

MARGARET DAVIES CHARITY

England & Wales · Charity number 235589

Details

Other names THE GWENDOLINE AND MARGARET DAVIES CHARITY

Status Registered

Legal form Trust

Company number [00235589](#)

Registered 1964-07-08

Register [View on the Charity Commission register](#)

Contact

Address Plas Dolerw
Milford Road
Newtown
Powys
SY16 2EH

Phone 07539141215

Email director@daviescharity.org.uk

Website daviescharity.org.uk

Activities

Objects: ANY CHARITABLE PURPOSE.

Activities: The main objectives of the charity are to pay grants to other registered grants, at the Trustee's discretion, to broadly benefit Arts, Education, Health and Social.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Powys

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£275,483	£298,444	-	-
2024-04-05	£280,179	£379,218	-	-
2023-04-05	£258,346	£419,421	-	-
2022-04-05	£220,842	£310,715	-	-
2021-04-05	£1,531,681	£323,479	£9,786,871	1

Trustees

Name	Role	Appointed
DANIEL DAVIES	Chair	2011-11-14
Dr DENIS BALSOM		2000-10-01
ELINOR MIRIAM GILBEY		2019-05-13
Edward Alan Rayner		2023-12-08
THOMAS ELLIS WILLIAMS		2013-11-25
ZOE QUICK		2025-07-04

MARGARET DAVIES CHARITY

England & Wales - Charity number 235589

Accounts

REGISTERED CHARITY NUMBER: 235589

**Report of the Trustees and
Audited Financial Statements for the Year Ended 5 April 2025
for
Margaret Davies Charity**

**D.R.E. & Co. (Audit) Limited
7 Lower Brook Street
Oswestry
Shropshire
SY11 2HG**

Margaret Davies Charity
Contents of the Financial Statements
for the Year Ended 5 April 2025

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Margaret Davies Charity
Reference and Administrative Details
for the Year Ended 5 April 2025

TRUSTEES D Davies (Chair)
 Dr D F Balsom
 Dr J D Lewis (resigned 31.3.25)
 T Williams
 Mrs E M Gilbey
 E A Rayner
 Z Quick (appointed 4.7.25)

PRINCIPAL ADDRESS Plas Dolerw
 Milford Road
 Newtown
 Powys
 SY16 2EH

REGISTERED CHARITY 235589
NUMBER

AUDITORS D.R.E. & Co. (Audit) Limited
 7 Lower Brook Street
 Oswestry
 Shropshire
 SY11 2HG

BANKERS HSBC Bank Plc
 The Cross
 1 Broad Street
 Newtown
 Powys
 SY16 2LX

INVESTMENT MANAGERS Rathbones Group PLC
 8 Finsbury Circus
 London
 EC2M 7AZ

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2025

The trustees present their report with the financial statements of the charity for the year ended 5 April 2025. 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity carries out these objectives by paying grants at the trustees' discretion for charitable purposes to organisations which benefit the people of Wales and to other registered charities (based mainly in Wales) for the benefit of the following:

- The visual arts
- The performing arts
- Education
- Health & Social
- Provision for youth

Projects that were started by the sisters, or inspired by them, would seem especially appropriate for donations.

Grantmaking

The trustees make charitable grants to organisations which benefit the people of Wales and to other charitable organisations which are mainly Welsh.

ACHIEVEMENTS AND PERFORMANCE

The charity has succeeded in awarding grants amounting to £207,676 (2024 £202,330) which have been funded from income received from investments and other income for the year of £275,483 (2024 £280,179).

The Statement of Financial Activities shows a deficit in the net movement of funds for the year of £788,243 (2024 surplus £40,184), and the general fund stands at £8,531,345 (2024 £9,319,588).

The trustees have made awards of grants in the year in accordance with the objectives of the charity.

FINANCIAL REVIEW

Principal funding sources

The charity's main source of income is provided from income generated on its investment portfolio. Realised gains of equities sold are reinvested in equities in the investment portfolio to promote further income.

Investment policy and objectives

The objective of the Margaret Davies Charity's endowment funds is to maintain a balance between the achievement of capital appreciation and the provision of a reasonable level of income so as to maintain the real value of that income.

The trustees of the Margaret Davies Charity's endowment funds have accepted a medium to high degree of risk for their investment portfolios.

The responsibility of the day to day management of the charity's investment assets lies with the Rathbones Greenbank who have discretionary management powers with effect from 14th January 2022 under the established investment policy agreement which was established by the charity on the 8th May 2012 and updated following a review on the 16th September 2022.

The appointment of the investment manager is on a discretionary basis. Accordingly the investment manager accepts responsibility on a continuing basis for taking investment action as and when appropriate in accordance with the Investment Policy.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2025

FINANCIAL REVIEW

Reserves policy

The trustees hold the capital element of the original endowment together with the accumulation of capital gains in order to generate income to provide funds to make charitable contributions in accordance with its Trust Deed. This is considered to be necessary as the charity has no fund raising capacity.

The trustees will maintain a reserve equivalent to six months income in order to meet management and administration expenses as they arise and to be in funds to meet charitable expenditure. The trustees monitor the situation at their biannual meetings.

The level of free reserves at the year end is £8,531,345 (2024 £9,318,459).

FUTURE PLANS

The trustees hold a dedicated Strategy meeting once a year to consider changes to the grant making procedures to continually improve the Charity's systems, procedures and grant-making processes. This year changes were agreed to the grant criteria and guidance for grantees. The trustees will continue to review the wider social and economic context for their grant making activities in order to maximise the impact of funds distributed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Margaret Davies Charity (also known as The Gwendoline and Margaret Davies Charity) was constituted by a Trust Deed in 1934 and is a registered charity.

The Trust Deed irrevocably dedicated in perpetuity for charitable purposes all investments held by or transferred to the trustees on behalf of the charity.

Recruitment and appointment of new trustees

Trustees have the power to appoint additional trustees as they consider it appropriate to do so. The charity is organised so that the trustees meet four times a year to manage its affairs, with the routine management of its affairs being dealt with by the Chair. The period of office for trustees is open.

Organisational structure

The organisation employs one person to carry out day to day operations, reporting to the Chair. The key management personnel are the board of Trustees who receive no remuneration.

Induction and training of new trustees

Trustees have been chosen for their knowledge and experience of charity work over the years and through the nature of their appointments undergo continuous professional development.

Related parties

On the 7th January 2025 the wholly owned subsidiary Welsh Town Planning and Housing Trust Limited was dissolved. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group income is below £1,000,000.

The charity operates in the same building as another charity, The Vronhaul (Llandinam) Charity. The trustees of Margaret Davies Charity are the same as The Vronhaul (Llandinam) Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Charities 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and The Charity (Accounts and Reports) Regulations 2008. 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.

Approved by order of the board of trustees on 16 December 2025 and signed on its behalf by:



D D Davies - Trustee

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Opinion

We have audited the financial statements of Margaret Davies Charity (the 'charity') for the year ended 5 April 2025 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2025 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the client's operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the the Charities Act SORP, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected, and alleged fraud; and
- reviewing the client's system notes and internal controls.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims
- reviewing correspondence with HMRC and the Charity Commission.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

D.R.E. & Co. (Audit) Ltd.

D.R.E. & Co. (Audit) Limited
7 Lower Brook Street
Oswestry
Shropshire
SY11 2HG

16 December 2025

Margaret Davies Charity
Statement of Financial Activities
for the Year Ended 5 April 2025

	Notes	5.4.25 Unrestricted fund £	5.4.24 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	3	275,398	280,044
Other income		85	135
Total		<u>275,483</u>	<u>280,179</u>
EXPENDITURE ON			
Raising funds			
Investment management costs	4	54,396	140,582
		<u>54,396</u>	<u>140,582</u>
Charitable activities			
Awarding Grants	5	244,048	238,501
Education of the public in the Arts		-	135
Total		<u>298,444</u>	<u>379,218</u>
Net gains/(losses) on investments		<u>(765,282)</u>	<u>139,223</u>
NET INCOME/(EXPENDITURE)		<u>(788,243)</u>	<u>40,184</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		9,319,588	9,279,404
TOTAL FUNDS CARRIED FORWARD		<u><u>8,531,345</u></u>	<u><u>9,319,588</u></u>

The notes form part of these financial statements

Margaret Davies Charity

Balance Sheet
5 April 2025

	Notes	5.4.25 Unrestricted fund £	5.4.24 Total funds £
FIXED ASSETS			
Tangible assets	12	-	452
Investments	13	-	677
		-	1,129
CURRENT ASSETS			
Stocks	14	1,305	1,390
Debtors	15	13,624	11,120
Investments	16	8,446,655	9,267,484
Cash at bank and in hand		106,097	103,773
		8,567,681	9,383,767
CREDITORS			
Amounts falling due within one year	17	(36,336)	(65,308)
NET CURRENT ASSETS		<u>8,531,345</u>	<u>9,318,459</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,531,345</u>	<u>9,319,588</u>
NET ASSETS		<u>8,531,345</u>	<u>9,319,588</u>
FUNDS	18		
Unrestricted funds:			
General fund		8,531,345	9,319,588
TOTAL FUNDS		<u>8,531,345</u>	<u>9,319,588</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16 December 2025 and were signed on its behalf by:

David Davies

D D Davies - Trustee

The notes form part of these financial statements

Margaret Davies Charity
Notes to the Financial Statements
for the Year Ended 5 April 2025

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP (FRS 102).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Charity status

The charity is an unincorporated charity and its principle address and registered charity number can be found within the Report of the Trustees.

The accounts are prepared for the individual entity only.

The presentation currency of the financial statements is Pound Sterling (£), rounded to the nearest £1.

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group is small. This subsidiary was dissolved on the 7th January 2025.

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured accurately.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure recognition

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.

Grants payable are payments made to third parties in furtherance of the charitable objects of the charity. Provisions for grants are made when the intention to make the grant has been agreed by the trustees at the bi annual meetings held within the financial year.

Allocation and apportionment of costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise of all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with support costs relating to trustee Board meetings.

2. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

All governance and support costs have been apportioned in full to grant making. There are no costs to the charity for the activity of 'Education of the public in the Arts'.

Costs of raising funds

The costs of generating funds consist of investment management fees.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs.

Tangible fixed assets

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

Computer equipment - 25% on cost

Related party exemption

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset investments

The investment in the subsidiary is stated at the balance sheet date at historical cost less impairment.

Current asset investments

Listed investments are stated at market value at the balance sheet date. Realised gains and losses on investments, calculated as the difference between the sales proceeds and their market value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of gain or loss. Unrealised gains and losses representing the movement in market values during the year are credited or charged to the SOFA in the year of gain or loss. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities,

Unlisted investments are stated in the balance sheet at historical cost.

Financial Instruments

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where a transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

2. ACCOUNTING POLICIES - continued

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at a market rate of interest.

