

REGISTERED COMPANY NUMBER: 11910951 (Wales)
REGISTERED CHARITY NUMBER: 1194355

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 March 2022
for
Melin Daron Cyf

Dunn & Ellis Cyf
Chartered Accountants
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Contents of the Financial Statements
for the Year Ended 31 March 2022

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 13

Melin Daron Cyf

Report of the Trustees **for the Year Ended 31 March 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted 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 2019).

Our Vision

We are a charitable community-based organisation with a 99 year lease on the property, and are focused on restoring and developing Aberdaron's historic grade II water mill, which dates from 1252.

We plan to restore this important asset to our community for educational, tourism and heritage purposes.

Our vision is for school-children to grind locally grown corn into flour and bake bread in the adjacent Islyn Bakery on the same day, and for visitors to share this experience.

We are keen to work with other local heritage centres such as Plas Carmel, National Trust's Porth y Swnt and Plas yn Rhiw. We have also joined the Heritage Trust Network Society for the Preservation of Ancient Buildings and the Welsh Mills Society.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our Charitable Objective is to promote the conservation and preservation of Melin Daron into a working demonstration mill. This being so as to advance education by developing people's individual capabilities, competencies, skills and understanding of the study and management of milling in the context of local Llyn history and culture and by operating a Museum and Lecture facility to display cultural, historic and scientific items of interest.

Significant activities

Despite the difficulties arising from covid restrictions, the work, to develop the Mill and push our vision for it forward, continued at a pace. Examples of the activities undertaken during the year are:

- Thanks to a grant from the AHF on behalf of CADW we have been able to commence repointing the external walls with hot lime to protect the structure. The work is being carried out by Jones a Williams.
- Thanks to a grant from Gwynedd County Council Arloesi fund we have been able to instruct Architects Donald Insall and Partners to proceed with final design and specification so we can invite official tenders for the main restoration contract.

Public benefit

The trustees have complied with their duties as set out in Section 17(5) of the 2011 Charities Act to have due regard to the public benefit guidance published by the Charity Commission.

The intention is to restore Melin Daron to a working mill after many years of neglect to form the focal point of a community inspired development. Melin Daron is a Grade II listed building (CADW ref.19992), a substantial village corn-mill of vernacular type, and, despite the loss of the wheel, still retains its character as a rural industrial building.

A mill has been on this site since 1252, and it is thought that Melin Daron in its current form dates from 1860. In more recent times several grand plans have been proposed to re-develop the Mill and adjacent buildings but none came to fruition.

Our plans are simpler - to restore just the Mill building for educational, community and tourism benefits.

Melin Daron Cyf also has excellent support from the community for this project, and with this level of support, we are very positive that our more modest plans will bring success.

Melin Daron Cyf

Report of the Trustees **for the Year Ended 31 March 2022**

FINANCIAL REVIEW

Reserves policy

The charitable company's policy is to maintain an adequate reserve that will allow it to carry out its objective of renovating and restoring the mill, in line with its charitable objectives.

Once this first phase of the plan is complete, the aim will be to maintain sufficient reserves so as to allow it to carry on its day-to-day charitable activities, but at this early stage it is not possible to detail any set figures as to what an adequate reserve would be.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity is controlled by its governing documents, the articles & memorandum of association, and constitutes a charitable limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Melin Daron Cyf is a private charitable company limited by guarantee without share capital. It is registered at Companies House under the reference 11910951, and was formally registered at the Charity Commission on the 6th May 2021, under the registration number 1194355.

Recruitment and appointment of new trustees

Appointment of directors

The charity may by ordinary resolution:

- appoint a person who is willing to act to be a director; and
- determine the rotation in which any additional directors are to retire.

Directors

A director must be a natural person aged 16 years or older.

No one may be appointed a director if he or she would be disqualified from acting under the provisions of article 39.

Minimum number of directors

The minimum number of directors shall be four but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The first directors

The first directors shall be those persons notified to Companies House as the first directors of the charity.

