

REGISTERED COMPANY NUMBER: 03596581 (England and Wales)  
REGISTERED CHARITY NUMBER: 1108461

**Report of the Trustees and**  
**Financial Statements for the Year Ended 31 March 2016**  
**for**  
**Seren Ffestiniog Cyf**  
**Operating as**  
**Grŵp Seren**

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

THURSDAY



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COMPANIES HOUSE\_

**Seren Ffestiniog Cyf**

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**for the Year Ended 31 March 2016**

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**Seren Ffestiniog Cyf**

**Report of the Trustees**  
**for the Year Ended 31 March 2016**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. 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 for Smaller Entities (the FRSSE) (effective 1 January 2015).

In line with the requirements of the SORP 2005, the incorporation of Gwesty Seren, a 100% owned subsidiary registered at Companies House under the reference 08077369 on the 21st May 2012, the 2013 figures are the inaugural consolidated financial statements of the Seren Group.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The company's objectives are:

To promote such general charitable purposes for the benefit of people with learning and other difficulties in Gwynedd and the surrounding area as the trustees see fit from time to time including, but not limited to the foregoing by: providing relief from financial hardship and/or economic disadvantage, advancing education and relieving unemployment; and in particular providing opportunities for the aforementioned persons to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage; and

To develop their capacity and skills in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

## **Seren Ffestiniog Cyf**

### **Report of the Trustees** **for the Year Ended 31 March 2016**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

##### **Seren Ffestiniog Cyf**

The charitable company's main activities were the provision of care services for its clients, both social and private. During the previous year three service users were lost to the company, one unfortunately passing away and two others moving from the area. This had a significant effect on the company's income with a loss estimated at over £150,000. Whilst these losses were sudden those staff caring for the clients could not be made redundant overnight. 2015/16 was another year when cuts in public sector funding had a further negative effect on Seren Ffestiniog Cyf's income. It also, unfortunately, saw the loss of another service user who passed away. Some members of staff moved on for a variety of reasons but not one member was made redundant during this time. There had been sufficient planning and a conscious effort made to decrease overheads. Given the circumstance the charitable company has done well to produce these kinds of financial results and is now planning for the 2016/17 financial year with more confidence.

Other activities which support the charitable company's aims included income from Noddfa and trading income from its retail outlets known as Waverley and Harrods.

Seren Ffestiniog Cyf had previously acquired a property in Porthmadog, known locally as the Drill Hall, and has since January 2014 been using the property as its second furniture store. This has been a positive development and the venture now contributes positively to the company's turnover and profitability.

In addition to this we have continued in our support to Gwesty Seren, our wholly owned trading subsidiary, for whom we will provide the care services etc for the guests, thanks to support from a myriad of public backers' as well local businesses and the local community. Gwesty Seren opened its doors to guests for the first time in April 2014 and the business has grown significantly since then.

Seren Ffestiniog Cyf continues with its furniture, textiles and clothing re-use and recycling project that benefits many people, especially those on low incomes or benefits, as well, of course, as generating income for the company. It operates two retail outlets at Blaenau Ffestiniog and Porthmadog. However, the textiles market has been very challenging over the last two years and currently there are no signs of an upward trend. Merchants are finding it difficult to get good prices for their material and as a consequence the demand for Seren Ffestiniog Cyf's textiles is not as strong as it was. The price per tonne has more than halved in the last 5 years. It still remains a commercial project that generates additional income for Seren Ffestiniog Cyf as well as offering cheaper textiles, clothing and furniture for those in need. Therefore, the company will always look for new opportunities to enhance this funding stream.

The trustees confirm that they have complied with their duty as laid in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Through the implementation of the above-mentioned objectives and aims, we respond to the needs of our service users as well as the wider community.

##### **Gwesty Seren**

Gwesty Seren since April 2014 offers holiday breaks for individuals with learning and other disabilities, their carer's and families in luxury accommodation in the heart of Snowdonia. The 10 bedroom 3\* hotel offers short or long breaks that can be exciting, active, relaxing, quiet and totally different to meet our clientele's individual needs.

The property has some of the best views within the area overlooking the beautiful Vale of Ffestiniog and Black Rock Sands, Morfa Bychan (near Porthmadog) on the Cambrian Coast. It is surrounded by the Cnicht, Moelwyn Bach and Moelwyn Mawr mountains, some of these stunning views have been photographed and are displayed around the hotel.

All of our bedrooms are decorated and finished to a very high level, whilst still being comfortable. They are all en-suite, and some are fitted with ceiling tracked hoists. Every bedroom has a television and a built in phone system connected to the reception desk, we also have night porters on the premises, so there will be assistance if required on a 24 hour basis.

The hotel also has a fully equipped games room, craft room, sensory room and a hydrotherapy pool.

