

**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**  
**Contents of the Financial Statements**  
**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**

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<b>TRUSTEES</b>	D Davies Chair Dr D F Balsom Dr J D Lewis T Williams E M Gilbey
<b>PRINCIPAL ADDRESS</b>	Plas Dolerw Milford Road Newtown Powys SY16 2EH
<b>REGISTERED CHARITY NUMBER</b>	235589
<b>AUDITORS</b>	Morgan Griffiths LLP Chartered Accountants Statutory Auditor Cross Chambers 9 High Street Newtown Powys SY16 2NY
<b>BANKERS</b>	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**

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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**

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## **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**

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**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

- 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**

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- 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](http://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**

		<b>5.4.21</b>	<b>5.4.20</b>
		<b>Unrestricted</b>	<b>Total</b>
		<b>funds</b>	<b>funds</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>INCOME AND ENDOWMENTS FROM</b>			
Investment income	<b>2</b>	<b>222,006</b>	310,119
Other income	<b>3</b>	<b>1,309,675</b>	140
<b>Total</b>		<b>1,531,681</b>	<b>310,259</b>
<b>EXPENDITURE ON</b>			
<b>Raising funds</b>			
Investment management costs	<b>4</b>	<b>50,331</b>	51,361
		<b>50,331</b>	51,361
<b>Charitable activities</b>			
	<b>5</b>		
Awarding Grants		<b>273,028</b>	928,923
Education of the public in the Arts		<b>120</b>	140
<b>Total</b>		<b>323,479</b>	<b>980,424</b>
Net gains/(losses) on investments		<b>1,683,113</b>	-1,380,342
<b>NET INCOME /(EXPENDITURE)</b>		<b>2,891,315</b>	<b>-2,050,507</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>6,895,556</b>	8,946,063
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>9,786,871</b>	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 £
<b>FIXED ASSETS</b>					
Tangible assets	13	85,573	141,073	-	-
Investments	14	-	-	86,794	104,719
		<b>85,573</b>	<b>141,073</b>	<b>86,794</b>	<b>104,719</b>
<b>CURRENT ASSETS</b>					
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
		<b>9,809,716</b>	<b>6,891,051</b>	<b>9,808,345</b>	<b>6,889,317</b>
<b>CREDITORS</b>					
Amounts falling due within one year	18	-48,418	-46,568	-48,268	-46,568
<b>NET CURRENT ASSETS</b>		<b>9,761,298</b>	<b>6,844,483</b>	<b>9,760,077</b>	<b>6,842,749</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,846,871</b>	<b>6,985,556</b>	<b>9,846,871</b>	<b>6,947,468</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	-60,000	-90,000	-60,000	-90,000
<b>NET ASSETS</b>		<b>9,786,871</b>	<b>6,895,556</b>	<b>9,786,871</b>	<b>6,857,468</b>
<b>FUNDS</b>					
Unrestricted funds	20				
General fund		9,786,871	6,895,556	9,786,871	6,857,468
<b>TOTAL FUNDS</b>		<b>9,786,871</b>	<b>6,895,556</b>	<b>9,786,871</b>	<b>6,857,468</b>

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

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><u>222,006</u></u>	<u><u>310,119</u></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><u>1,309,675</u></u>	<u><u>140</u></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 costs £	Totals £
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**

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**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	<u>43</u>	<u>559</u>
	<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.

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

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

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

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

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 £
<b>COST</b>				
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
			-	
<b>DEPRECIATION</b>				
At 6 April 2020 and 5 April 2021	-	-	909	909
<b>NET BOOK VALUE</b>				
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 £
<b>COST LESS IMPAIRMENT</b>	
At 6 April 2020	104,719
Impairments	(17,925)
At 5 April 2021	86,794
<b>NET BOOK VALUE</b>	
At 5 April 2021	86,794
At 5 April 2020	104,719

There were no investment assets outside the UK.

**15. STOCKS**

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

**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**

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>5.4.21</b>	<b>5.4.20</b>	<b>5.4.21</b>	<b>5.4.20</b>
	£	£	£	£
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**

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>5.4.21</b>	<b>5.4.20</b>	<b>5.4.21</b>	<b>5.4.20</b>
	£	£	£	£
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**

	<b>At 6.4.20</b>	<b>Net movement</b>	<b>At</b>
	<b>£</b>	<b>in funds</b>	<b>5.4.21</b>
		<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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:

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains and losses</b>	<b>Movement in funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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	<b>5.4.21</b> £	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).