Alternate Director

A director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the directors.

Remuneration of directors

The directors must not be paid any remuneration unless it is authorised by article 7 of the governing document.

Related party transactions and trustees' expenses and remuneration

The trustees, in their capacity as such, give their time and expertise without any form of remuneration or other benefit in cash or kind and there were no expenses paid to the trustees in the year (2021: Nil).

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Melin Daron Cyf

Report of the Trustees **for the Year Ended 31 March 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Liability of members

The liability of the members is limited to a sum not exceeding £10, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11910951 (Wales)

Registered Charity number

1194355

Registered office

Heli
Aberdaron
Pwllheli
Gwynedd
LL53 8BP

Trustees

Mr S M Bull	Operation Manager	
Mr R Milnes	Energy Consultant (Retired)	
Mrs J Milnes	Hotel Proprietor (Retired)	
Mr G Roberts	Archaeologist and Engineer	(appointed 10.5.21)
Mr G Jones	Baker Director	

Company Secretary

Mr R Milnes

Independent Examiner

Mr Gareth Lloyd Jones
Dunn & Ellis Cyf
Chartered Accountants
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Bankers

Natwest Bank
34 High Street
Pwllheli
Gwynedd
LL53 5SD

EVENTS SINCE THE END OF THE YEAR

Information relating to any events since the end of the year is given in the notes to the financial statements.

Melin Daron Cyf

Report of the Trustees
for the Year Ended 31 March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Melin Daron Cyf for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on and signed on its behalf by:

.....
Mr R Milnes - Secretary

**Independent Examiner's Report to the Trustees of
Melin Daron Cyf**

Independent examiner's report to the trustees of Melin Daron Cyf ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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.

Mr Gareth Lloyd Jones

Dunn & Ellis Cyf
Chartered Accountants

Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Date:

Melin Daron Cyf**Statement of Financial Activities**
for the Year Ended 31 March 2022

	Notes	31.3.22 Unrestricted fund £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		383	11,035
Charitable activities			
Melin Daron general fund		73,570	25,930
Total		73,953	36,965
 EXPENDITURE ON			
Raising funds		45	-
Charitable activities			
Melin Daron general fund		16,644	31,216
Governance & depreciation		1,255	1,200
Total		17,944	32,416
 NET INCOME		56,009	4,549
 RECONCILIATION OF FUNDS			
Total funds brought forward		4,549	-
TOTAL FUNDS CARRIED FORWARD		<u>60,558</u>	<u>4,549</u>

The notes form part of these financial statements

Melin Daron Cyf**Balance Sheet**
31 March 2022

	Notes	31.3.22 Unrestricted fund £	31.3.21 Total funds £
FIXED ASSETS			
Tangible assets	6	49,500	-
CURRENT ASSETS			
Debtors	7	987	360
Cash at bank		18,326	12,389
		19,313	12,749
CREDITORS			
Amounts falling due within one year	8	(8,255)	(8,200)
NET CURRENT ASSETS		11,058	4,549
TOTAL ASSETS LESS CURRENT LIABILITIES		60,558	4,549
NET ASSETS		60,558	4,549
FUNDS	10		
Unrestricted funds		60,558	4,549
TOTAL FUNDS		60,558	4,549

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Melin Daron Cyf

Balance Sheet - continued

31 March 2022

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
Mr G Jones - Trustee

.....
Mr R Milnes - Trustee

.....
Mr S M Bull - Trustee

.....
Mrs J Milnes - Trustee

.....
Mr G Roberts - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The trustees state that there are no material uncertainties surrounding the charity's ability to continue as a going concern. Consequently, these financial statements have been prepared on the basis that the charity is able to carry on its activities as a going concern for at least the twelve months following the approval of these statements and have adopted the accruals model for recording their income and expenditure.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Fixed assets are stated at their cost prices, less accumulated depreciation and less amounts recognised in respect of impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Lease of the land and buildings

Forming part of Y Felin, Aberdaron, under title number CYM646524, is leased over a 99 year term and commenced on 19 June 2019. The lease was acquired at no initial outlay and is amortised over the length of the lease term.

