

Company registration number: 1816889 (England and Wales)

Charity registration number: 1094652

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
FOR
PROMO-CYMRU LTD**



**Robert Hugh Limited
Registered Auditors
and Chartered Accountants
15 Dan y Bryn Avenue
Radyr
Cardiff
CF15 8DD**

PROMO-CYMRU LTD

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	Page
Reference and Administration Details	1
Report of the Trustees	2 to 13
Report of the Independent Auditors	14 to 16
Statement of Consolidated Financial Activities	17
Balance Sheets	18
Statement of Consolidated Cash Flows	19
Notes to the Consolidated Financial Statements	20 to 36

PROMO-CYMRU LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name Promo-Cymru Ltd

Charity registration number 1094652

Company registration number 1816889

Principal office 17 West Bute Street
Cardiff
CF10 5EP

Registered office 17 West Bute Street
Cardiff
CF10 5EP

The charity is incorporated in England and Wales.

Trustees M Morgan, Chair
M Bowden
D M Martin
O G Derbyshire
S Corria
L Kingdon
L Carter
E Andrews (resigned in March 2019)

Secretary M Gil-Cervantes

Auditors Robert Hugh Limited
Registered Auditors and Chartered Accountants
15 Dan y Bryn Avenue
Radyr
Cardiff
CF15 8DD

PROMO-CYMRU LTD

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2019.

Structure, Governance and Management

Governing Document

The charity is controlled by its governing document, its Memorandum and Articles of Association, and is limited by guarantee and not having a share capital, as defined by the Companies Act 2006.

Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/she is a member or within one year after he/she ceased to be a member, for repayment of the company's debts and liabilities contracted before he/she ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributors amongst themselves.

Recruitment and Appointment of New Trustees

The company is directed by a board of trustees, the members of which are all committed to the sector's principles and ideals.

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a year after which they must be re-elected at the next Annual General Meeting.

The members of the board receive no material benefits or remuneration from the company for their time and services.

Induction and Training of New Trustees

Most trustees are already familiar with the practical work of the charity. Information is made available covering the following.

- The obligations of Management Committee members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Organisational Structure

The board of trustees, who meet bi-monthly, administer the charity. A chief executive is appointed by the trustees to manage the day-to-day operation of the charity.

Wider Network

Promo-Cymru has continued to work with a number of partners.

These include:-

- Council for Wales Voluntary Youth Service
- Wales Council for Voluntary Action
- Wales Co-op Centre
- The Urdd
- Community Investment Fund
- Welsh Assembly Government
- Development Trust Association
- Children in Wales
- Voluntary Councils across Wales
- Ethnic Youth Support Team
- Public Health Wales

Subsidiary Undertakings

Promo-Cymru Ltd is the holding company of a trading subsidiary company called Promo-Cymru Trading Limited.

The principle activities of the company in the year under review were:

1. Activities centred around providing information, advice and advocacy for young people in Wales. This was carried out under the project name MEIC (The National Information and Advice and Advocacy Service - direct contact, telephone, instant messaging and text based).
2. The trading development of the Ebbw Vale Institute as a youth, community and cultural centre for the communities of Blaenau Gwent and beyond.
3. In the area of the multimedia and communications, Promo-Cymru Trading continued to deliver goods and services such as consultation, service design, video production, social media training and website development and administration.

Risk Management

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

PROMO-CYMRU LTD

TRUSTEES' REPORT

Major risks are reported to the board via the Chief Executive and Deputy Chief Executive via the project and finance reports produced for and presented at the Promo-Cymru Management Board. The examination will cover the major strategies, business and operational risks which the charity faces. The reporting system so established is to enable regular reports to be produced so that any necessary steps can be taken to mitigate exposure to these risks. These procedures are to be periodically reviewed to ensure that they still meet the needs of the charity.

The risk management strategy will comprise:-

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Trustees:

- risk management statement - reviewed each year
- conflict of interest register - updated each year
- trustee welcome pack inclusive of signed statements of ability to serve as a trustee

Staff:

- proof of ID required
- DBS checks (where applicable)
- references
- probation period
- regular appraisals
- comprehensive personnel files
- trained to ensure capability to undertake role

HR:

- ongoing updates and training to keep up with changes in legislation
- robust policy and procedures - updates where required
- back up legal assistance in place

Health & safety:

- office risk assessments
- updates and training when necessary

Information technology:

- all laptops are password protected and equipped with the latest AVG antivirus software
- users are required to change their Office365 password every 90 days for security purposes
- all websites are secured with SSL Certificates. Independent web security testing takes place annually.

The risk register of the organisation is maintained and regularly reviewed at trustee meetings. The trustees' comments and response to the risk register are recorded in the minutes including follow up actions. The trustees are satisfied that Promo-Cymru is undertaking all actions required to mitigate risk across the organisation.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Objectives and Activities

Objectives and Aims

The objective of Promo-Cymru is to support the development of young people, families and the communities they live in.

Promo-Cymru's Vision:

Promo-Cymru works to ensure young people and communities are informed, engaged, connected and heard.