3. INVESTMENT INCOME

	5.4.25	5.4.24
	£	£
Deposit account interest	4,715	4,883
Listed investments	270,683	274,493
Other investments	-	668
	<u>275,398</u>	<u>280,044</u>

4. INVESTMENT MANAGEMENT COSTS

	5.4.25	5.4.24
	£	£
Portfolio management	54,345	54,752
Impairment losses	51	85,830
	<u>54,396</u>	<u>140,582</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£	£
Awarding Grants	<u>27,551</u>	<u>207,676</u>	<u>8,821</u>	<u>244,048</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	5.4.25	5.4.24
	£	£
Staff costs	21,330	20,338
Other operating leases	2,542	2,542
Office costs	3,142	4,203
Book costs	85	135
Depreciation	452	452
	<u>27,551</u>	<u>27,670</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

7. GRANTS PAYABLE	5.4.25	5.4.24
	£	£
Awarding Grants	<u>207,676</u>	<u>202,330</u>
The total grants paid to institutions during the year was as follows:		
	5.4.25	5.4.24
	£	£
Miscellaneous under £5,000	152,676	103,930
Canolfan Gerdd William Mathias	5,000	-
Rekindle	5,000	9,900
Montgomeryshire Family Crisis Centre	-	5,000
Abergorki Community Hall	-	5,000
Swansea Community Farm	-	5,000
Mid Wales Opera	-	6,000
Eisteddfod Genedlaethol Cymru	-	7,500
The Aloud Charity	-	2,000
Mid Powys Youth Theatre	5,000	-
Young Music Makers of Dyfed	-	5,000
Brecon Festival of Ballet	-	4,000
Autistic Minds	-	5,000
Mold Choir	-	2,000
Hub of Hope	5,000	5,000
Sherman Theatre	-	5,000
Kidscape	-	5,000
Sandy Bear	-	5,000
Wilderness Trust	-	5,000
Twynrodyn Hub	-	7,000
ASD Rainbow	-	5,000
Anthem	-	5,000
Challenge Wales	5,000	-
The Windfall Centre	5,000	-
Codi'r To	5,000	-
Oasis	5,000	-
Milford Youth Matters	5,000	-
Jones the Dance	5,000	-
Accessibility Powys	5,000	-
	<u>207,676</u>	<u>202,330</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Awarding Grants	60	8,761	8,821

Support costs, included in the above, are as follows:

	5.4.25 Awarding Grants £	5.4.24 Total activities £
Bank charges	60	60
Trustees' remuneration etc	131	413
Auditors' remuneration	1,920	4,680
Insurance	1,319	1,251
Sundries	533	568
Accountancy and legal fees	3,144	392
Costs of meetings	1,714	1,272
	<u>8,821</u>	<u>8,636</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The trustees all give freely of their time and expertise without any form of remuneration or other benefits in kind or cash (2024: £nil).

Trustees' expenses

	5.4.25 £	5.4.24 £
Trustees' expenses	131	413

2 trustees were reimbursed for travel expenses in 2025 (2024 -5).

10. STAFF COSTS

	5.4.25 £	5.4.24 £
Wages and salaries	20,723	19,760
Other pension costs	607	578
	<u>21,330</u>	<u>20,338</u>

The average monthly number of employees during the year was as follows:

	5.4.25	5.4.24
Secretary	1	1

No employees received emoluments in excess of £60,000.

Margaret Davies Charity
Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Investment income	280,044
Other income	135
Total	<u>280,179</u>
EXPENDITURE ON	
Raising funds	
Investment management costs	140,582
	<u>140,582</u>
Charitable activities	
Awarding Grants	238,501
Education of the public in the Arts	135
Total	<u>379,218</u>
Net gains on investments	<u>139,223</u>
NET INCOME	40,184
RECONCILIATION OF FUNDS	
Total funds brought forward	9,279,404
TOTAL FUNDS CARRIED FORWARD	<u><u>9,319,588</u></u>
12. TANGIBLE FIXED ASSETS	
	Computer equipment £
COST	
At 6 April 2024 and 5 April 2025	<u>1,809</u>
DEPRECIATION	
At 6 April 2024	1,357
Charge for year	452
	<u>1,809</u>
At 5 April 2025	<u>1,809</u>
NET BOOK VALUE	
At 5 April 2025	-
	<u>-</u>
At 5 April 2024	<u>452</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	
COST LESS IMPAIRMENT		
At 6 April 2024		677
Disposals		<u>(677)</u>
At 5 April 2025		-
NET BOOK VALUE		
At 5 April 2025		<u>-</u>
At 5 April 2024		<u>677</u>

The subsidiary company was dissolved on the 7th January 2025.

14. STOCKS

	5.4.25 £	5.4.24 £
Stocks	<u>1,305</u>	<u>1,390</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.25 £	5.4.24 £
Other debtors	<u>13,624</u>	<u>11,120</u>

16. CURRENT ASSET INVESTMENTS

	5.4.25 £	5.4.24 £
Investments		
Cost or Market value at 6.4.24	9,150,429	9,045,772
Additions	2,298,942	3,790,621
Disposals	(2,297,090)	(3,797,095)
Unrealised losses/gains	<u>(739,826)</u>	<u>111,131</u>
Cost or Market value at 5.4.25	<u>8,412,455</u>	<u>9,150,429</u>
Cash	<u>34,200</u>	<u>117,055</u>
Total investments	<u>8,446,655</u>	<u>9,267,484</u>
Historical cost	<u>9,225,953</u>	<u>9,264,932</u>

Unlisted investments are recorded at cost because the Trustees' believe that obtaining a professional valuation of the shares would outweigh the benefit to the user of these accounts.

Analysis of investments (excluding cash) at 5th April between funds

	5.4.25 £	5.4.24 £
Listed investments	6,782,465	6,825,464

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

16. CURRENT ASSET INVESTMENTS - continued

Unlisted investments	911	911
Fixed interest securities	1,629,079	2,324,054
	<u>8,412,455</u>	<u>9,150,429</u>

Included in the above, investments held outside the United Kingdom for the Charity £3,986,432 (2024 £3,760,825)

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.25	5.4.24
	£	£
Grants Payable	19,300	47,040
Accrued expenses	17,036	18,268
	<u>36,336</u>	<u>65,308</u>

18. MOVEMENT IN FUNDS

	At 6.4.24	Net movement in funds	At
	£	£	5.4.25
			£
Unrestricted funds			
General fund	9,319,588	(788,243)	8,531,345
	<u>9,319,588</u>	<u>(788,243)</u>	<u>8,531,345</u>
TOTAL FUNDS			

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	275,483	(298,444)	(765,282)	(788,243)
	<u>275,483</u>	<u>(298,444)</u>	<u>(765,282)</u>	<u>(788,243)</u>
TOTAL FUNDS				

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2025

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.23 £	Net movement in funds £	At 5.4.24 £
Unrestricted funds			
General fund	9,279,404	40,184	9,319,588
TOTAL FUNDS	<u>9,279,404</u>	<u>40,184</u>	<u>9,319,588</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	280,179	(379,218)	139,223	40,184
TOTAL FUNDS	<u>280,179</u>	<u>(379,218)</u>	<u>139,223</u>	<u>40,184</u>

19. RELATED PARTY DISCLOSURES

The trustees have interests in the following charities who have benefited from grants in the year.

Organisation	Connection	5.4.25 £	5.4.24 £
MCRA	Dr J D Lewis - trustee	nil	2,000

During the year the charity paid rent to MCRA amounting to £2,542 (2024 £2,542). No amount was outstanding at the year end (2024 nil).

At the year end the charity is owed £360 (2024 £360) from The Vronhaul (Llandinam) Charity.

Margaret Davies Charity
Detailed Statement of Financial Activities
for the Year Ended 5 April 2025

	5.4.25 £	5.4.24 £
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	4,715	4,883
Listed investments	270,683	274,493
Other investments	-	668
	<u>275,398</u>	<u>280,044</u>
Other income		
Royalties	85	135
	<u>275,483</u>	<u>280,179</u>
EXPENDITURE		
Investment management costs		
Portfolio management	54,345	54,752
Impairment losses for fixed asset investments	51	85,830
	<u>54,396</u>	<u>140,582</u>
Charitable activities		
Wages	20,723	19,760
Pensions	607	578
Other operating leases	2,542	2,542
Office costs	3,142	4,203
Book costs	85	135
Depreciation of tangible fixed assets	452	452
Grants to institutions	207,676	202,330
	<u>235,227</u>	<u>230,000</u>
Support costs		
Finance		
Bank charges	60	60
Governance costs		
Trustees' expenses	131	413
Auditors' remuneration	1,920	4,680
Insurance	1,319	1,251
Sundries	533	568
Accountancy and legal fees	3,144	392
Costs of meetings	1,714	1,272
	<u>8,761</u>	<u>8,576</u>
Total resources expended	<u>298,444</u>	<u>379,218</u>
Net expenditure before gains and losses	<u>(22,961)</u>	<u>(99,039)</u>

This page does not form part of the statutory financial statements

Margaret Davies Charity
Detailed Statement of Financial Activities
for the Year Ended 5 April 2025

	5.4.25 £	5.4.24 £
Realised recognised gains and losses		
Realised gains/(losses) on investment assets	<u>(25,456)</u>	<u>28,092</u>
Net expenditure	<u><u>(48,417)</u></u>	<u><u>(70,947)</u></u>

This page does not form part of the statutory financial statements

MARGARET DAVIES CHARITY

England & Wales - Charity number 235589

Accounts

REGISTERED CHARITY NUMBER: 235589

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2024
for
Margaret Davies Charity**

**Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY**

Margaret Davies Charity
Contents of the Financial Statements
for the Year Ended 5 April 2024

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Margaret Davies Charity

**Reference and Administrative Details
for the Year Ended 5 April 2024**

TRUSTEES D Davies (Chair)
Dr D F Balsom
Dr J D Lewis
T Williams
Mrs E M Gilbey
E A Rayner (appointed 8.12.23)

PRINCIPAL ADDRESS Plas Dolerw
Milford Road
Newtown
Powys
SY16 2EH

**REGISTERED CHARITY
NUMBER** 235589

AUDITORS Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

BANKERS HSBC Bank Plc
The Cross
1 Broad Street
Newtown
Powys
SY16 2LX

INVESTMENT MANAGERS Rathbones Group PLC
8 Finsbury Circus
London
EC2M 7AZ

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2024

The trustees present their report with the financial statements of the charity for the year ended 5 April 2024. 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity carries out these objectives by paying grants at the trustees' discretion for charitable purposes to organisations which benefit the people of Wales and to other registered charities (based mainly in Wales) for the benefit of the following:

- The visual arts
- The performing arts
- Education
- Health & Social
- Provision for youth

Projects that were started by the sisters, or inspired by them, would seem especially appropriate for donations.

Grantmaking

The trustees make charitable grants to organisations which benefit the people of Wales and to other charitable organisations which are mainly Welsh.

ACHIEVEMENT AND PERFORMANCE

The charity has succeeded in awarding grants amounting to £202,330 (2023 £331,794) which have been funded from income received from investments for the year of £280,044 (2023 £258,231).

The Statement of Financial Activities shows a surplus in the net movement of funds for the year of £40,184 (2023 deficit £1,100,949), and the general fund stands at £9,319,588 (2023 £9,279,404).

The trustees have made awards of grants in the year in accordance with the objectives of the charity.

The charity's wholly owned subsidiary Welsh Town Planning & Housing Trust Ltd reported a net loss for the year of £85,830 (2023 £115 loss).

FINANCIAL REVIEW

Principal funding sources

The charity's main source of income is provided from income generated on its investment portfolio. Realised gains of equities sold are reinvested in equities in the investment portfolio to promote further income.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2024

FINANCIAL REVIEW

Investment policy and objectives

The objective of the Margaret Davies Charity's endowment funds is to maintain a balance between the achievement of capital appreciation and the provision of a reasonable level of income so as to maintain the real value of that income.

The trustees of the Margaret Davies Charity's endowment funds have accepted a medium to high degree of risk for their investment portfolios.

The responsibility of the day to day management of the charity's investment assets lies with the Rathbones Greenbank who have discretionary management powers with effect from 14th January 2022 under the established investment policy agreement which was established by the charity on the 8th May 2012 and updated following a review on the 16th September 2022.

The appointment of the investment manager is on a discretionary basis. Accordingly the investment manager accepts responsibility on a continuing basis for taking investment action as and when appropriate in accordance with the Investment Policy.

Reserves policy

The trustees hold the capital element of the original endowment together with the accumulation of capital gains in order to generate income to provide funds to make charitable contributions in accordance with its Trust Deed. This is considered to be necessary as the charity has no fund raising capacity.

The trustees will maintain a reserve equivalent to six months income in order to meet management and administration expenses as they arise and to be in funds to meet charitable expenditure. The trustees monitor the situation at their biannual meetings.