##### **Public benefit**

The trustees confirm that they have complied with their duty as laid in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. Through the implementation of the above-mentioned objectives and aims, we respond to the needs of our service users as well as the wider community.

## **Seren Ffestiniog Cyf**

### **Report of the Trustees** **for the Year Ended 31 March 2016**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

2015/16 saw us further expand our supporting interests in Gwesty Seren but we have, thanks in no small part to this development, continued to expand our main charitable aims offering people with a whole range of disabilities an unique and ground breaking facility.

The tireless work of the staff under the guidance of the trustees and the management function has once again enabled Seren Ffestiniog Cyf to expand its ability to provide care for those in need within our community.

Like the previous financial year 2015/16 was another challenging one for Seren Ffestiniog Cyf, as previous years have been for most charities and social enterprises against a backdrop of public sector cuts in spending. Consolidation had to be the main priority and the charitable company has been able to achieve this without too much turmoil or staff losses. However, it is still intent on looking closely at its overall operation. During 2016/17 a detailed financial and staffing breakdown of the various cost centres and units will be undertaken to ascertain whether any further decrease in overheads is possible. It also intends to concentrate more on its commercial operations to identify whether more income and profit can be generated from these to support its core activities and responsibilities. There are also new European grant funding opportunities that will be considered such as Opus, Ad-Trac and the Flexible Support Fund, run by the Department of Work and Pensions.

#### **FINANCIAL REVIEW**

##### **Reserves policy**

It is the view of the trustees that sufficient reserves should be maintained to enable Seren Ffestiniog Cyf's charitable activities to continue for at least twelve months even if all income streams should suddenly halt. This would in our view provide sufficient time for all those that rely on our services to find replacement support services should a worst case scenario occur.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

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

##### **Recruitment and appointment of new trustees**

Upon registration the upper limit on the number of charitable company members was 500, but the management committee can from time to time register an increase in the numbers, but no such election has been made to date.

The first members of the charitable company were the original subscribers to the company's Memorandum of Association.

The management committee may admit to membership:

any person who has attained the age of eighteen years and who is in agreement with the objectives of the charitable company, without discrimination between persons by reference to wealth, politics, race, religion, gender or disability.

A member who is a corporate body or association shall by the resolution of its governing body appoint a deputy, who shall during the continuance of their appointment be entitled to exercise in any general meeting of the charitable company all such rights and powers as the body corporate or association would exercise if it were an individual person.

A copy of said resolution, signed by the governing body will be sent to the secretary.

Every application for membership will shall be considered but the management committee at its first meeting after the application was made or soon afterwards as is practicable.

Membership of the charitable company is free of charge.

**Seren Ffestiniog Cyf**

**Report of the Trustees**  
**for the Year Ended 31 March 2016**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Induction and training of new trustees**

After the initial induction, carried out by a selected and appropriate member of the management committee, every member shall be allocated to one of the following categories of membership at the absolute discretion of the management committee:

Supporting Members - are members that have an interest in the company mainly by having provided money, facilities or other practical direct assistance to the company.

Employee Members - are employees of the company. Employee members shall be subject to a six month probationary period.

Community Members - are members who live, work or have an interest within the community of Cyngor Tref Ffestiniog.

User Members - are members that use the services provided by the company.

Corporate Members - are members admitted under article 5(b) of the company's Articles of Association.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
03596581 (England and Wales)

**Registered Charity number**  
1108461

**Registered office**  
Uned 1-2  
Llwyn y Gell Industrial Estate  
Blaenau Ffestiniog  
Gwynedd  
LL41 3NE

**Trustees**

Mr J E Ellis  
Mrs A M Ellis

Mr A L I Ellis  
Mr W A Evans  
Mrs L A W Jones  
Mr E M Jones  
Mr E J Lewis

Mr G C Price  
Mrs G P Grabowski

Retired  
Care & Business  
Manager  
Solicitor  
Retired  
County Councillor  
Retired Head Teacher  
Production  
Technician  
Retired  
Retired School Teacher - appointed 9.7.15

**Company Secretary**  
Mrs K K Madoc-Jones

**Auditors**

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

**Seren Ffestiniog Cyf**

**Report of the Trustees**  
**for the Year Ended 31 March 2016**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

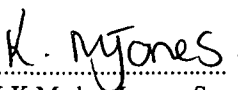
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Dunn & Ellis Cyf, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on .....21/11/16..... and signed on its behalf by:

  
.....  
Mrs K K Madoc-Jones - Secretary

**Report of the Independent Auditors to the Members of  
Seren Ffestiniog Cyf**

We have audited the financial statements of Seren Ffestiniog Cyf for the year ended 31 March 2016 on pages eight to thirty, which comprise the group Statement of Financial Activities, the group and parent charitable company Balance Sheets and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and charitable company parent's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Report of the Independent Auditors to the Members of  
Seren Ffestiniog Cyf**

**Matters on which we are required to report by exception**

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



Iorwerth Ll. Williams (Senior Statutory Auditor)  
for and on behalf of Dunn & Ellis Cyf  
Statutory Auditors  
Chartered Accountants  
Adeilad St David's Building  
Stryd Lombard Street  
Porthmadog  
Gwynedd  
LL49 9AP

Date: 21/11/2016.....