Promo-Cymru's Mission:

We work collaboratively to make links between people and services using creativity and digital technology. Supporting the third and public sectors to imagine, test and create better services. Promo works with communities through communications, advocacy, cultural engagement, digital and media production. Our work is informed by over 20 years of delivering digital youth information projects. We share this knowledge through training and consultancy, forming long term partnerships to benefit people and organisations.

Promo-Cymru is a registered charity and social enterprise; our profits are invested back into our community projects.

Promo-Cymru will work collectively, cooperatively and in partnership with people and organisations that share these objectives.

Public Benefit Statement

In setting our objectives and planning our activities, the Trustees of Promo-Cymru have given careful consideration to The Charity Commissions' general guidance on public benefit.

Promo-Cymru is committed to the development of young people and families in Wales through their participation in activities that enable young people to voice their opinions and contribute to an inclusive Wales in line with the United Nations Charter on the Rights of the Child and to work with partners to develop and deliver anti-poverty strategies.

Promo-Cymru is also committed to delivering a creative hub, facilitated at EVI as part of the regeneration of Ebbw Vale town and the surrounding area. This project will provide the local community with a much needed focus for cultural, social and economic development in Ebbw Vale and the Heads of the Valleys areas.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Significant Activities

The significant activities undertaken during the year encompassed the following projects:

EVI - Ebbw Vale Institute Project - working to develop the Ebbw Vale Institute as a cultural centre in Ebbw Vale.

www.thesprout.co.uk - Promo-Cymru supplies Cardiff's young people's information, financed and commissioned by Cardiff County Council and Families First. The focus of this work is the web development, www.thesprout.co.uk and support to young people who are part of its Editorial Board.

Melc Helpline - the Wales wide advocacy based helpline for young people in Wales.

Family Point

Whilst we no longer have a Welsh Government Grant to facilitate this important project, we have taken the decision to continue to operate the project at 'minimum' cost, with a view to review options for its future development and operations. During this period of time, the demand for this service is clear with website visits and contact remaining high despite the big reduction in resources invested. We are reviewing this position as due to reduced resources we need to consider 'shelving' this project until resources can be found.

Volunteers

Management Board

Promo-Cymru's Management Board are all volunteers who give of their time and invaluable experience. Without their advice and support Promo-Cymru would not have the organisational substance to deliver unique services.

European Volunteers

Promo-Cymru continues to have European Volunteer Service Placements supported by UNA Exchange as the co-ordinating body.

The EVS programme and young people who volunteer with Promo-Cymru for 11 months always have an impact on Promo-Cymru and bring an international flavour and understanding to the staff and clients of Promo-Cymru. This year our volunteer, Giulia Mammara, is from Italy.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Achievement and Performance

Charitable Activities

The Sprout.co.uk

This year this project continued to be funded by Cardiff's Families First Partnership to create a relevant, accessible information and communications vehicle for young people in Cardiff and, importantly, to support the work of the Families First Initiative in Wales. A focus of the project has been to create effective working relationships with the various organisations within the Families First partnership. The site places participation foremost and allows young people and organisations to input news items, photos, events listings and has a searchable organisational database of all organisations working in Cardiff with young people. We are working hard to innovate and continually rethink this service in the light of technological and social changes to keep this service up to date, useful and fresh for young people in Cardiff.

EVI Ebbw Vale Institute Project

Promo-Cymru has, since the completion of the Community Asset Transfer, brought Ebbw Vale Institute back into use as a vibrant community space offering cultural and social activities for the Blaenau Gwent area and beyond.

As a community social, arts and music based activities venue, EVI now includes:-

- A live venue for music and poetry
- A gallery exhibition space
- A fully equipped conference venue
- A social space for weddings and gatherings
- Rehearsal spaces including music showcase and dance studio
- Community café
- Multimedia facilities
- Video editing and production suite
- Business development space and facilities for young cultural businesses
- Rental spaces for cultural industry businesses
- The high specification music studio is also fully operational.

EVI is currently used by a wide range of public, third sector organisations and community groups and individuals. EVI has developed into a Cultural and Community Hub for the communities of Ebbw Vale and Blaenau Gwent.

We are continuing to streamline and evaluate EVI's operations. We have submitted applications to the Welsh Government's Communities and Facilities Program and are developing planning for the future.

Internal and External Factors

The most significant internal and external factors arising during the year were as follows:

Internal

Promo-Cymru continues to develop its internal policies and procedures in line with legislative and HR developments. We endeavour also to keep up to date with communications and technological developments.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Promo-Cymru has developed a Senior Management Team to guide and control the operational management of the organisation and, with the directors of Promo-Cymru, be part of the organisation's strategic direction. This work will also actively seek input from all staff, volunteers and clients of Promo-Cymru.

The development of Promo-Cymru's new building in Cardiff Bay has ensured that the building is energy efficient by installing new high grade insulation.

We have continued to embrace effective communication tools with young people in Wales and have endeavoured to be the leading provider. We have embraced social media communication and are providing advice and support to the third and public sectors.

We have embraced Service Design methodologies as a natural progression to our work and are gaining recognition for this innovative work across Wales, UK and the European Youth Sector.

Promo-Cymru periodically has staff observers attending board meetings, where appropriate, to allow for their direct input into discussions.

Clients are fully involved in Promo-Cymru projects via our core co-production and engagement methodology. Their involvement and feedback is channelled into project delivery and into the Management Board.