The level of free reserves at the year end is £9,318,459 (2023 £9,191,992).

FUTURE PLANS

The trustees hold a dedicated Strategy meeting once a year to consider changes to the grant making procedures to continually improve the Charity's systems, procedures and grant-making processes. This year changes were agreed to the grant criteria and guidance for grantees. The trustees will continue to review the wider social and economic context for their grant making activities in order to maximise the impact of funds distributed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Margaret Davies Charity (also known as The Gwendoline and Margaret Davies Charity) was constituted by a Trust Deed in 1934 and is a registered charity.

The Trust Deed irrevocably dedicated in perpetuity for charitable purposes all investments held by or transferred to the trustees on behalf of the charity.

Recruitment and appointment of new trustees

Trustees have the power to appoint additional trustees as they consider it appropriate to do so. The charity is organised so that the trustees meet four times a year to manage its affairs, with the routine management of its affairs being dealt with by the Chair. The period of office for trustees is open, and the Trust Deed states that the total number of trustees shall not exceed five.

Organisational structure

The organisation employs one person to carry out day to day operations, reporting to the Chair. The key management personnel are the board of Trustees who receive no remuneration.

Induction and training of new trustees

Trustees have been chosen for their knowledge and experience of charity work over the years and through the nature of their appointments undergo continuous professional development.

Margaret Davies Charity

**Report of the Trustees
for the Year Ended 5 April 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group income is below £1,000,000.

The charity operates in the same building as another charity, The Vronhaul (Llandinam) Charity. The trustees of Margaret Davies Charity are the same as The Vronhaul (Llandinam) Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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 charity 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 charity and to 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.

Approved by order of the board of trustees on 22 November 2024 and signed on its behalf by:



D Davies - Trustee

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Opinion

We have audited the financial statements of Margaret Davies Charity (the 'charity') for the year ended 5 April 2024 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2024 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including relevant legislation such as the Charities Act 2011, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be 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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

22 November 2024

Margaret Davies Charity

Statement of Financial Activities
for the Year Ended 5 April 2024

	Notes	5.4.24 Unrestricted fund £	5.4.23 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	2	280,044	258,231
Other income		135	115
Total		280,179	258,346
EXPENDITURE ON			
Raising funds			
Investment management costs	3	140,582	54,830
		140,582	54,830
Charitable activities			
Awarding Grants		238,501	364,476
Education of the public in the Arts		135	115
Total		379,218	419,421
Net gains/(losses) on investments		139,223	(939,874)
NET INCOME/(EXPENDITURE)		40,184	(1,100,949)
RECONCILIATION OF FUNDS			
Total funds brought forward		9,279,404	10,380,353
TOTAL FUNDS CARRIED FORWARD		9,319,588	9,279,404

The notes form part of these financial statements

Margaret Davies Charity

Balance Sheet
5 April 2024

	Notes	5.4.24 Unrestricted fund £	5.4.23 Total funds £
FIXED ASSETS			
Tangible assets	8	452	905
Investments	9	677	86,507
		<u>1,129</u>	<u>87,412</u>
CURRENT ASSETS			
Stocks	10	1,390	1,525
Debtors	11	11,120	6,836
Investments	12	9,150,429	9,045,772
Cash at bank and in hand		220,829	208,513
		<u>9,383,768</u>	<u>9,262,646</u>
CREDITORS			
Amounts falling due within one year	13	(65,309)	(70,654)
NET CURRENT ASSETS		<u>9,318,459</u>	<u>9,191,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,319,588</u>	<u>9,279,404</u>
NET ASSETS		<u>9,319,588</u>	<u>9,279,404</u>
FUNDS	14		
Unrestricted funds:			
General fund		9,319,588	9,279,404
TOTAL FUNDS		<u>9,319,588</u>	<u>9,279,404</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22 November 2024 and were signed on its behalf by:

Daniel Davies

D Davies - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group is small.

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured accurately.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure recognition

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.

Grants payable are payments made to third parties in furtherance of the charitable objects of the charity. Provisions for grants are made when the intention to make the grant has been agreed by the trustees at the bi annual meetings held within the financial year.

Allocation and apportionment of costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise of all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with support costs relating to trustee Board meetings.

All governance and support costs have been apportioned in full to grant making. There are no costs to the charity for the activity of 'Education of the public in the Arts'.

Costs of raising funds

The costs of generating funds consist of investment management fees.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs.

Tangible fixed assets

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

Computer equipment - 25% on cost

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2024

1. ACCOUNTING POLICIES - continued

Related party exemption

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

The charity is exempt from tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Fixed asset investments

The investment in the subsidiary is stated at the balance sheet date at historical cost less impairment.

Current asset investments

Listed investments are stated at market value at the balance sheet date. Realised gains and losses on investments, calculated as the difference between the sales proceeds and their market value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of gain or loss. Unrealised gains and losses representing the movement in market values during the year are credited or charged to the SOFA in the year of gain or loss. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities,

Unlisted investments are stated in the balance sheet at historical cost.

2. INVESTMENT INCOME

	5.4.24	5.4.23
	£	£
Deposit account interest	4,883	6,287
Listed investments	274,493	250,626
Other investments	668	1,318
	<u>280,044</u>	<u>258,231</u>

3. INVESTMENT MANAGEMENT COSTS

	5.4.24	5.4.23
	£	£
Portfolio management	54,752	54,715
Impairment losses	85,830	115
	<u>140,582</u>	<u>54,830</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2024

4. GRANTS PAYABLE

	5.4.24	5.4.23
	£	£
Awarding Grants	202,330	331,794
The total grants paid to institutions during the year was as follows:		
	5.4.24	5.4.23
	£	£
Miscellaneous under £5,000	103,930	134,494
Valley Kids	-	5,000
Canolfan Gerdd William Mathias	-	5,000
Rekindle	9,900	5,000
Montgomeryshire Family Crisis Centre	5,000	-
Abergorki Community Hall	5,000	5,000
Swansea Community Farm	5,000	-
Mid Wales Opera	6,000	5,000
Eisteddfod Genedlaethol Cymru	7,500	10,000
The Aloud Charity	2,000	5,000
Tregynon Community Centre	-	5,000
Wales Centre for International Affairs	-	10,000
Canolfan Owain Glyndwr Centre	-	7,500
Plant Dewi	-	5,000
Young Music Makers of Dyfed	5,000	-
St Paul's Family Centre	-	5,000
UPROAR - Wales New Music Ensemble	-	5,000
Brecon Festival of Ballet	4,000	5,000
Speakers School	-	5,000
All Saints Church, Newtown	-	5,000
Y Neuadd Les	-	10,000
Amazing Grace	-	10,000
Community Foundation	-	50,000
Arddleen & District	-	5,000
Autistic Minds	5,000	5,000
Pembroke Frame	-	5,000
Mold Choir	2,000	5,000
Gellideg Foundation Group	-	9,800
Jon Egging Trust	-	5,000
Hub of Hope	5,000	-
Sherman Theatre	5,000	-
Kidscape	5,000	-
Sandy Bear	5,000	-
Wilderness Trust	5,000	-
Twynrobyn Hub	7,000	-
ASD Rainbow	5,000	-
Anthem	5,000	-
	<u>202,330</u>	<u>331,794</u>

Margaret Davies Charity

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2024**

5. TRUSTEES' REMUNERATION AND BENEFITS

The trustees all give freely of their time and expertise without any form of remuneration or other benefits in kind or cash (2023: £nil).

Trustees' expenses

	5.4.24	5.4.23
	£	£
Trustees' expenses	413	285
	<u>413</u>	<u>285</u>

5 trustees were reimbursed for travel expenses in 2024 (2023 -4).

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	5.4.24	5.4.23
Secretary	1	1
	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Investment income	258,231
Other income	115
Total	<u>258,346</u>
EXPENDITURE ON	
Raising funds	
Investment management costs	54,830
	<u>54,830</u>
Charitable activities	
Awarding Grants	364,476
Education of the public in the Arts	115
Total	<u>419,421</u>
Net gains/(losses) on investments	<u>(939,874)</u>
NET INCOME/(EXPENDITURE)	(1,100,949)
RECONCILIATION OF FUNDS	
Total funds brought forward	10,380,353

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2024

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted
fund
£

TOTAL FUNDS CARRIED FORWARD

9,279,404

8. TANGIBLE FIXED ASSETS

Computer
equipment
£

COST

At 6 April 2023 and 5 April 2024

1,809

DEPRECIATION

At 6 April 2023

904

Charge for year

453

At 5 April 2024

1,357

NET BOOK VALUE

At 5 April 2024

452

At 5 April 2023

905

9. FIXED ASSET INVESTMENTS

Shares in
group
undertakings
£

COST LESS IMPAIRMENT

At 6 April 2023

86,507

Impairments

(85,830)

At 5 April 2024

677

NET BOOK VALUE

At 5 April 2024

677

At 5 April 2023

86,507

There were no investment assets outside the UK.

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2024

10. STOCKS		
	5.4.24	5.4.23
	£	£
Stocks	<u>1,390</u>	<u>1,525</u>
11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	5.4.24	5.4.23
	£	£
Other debtors	<u>11,120</u>	<u>6,836</u>
12. CURRENT ASSET INVESTMENTS		
Investments	5.4.24	5.4.23
	£	£
Cost or Market value at 6.4.23	9,045,772	9,738,672
Additions	3,790,621	3,362,934
Disposals	(3,797,095)	(3,165,506)
Unrealised losses/gains	111,131	(890,328)
Cost or Market value at 5.4.24	<u>9,150,429</u>	<u>9,045,772</u>
Historical cost	<u>9,264,932</u>	<u>9,357,294</u>

Unlisted investments are recorded at cost because the Trustees' believe that obtaining a professional valuation of the shares would outweigh the benefit to the user of these accounts.

Analysis of investments at 5th April between funds	5.4.24	5.4.23
	£	£
Listed investments	6,825,464	6,815,368
Unlisted investments	911	911
Fixed interest securities	2,324,054	2,229,493
	<u>9,150,429</u>	<u>9,045,772</u>

Included in the above, investments held outside the United Kingdom for the Charity £3,760,825 (2023 £3,466,523)

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2024

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.24	5.4.23
	£	£
Other creditors	65,309	70,654
	<u> </u>	<u> </u>

14. MOVEMENT IN FUNDS

	At 6.4.23	Net movement in funds	At 5.4.24
	£	£	£
Unrestricted funds			
General fund	9,279,404	40,184	9,319,588
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>9,279,404</u>	<u>40,184</u>	<u>9,319,588</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	280,179	(379,218)	139,223	40,184
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>280,179</u>	<u>(379,218)</u>	<u>139,223</u>	<u>40,184</u>

Comparatives for movement in funds

	At 6.4.22	Net movement in funds	At 5.4.23
	£	£	£
Unrestricted funds			
General fund	10,380,353	(1,100,949)	9,279,404
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>10,380,353</u>	<u>(1,100,949)</u>	<u>9,279,404</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	258,346	(419,421)	(939,874)	(1,100,949)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>258,346</u>	<u>(419,421)</u>	<u>(939,874)</u>	<u>(1,100,949)</u>

Margaret Davies Charity

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2024**

15. RELATED PARTY DISCLOSURES

The trustees have interests in the following charities who have benefited from grants in the year.

Organisation	Connection	5.4.24	5.4.23
		£	£
MCRA	Dr J D Lewis - trustee	2,000	2,000

During the year the charity paid rent to MCRA amounting to £2,542 (2023 £2,542). No amount was outstanding at the year end (2023 nil).