Improvements to the leased land & buildings

Once renovations are completed, the cost will be depreciated on a straight line basis over the remaining term of the lease. Until that point, the renovation costs incurred will not be depreciated as there is no deemed value in use.

Plant & machinery etc

Depreciated on a writhing down basis at a rate of 20% per annum.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Other operating leases	<u><u>1</u></u>	<u><u>1</u></u>

3. INDEPENDENT EXAMINERS' REMUNERATION

The independent examiner's remuneration constituted an examination fee of £785 (2021: £750) with an additional £470 (2021: £450) for accountancy and other non-examination services.

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	11,035
Charitable activities	
Melin Daron general fund	25,930
	<u> </u>
Total	36,965
 EXPENDITURE ON	
Charitable activities	
Melin Daron general fund	31,216
Governance & depreciation	<u>1,200</u>
Total	32,416
	<u> </u>
NET INCOME	4,549
	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u><u>4,549</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022****6. TANGIBLE FIXED ASSETS**

		Improvements to property £
COST		
Additions		<u>49,500</u>
NET BOOK VALUE		
At 31 March 2022		<u>49,500</u>
At 31 March 2021		<u>-</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
VAT	898	260
Prepayments	<u>89</u>	<u>100</u>
	<u>987</u>	<u>360</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Other loans (see note 9)	7,000	7,000
Accrued expenses	<u>1,255</u>	<u>1,200</u>
	<u>8,255</u>	<u>8,200</u>

9. LOANS

An analysis of the maturity of loans is given below:

	31.3.22	31.3.21
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>7,000</u>	<u>7,000</u>

10. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	At
	£	£	31.3.22
			£
Unrestricted funds			
General fund	4,549	56,009	60,558
	<u>4,549</u>	<u>56,009</u>	<u>60,558</u>
TOTAL FUNDS			
	<u>4,549</u>	<u>56,009</u>	<u>60,558</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022****10. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	73,953	(17,944)	56,009
TOTAL FUNDS	<u>73,953</u>	<u>(17,944)</u>	<u>56,009</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	-	4,549	4,549
TOTAL FUNDS	<u>-</u>	<u>4,549</u>	<u>4,549</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	36,965	(32,416)	4,549
TOTAL FUNDS	<u>36,965</u>	<u>(32,416)</u>	<u>4,549</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	-	60,558	60,558
TOTAL FUNDS	<u>-</u>	<u>60,558</u>	<u>60,558</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

10. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	110,918	(50,360)	60,558
TOTAL FUNDS	<u>110,918</u>	<u>(50,360)</u>	<u>60,558</u>

11. RELATED PARTY DISCLOSURES

The land & buildings forming part of Y Felin, Aberdaron, under title number CYM646524, is leased to the Charitable Company by a trustee, Mr G Jones, and his wife, at a rate that is considered to be below the market rate.

The other loan, disclosed in note 8 of the financial statements has also been provided through a company, Becws Isllyn Bakery Ltd, owned by the above mentioned on an interest free and repayable on demand basis.

A donation of £9,400 was also made to Melin Daron Cyf during the year to March 2021 (2022: Nil) , again through the company that they own, with this being contributed towards the cost of a feasibility study.

12. POST BALANCE SHEET EVENTS

Subsequent to the year end, the board met with Ellen Hywel of the NHLF on 14 April and gave her a tour of the mill.

During this meeting she:

- appraised us of the best way to apply for funds by creating youth employment e.g. apprenticeships during the restoration and young people to manage the mill.
- provided us with information on several other sources to apply for funds e.g. Mantel Gwynedd, CFAB etc.

The main focus of the board is:

- in the short term to acquire funding to rebuild the stable gable and outbuilding, apply for a 3 phase power supply to earn money from EV chargers and power for the works.
- in the medium term we need to secure funding for the roof.
- in the longer term funds are required for the complete restoration of building and mill machinery, paving and display area.