As a value driven organisation, we have made steps to make our values clearer and publish them on our website and make them part of our recruitment process to ensure we let the public, clients and our staff know what is important to us.

External

The external environment continues to be a challenge. We continue to monitor policy developments in Wales and the UK and make changes accordingly.

Promo Cymru has led the field in digital transformation for a number of years. Clearer branding, identity, communications and self-belief have increased our profile and confidence leading to new markets and clients.

Financial Review

The trustees receive management financial reports and review the financial position of Promo-Cymru on a regular basis as a key standing agenda item. The trustees have considered budgets and forecasts for the period to March 2020 and support the management team in the on-going financial development of the organisation as a going concern.

The management team work closely with the Chair of the trustees on a regular basis outside of board meetings.

Austerity has certainly impacted not only on Promo-Cymru, but also across the third sector. Promo-Cymru continues to innovate and forward think. Key corporate strategies of heightening the profile of Promo-Cymru, which have led to the winning of a number of key awards and the development of inroads in new markets, are beginning to work.

Unrestricted reserves decreased by £79,911 during the year, compared with an increase in the previous year of £4,450. Core running costs have also risen during the year whilst core income has decreased.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Depreciation charges on assets owned by Promo-Cymru, including the land and buildings of Ebbw Vale Institute and 17 West Bute Street, also impact on the financial activities reported.

At the year end Promo-Cymru remains in a strong financial position, with unrestricted reserves of £270,970 and total net assets of £1,038,460.

The organisation also continues to maintain adequate working capital to facilitate its activities.

The staffing restructure which took place in 2018, and the longer term focussed decision to keep capacity in place, has begun to stabilise and create growth after a difficult year and a half of transition.

Reserves Policy

Purpose

The purpose of the Reserves Policy of Promo-Cymru is to ensure the stability of the projects, employment and ongoing operations of the organisation. The Operating Reserve (ie, unrestricted reserves) is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserves may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Promo-Cymru for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserves Policy will be implemented in concert with the other governance and financial policies of Promo-Cymru and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

Definitions and Goals

The Operating Reserve Fund is defined as a designated fund set aside by action of the Trustees. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Operating Reserve Fund is equal to 6 months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, loans, office, travel, project, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The calculation of average monthly expenses also excludes some expenses, eg, one-time or unusual and capital purchases. The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the trustees and Finance Sub Committee, and included in the regular financial reports.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Accounting for Reserves

The Operating Reserve Fund will be recorded in the financial records as unrestricted reserves. The Fund will be funded and available in cash or cash equivalent funds.

Funding of Reserves

The Operating Reserve Fund will be funded with surplus unrestricted operating funds. The trustees may from time to time direct that a specific source of revenue be set aside for Operating Reserves.

Use of Reserves

Use of the Operating Reserves requires three steps:

1. Identification of appropriate use of reserve funds

The trustees and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

2. Authority to use operating reserves

Authority for use of Operating Reserves is delegated to the CEO in consultation with the Chair of the trustees. The use of Operating Reserves will be reported to the trustees at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the Operating Reserve Fund to the target minimum amount. The CEO must receive prior approval from the trustees if the Operating Reserves will take longer than 12 months to replenish.

3. Reporting and monitoring

The CEO is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the CEO will maintain records of the use of funds and plan for replenishment. The CEO will provide regular reports to the Finance Sub Committee and board of trustees of progress to restore the Fund to the target minimum amount.

Policy Review

This policy will be reviewed every other year, at minimum, by the Finance Sub Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Sub Committee to the board of trustees.

Principal Funding Sources

The company is primarily funded from the receipt of grant income from the Welsh Government and Cardiff County Council.

PROMO-CYMRU LTD

TRUSTEES' REPORT

Plans for Future Periods

Promo-Cymru seeks to further develop its charitable activities.

Promo-Cymru will continue to use its experience to develop its expertise across a number of areas. These are:

- 1 Helpline expertise, online and office information to include the promotion of citizen voices. We have developed an integrated communications model to better describe our offer.
- 2 The development of further support to communities, families and people of all ages to support both physical and social developments.
- 3 The development of support and mentoring services to other third sector organisations such as leadership and management development, finance management and other corporate issues.
- 4 The support of organisations to better utilise Service Design Methodologies, IT and communications technology, such as social media practice and policy.
- 5 The development of our central administrative building to allow disparate areas of Promo-Cymru to be housed together and the wider involvement of clients and other organisations in the work of the organisation is working well. We will continue to review better and more efficient use of the building and consider renting further spaces to like minded organisations.

We have applied to a number of funders for the capital required to improve and keep EVI's infrastructure developing. We will be working to bring together a wider EVI stakeholder group to jointly work on the development of longer term sustainability for the building.

APB Ethical Standards Relevant Circumstances

In common with many other businesses of our size and nature, we use our auditors to assist with the preparation of the statutory financial statements.