Margaret Davies Charity
Detailed Statement of Financial Activities
for the Year Ended 5 April 2024

	5.4.24 £	5.4.23 £
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	4,883	6,287
Listed investments	274,493	250,626
Other investments	668	1,318
	<u>280,044</u>	<u>258,231</u>
Other income		
Royalties	135	115
	<u>280,179</u>	<u>258,346</u>
EXPENDITURE		
Investment management costs		
Portfolio management	54,752	54,715
Impairment losses for tangible fixed assets	85,830	115
	<u>140,582</u>	<u>54,830</u>
Charitable activities		
Wages	19,760	19,500
Pensions	578	540
Other operating leases	2,542	2,542
Office costs	4,203	2,101
Book costs	135	115
Depreciation of tangible fixed assets	452	452
Grants to institutions	202,330	331,794
	<u>230,000</u>	<u>357,044</u>
Support costs		
Management		
Marketing	-	1,149
Finance		
Bank charges	60	90
Governance costs		
Trustees' expenses	413	285
Auditors' remuneration	4,680	3,960
Insurance	1,251	1,167
Sundries	568	-
Accountancy and legal fees	392	156
Costs of meetings	1,272	740
	<u>8,576</u>	<u>6,308</u>

This page does not form part of the statutory financial statements

Margaret Davies Charity

**Detailed Statement of Financial Activities
for the Year Ended 5 April 2024**

	5.4.24 £	5.4.23 £
Total resources expended	<u>379,218</u>	<u>419,421</u>
Net expenditure before gains and losses	(99,039)	(161,075)
Realised recognised gains and losses		
Realised gains/(losses) on investment assets	<u>28,092</u>	<u>(49,546)</u>
Net expenditure	<u><u>(70,947)</u></u>	<u><u>(210,621)</u></u>

This page does not form part of the statutory financial statements

MARGARET DAVIES CHARITY

England & Wales - Charity number 235589

Accounts

REGISTERED CHARITY NUMBER: 235589

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2023
for
Margaret Davies Charity**

**Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY**

Margaret Davies Charity
Contents of the Financial Statements
for the Year Ended 5 April 2023

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Margaret Davies Charity

**Reference and Administrative Details
for the Year Ended 5 April 2023**

TRUSTEES	D Davies Chair Dr D F Balsom Dr J D Lewis T Williams Mrs E M Gilbey
PRINCIPAL ADDRESS	Plas Dolerw Milford Road Newtown Powys SY16 2EH
REGISTERED CHARITY NUMBER	235589
AUDITORS	Morgan Griffiths LLP Chartered Accountants Statutory Auditor Cross Chambers 9 High Street Newtown Powys SY16 2NY
BANKERS	HSBC Bank Plc The Cross 1 Broad Street Newtown Powys SY16 2LX
INVESTMENT MANAGERS	Rathbones Group PLC 8 Finsbury Circus London EC2M 7AZ

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2023

The trustees present their report with the financial statements of the charity for the year ended 5 April 2023. 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity carries out these objectives by paying grants at the Trustee's discretion for charitable purposes to organisations which benefit the people of Wales and to other registered charities (based mainly in Wales) for the benefit of the following:

- The visual arts
- The performing arts
- Education
- Health & Social
- Provision for youth

Projects that were started by the sisters, or inspired by them, would seem especially appropriate for donations.

Grantmaking

The trustees make charitable grants to organisations which benefit the people of Wales and to other charitable organisations which are mainly Welsh.

ACHIEVEMENT AND PERFORMANCE

The charity has succeeded in awarding grants amounting to £331,794 (2022 £231,285) which have been funded from income received from investments for the year of £258,231 (2022 £220,719).

The Statement of Financial Activities shows a deficit in the net movement of funds for the year of £1,100,949 (2022 surplus £593,482), and the general fund stands at £9,279,404 (2022 £10,380,353).

The trustees have made awards of grants in the year in accordance with the objectives of the charity.

The charity's wholly owned subsidiary Welsh Town Planning & Housing Trust Ltd reported a net loss for the year of £115 (2022 £172 loss).

FINANCIAL REVIEW

Principal funding sources

The charities main source of income is provided from income generated on its investment portfolio. Realised gains of equities sold are reinvested in equities in the investment portfolio to promote further income.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2023

FINANCIAL REVIEW

Investment policy and objectives

The objective of the Davies Charity's endowment funds is to maintain a balance between the achievement of capital appreciation and the provision of a reasonable level of income so as to maintain the real value of that income.

The trustees of the Davies Charity's endowment funds have accepted a medium to high degree of risk for their investment portfolios.

The responsibility of the day to day management of the charity's investment assets lies with the Rathbones Greenbank who have discretionary management powers with effect from 14th January 2022 under the established investment policy agreement which was established by the charity on the 8th May 2012 and updated following a review on the 16th September 2022.

The appointment of the investment manager is on a discretionary basis. Accordingly the investment manager accepts responsibility on a continuing basis for taking investment action as and when appropriate in accordance with the Investment Policy.

Reserves policy

The trustees hold the capital element of the original endowment together with the accumulation of capital gains in order to generate income to provide funds to make charitable contributions in accordance with its Trust Deed. This is considered to be necessary as the charity has no fund raising capacity.

The trustees will maintain a reserve equivalent to six months income in order to meet management and administration expenses as they arise and to be in funds to meet charitable expenditure. The trustees monitor the situation at their biannual meetings.

The level of free reserves at the year end is £9,191,992 (2022 £10,322,374).

FUTURE PLANS

The Trustees and the new Director have been working to update and modernise the Charity's policies, systems, procedures and grant-making processes, with the objective of becoming more efficient and better-targeting the most effective grantees.

The Trustees continue to meet at least three times a year to decide on grants and agree on future strategy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Margaret Davies Charity (also known as The Gwendoline and Margaret Davies Charity) was constituted by a Trust Deed in 1934 and is a registered charity.

The Trust Deed irrevocably dedicated in perpetuity for charitable purposes all investments held by or transferred to the trustees on behalf of the charity.

Recruitment and appointment of new trustees

Trustees have the power to appoint additional trustees as they consider it appropriate to do so. The charity is organised so that the trustees meet four times a year to manage its affairs, with the routine management of its affairs being dealt with by the Chairman. The period of office for trustees is open, and the Trust Deed states that the total number of trustees shall not exceed five.

Organisational structure

The organisation employs one person to carry out day to day operations, reporting to the Chairman. The key management personnel are the board of Trustees who receive no remuneration.

Induction and training of new trustees

Trustees have been chosen for their knowledge and experience of charity work over the years and through the nature of their appointments undergo continuous professional development.

Margaret Davies Charity

**Report of the Trustees
for the Year Ended 5 April 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group income is below £1,000,000.

The charity operates in the same building as another charity, The Vronhaul (Llandinam) Charity. The trustees of Margaret Davies Charity are the same as The Vronhaul (Llandinam) Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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 charity 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 charity and to 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.

Approved by order of the board of trustees on 8 December 2023 and signed on its behalf by:



D Davies - Trustee

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Opinion

We have audited the financial statements of Margaret Davies Charity (the 'charity') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2023 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including relevant legislation such as the Charities Act 2011, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be 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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

8 December 2023

Margaret Davies Charity
Statement of Financial Activities
for the Year Ended 5 April 2023

	Notes	5.4.23 Unrestricted fund £	5.4.22 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	2	258,231	220,719
Other income		115	123
Total		258,346	220,842
EXPENDITURE ON			
Raising funds			
Investment management costs	3	54,830	44,167
		54,830	44,167
Charitable activities			
Awarding Grants		364,476	266,425
Education of the public in the Arts		115	123
Total		419,421	310,715
Net gains/(losses) on investments		(939,874)	683,355
NET INCOME/(EXPENDITURE)		(1,100,949)	593,482
RECONCILIATION OF FUNDS			
Total funds brought forward		10,380,353	9,786,871
TOTAL FUNDS CARRIED FORWARD		9,279,404	10,380,353

The notes form part of these financial statements

Margaret Davies Charity

Balance Sheet
5 April 2023

	Notes	5.4.23 Unrestricted fund £	5.4.22 Total funds £
FIXED ASSETS			
Tangible assets	8	905	1,357
Investments	9	86,507	86,622
		<u>87,412</u>	<u>87,979</u>
CURRENT ASSETS			
Stocks	10	1,525	1,640
Debtors	11	6,836	105,502
Investments	12	9,045,772	9,738,672
Cash at bank and in hand		208,513	550,368
		<u>9,262,646</u>	<u>10,396,182</u>
CREDITORS			
Amounts falling due within one year	13	(70,654)	(73,808)
		<u>9,191,992</u>	<u>10,322,374</u>
NET CURRENT ASSETS			
		<u>9,191,992</u>	<u>10,322,374</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>9,279,404</u>	<u>10,410,353</u>
CREDITORS			
Amounts falling due after more than one year	14	-	(30,000)
		<u>9,279,404</u>	<u>10,380,353</u>
NET ASSETS			
		<u>9,279,404</u>	<u>10,380,353</u>
FUNDS			
Unrestricted funds:	15		
General fund		9,279,404	10,380,353
		<u>9,279,404</u>	<u>10,380,353</u>
TOTAL FUNDS			
		<u>9,279,404</u>	<u>10,380,353</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8 December 2023 and were signed on its behalf by:

David Davies

D Davies - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group is small.

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured accurately.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure recognition

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.

Grants payable are payments made to third parties in furtherance of the charitable objects of the charity. Provisions for grants are made when the intention to make the grant has been agreed by the trustees at the bi annual meetings held within the financial year.

Allocation and apportionment of costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise of all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with support costs relating to trustee Board meetings.

All governance and support costs have been apportioned in full to grant making. There are no costs to the charity for the activity of 'Education of the public in the Arts'.

Costs of raising funds

The costs of generating funds consist of investment management fees.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs.

Tangible fixed assets

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

Computer equipment - 25% on cost

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

1. ACCOUNTING POLICIES - continued

Related party exemption

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

The charity is exempt from tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Fixed asset investments

The investment in the subsidiary is stated at the balance sheet date at historical cost less impairment.

Current asset investments

Listed investments are stated at market value at the balance sheet date. Realised gains and losses on investments, calculated as the difference between the sales proceeds and their market value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of gain or loss. Unrealised gains and losses representing the movement in market values during the year are credited or charged to the SOFA in the year of gain or loss. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities,

Unlisted investments are stated in the balance sheet at historical cost.

2. INVESTMENT INCOME

	5.4.23	5.4.22
	£	£
Deposit account interest	6,287	247
Listed investments	250,626	219,154
Other investments	1,318	1,318
	<u>258,231</u>	<u>220,719</u>

3. INVESTMENT MANAGEMENT COSTS

	5.4.23	5.4.22
	£	£
Portfolio management	54,715	43,995
Impairment losses	115	172
	<u>54,830</u>	<u>44,167</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

4. GRANTS PAYABLE

	5.4.23	5.4.22
	£	£
Awarding Grants	<u>331,794</u>	<u>231,285</u>
The total grants paid to institutions during the year was as follows:		
	5.4.23	5.4.22
	£	£
Miscellaneous under £5,000	134,494	161,285
Valley Kids	5,000	-
M.C.R.A.	-	5,000
Canolfan Gerdd William Mathias	5,000	-
Rekindle	5,000	-
Abergorki Community Hall	5,000	-
Cwmparc Community Association	-	5,000
Mid Wales Opera	5,000	5,000
Hope House Charity	-	5,000
Eisteddfod Genedlaethol Cymru	10,000	-
The Aloud Charity	5,000	-
Carers Trust Wales	-	5,000
Tregynon Community Centre	5,000	-
Wales Centre for International Affairs	10,000	-
Canolfan Owain Glyndwr Centre	7,500	-
Plant Dewi	5,000	-
Nightingale House Hospice	-	5,000
Wales Millenium Centre	-	5,000
St Paul's Family Centre	5,000	5,000
Brigend Carers	-	5,000
Support Through Courts	-	5,000
Elidyr Communities Trust	-	5,000
Awel Aman Tawe	-	5,000
UPROAR - Wales New Music Ensemble	5,000	5,000
Brecon Festival of Ballet	5,000	5,000
Speakers School	5,000	-
All Saints Church, Newtown	5,000	-
Y Neuadd Les	10,000	-
Amazing Grace	10,000	-
Community Foundation	50,000	-
Arddleen & District	5,000	-
Autistic Minds	5,000	-
Pembroke Frame	5,000	-
Mold Choir	5,000	-
Gellideg Foundation Group	9,800	-
Jon Egging Trust	5,000	-
	<u>331,794</u>	<u>231,285</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

5. TRUSTEES' REMUNERATION AND BENEFITS

The trustees all give freely of their time and expertise without any form of remuneration or other benefits in kind or cash (2022: £nil).