**Seren Ffestiniog Cyf****Consolidated Statement of Financial Activities  
(Incorporating a Consolidated Income and Expenditure Account)  
for the Year Ended 31 March 2016**

	Notes	Unrestricted funds £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds as restated £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	7,960	65,420	73,380	194,606
<b>Charitable activities</b>	6				
Care in the community		809,421	-	809,421	892,520
Other trading activities	4	291,812	112,424	404,236	378,586
Investment income	5	1	-	1	11
Other income		1,059	6	1,065	3,749
<b>Total</b>		<b>1,110,253</b>	<b>177,850</b>	<b>1,288,103</b>	<b>1,469,472</b>
<b>EXPENDITURE ON</b>					
Raising funds	7	114,698	25,975	140,673	161,712
<b>Charitable activities</b>	8				
Care in the community		961,641	-	961,641	1,059,853
Gwesty Seren		-	182,845	182,845	193,095
Other		23,988	25,230	49,218	50,621
<b>Total</b>		<b>1,100,327</b>	<b>234,050</b>	<b>1,334,377</b>	<b>1,465,281</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>9,926</b>	<b>(56,200)</b>	<b>(46,274)</b>	<b>4,191</b>
<b>Transfers between funds</b>	23	<b>(68,852)</b>	<b>68,852</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on investment assets		-	-	-	(10,000)
Write-off of the Stephen Williams fund		-	(744)	(744)	-
<b>Net movement in funds</b>		<b>(58,926)</b>	<b>11,908</b>	<b>(47,018)</b>	<b>(5,809)</b>
<b>RECONCILIATION OF FUNDS</b>					
As previously reported		700,503	761,537	1,462,040	1,468,132
Prior year adjustment	14	6,381	(6,098)	283	-
<b>As Restated</b>		<b>706,884</b>	<b>755,439</b>	<b>1,462,323</b>	<b>1,468,132</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>647,958</b>	<b>767,347</b>	<b>1,415,305</b>	<b>1,462,323</b>

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

All income and expenditure derives from continuing activities.

The notes form part of these financial statements

**Seren Ffestiniog Cyf****Consolidated Balance Sheet  
At 31 March 2016**

	Notes	Unrestricted funds £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds as restated £
<b>FIXED ASSETS</b>					
Tangible assets	15	821,690	1,047,645	1,869,335	1,901,180
<b>CURRENT ASSETS</b>					
Stocks	17	31,616	1,249	32,865	37,890
Debtors: amounts falling due within one year	16	75,066	5,557	80,623	82,633
Cash at bank and in hand		<u>61,396</u>	<u>21,059</u>	<u>82,455</u>	<u>105,688</u>
		168,078	27,865	195,943	226,211
<b>CREDITORS</b>					
Amounts falling due within one year	19	(113,888)	(59,340)	(173,228)	(168,490)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>54,190</u>	<u>(31,475)</u>	<u>22,715</u>	<u>57,721</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		875,880	1,016,170	1,892,050	1,958,901
<b>CREDITORS</b>					
Amounts falling due after more than one year	20	(227,922)	(245,191)	(473,113)	(492,242)
<b>PROVISIONS FOR LIABILITIES</b>	22	-	(3,632)	(3,632)	(4,336)
<b>NET ASSETS</b>		<u>647,958</u>	<u>767,347</u>	<u>1,415,305</u>	<u>1,462,323</u>
<b>FUNDS</b>	23				
Unrestricted funds:					
General fund				571,641	628,944
Charity Bank grant - outbuilding				9,024	9,216
Waverley improvement fund				8,543	8,724
Drill hall				<u>58,750</u>	<u>60,000</u>
				647,958	706,884
Restricted funds:					
Stephen Williams fund				-	744
Gwesty Seren				<u>767,347</u>	<u>754,695</u>
				<u>767,347</u>	<u>755,439</u>
<b>TOTAL FUNDS</b>				<u>1,415,305</u>	<u>1,462,323</u>

The notes form part of these financial statements


**Seren Ffestiniog Cyf**

**Balance Sheet - continued**

**At 31 March 2016**

The trustees have prepared group accounts in accordance with section 398 of Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015). These financial statements are for circulation to the members.