The annual report was approved by the trustees of the charity on 11 December 2019 and signed on its behalf by:



.....
M Morgan
Trustee

PROMO-CYMRU LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Promo-Cymru Ltd for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

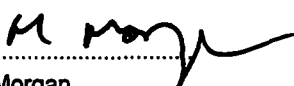
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the reappointment of Robert Hugh Limited as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Approved by the trustees of the charity on 11 December 2019 and signed on its behalf by:



M Morgan
Trustee

PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO-CYMRU LTD

Opinion

We have audited the financial statements of Promo-Cymru Ltd, the 'charitable parent company' and its subsidiary (the 'group') for the year ended 31 March 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2019 and of the group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report 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.

PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO-CYMRU LTD

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; 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 (set out on page 12), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 relating 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO CYMRU LTD

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

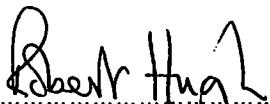
PROMO-CYMRU LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMO CYMRU LTD

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Hugh (Senior Statutory Auditor)

For and on behalf of Robert Hugh Limited, Statutory Auditor

15 Dan y Bryn Avenue
Radyr
Cardiff
CF15 8DD

Signed on 12 December 2019

PROMO-CYMRU LTD
STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

				Continuing operations	Discontinued operations	
	Notes	Unrestricted funds	Restricted funds	total 2019	total 2019	Total 2019
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Activities for generating funds	3	649,333	-	649,333	-	649,333
Voluntary income	4	676	-	676	-	676
Investment income	5	58,165	-	58,165	-	58,165
Charitable activities	6	12,953	99,460	112,413	-	112,413
Total Income		721,127	99,460	820,587	-	820,587
EXPENDITURE ON:						
Charitable activities	7	789,739	122,552	912,291	-	912,291
Total expenditure		789,739	122,552	912,291	-	912,291
NET INCOME/(EXPENDITURE)		-68,612	-23,092	-91,704	-	-91,704
Gross transfers between funds		-11,299	11,299	-	-	-
NET MOVEMENT IN FUNDS		-79,911	-11,793	-91,704	-	-91,704
Reconciliation of funds:						
Total funds brought forward		350,880	779,283	1,130,163	-	1,130,163
TOTAL FUNDS CARRIED FORWARD	18	270,969	767,490	1,038,459	-	1,038,459

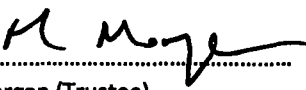
				Continuing operations	Discontinued operations	
	Notes	Unrestricted funds	Restricted funds	total 2018	total 2018	Total 2018
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Activities for generating funds	3	626,269	-	626,269	-	626,269
Voluntary income	4	-	-	-	-	-
Investment income	5	56,798	-	56,798	-	56,798
Charitable activities	6	-	61,963	61,963	302,113	364,076
Total Income		683,067	61,963	745,030	302,113	1,047,143
EXPENDITURE ON:						
Charitable activities	7	678,617	94,613	773,230	303,114	1,076,344
Total expenditure		678,617	94,613	773,230	303,114	1,076,344
NET INCOME/(EXPENDITURE)		4,450	-32,650	-28,200	-1,001	-29,201
Gross transfers between funds		-	-	-	-	-
NET MOVEMENT IN FUNDS		4,450	-32,650	-28,200	-1,001	-29,201
Reconciliation of funds:						
Total funds brought forward		346,430	811,933	1,158,363	1,001	1,159,364
TOTAL FUNDS CARRIED FORWARD	18	350,880	779,283	1,130,163	-	1,130,163

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2019 and 2018 is shown in note 18.

PROMO-CYMRU LTD
BALANCE SHEETS
AT 31 MARCH 2019

	Notes	Consolidated		Company	
		2019 Total funds £	2018 Total funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	13	1,172,141	1,196,138	1,161,301	1,185,023
Investments	14	-	-	100	100
		<u>1,172,141</u>	<u>1,196,138</u>	<u>1,161,401</u>	<u>1,185,123</u>
CURRENT ASSETS					
Stocks		3,387	6,450	-	-
Debtors	15	100,632	127,887	27,209	14,254
Cash at bank and in hand		144,559	180,869	76,728	124,345
		<u>248,578</u>	<u>315,206</u>	<u>103,937</u>	<u>138,599</u>
CREDITORS					
Amounts falling due within one year	16	-159,503	-160,671	-43,791	-35,437
NET CURRENT ASSETS		<u>89,075</u>	<u>154,535</u>	<u>60,146</u>	<u>103,162</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,261,216	1,350,673	1,221,547	1,288,285
CREDITORS AND PROVISIONS					
Amounts falling due after one year	17	-221,257	-219,110	-221,257	-219,110
Provisions for liabilities	17	-1,500	-1,400	-	-
		<u>1,038,459</u>	<u>1,130,163</u>	<u>1,000,290</u>	<u>1,069,175</u>
FUNDS					
Unrestricted funds	18	270,969	350,880	232,800	289,892
Restricted funds	18	767,490	779,283	767,490	779,283
NET ASSETS		<u>1,038,459</u>	<u>1,130,163</u>	<u>1,000,290</u>	<u>1,069,175</u>

The financial statements on pages 17 to 36 were approved by the trustees, and authorised for issue on 11 December 2019 and signed on their behalf by


M Morgan (Trustee)