Trustees' expenses

	5.4.23	5.4.22
	£	£
Trustees' expenses	<u>285</u>	<u>260</u>

4 trustees were reimbursed for travel expenses in 2023 (2022 -3).

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	5.4.23	5.4.22
Secretary	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Investment income	220,719
Other income	123
Total	<u>220,842</u>
EXPENDITURE ON	
Raising funds	
Investment management costs	44,167
	<u>44,167</u>
Charitable activities	
Awarding Grants	266,425
Education of the public in the Arts	123
Total	<u>310,715</u>
Net gains on investments	<u>683,355</u>
NET INCOME	593,482
RECONCILIATION OF FUNDS	
Total funds brought forward	9,786,871

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

7.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £
	TOTAL FUNDS CARRIED FORWARD	<u>10,380,353</u>
8.	TANGIBLE FIXED ASSETS	Computer equipment £
	COST	
	At 6 April 2022 and 5 April 2023	<u>1,809</u>
	DEPRECIATION	
	At 6 April 2022	452
	Charge for year	<u>452</u>
	At 5 April 2023	<u>904</u>
	NET BOOK VALUE	
	At 5 April 2023	<u>905</u>
	At 5 April 2022	<u>1,357</u>
9.	FIXED ASSET INVESTMENTS	Shares in group undertakings £
	COST LESS IMPAIRMENT	
	At 6 April 2022	86,622
	Impairments	<u>(115)</u>
	At 5 April 2023	<u>86,507</u>
	NET BOOK VALUE	
	At 5 April 2023	<u>86,507</u>
	At 5 April 2022	<u>86,622</u>

There were no investment assets outside the UK.

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

10. STOCKS	5.4.23	5.4.22
	£	£
Stocks	<u>1,525</u>	<u>1,640</u>
11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5.4.23	5.4.22
	£	£
Other debtors	<u>6,836</u>	<u>105,502</u>
12. CURRENT ASSET INVESTMENTS		
Investments	5.4.23	5.4.22
	£	£
Cost or Market value at 6.4.22	9,738,672	8,360,593
Additions	3,362,934	6,361,696
Disposals	(3,165,506)	(5,686,562)
Unrealised losses/gains	(890,328)	702,945
Cost or Market value at 5.4.23	<u>9,045,772</u>	<u>9,738,672</u>
Historical cost	<u>9,357,294</u>	<u>9,525,472</u>

Unlisted investments are recorded at cost because the Trustees' believe that obtaining a professional valuation of the shares would outweigh the benefit to the user of these accounts.

Analysis of investments at 5th April between funds	5.4.23	5.4.22
	£	£
Listed investments	6,815,368	8,737,811
Unlisted investments	911	911
Fixed interest securities	2,229,493	999,950
	<u>9,045,772</u>	<u>9,738,672</u>

Included in the above, investments held outside the United Kingdom for the Charity £3,466,523 (2022 £4,633,104)

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		5.4.23	5.4.22
		£	£
Other creditors		<u>70,654</u>	<u>73,808</u>
14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		5.4.23	5.4.22
		£	£
Other creditors		<u>-</u>	<u>30,000</u>
15. MOVEMENT IN FUNDS			
	At 6.4.22	Net movement	At
	£	in funds	5.4.23
		£	£
Unrestricted funds			
General fund	10,380,353	(1,100,949)	9,279,404
TOTAL FUNDS	<u>10,380,353</u>	<u>(1,100,949)</u>	<u>9,279,404</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	258,346	(419,421)	(939,874)	(1,100,949)
TOTAL FUNDS	<u>258,346</u>	<u>(419,421)</u>	<u>(939,874)</u>	<u>(1,100,949)</u>

Comparatives for movement in funds

	At 6.4.21	Net movement	At
	£	in funds	5.4.22
		£	£
Unrestricted funds			
General fund	9,786,871	593,482	10,380,353
TOTAL FUNDS	<u>9,786,871</u>	<u>593,482</u>	<u>10,380,353</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2023

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	220,842	(310,715)	683,355	593,482
TOTAL FUNDS	<u>220,842</u>	<u>(310,715)</u>	<u>683,355</u>	<u>593,482</u>

16. RELATED PARTY DISCLOSURES

The trustees have interests in the following charities who have benefited from grants in the year.

Organisation	Connection	5.4.23 £	5.4.22 £
MCRA	Dr J D Lewis - trustee	2,000	5,000

During the year the charity paid rent to MCRA amounting to £2,542 (2022 £2,542). No amount was outstanding at the year end (2022 nil).

Margaret Davies Charity
Detailed Statement of Financial Activities
for the Year Ended 5 April 2023

	5.4.23 £	5.4.22 £
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	6,287	247
Listed investments	250,626	219,154
Other investments	1,318	1,318
	258,231	220,719
Other income		
Royalties	115	123
Total incoming resources	258,346	220,842
EXPENDITURE		
Investment management costs		
Portfolio management	54,715	43,995
Impairment losses for tangible fixed assets	115	172
	54,830	44,167
Charitable activities		
Wages	19,500	22,119
Pensions	540	315
Other operating leases	2,542	2,542
Office costs	2,101	2,985
Book costs	115	123
Depreciation of tangible fixed assets	452	452
Grants to institutions	331,794	231,285
	357,044	259,821
Support costs		
Management		
Marketing	1,149	-
Finance		
Bank charges	90	20
Governance costs		
Trustees' expenses	285	260
Auditors' remuneration	3,960	4,560
Insurance	1,167	978
Accountancy and legal fees	156	161
Costs of meetings	740	748
	6,308	6,707

This page does not form part of the statutory financial statements

Margaret Davies Charity
Detailed Statement of Financial Activities
for the Year Ended 5 April 2023

	5.4.23 £	5.4.22 £
Total resources expended	<u>419,421</u>	<u>310,715</u>
Net expenditure before gains and losses	(161,075)	(89,873)
Realised recognised gains and losses		
Realised gains/(losses) on investment assets	<u>(49,546)</u>	<u>(19,590)</u>
Net expenditure	<u>(210,621)</u>	<u>(109,463)</u>

This page does not form part of the statutory financial statements

MARGARET DAVIES CHARITY

England & Wales - Charity number 235589

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2022
for
Margaret Davies Charity**

**Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY**

Margaret Davies Charity
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for the Year Ended 5 April 2022

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Margaret Davies Charity

**Reference and Administrative Details
for the Year Ended 5 April 2022**

TRUSTEES	D Davies Chair Dr D F Balsom Dr J D Lewis T Williams E M Gilbey
PRINCIPAL ADDRESS	Plas Dolerw Milford Road Newtown Powys SY16 2EH
REGISTERED CHARITY NUMBER	235589
AUDITORS	Morgan Griffiths LLP Chartered Accountants Statutory Auditor Cross Chambers 9 High Street Newtown Powys SY16 2NY
BANKERS	HSBC Bank Plc The Cross 1 Broad Street Newtown Powys SY16 2LX
INVESTMENT MANAGERS	Rathbones Group PLC 8 Finsbury Circus London EC2M 7AZ Barclays Bank PLC 4th Floor, Bridgewater House Counterslip Bristol BS1 6BX

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2022

The trustees present their report with the financial statements of the charity for the year ended 5 April 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity carries out these objectives by paying grants at the Trustee's discretion for charitable purposes to organisations which benefit the people of Wales and to other registered charities (based mainly in Wales) for the benefit of the following:

- The visual arts
- The performing arts
- Education
- Health & Social
- Provision for youth

Projects that were started by the sisters, or inspired by them, would seem especially appropriate for donations.

Grantmaking

The trustees make charitable grants to organisations which benefit the people of Wales and to other charitable organisations which are mainly Welsh.

ACHIEVEMENT AND PERFORMANCE

The charity has succeeded in awarding grants amounting to £231,285 (2021 £244,370) which have been funded from income received from investments for the year of £220,720 (2021 £221,969).

The Statement of Financial Activities shows a net movement of funds for the year of £593,482 surplus (2021 £2,929,403), and the general fund stands at £10,380,353 (2021 £9,786,871).

The trustees have made awards of grants in the year in accordance with the objectives of the charity.

The charity's wholly owned subsidiary Welsh Town Planning & Housing Trust Ltd reported a net loss for the year of £172 (2021 £512 loss). During the year ending the 5th April 2021, the subsidiary sold its remaining land and from the proceeds £1,309,555 has been donated to the parent charity under donations and legacies in the Statement of Financial Activities.

FINANCIAL REVIEW

Principal funding sources

The charities main source of income is provided from income generated on its investment portfolio. Realised gains of equities sold are reinvested in equities in the investment portfolio to promote further income.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2022

FINANCIAL REVIEW

Investment policy and objectives

The objective of the Davies Charity's endowment funds is to maintain a balance between the achievement of capital appreciation and the provision of a reasonable level of income so as to maintain the real value of that income.

The trustees of the Davies Charity's endowment funds have accepted a medium to high degree of risk for their investment portfolios.

The responsibility of the day to day management of the charity's investment assets lies with the appointed investments management company. This was previously Barclays who had discretionary management powers with effect from 12th February 2004 under the established investment agreement (latest revision to policy statement dated 8th May 2012). Following a review by the Trustees, the responsibility for management of the investments passed from Barclays to Rathbones Greenbank as of 14th January 2022. There was no change to the investment policy and objectives.

The appointment of the investment manager is on a discretionary basis. Accordingly the investment manager accepts responsibility on a continuing basis for taking investment action as and when appropriate in accordance with the Investment Policy.

Reserves policy

The trustees hold the capital element of the original endowment together with the accumulation of capital gains in order to generate income to provide funds to make charitable contributions in accordance with its Trust Deed. This is considered to be necessary as the charity has no fund raising capacity.

The trustees will maintain a reserve equivalent to six months income in order to meet management and administration expenses as they arise and to be in funds to meet charitable expenditure. The trustees monitor the situation at their biannual meetings.

The level of free reserves at the year end is £10,322,374 (2021 £9,760,077).

FUTURE PLANS

The Trustees and the new Director have been working to update and modernise the Charity's policies, systems, procedures and grant-making processes, with the objective of becoming more efficient and better-targeting the most effective grantees.

The Trustees continue to meet at least three times a year to decide on grants and agree on future strategy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Margaret Davies Charity (also known as The Gwendoline and Margaret Davies Charity) was constituted by a Trust Deed in 1934 and is a registered charity.

The Trust Deed irrevocably dedicated in perpetuity for charitable purposes all investments held by or transferred to the trustees on behalf of the charity.

Recruitment and appointment of new trustees

Trustees have the power to appoint additional trustees as they consider it appropriate to do so. The charity is organised so that the trustees meet four times a year to manage its affairs, with the routine management of its affairs being dealt with by the Chairman. The period of office for trustees is open, and the Trust Deed states that the total number of trustees shall not exceed five.

Organisational structure

The organisation employs one person to carry out day to day operations, reporting to the Chairman. The key management personnel are the board of Trustees who receive no remuneration.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Trustees have been chosen for their knowledge and experience of charity work over the years and through the nature of their appointments undergo continuous professional development.

Related parties

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group income is below £1,000,000.

The charity operates in the same building as another charity, The Vronhaul (Llandinam) Charity. The trustees of Margaret Davies Charity are the same as The Vronhaul (Llandinam) Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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 charity 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 charity and to 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.

