

CYLCH MEITHRIN PORTHMADOG
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CYLCH MEITHRIN PORTHMADOG

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Anna Dukes
Nia Jeffreys
Lois Jones
Erin Wyn
Rhodri Gwyn Jones

Charity number

1056969

CYLCH MEITHRIN PORTHMADOG

CONTENTS

	Page
report	1 - 2
Statement of responsibilities	3
Independent auditor's report	
Statement of financial activities	4
Balance sheet	6
Statement of cash flows	7
Notes to the financial statements	8 - 11

CYLCH MEITHRIN PORTHMADOG

REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The aim of the Cylch Meithrin is to promote the education and development of children from two years old to school age. Children will be able to learn through play and socialise under the guidance of professional, qualified and dedicated staff.

There are over 500 Cylchoedd Meithrin throughout Wales

Over 13,000 attend our Cylchoedd Meithrin and enjoy learning through play through the medium of Welsh.

Welsh is the language of the Cylch Meithrin, but every child is welcomed to attend the Cylch Meithrin whatever the language spoken at home.

Special emphasis is given on developing the Welsh language skills of every child

Play is very important to every aspect of a child's development. Therefore, the experiences and activities offered in the Cylchoedd Meithrin are based on learning through play. There is a special emphasis on language development and the personal, social and emotional development of children in the cylchoedd.

All children are warmly welcomed to the cylchoedd whatever their colour, race, social class, family status or additional needs. Children with additional needs are given extra support in order to enable them to join in all the cylch's activities.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

This year the charity has made further investment in renewing and updating the infrastructure, which can be seen as an act of faith in Cylch Meithrin Porthmadog's future.

STRATEGIC REPORT

The Trustees were aware of their surplus fund built up over the years. They invested in repairing and renewing the children's play area outside and introduced a decking facility.

The expenditure was foreseen as a prudent way to secure the Cylch's future as an attractive, appealing and viable community asset in a competitive environment.

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CYLCH MEITHRIN PORTHMADOG

REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

The Charity is governed by its constitution. It has been registered as a charity since 2015. The charity registration number is 1056969 and it operates from Ysgol Eifion Wyn, High Street, Porthmadog, LL49 9NU . It is an unincorporated association.

The trustees named below have served during the year. All trustee appointments are governed by the constitution and all appointments are approved by the Board of Trustees. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

The Board of Trustees meets once a year for annual management meetings. It is during these meetings that all significant decisions are made. Should any major decisions arise for which the board feel they do not possess the relevant experience, they will source external professional advice.

The Trustees have had regard to the Charity Commission's guidance on public benefit.

The Trustees who served during the year and up to the date of signature of the financial statements were:

The report was approved by the Board of Trustees.

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Miss Nia Roberts

Date:

CYLCH MEITHRIN PORTHMADOG

STATEMENT OF RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees are responsible for preparing the Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CYLCH MEITHRIN PORTHMADOG

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	15,651	16,389
Charitable activities	5	48,130	31,335
Investments	4	89	-
Total income		63,870	47,724
<u>Expenditure on:</u>			
Charitable activities	6	49,896	45,174
Net income for the year/ Net movement in funds		13,974	2,550
Fund balances at 1 April 2022		23,292	20,742
Fund balances at 31 March 2023		37,266	23,292

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

CYLCH MEITHRIN PORTHMADOG

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CYLCH MEITHRIN PORTHMADOG

I report to the Trustees on my examination of the financial statements of Cylch Meithrin Porthmadog (the Charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of 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 financial statements to be reached.

Dated:

CYLCH MEITHRIN PORTHMADOG

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Cash at bank and in hand		38,466		24,324	
Creditors: amounts falling due within one year	9	<u>(1,200)</u>		<u>(1,032)</u>	
Net current assets			37,266		23,292
Income funds					
Unrestricted funds			37,266		23,292
			<u>37,266</u>		<u>23,292</u>

The financial statements were approved by the Trustees on

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Trustee

CYLCH MEITHRIN PORTHMADOG

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	11		14,053		2,550
Investing activities					
Investment income received		89		-	
Net cash generated from/(used in) investing activities			89		-
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			14,142		2,550
Cash and cash equivalents at beginning of year			24,324		21,774
Cash and cash equivalents at end of year			38,466		24,324

CYLCH MEITHRIN PORTHMADOG

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CYLCH MEITHRIN PORTHMADOG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CYLCH MEITHRIN PORTHMADOG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	15,651	16,389

4 Investments

	Unrestricted funds	Total
	2023	2022
	£	£
Interest receivable	89	-

5 Charitable activities

	2023	2022
	£	£
Cyngor Gwynedd	48,130	31,335

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

CYLCH MEITHRIN PORTHMADOG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Employees

The average monthly number of employees during the year was: 5

	2023 Number	2022 Number
	-	5
Employment costs	2023 £	2022 £
Wages and salaries	42,196	38,382
Other pension costs	1,467	1,198
	43,663	39,580

There were no employees whose annual remuneration was more than £60,000.

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,200	1,032

10 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

11 Cash generated from operations

	2023 £	2022 £
Surplus for the year	13,974	2,550
Adjustments for:		
Investment income recognised in statement of financial activities	(89)	-
Movements in working capital:		
Increase in creditors	168	-
Cash generated from operations	14,053	2,550

12 Analysis of changes in net funds

The Charity had no debt during the year.