PROMO-CYMRU LTD**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

		Consolidated		Company	
		2019	2018	2019	2018
	Notes	Total	Total	Total	Total
		funds	funds	funds	funds
		£	£	£	£
Cash flows from operating activities					
Net cash expenditure		-91,704	-29,201	-68,885	-41,542
Adjustments to cash flows and non-cash items					
Depreciation		46,447	48,557	42,547	43,872
Loss on disposal of fixed assets		-	-	-	-
Investment income		-58,165	-56,798	-	-40,000
		-103,422	-37,442	-26,338	-37,670
Working capital adjustments					
(Increase)/decrease in stocks		3,063	-25	-	800
(Increase)/decrease in debtors	15	27,255	-48,173	-12,955	37,690
(Decrease)/increase in creditors	16	11,855	-15,409	1,131	-23,841
(Decrease)/increase in deferred income	16	-15,717	-9,990	4,529	-9,361
(Decrease)/increase in provisions	17	100	-300	-	-
Net cash flows from operating activities		-76,866	-111,339	-33,633	-32,382
Cash flows from investing activities					
Interest receivable and rental income	5	58,165	56,798	-	-
Gift aid payments from group undertakings		-	-	-	40,000
Purchase of tangible fixed assets	13	-22,450	-112,550	-18,825	-110,747
Net cash flows from investing activities		35,715	-55,752	-18,825	-70,747
Cash flows from financing activities					
Value of new loans obtained during the period		11,299	55,000	11,299	55,000
Repayments of loans and interest		-6,458	-5,114	-6,458	-5,114
Net cash flows from financing activities		4,841	49,886	4,841	49,886
Net (decrease)/increase in cash and cash equivalents					
		-36,310	-117,205	-47,617	-53,243
Cash and cash equivalents at 1 April		180,869	298,074	124,345	177,588
Cash and cash equivalents at 31 March		144,559	180,869	76,728	124,345

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2019**

1 CHARITY STATUS

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office and principal place of business is:
17 West Bute Street, Cardiff Bay CF10 5EP

These financial statements were authorised for issue by the trustees on 11 December 2019.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

Promo-Cymru Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The financial statements have been prepared on the going concern basis.

The trustees assess whether the use of going concern is appropriate, ie, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Group accounts and investment in subsidiary

The accounts have been consolidated to include the results of the charity's subsidiary. No income and expenditure accounts of the charity has been presented as permitted by the Companies Act 2006 and paragraph 423 of the SORP. The investment in the subsidiary is stated at cost less provision for any impairment.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intercompany transactions, balances and unrealised gains on transactions between the charity and its subsidiary, which are related parties, are eliminated in full.

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2019**

Income and endowments

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

Donations and legacies

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

Deferred Income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Charitable activities

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

Support costs

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

Governance costs

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

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2019**

Taxation

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

Tangible fixed assets

Individual fixed assets costing £150.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	•	2% on cost
Fixtures, fittings and equipment	•	10% to 25% on reducing balance
Computer equipment	•	33 1/3% on reducing balance

Fixed asset investments

Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the charities share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

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

Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Trade creditors

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

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

Borrowings

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

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

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

Fund structure

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

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

Financial Instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2019**

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt Instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method.

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit and loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

3 ACTIVITIES FOR GENERATING FUNDS

Consolidated	
2019	2018
£	£
Projects, consultancy, workshops, events and helpline fees	
649,333	626,269

4 VOLUNTARY INCOME

Consolidated	
2019	2018
£	£
Donations	
676	-

5 INVESTMENT INCOME

Consolidated	
2019	2018
£	£
Rents received	
58,165	56,798

6 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds General £	Restricted funds £	Consolidated	
			2019 £	2018 £
Family Point project	-	-	-	302,113
Sprout project	-	-	-	37,058
Paul Hamlyn grant	-	30,000	30,000	-
Blaenau Gwent CBC EVI grant	-	28,350	28,350	-
Welsh Government Landfill Disposal Scheme grant	-	22,497	22,497	-
Other project grants	-	18,613	18,613	24,905
Fees and rental income	12,953	-	12,953	-
	12,953	99,460	112,413	364,076

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Consolidated	
	General		2019	2018
	£	£	£	£
Subsidiary company	685,643	-	685,643	593,072
Core support	100,241	-	100,241	81,195
Family Point project	-	-	-	303,114
Sprout project	-	-	-	37,058
Heads of the Valleys Programme	-	12,407	12,407	12,733
Big Lottery Community Asset Transfer	-	11,876	11,876	13,663
Volunteering Wales project	-	-	-	16,255
NESTA	-	7,500	7,500	-
Social Business Growth Fund	-	18,751	18,751	-
Paul Hamlyn Trust	-	30,000	30,000	-
Blaenau Gwent EVI	-	28,350	28,350	-
Other projects	-	13,668	13,668	16,004
	785,884	122,552	908,436	1,073,094

	Activity undertaken directly	Activity support costs	Consolidated	
	£	£	2019	2018
	£	£	£	£
Subsidiary company	682,393	-	682,393	589,483
Staff costs	12,820	1,200	14,020	281,515
Exchange workers	3,720	-	3,720	3,410
Project costs	98,665	-	98,665	6,222
Web development	-	-	-	27,561
Freelance consultants	850	-	850	21,472
Office costs	96	4,024	4,120	17,087
Advertising and marketing	2,471	-	2,471	11,470
Repairs and renewals	11,895	-	11,895	10,190
Insurance	-	12,055	12,055	12,025
Premises costs	-	16,867	16,867	30,164
Loan interest	-	15,582	15,582	15,034
Depreciation	42,548	-	42,548	43,872
	855,458	49,728	905,186	1,069,505

In addition to the expenditure analysed above, there are also governance costs of £7,105 (2018 - £6,839) which relate directly to charitable activities. See note 8 for further details.