Approved by order of the board of trustees on 9 December 2022 and signed on its behalf by:



D Davies - Trustee

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Opinion

We have audited the financial statements of Margaret Davies Charity (the 'charity') for the year ended 5 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2022 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including relevant legislation such as the Charities Act 2011, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be 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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

9 December 2022

Margaret Davies Charity

Statement of Financial Activities
for the Year Ended 5 April 2022

	Notes	5.4.22 Unrestricted fund £	5.4.21 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		-	1,309,555
Investment income	2	220,719	221,969
Other income		123	120
Total		<u>220,842</u>	<u>1,531,644</u>
EXPENDITURE ON			
Raising funds			
Investment management costs	3	44,167	68,256
		<u>44,167</u>	<u>68,256</u>
Charitable activities			
Awarding Grants		266,425	272,478
Education of the public in the Arts		123	120
Total		<u>310,715</u>	<u>340,854</u>
Net gains on investments		<u>683,355</u>	<u>1,738,613</u>
NET INCOME		593,482	2,929,403
RECONCILIATION OF FUNDS			
Total funds brought forward		9,786,871	6,857,468
TOTAL FUNDS CARRIED FORWARD		<u><u>10,380,353</u></u>	<u><u>9,786,871</u></u>

The notes form part of these financial statements

Margaret Davies Charity

Balance Sheet
5 April 2022

	Notes	5.4.22 Unrestricted fund £	5.4.21 Total funds £
FIXED ASSETS			
Tangible assets	8	1,357	-
Investments	9	86,622	86,794
		<u>87,979</u>	<u>86,794</u>
CURRENT ASSETS			
Stocks	10	1,640	1,763
Debtors	11	105,502	10,634
Investments	12	9,738,672	8,360,593
Cash at bank and in hand		550,368	1,435,355
		<u>10,396,182</u>	<u>9,808,345</u>
CREDITORS			
Amounts falling due within one year	13	(73,808)	(48,268)
		<u>10,322,374</u>	<u>9,760,077</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		10,410,353	9,846,871
CREDITORS			
Amounts falling due after more than one year	14	(30,000)	(60,000)
		<u>10,380,353</u>	<u>9,786,871</u>
NET ASSETS			
FUNDS	15		
Unrestricted funds:			
General fund		10,380,353	9,786,871
TOTAL FUNDS		<u>10,380,353</u>	<u>9,786,871</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 9 December 2022 and were signed on its behalf by:

D Davies - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The charity has a wholly owned subsidiary, Welsh Town Planning and Housing Trust Limited. In accordance with the Charities Act requirements for groups, consolidated accounts have not been prepared because the group is small.

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured accurately.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure recognition

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.

Grants payable are payments made to third parties in furtherance of the charitable objects of the charity. Provisions for grants are made when the intention to make the grant has been agreed by the trustees at the bi annual meetings held within the financial year.

Allocation and apportionment of costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise of all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with support costs relating to trustee Board meetings.

All governance and support costs have been apportioned in full to grant making. There are no costs to the charity for the activity of 'Education of the public in the Arts'.

Costs of raising funds

The costs of generating funds consist of investment management fees.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs.

Tangible fixed assets

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

Computer equipment - 25% on cost

1. ACCOUNTING POLICIES - continued**Related party exemption**

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

The charity is exempt from tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments**Fixed asset investments**

The investment in the subsidiary is stated at the balance sheet date at historical cost less impairment.

Current asset investments

Listed investments are stated at market value at the balance sheet date. Realised gains and losses on investments, calculated as the difference between the sales proceeds and their market value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of gain or loss. Unrealised gains and losses representing the movement in market values during the year are credited or charged to the SOFA in the year of gain or loss. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities,

Unlisted investments are stated in the balance sheet at historical cost.

2. INVESTMENT INCOME

	5.4.22	5.4.21
	£	£
Deposit account interest	247	41
Listed investments	219,154	220,635
Other investments	1,318	1,293
	<u>220,719</u>	<u>221,969</u>

3. INVESTMENT MANAGEMENT COSTS

	5.4.22	5.4.21
	£	£
Portfolio management	43,995	50,331
Impairment losses	172	17,925
	<u>44,167</u>	<u>68,256</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2022

4. GRANTS PAYABLE	5.4.22	5.4.21
	£	£
Awarding Grants	<u>231,285</u>	<u>244,370</u>
The total grants paid to institutions during the year was as follows:		
	5.4.22	5.4.21
	£	£
Miscellaneous under £5,000	161,285	149,370
National Museum and Galleries	-	5,000
M.C.R.A.	5,000	-
Welsh National Opera	-	10,000
Rekindle	-	5,000
Montgomeryshire Family Crisis Centre	-	5,000
Age Concern Powys	-	5,000
Cwmparc Community Association	5,000	-
Artes Mundi	-	5,000
Mid Wales Opera	5,000	5,000
Hope House Charity	5,000	-
The Intersensory Club	-	5,000
Carers Trust Wales	5,000	5,000
Nightingale House Hospice	5,000	-
The Prison Advice & Care Trust	-	5,000
Cardiff Women's Aid	-	5,000
Atal Y Fro	-	5,000
TACT Connect Wales	-	5,000
TGP Cymru	-	5,000
Theatr na nOg	-	5,000
St David's Catholic Church	-	5,000
The Vronhaul (Llandinam) Charity	-	5,000
Domestic Abuse Safety Unit	-	5,000
Wales Millenium Centre	5,000	-
St Paul's Family Centre	5,000	-
Brigend Carers	5,000	-
Support Through Courts	5,000	-
Elidyr Communities Trust	5,000	-
Awel Aman Tawe	5,000	-
UPROAR - Wales New Music Ensemble	5,000	-
Brecon Festival of Ballet	5,000	-
	<u>231,285</u>	<u>244,370</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2022

5. TRUSTEES' REMUNERATION AND BENEFITS

The trustees all give freely of their time and expertise without any form of remuneration or other benefits in kind or cash (2021: £nil).

Trustees' expenses

	5.4.22	5.4.21
	£	£
Trustees' expenses	260	-
	<u>260</u>	<u>-</u>

3 trustees were reimbursed for travel expenses in 2022 but there were no trustee expenses for 2021.

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	5.4.22	5.4.21
Secretary	1	1
	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	1,309,555
Investment income	221,969
Other income	120
Total	<u>1,531,644</u>
EXPENDITURE ON	
Raising funds	
Investment management costs	68,256
	<u>68,256</u>
Charitable activities	
Awarding Grants	272,478
Education of the public in the Arts	120
Total	<u>340,854</u>
Net gains on investments	<u>1,738,613</u>
NET INCOME	2,929,403
RECONCILIATION OF FUNDS	
Total funds brought forward	6,857,468

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2022

7.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £
		<u> </u>
	TOTAL FUNDS CARRIED FORWARD	<u><u>9,786,871</u></u>
8.	TANGIBLE FIXED ASSETS	Computer equipment £
	COST	
	At 6 April 2021	909
	Additions	1,809
	Disposals	<u>(909)</u>
	At 5 April 2022	<u>1,809</u>
	DEPRECIATION	
	At 6 April 2021	909
	Charge for year	452
	Eliminated on disposal	<u>(909)</u>
	At 5 April 2022	<u>452</u>
	NET BOOK VALUE	
	At 5 April 2022	<u><u>1,357</u></u>
	At 5 April 2021	<u><u>-</u></u>
9.	FIXED ASSET INVESTMENTS	Shares in group undertakings £
	COST LESS IMPAIRMENT	
	At 6 April 2021	86,794
	Impairments	<u>(172)</u>
	At 5 April 2022	<u>86,622</u>
	NET BOOK VALUE	
	At 5 April 2022	<u><u>86,622</u></u>
	At 5 April 2021	<u><u>86,794</u></u>

There were no investment assets outside the UK.

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2022

10. STOCKS

	5.4.22	5.4.21
	£	£
Stocks	<u>1,640</u>	<u>1,763</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.22	5.4.21
	£	£
Other debtors	<u>105,502</u>	<u>10,634</u>

12. CURRENT ASSET INVESTMENTS

	5.4.22	5.4.21
	£	£
Investments		
Cost or Market value at 6.4.21	8,360,593	6,727,501
Additions	6,361,696	3,236,155
Disposals	(5,686,562)	(2,579,083)
Unrealised losses/gains	702,945	976,020
Cost or Market value at 5.4.22	<u>9,738,672</u>	<u>8,360,593</u>
Historical cost	<u>9,525,472</u>	<u>7,275,664</u>

Unlisted investments are recorded at cost because the Trustees' believe that obtaining a professional valuation of the shares would outweigh the benefit to the user of these accounts.

Analysis of investments at 5th April between funds

	5.4.22	5.4.21
	£	£
Listed investments	8,737,811	7,356,365
Unlisted investments	911	911
Fixed interest securities	999,950	1,003,317
	<u>9,738,672</u>	<u>8,360,593</u>

Included in the above, investments held outside the United Kingdom for the Charity £4,633,104 (2021 £2,339,445)

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.22	5.4.21
	£	£
Taxation and social security	-	272
Other creditors	73,808	47,996
	<u>73,808</u>	<u>48,268</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	5.4.22	5.4.21
	£	£
Other creditors	30,000	60,000
	<u>30,000</u>	<u>60,000</u>

15. MOVEMENT IN FUNDS

	At 6.4.21	Net movement in funds	At
	£	£	5.4.22
			£
Unrestricted funds			
General fund	9,786,871	593,482	10,380,353
	<u>9,786,871</u>	<u>593,482</u>	<u>10,380,353</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	220,842	(310,715)	683,355	593,482
	<u>220,842</u>	<u>(310,715)</u>	<u>683,355</u>	<u>593,482</u>

Comparatives for movement in funds

	At 6.4.20	Net movement in funds	At
	£	£	5.4.21
			£
Unrestricted funds			
General fund	6,857,468	2,929,403	9,786,871
	<u>6,857,468</u>	<u>2,929,403</u>	<u>9,786,871</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2022

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,531,644	(340,854)	1,738,613	2,929,403
TOTAL FUNDS	<u>1,531,644</u>	<u>(340,854)</u>	<u>1,738,613</u>	<u>2,929,403</u>

16. RELATED PARTY DISCLOSURES

The trustees have interests in the following charities who have benefited from grants in the year.

Organisation	Connection	5.4.22 £	5.4.21 £
MCRA	Dr J D Lewis - trustee	5,000	1,000
Artes Mundi	Mrs S Balsom - trustee (wife of DR D F Balsom)	-	5,000
The Vronhaul (Llandinam) Charity	All trustees in common with Margaret Davies Charity	5,000	-

During the year the charity paid rent to MCRA amounting to £2,542 (2021 £2,542). No amount was outstanding at the year end (2021 nil).

In the 2021 year end, the charity received a donation from its subsidiary Welsh Town Planning & Housing Trust Limited amounting to £1,309,555 following the sale of land in this company.

