,059	38,738	(17,390)	22,407
Restricted funds	<u>-</u>	<u>9,195</u>	<u>-</u>	<u>9,195</u>
Total funds	<u>1,059</u>	<u>47,933</u>	<u>(17,390)</u>	<u>31,602</u>

13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2022 £
Current assets	79,090	9,195	88,285
Current liabilities	<u>(38,735)</u>	<u>-</u>	<u>(38,735)</u>
Total net assets	<u>40,355</u>	<u>9,195</u>	<u>49,550</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2021 £
Current assets	23,307	9,195	32,502
Current liabilities	<u>(900)</u>	<u>-</u>	<u>(900)</u>
Total net assets	<u>22,407</u>	<u>9,195</u>	<u>31,602</u>

Scarlets Community Foundation

Statement of Financial Activities by fund for the Year Ended 30 June 2022

Unrestricted Funds

	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
Income and Endowments from:		
Donations and legacies	32,169	36,538
Other trading activities	<u>7,332</u>	<u>2,200</u>
Total income	<u>39,501</u>	<u>38,738</u>
Expenditure on:		
Charitable activities	<u>(17,303)</u>	<u>(17,390)</u>
Total expenditure	<u>(17,303)</u>	<u>(17,390)</u>
Net income	<u>22,198</u>	<u>21,348</u>
Net movement in funds	22,198	21,348
Reconciliation of funds		
Total funds brought forward	<u>22,407</u>	<u>1,059</u>
Total funds carried forward	<u><u>44,605</u></u>	<u><u>22,407</u></u>

Scarlets Community Foundation

Statement of Financial Activities by fund for the Year Ended 30 June 2022

Restricted Funds

	Total Restricted Funds 2022 £	Total Restricted Funds 2021 £
Income and Endowments from:		
Donations and legacies	-	9,195
Total income	-	9,195
Expenditure on:		
Net income	-	9,195
Reconciliation of funds		
Total funds brought forward	9,195	-
Total funds carried forward	9,195	9,195

This page does not form part of the statutory financial statements.

Scarlets Community Foundation

Detailed Statement of Financial Activities for the Year Ended 30 June 2022

	Total 2022 £	Total 2021 £
<i>Donations and legacies</i>		
Appeals and donations	29,794	32,038
Gift Aid tax reclaimed	2,375	4,500
Grants receivable	-	9,195
	<u>32,169</u>	<u>45,733</u>
<i>Other trading activities</i>		
Auction	1,131	-
Other income	6,201	2,200
	<u>7,332</u>	<u>2,200</u>
<i>Charitable activities</i>		
Purchases	(15,227)	(14,083)
Wages and salaries	(855)	(2,400)
Bank charges	(201)	(7)
Independent examiner's fee	(800)	(750)
Legal and professional fees	(220)	(150)
	<u>(17,303)</u>	<u>(17,390)</u>

This page does not form part of the statutory financial statements.