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

SUPPORT COSTS

Governance	Finance	Staff	Admin	Premises	Other	Totals 2019	Totals 2018
				£	£	£	£
3,855	15,582	1,200	4,024	16,867	12,055	53,583	79,447

The support costs cover the promotion of youth, adult and family development work.

GOVERNANCE COSTS

	Consolidated	
	2019	2018
	£	£
Auditor's remuneration	7,105	6,839

9 NET INCOMING (OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Consolidated	
	2019	2018
	£	£
Auditor's remuneration	7,105	6,839
Depreciation - owned assets	46,447	48,557

10 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' Expenses

No expenses were paid to trustees for the year ended 31 March 2019 (2018: £NIL).

11 TAXATION

No taxation is payable by the charity for the year as it is able to make use of the tax exemptions on income and capital gains available to charities.

The taxation repayable to the subsidiary on the loss on ordinary activities for the year was £3,355 (2018: charge £3,355).

12 STAFF COSTS

	2019	2018
	£	£
Wages, salaries and pensions	603,457	716,320

The average number of persons employed by the charity and included in the above figures during the year was 1 (2018:8).

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13	TANGIBLE FIXED ASSETS			
	a) Consolidated fixed assets	Freehold property £	Furn. & equip. £	Totals £
	COST			
	At 1 April 2018	1,262,628	434,551	1,697,179
	Additions	18,430	4,020	22,450
	Disposals	-	-	-
	At 31 March 2019	<u>1,281,058</u>	<u>438,571</u>	<u>1,719,629</u>
	DEPRECIATION			
	At 1 April 2018	113,362	387,679	501,041
	Charge for year	25,253	21,194	46,447
	Eliminated on disposals	-	-	-
	At 31 March 2019	<u>138,615</u>	<u>408,873</u>	<u>547,488</u>
	NET BOOK VALUE			
	At 31 March 2019	<u>1,142,443</u>	<u>29,698</u>	<u>1,172,141</u>
	At 31 March 2018	<u>1,149,266</u>	<u>46,872</u>	<u>1,196,138</u>

The cost brought forward at 1 April 2016 of freehold property includes a valuation of £175,000 in respect of the freehold interest in The Ebbw Vale Institute transferred to the charity for nil consideration. The remainder of the balance brought forward of freehold property represents building improvements that have been undertaken by the charity during subsequent years together the addition of, and improvements to, the freehold property at 17 West Bute Street, Cardiff.

	b) Company fixed assets	Freehold land and buildings £	Fixtures, fittings & equip. £	Total £
	COST			
	At 1 April 2018	1,262,628	352,327	1,614,955
	Additions	18,430	395	18,825
	Disposals	-	-	-
	At 31 March 2019	<u>1,281,058</u>	<u>352,722</u>	<u>1,633,780</u>
	DEPRECIATION			
	At 1 April 2018	113,362	316,570	429,932
	Charge for year	25,253	17,294	42,547
	Elimination on disposal	-	-	-
	At 31 March 2019	<u>138,615</u>	<u>333,864</u>	<u>472,479</u>
	NET BOOK VALUE			
	At 31 March 2019	<u>1,142,443</u>	<u>18,858</u>	<u>1,161,301</u>
	At 31 March 2018	<u>1,149,266</u>	<u>35,757</u>	<u>1,185,023</u>

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14 FIXED ASSET INVESTMENTS

Shares in
group
company
£

NET BOOK VALUE

At 31 March 2019

100

At 31 March 2019

100

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Promo-Cymru Trading Limited

Nature of business: Providing information, advice and advocacy for young people in Wales.

Class of share:	holding
£1 ordinary	100%

	2019	2018
	£	£
Aggregate reserves	38,169	60,988
Profit/(loss) for the year	<u>-22,819</u>	<u>12,341</u>

The results for the charity's subsidiary at 31 March 2019 and 31 March 2018 were as follows.