Margaret Davies Charity

Detailed Statement of Financial Activities
for the Year Ended 5 April 2022

	5.4.22 £	5.4.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	-	1,309,555
Investment income		
Deposit account interest	247	41
Listed investments	219,154	220,635
Other investments	1,318	1,293
	<u>220,719</u>	<u>221,969</u>
Other income		
Royalties	123	120
	<u>220,842</u>	<u>1,531,644</u>
Total incoming resources		
EXPENDITURE		
Investment management costs		
Portfolio management	43,995	50,331
Impairment losses for tangible fixed assets	172	17,925
	<u>44,167</u>	<u>68,256</u>
Charitable activities		
Wages	22,119	19,041
Pensions	315	-
Other operating leases	2,542	2,542
Office costs	2,985	678
Book costs	123	120
Computer equipment	452	-
Grants to institutions	231,285	244,370
	<u>259,821</u>	<u>266,751</u>
Support costs		
Finance		
Bank charges	20	25
Governance costs		
Trustees' expenses	260	-
Auditors' remuneration	4,560	3,960
Insurance	978	1,375
Accountancy and legal fees	161	444
Costs of meetings	748	43
	<u>6,707</u>	<u>5,822</u>

This page does not form part of the statutory financial statements

Margaret Davies Charity

Detailed Statement of Financial Activities
for the Year Ended 5 April 2022

	5.4.22 £	5.4.21 £
Total resources expended	<u>310,715</u>	<u>340,854</u>
Net (expenditure)/income before gains and losses	(89,873)	1,190,790
Realised recognised gains and losses		
Realised gains/(losses) on investment assets	<u>(19,590)</u>	<u>762,593</u>
Net (expenditure)/income	<u><u>(109,463)</u></u>	<u><u>1,953,383</u></u>

This page does not form part of the statutory financial statements

MARGARET DAVIES CHARITY

England & Wales - Charity number 235589

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 5 April 2021
for
Margaret Davies Charity**

Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

Margaret Davies Charity
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for the Year Ended 5 April 2021

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Margaret Davies Charity
Reference and Administrative Details
for the Year Ended 5 April 2021

TRUSTEES	D Davies Chair Dr D F Balsom Dr J D Lewis T Williams E M Gilbey
PRINCIPAL ADDRESS	Plas Dolerw Milford Road Newtown Powys SY16 2EH
REGISTERED CHARITY NUMBER	235589
AUDITORS	Morgan Griffiths LLP Chartered Accountants Statutory Auditor Cross Chambers 9 High Street Newtown Powys SY16 2NY
BANKERS	HSBC Bank Plc The Cross 1 Broad Street Newtown Powys SY16 2LX

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity carries out these objectives by paying grants at the Trustee's discretion for charitable purposes to organisations which benefit the people of Wales and to other registered charities (based mainly in Wales) for the benefit of the following:

- The visual arts
- The performing arts
- Education
- Health & Social
- Provision for youth

Projects that were started by the sisters, or inspired by them, would seem especially appropriate for donations.

Grantmaking

The trustees make charitable grants to organisations which benefit the people of Wales and to other charitable organisations which are mainly Welsh.

ACHIEVEMENT AND PERFORMANCE

The charity has succeeded in awarding grants amounting to £244,370 (2020 £897,060) which have been funded from income received from investments for the year of £222,006 (2020 £310,119). In 2020 the awarded grants were in excess of income for this financial year owing to a substantial one off contribution in relation to the passing of Gregynog, which has a historical link with the charity, from the University of Wales into the new Gregynog Trust. In the same year we also made a commitment to contribute £150,000 over 5 years to Aberystwyth University's New Life for Old College Project.

The Statement of Financial Activities shows a net movement of funds for the year of £2,891,305 surplus (2020 deficit £2,050,507), and the general fund stands at £9,786,871 (2020 £6,895,556).

The trustees have made awards of grants in the year in accordance with the objectives of the charity.

During the year the subsidiary sold its remaining land and from the profit on disposal amounted to £1,309,555.

FINANCIAL REVIEW

Principal funding sources

The charities main source of income is provided from income generated on its investment portfolio. Realised gains of equities sold are reinvested in equities in the investment portfolio to promote further income.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2021

FINANCIAL REVIEW

Investment policy and objectives

The objective of the Davies Charity's endowment funds is to maintain a balance between the achievement of capital appreciation and the provision of a reasonable level of income so as to maintain the real value of that income.

The trustees of the Davies Charity's endowment funds have accepted a medium to high degree of risk for their investment portfolios.

The responsibility of the day to day management of the charity's investment assets lies with Barclays who have discretionary management powers with effect from 12th February 2004 under the established investment agreement (latest revision to policy statement dated 8th May 2012).

The appointment of the investment manager, Barclays, is on a discretionary basis. Accordingly the investment manager accepts responsibility on a continuing basis for taking investment action as and when appropriate in accordance with the Investment Policy.

Reserves policy

The trustees hold the capital element of the original endowment together with the accumulation of capital gains in order to generate income to provide funds to make charitable contributions in accordance with its Trust Deed. This is considered to be necessary as the charity has no fund raising capacity.

The trustees will maintain a reserve equivalent to six months income in order to meet management and administration expenses as they arise and to be in funds to meet charitable expenditure. The trustees monitor the situation at their biannual meetings.

The level of free reserves at the year end is £9,761,298 (2020 £6,844,483).

FUTURE PLANS

During this year the Charity recruited a new Director, who has been tasked with updating its systems and processes, and leading on a review of the grant-making strategy

The trustees continue to meet quarterly, with two grant-making meetings and two strategy meetings each year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Margaret Davies Charity (also known as The Gwendoline and Margaret Davies Charity) was constituted by a Trust Deed in 1934 and is a registered charity.

The Trust Deed irrevocably dedicated in perpetuity for charitable purposes all investments held by or transferred to the trustees on behalf of the charity.

Recruitment and appointment of new trustees

Trustees have the power to appoint additional trustees as they consider it appropriate to do so. The charity is organised so that the trustees meet four times a year to manage its affairs, with the routine management of its affairs being dealt with by the Chairman. The period of office for trustees is open, and the Trust Deed states that the total number of trustees shall not exceed five.

Organisational structure

The organisation employs one person to carry out day to day operations, reporting to the Chairman. The key management personnel are the board of Trustees who receive no remuneration.

Induction and training of new trustees

Trustees have been chosen for their knowledge and experience of charity work over the years and through the nature of their appointments undergo continuous professional development.

Margaret Davies Charity
Report of the Trustees
for the Year Ended 5 April 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity operates in the same building as another charity, The Vronhaul (Llandinam) Charity. The trustees of Margaret Davies Charity are the same as The Vronhaul (Llandinam) Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to 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.

Approved by order of the board of trustees on 19 November 2021 and signed on its behalf by:

D Davies - Trustee

Opinion

We have audited the financial statements of Margaret Davies Charity (the 'parent charity') for the year ended 5 April 2021 and its subsidiary (the group) which comprise the Consolidated Statement of Financial Activities, the Consolidated & Charity Balance Sheet, the Consolidated Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group'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 financial statements and our Report of the Independent Auditors thereon.

Our opinion on the 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Group Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 group's and the parent 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including relevant legislation such as the Charities Act 2011, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

**Report of the Independent Auditors to the Trustees of
Margaret Davies Charity**

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

19 November 2021

Margaret Davies Charity

Consolidated Statement of Financial Activities (Incorporating an Income Statement)
for the Year Ended 5 April 2021

		5.4.21	5.4.20
		Unrestricted	Total
		funds	funds
	Notes	£	£
INCOME AND ENDOWMENTS FROM			
Investment income	2	222,006	310,119
Other income	3	1,309,675	140
Total		1,531,681	310,259
EXPENDITURE ON			
Raising funds			
Investment management costs	4	50,331	51,361
		50,331	51,361
Charitable activities			
Awarding Grants	5	273,028	928,923
Education of the public in the Arts		120	140
Total		323,479	980,424
Net gains/(losses) on investments		1,683,113	-1,380,342
NET INCOME /(EXPENDITURE)		2,891,315	-2,050,507
RECONCILIATION OF FUNDS			
Total funds brought forward		6,895,556	8,946,063
TOTAL FUNDS CARRIED FORWARD		9,786,871	6,895,556

The notes form part of these financial statements

Margaret Davies Charity

Balance Sheet
5 April 2021

	Notes	Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.20 £	Charity 5.4.20 £
FIXED ASSETS					
Tangible assets	13	85,573	141,073	-	-
Investments	14	-	-	86,794	104,719
		85,573	141,073	86,794	104,719
CURRENT ASSETS					
Stocks	15	1,763	1,883	1,763	1,883
Debtors	16	10,744	5,434	10,634	5,434
Investments	17	8,360,593	6,727,501	8,360,593	6,727,501
Cash at bank and in hand		1,436,616	156,233	1,435,355	154,499
		9,809,716	6,891,051	9,808,345	6,889,317
CREDITORS					
Amounts falling due within one year	18	-48,418	-46,568	-48,268	-46,568
		9,761,298	6,844,483	9,760,077	6,842,749
NET CURRENT ASSETS					
		9,846,871	6,985,556	9,846,871	6,947,468
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	19	-60,000	-90,000	-60,000	-90,000
		9,786,871	6,895,556	9,786,871	6,857,468
NET ASSETS					
FUNDS					
Unrestricted funds	20				
General fund		9,786,871	6,895,556	9,786,871	6,857,468
		9,786,871	6,895,556	9,786,871	6,857,468
TOTAL FUNDS					

The financial statements were approved by the Board of Trustees and authorised for issue on 19 November 2021 and were signed on its behalf by:

D Davies – Trustee

The notes form part of these financial statements

Margaret Davies Charity

Cash Flow Statement
for the Year Ended 5 April 2021

	Notes	Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.21 £	Charity 5.4.20 £
Cash flows from operating activities:					
Cash generated from operations	1	952,773	- 859,927	935,321	- 859,927
Net cash provided by (used in) operating activities		952,773	- 859,927	935,321	- 859,927
Cash flows from investing activities:					
Purchase of fixed asset investments		- 3,236,156	- 1,726,592	- 3,236,156	- 1,726,592
Sale of intangible fixed assets		120	140	120	140
Sale of fixed asset investments		3,341,677	1,590,110	3,341,677	1,590,110
Impairment		-	-	17,925	-
Interest received		221,969	310,119	221,969	310,106
Net cash provided by investing activities		327,610	173,777	345,535	173,764
Change in cash and cash equivalents in the reporting period		1,280,383	- 686,150	1,280,856	- 686,163
Cash and cash equivalents at the beginning of the reporting period		156,233	842,383	154,499	840,662
Cash and cash equivalents at the end of the reporting period		1,436,616	156,233	1,435,355	154,499

The notes form part of these financial statements

Margaret Davies Charity

Notes to the Cash Flow Statement
for the Year Ended 5 April 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.21 £	Charity 5.4.20 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,891,305	- 2,050,507	2,929,403	- 2,049,270
Adjustments for:				
Depreciation charges	-	227	-	227
(Gain)/losses on investments	- 1,683,103	1,380,342	- 1,738,613	1,380,342
Profit on disposal of fixed assets	-120	-140	-120	-140
Interest received	- 221,969	- 310,119	- 221,969	- 310,106
Decrease in stocks	120	140	120	140
(Increase)/decrease in debtors	- 5,310	2,508	- 5,200	1,258
(Decrease)/increase in creditors	- 28,150	117,622	- 28,300	117,622
Net cash provided by (used in) operating activities	952,773	- 859,927	935,321	- 859,927

2. ANALYSIS OF CHANGES IN NET FUNDS

	Group	At 6.4.20 £	Cash flow £	At 5.4.21 £
Net cash				
Cash at bank and in hand		156,233	1,280,383	1,436,616
		<u>156,233</u>	<u>1,280,383</u>	<u>1,436,616</u>
Liquid resources				
Current asset investments		6,727,501	1,633,092	8,360,593
		<u>6,727,501</u>	<u>1,633,092</u>	<u>8,360,593</u>
Total		<u>6,883,734</u>	<u>2,913,475</u>	<u>9,797,209</u>
	Charity	At 6.4.20 £	Cash flow £	At 5.4.21 £
Net cash				
Cash at bank and in hand		154,499	1,280,856	1,435,355
		<u>154,499</u>	<u>1,280,856</u>	<u>1,435,355</u>
Liquid resources				
Current asset investments		6,727,501	1,633,092	8,360,593
		<u>6,727,501</u>	<u>1,633,092</u>	<u>8,360,593</u>
Total		<u>6,882,000</u>	<u>2,913,948</u>	<u>9,795,948</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Basis of consolidation

The consolidated accounts incorporate the results of Margaret Davies Charity and its subsidiary undertaking on a line by line basis. The consolidated entity is referred to as 'the group'. No separate Statement of Financial Activities (SOFA) has been prepared.

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured accurately.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure recognition

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.

Grants payable are payments made to third parties in furtherance of the charitable objects of the charity. Provisions for grants are made when the intention to make the grant has been agreed by the trustees at the bi annual meetings held within the financial year.

Allocation and apportionment of costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise of all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with support costs relating to trustee Board meetings.

All governance and support costs have been apportioned in full to grant making. There are no costs to the charity for the activity of 'Education of the public in the Arts'.

Costs of raising funds

The costs of generating funds consist of investment management fees.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs.

**Notes to the Financial Statements – continued
for the Year Ended 5 April 2021**

1. ACCOUNTING POLICIES – continued**Tangible fixed assets**

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

Computer equipment - 25% on cost

Taxation

The charity is exempt from tax on its charitable activities. The subsidiary does not generally pay Corporation Tax because their policy is to pay taxable profits as Gift Aid to the Charity.

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.

Investments**Fixed asset investments**

The investment in the subsidiary is stated at the balance sheet date at historical cost less impairment.

Current asset investments

Listed investments are stated at market value at the balance sheet date. Realised gains and losses on investments, calculated as the difference between the sales proceeds and their market value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of gain or loss. Unrealised gains and losses representing the movement in market values during the year are credited or charged to the SOFA in the year of gain or loss. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities,

Unlisted investments are stated in the balance sheet at historical cost.

2. INVESTMENT INCOME

	5.4.21	5.4.20
	£	£
Deposit account interest	68	1,735
Listed investments	220,635	307,081
Other investments	<u>1,303</u>	<u>1,303</u>
	<u>222,006</u>	<u>310,119</u>

3. OTHER INCOME

	5.4.21	5.4.20
	£	£
Profit on sale of land	1,309,555	-
Royalties	<u>120</u>	<u>140</u>
	<u>1,309,675</u>	<u>140</u>

Margaret Davies Charity

Notes to the Financial Statements – continued
for the Year Ended 5 April 2021

4. INVESTMENT MANAGEMENT COSTS

	5.4.21 £	5.4.20 £
Portfolio management	50,331	51,361
	<u>50,331</u>	<u>51,361</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Awarding Grants	22,261	244,370	6,397	273,028
Education of the public in the Arts	<u>120</u>	<u>-</u>	<u>-</u>	<u>120</u>
	<u>22,381</u>	<u>244,370</u>	<u>6,397</u>	<u>273,148</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	5.4.21 £	5.4.20 £
Staff costs	19,041	19,041
Other operating leases	2,542	2,542
Office costs	678	922
Book costs	120	140
Depreciation	<u>-</u>	<u>227</u>
	<u>22,381</u>	<u>22,872</u>

7. GRANTS PAYABLE

	5.4.21 £	5.4.20 £
Awarding Grants	<u>244,370</u>	<u>897,060</u>

Margaret Davies Charity

Notes to the Financial Statements – continued
for the Year Ended 5 April 2021

7. GRANTS PAYABLE - continued

The total grants paid to institutions during the year was as follows:

	5.4.21	5.4.20
	£	£
Gregynog Festival	-	10,000
Miscellaneous under £5,000	149,370	128,560
National Museum and Galleries	5,000	-
David Davies Memorial Institute	-	15,000
Welsh National Opera	10,000	5,000
Rekindle	5,000	-
Montgomeryshire Family Crisis Centre	5,000	-
Age Concern Powys	5,000	-
Artes Mundi	5,000	5,000
Mid Wales Opera	5,000	-
Eisteddfod Genedlaethol Cymru	-	30,000
The Intersensory Club	5,000	-
Carers Trust Wales	5,000	-
The Gregynog Trust	-	512,500
Aberystwyth University - The Old College	-	150,000
Llandudno Museum and Gallery	-	5,000
Pontarddulais Partnership	-	6,000
Young Music Makers of Dyfed	-	5,000
Sinfonia Cymru	-	5,000
Hearing Dogs for Deaf people	-	5,000
Newport Mind	-	5,000
W.C.V.A	-	10,000
The Prison Advice & Care Trust	5,000	-
Cardiff Women's Aid	5,000	-
Atal Y Fro	5,000	-
TACT Connect Wales	5,000	-
TGP Cymru	5,000	-
Theatr na nOg	5,000	-
St David's Catholic Church	5,000	-
The Vronhaul (Llandinam) Charity	5,000	-
Domestic Abuse Safety Unit	5,000	-
	<u>244,370</u>	<u>897,060</u>

8. SUPPORT COSTS

	Finance	Governance	Totals
	£	costs	£
	£	£	£
Awarding Grants	<u>25</u>	<u>6,372</u>	<u>6,397</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

8. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	5.4.21 Awarding Grants £	5.4.20 Total activities £
Bank charges	25	15
Trustees' remuneration etc	-	243
Auditors' remuneration	3,960	3,960
Insurance	1,375	1,280
Accountancy and legal fees	994	1,824
Costs of meetings	43	559
	<u>6,397</u>	<u>7,881</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The trustees all give freely of their time and expertise without any form of remuneration or other benefits in kind or cash (2020: £nil).

Trustees' expenses

	5.4.21 £	5.4.20 £
Trustees' expenses	<u>-</u>	<u>243</u>

4 trustees were reimbursed for travel expenses in 2020 but there were no trustee expenses for 2021.

10. STAFF COSTS

	5.4.21 £	5.4.20 £
Wages and salaries	<u>19,041</u>	<u>19,041</u>
	<u>19,041</u>	<u>19,041</u>

The average monthly number of employees during the year was as follows:

	5.4.21	5.4.20
Secretary	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES		Unrestricted fund £
	INCOME AND ENDOWMENTS FROM	
	Investment income	310,119
	Other income	<u>140</u>
	Total	310,259
	EXPENDITURE ON	
	Raising funds	
	Investment management costs	<u>51,361</u>
		51,361
	Charitable activities	
	Awarding Grants	928,923
	Education of the public in the Arts	<u>140</u>
	Total	980,424
	Net gains/(losses) on investments	<u>(1,380,342)</u>
	NET INCOME/(EXPENDITURE)	(2,050,507)
	RECONCILIATION OF FUNDS	
	Total funds brought forward	8,946,063
	TOTAL FUNDS CARRIED FORWARD	<u><u>6,895,556</u></u>

12. INCOMING RESOURCES AND NET DECREASE IN FUNDS – CHARITY ONLY

The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group entities.

- Charity only total incoming resources for the year ended 5 April 2021 were £1,531,644 (2020 £310,246).
- Charity only net increase in funds in the year totalled £2,929,403 (2020 £2,049,270 decrease).

13. TANGIBLE FIXED ASSETS

	Charity	Computer equipment £
	COST	
	At 6 April 2020 and 5 April 2021	<u>909</u>
	DEPRECIATION	
	At 6 April 2020 and 5 April 2021	<u>909</u>
	NET BOOK VALUE	
	At 5 April 2020 and 5 April 2021	<u><u>-</u></u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

13. TANGIBLE FIXED ASSETS – continued

Group	Land and buildings £	Books and Ephemera £	Computer equipment £	Totals £
COST				
At 6 April 2020	55,500	85,573	909	141,982
Disposals	-55,500	-	-	-55,500
At 5 April 2021	-	85,573	909	86,482
DEPRECIATION				
At 6 April 2020 and 5 April 2021	-	-	909	909
NET BOOK VALUE				
At 5 April 2021	-	85,573	-	85,573
At 5 April 2020	55,500	85,573	-	141,073

14. FIXED ASSET INVESTMENTS

Charity	Shares in group undertakings £
COST LESS IMPAIRMENT	
At 6 April 2020	104,719
Impairments	(17,925)
At 5 April 2021	86,794
NET BOOK VALUE	
At 5 April 2021	86,794
At 5 April 2020	104,719

There were no investment assets outside the UK.

15. STOCKS

Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.21 £	Charity 5.4.20 £
Stocks	1,763	1,883	1,883

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.21 £	Charity 5.4.20 £
Other debtors	10,744	5,434	10,634	5,434
	<u>10,744</u>	<u>5,434</u>	<u>10,634</u>	<u>5,434</u>

17. CURRENT ASSET INVESTMENTS

Charity and Group

Investments	5.4.21 £	5.4.20 £
Cost or Market value at 6.4.20	6,727,501	7,971,360
Additions	3,236,155	1,726,592
Disposals	(2,579,083)	(1,534,480)
Unrealised losses/gains	<u>976,020</u>	<u>(1,435,971)</u>
Cost or Market value at 5.4.21	<u>8,360,593</u>	<u>6,727,501</u>
Historical cost	<u>7,275,664</u>	<u>7,110,950</u>

Unlisted investments are recorded at cost because the Trustees' believe that obtaining a professional valuation of the shares would outweigh the benefit to the user of these accounts.

Analysis of investments at 5th April between funds

	5.4.21 £	5.4.20 £
Listed investments	7,356,365	5,965,654
Unlisted investments	911	911
Fixed interest securities	<u>1,003,317</u>	<u>760,936</u>
	<u>8,360,593</u>	<u>6,727,501</u>

Margaret Davies Charity

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

17. CURRENT ASSET INVESTMENTS - continued

Included in the above, investments held outside the United Kingdom for the Charity & Group £2,339,445 (2020 £2,771,315)

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.21 £	Charity 5.4.20 £
Taxation and social security	272	272	272	272
Other creditors	48,146	46,296	47,996	46,296
	<u>48,418</u>	<u>46,568</u>	<u>48,268</u>	<u>46,568</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 5.4.21 £	Group 5.4.20 £	Charity 5.4.21 £	Charity 5.4.20 £
Other creditors	60,000	90,000	60,000	90,000
	<u>60,000</u>	<u>90,000</u>	<u>60,000</u>	<u>90,000</u>

20. MOVEMENT IN FUNDS

	At 6.4.20 £	Net movement in funds £	At 5.4.21 £
Unrestricted funds			
General fund	6,895,556	2,891,315	9,786,871
	<u>6,895,556</u>	<u>2,891,315</u>	<u>9,786,871</u>
TOTAL FUNDS	<u>6,895,556</u>	<u>2,891,315</u>	<u>9,786,871</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,531,681	(323,479)	1,683,113	2,891,315
	<u>1,531,681</u>	<u>(323,479)</u>	<u>1,683,113</u>	<u>2,891,315</u>
TOTAL FUNDS	<u>1,531,681</u>	<u>(323,479)</u>	<u>1,683,113</u>	<u>2,891,315</u>

Margaret Davies Charity
Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	At 5.4.20 £
Unrestricted funds			
General fund	8,946,063	(2,050,507)	6,895,556
	<u>8,946,063</u>	<u>(2,050,507)</u>	<u>6,895,556</u>
TOTAL FUNDS	<u>8,946,063</u>	<u>(2,050,507)</u>	<u>6,895,556</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	310,259	(980,424)	(1,380,342)	(2,050,507)
	<u>310,259</u>	<u>(980,424)</u>	<u>(1,380,342)</u>	<u>(2,050,507)</u>
TOTAL FUNDS	<u>310,259</u>	<u>(980,424)</u>	<u>(1,380,342)</u>	<u>(2,050,507)</u>

21. RELATED PARTY DISCLOSURES

The trustees have interests in the following charities who have benefited from grants in the year.

Organisation	Connection	5.4.21 £	5.4.20 £
MCRA	Dr J D Lewis - trustee	1,000	5,000
Artes Mundi	Mrs S Balsom - trustee (wife of DR D F Balsom)	5,000	4,000
The Vronhaul (Llandinam) Charity	All trustees in common with Margaret Davies Charity	5,000	-

During the year the group paid rent to MCRA amounting to £2,542 (2020 £2,542). No amount was outstanding at the year end (2020 nil).