	2019	2018
	£	£
Turnover	805,305	722,157
Direct costs	<u>-705,219</u>	<u>-560,352</u>
Gross profit	100,086	161,805
Other income	-	-
	<u>100,086</u>	<u>161,805</u>
Other costs	<u>-122,905</u>	<u>-149,464</u>
Profit/(loss) for the year	<u>-22,819</u>	<u>12,341</u>

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated	
	2019	2018
	£	£
Trade debtors	48,515	109,604
Prepayments and accrued income	46,031	10,696
VAT recoverable	2,784	444
Other debtors	3,302	7,143
	<u>100,632</u>	<u>127,887</u>

	Company	
	2019	2018
	£	£
Trade debtors	834	1910
Amounts owed by group undertakings	-	1204
Prepayments and accrued income	23,471	10,696
VAT recoverable	2,784	444
Other debtors	120	-
	<u>27,209</u>	<u>14,254</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated	
	2019	2018
	£	£
Trade creditors	40,732	50,104
Other loans	9,031	6,337
Taxation and social security	48,275	45,519
Accruals and deferred income	30,096	21,783
Other creditors	31,369	36,928
	<u>159,503</u>	<u>160,671</u>

	Company	
	2019	2018
	£	£
Trade creditors	8,073	16,158
Amounts owed to group undertakings	7,522	-
Loans	9,031	6,337
Accruals and deferred income	18,164	11,940
Other creditors	1,001	1,002
	<u>43,791</u>	<u>35,437</u>

Creditors due within one year includes the following liabilities,
on which security has been given by the charity:

	2019	2018
	£	£
Wales Council for Voluntary Action	<u>6,795</u>	<u>6,337</u>

Secured on freehold property at 17 West Bute Street, Cardiff CF10 5EP.

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2019**

Other borrowings

Loan from Wales Council for Voluntary Action

The loan has a carrying amount of £219,110 (2018 - £225,447) and is denominated in Sterling with a nominal interest rate of 7%. The final instalment is due on 30 June 2036.

It is repayable at £1,678.08 per month for 20 years from 3 January 2017, increased to £1,826.64 from July 2017 arising from further drawdown of £55,000.00.

Security is held on the freehold property at 17 West Bute Street, Cardiff CF10 5EP.

The charity undertakes with Wales Council for Voluntary Action, without prior notification or approval, the following.

1. Not to make any change in the project proposal.
2. Not to incorporate any company as its subsidiary.
3. Not to amend or replace its Memorandum and Articles of Association in any way which could materially and adversely affect the interests of the lender under the financing agreement.

Loan from European Regional Development Fund through WCVA

The loan has a carrying amount of £11,178 (2018 - £nil) and is denominated in Sterling with a nominal interest rate of 0%. The repayable assistance, if not converted into a grant, must be repaid within 5 years of the end of the 18 month monitoring period which when all the funds are drawn down will equate to £199.58 per month.

The charity undertakes with WCVA the following.

1. To use the financial support solely to manage and implement the project in accordance with the details described in the application.
2. To achieve the targets and job target set out.
3. To obtain written consent before implementing any change to the project.

Deferred Income

Accruals and deferred income includes deferred income relating to grants received in advance of the period to which they relate:

	Consolidated	
	2019	2018
	£	£
At 1 April 2018	37,273	47,263
Amount released to incoming resources	-28,572	-29,563
Amount deferred in the year	12,855	19,573
At 31 March 2019	<u>21,556</u>	<u>37,273</u>

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17 CREDITORS AND PROVISIONS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR/PROVISIONS FOR LIABILITIES

	Consolidated	
	2019	2018
	£	£
Loans	221,257	219,110
Deferred tax	1,500	1,400

Creditors' amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity on the freehold property at 17 West Bute Street, Cardiff CF10 5EP.

Loan from Wales Council for Voluntary Action

Included in the creditors are the following amounts due after more than five years:

	2019	2018
	£	£
After more than five years by instalments	179,852	188,836

Borrowings due after five years

£179,852.35 repayable at £1,826.64 per month including interest at 7%, fixed, will be repaid in June 2036

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18	MOVEMENT IN FUNDS	At 1.4.18 £	Incoming resources £	Resources expended £	Transfers £	At 31.3.19 £
	Unrestricted funds					
	General fund	350,880	721,127	-789,739	-11,299	270,969
		<u>350,880</u>	<u>721,127</u>	<u>-789,739</u>	<u>-11,299</u>	<u>270,969</u>
	Restricted funds					
	Cardiff Web Project	138	-	-	-	138
	Youth Service capital grant	133	-	-35	-	98
	Heads of the Valleys Programme	177,417	-	-12,407	-	165,010
	Blaenau Gwent Youth Service Capital and Revenue Grant	22,008	-	-555	-	21,453
	Big Lottery Community Asset Transfer	395,092	-	-11,876	-	383,216
	Blaenau Gwent Community Economic Development Grant	17,415	-	-938	-	16,477
	Blaenau Gwent Community Asset Transfer	154,876	-	-3,500	-	151,376
	Arts for All grant	4,801	-	-99	-	4,702
	Tai Calon grant	980	-	-244	-	736
	Valleys Environment grant	4,850	-	-100	-	4,750
	Police and Crime Commissioners Partnership	828	-	-276	-	552
	Film Education Project	-	1,000	-1,000	-	-
	Gavo Cash4u grant	745	-	-193	-	552
	NESTA	-	7,500	-7,500	-	-
	Social Business Growth Fund	-	7,452	-18,751	11,299	-
	Paul Hamlyn Trust	-	30,000	-30,000	-	-
	Blaenau Gwent CBC Legacy Fund	-	2,661	-2,661	-	-
	WAG Landfill Disposal Scheme	-	22,497	-4,067	-	18,430
	Blaenau Gwent CBC EVI	-	28,350	-28,350	-	-
		<u>779,283</u>	<u>99,460</u>	<u>-122,552</u>	<u>11,299</u>	<u>767,490</u>
	TOTAL FUNDS	<u>1,130,163</u>	<u>820,587</u>	<u>-912,291</u>	<u>-</u>	<u>1,038,459</u>

The general fund balance at 31 March 2019 includes £38,169 of funds retained within the non-charitable subsidiary (2018: £60,988).

The incoming resources include £707,648 (2018: £683,067) of income received by the non-charitable subsidiary. The resources expended include £783,300 (2018: £631,648) of costs expended by the non-charitable subsidiary. The non-charitable subsidiary paid £nil (2018: £40,000) to Promo- Cymru Ltd by way of gift aid. The net deficit for the year sustained by the non-charitable subsidiary was £22,819 (2018: surplus £12,341).

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****MOVEMENT IN FUNDS**

	At 1.4.17 £	Incoming resources £	Resources expended £	At 31.3.18 £
Unrestricted funds				
General fund	346,430	683,067	-678,617	350,880
	<u>346,430</u>	<u>683,067</u>	<u>-678,617</u>	<u>350,880</u>
Restricted funds				
Cardiff Web Project	138	37,058	-37,058	138
Youth Service capital grant	186	-	-53	133
Heads of the Valleys Programme	190,150	-	-12,733	177,417
Blaenau Gwent Youth Service Capital and Revenue Grant	22,587	-	-579	22,008
Big Lottery Community Asset Transfer	408,755	-	-13,663	395,092
Blaenau Gwent Community Economic Development Grant	18,645	-	-1,230	17,415
Blaenau Gwent Community Asset Transfer	158,376	-	-3,500	154,876
Family Point Cymru	1,001	302,113	-303,114	-
Big Lottery grant	1,900	-	-1,900	-
Arts for All grant	4,900	-	-99	4,801
Tai Calon grant	1,346	-	-366	980
Valleys Environment grant	4,950	-	-100	4,850
Police and Crime Commissioners' Partnership	-	4,000	-3,172	828
Film Education Project	-	3,000	-3,000	-
Gavo Cash4u grant	-	950	-205	745
GwirVol Youth Led grant	-	700	-700	-
Volunteering Wales grant	-	16,255	-16,255	-
	<u>812,934</u>	<u>364,076</u>	<u>-397,727</u>	<u>779,283</u>
TOTAL FUNDS	<u>1,159,364</u>	<u>1,047,143</u>	<u>-1,076,344</u>	<u>1,130,163</u>

The general fund balance at 31 March 2018 includes £60,988 of funds retained within the non-charitable subsidiary (2017: £48,647).

The incoming resources include £683,067 (2017: £647,319) of income received by the non-charitable subsidiary. The resources expended include £631,648 (2017: £625,950) of costs expended by the non-charitable subsidiary. The non-charitable subsidiary paid £40,000 (2017: £40,000) to Promo- Cymru Ltd by way of gift aid. The net surplus for the year retained by the non-charitable subsidiary was £12,341 (2017: surplus £6,846).

PROMO-CYMRU LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Consolidated		Consolidated	
	Unrestricted	Restricted	total funds	
	funds	funds	2019	2018
	£	£	£	£
Tangible fixed assets	415,752	756,389	1,172,141	1,196,138
Current assets	222,158	26,420	248,578	315,206
Current liabilities	-153,127	-6,376	-159,503	-160,671
Deferred liabilities	-213,814	-8943	-222,757	-220,510
TOTAL FUNDS	270,969	767,490	1,038,459	1,130,163

	Company		Company	
	Unrestricted	Restricted	total funds	
	funds	funds	2019	2018
	£	£	£	£
Tangible fixed assets	404,912	756,389	1,161,301	1,185,023
Fixed asset investments	100	-	100	100
Current assets	77,517	26,420	103,937	138,599
Current liabilities	-37,415	-6376	-43,791	-35,437
Deferred liabilities	-212,314	-8943	-221,257	-230,200
TOTAL FUNDS	232,800	767,490	1,000,290	1,058,085

20 ANALYSIS OF NET FUNDS

	At 1 April		At 31 March
	2018	Cashflow	2019
	£	£	£
Cash at bank and in hand	180,869	-36,310	144,559
Debt due within one year	-6337	-2,694	-9,031
Debt due after more than one year	-219,110	-2,147	-221,257
Net debt	-44,578	-41,151	-85,729

	At 1 April		At 31 March
	2017	Cashflow	2018
	£	£	£
Cash at bank and in hand	298,074	-117,205	180,869
Debt due within one year	-7,533	1,196	-6,337
Debt due after more than one year	-168,028	-51,082	-219,110
Net debt	122,513	-167,091	-44,578

PROMO-CYMRU LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

21 RELATED PARTIES

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

Related party transactions

During the year the charity purchased goods or received services or incurred other liabilities from Promo-Cymru Trading Limited, a wholly owned subsidiary company, in the sum of £87,837 (2018: £312,027) and, sold goods or rendered services or provided other assets to Promo-Cymru Trading Limited in the sum of £44,702 (2018: £38,816). The charity also received £nil (2018: £40,000) by way of gift aid from Promo-Cymru Trading Limited. The balance due by the charity at the year end was £7,522 (2018: £1,204 due to).