The financial statements were approved by the Board of Trustees on 21/4/16 and were signed on its behalf by:

  
.....  
Mrs L A W Jones -Trustee

The notes form part of these financial statements

## **Seren Ffestiniog Cyf**

### **Notes to the Financial Statements** **for the Year Ended 31 March 2016**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements have been prepared on the assumption that the company is able to carry on its business as a going concern, which the trustees considered appropriate.

In line with requirements to consolidate the financial statements the consolidation has been prepared on a line per line basis after adjusting for intercompany transactions. Therefore in addition to the results for the parent charitable company, Seren Ffestiniog Cyf, these financial statements also contain the adjusted results for Gwesty Seren. In addition the trustees believe these financial statements meet the requirements for exemption mentioned in paragraph 408 of the Companies Act 2006 and thus a separate statement of financial activity for the parent charity has not been included.

The company is limited by guarantee and should there be any assets whatsoever remaining upon winding up or dissolution, after satisfying all its debts and liabilities, they shall be paid to or distributed to another charitable institution which has similar objectives to those of the company.

##### **Income**

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity or its subsidiary have entitlement to the funds;
- any performance condition attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

##### **Primary purpose and other trading operations**

Income from commercial trading operations is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. Where goods and/or services are to be provided for in a future period the income is deferred. Turnover represents goods sold and services provided to external customers, net of value added tax.

##### **Other income**

Other income is recognised in the year in which it is received or receivable.

##### **Investment income**

Investment income is accounted for on the accruals basis.

##### **Incoming resources from charitable activities**

Incoming resources from charitable activities includes income for the use of the charity's resource and is recognised as earned. Income is deferred when fees have been received in advance.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

## **Seren Ffestiniog Cyf**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 March 2016**

#### **1. ACCOUNTING POLICIES - continued**

##### **Raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

##### **Charitable activities**

Charitable activities are recognised on an accruals basis and include expenditure in relation to the charity's projects and both direct and support costs relating to these activities. Expenditure is summarised under functional headings on a direct cost basis.

##### **Governance costs**

Governance costs are recognised on an accruals basis and include those costs incurred in the governance of the charity and its assets, and are primarily associated with meeting constitutional and statutory requirements but also includes other costs where appropriate.

##### **Tangible fixed assets**

Tangible fixed asset additions are capitalised if they cost more than £500 and can be used for more than one year. They are valued at cost or, if gifted, at their value on receipt.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value in use are recognised as impairments. Impairments of re-valued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until carrying amount reaches depreciated historical cost. All other impairments are recognised in the statement of financial activity.

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

- |   |  |
|---|--|
| • Seren Ffestiniog Cyf's freehold property and improvements | - 2% on cost per annum;                  |
| • Gwesty Seren's freehold property and improvements         | - 1% on cost per annum;                  |
| • Plant and machinery in the group                          | - 20% on the reducing balance basis;     |
| • Fixtures and fittings in the group                        | - 20% on the reducing balance basis;     |
| • Motor vehicles in the group                               | - 25% on the reducing balance basis;     |
| • Seren Ffestiniog Cyf's computer equipment                 | - 26% on the reducing balance basis; and |
| • Gwesty Seren's computer and other electrical equipment    | - 20% on the reducing balance basis.     |

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Donated items are only recognised in the financial statements upon their sale.

##### **Debtors**

Debtors and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

##### **Investments**

Fixed asset investments are recognised at costs and are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Current asset investments are recognised when funds are transferred and the reconciled balance at the year end is carried on the balance sheet.

## **Seren Ffestiniog Cyf**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 March 2016**

#### **1. ACCOUNTING POLICIES - continued**

##### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are usually recognised at their settlement amount.

##### **Taxation**

###### **Corporation Tax**

Seren Ffestiniog Cyf, as a charitable company is exempt from corporation tax on its charitable activities. Gwesty Seren as a company limited by guarantee will be liable to corporation tax on its activities.

Gwesty Seren as the subsidiary undertaking is liable to income and corporation tax on its income and gains.

The Seren Ffestiniog Cyf's trustees are currently considering whether they should register the charitable company for Gift Aid as doing so would allow the subsidiary undertaking to make such payments directly to the parent holding company to reduce its taxable income and gains.

Gwesty Seren is eligible to make Gift Aid payments in this manner and the directors have put in place a draft policy for these payments which will be formalised once Seren Ffestiniog Cyf's board apply for and receive confirmation of Gift Aid status. The draft policy is for the directors to approve the amounts to be paid, having taken into consideration the subsidiary's ability to pay the amount in full to its holding company within nine months of the end of the accounting period.

###### **Value Added Tax**

Seren Ffestiniog Cyf is registered for VAT under the registration number 810 9554 35 and Gwesty Seren under the registration number 160 8833 02 and in line with accounting convention the financial statements are prepared on the basis that, where applicable, all necessary figures are disclosed net of VAT.

###### **Irrecoverable VAT**

In most circumstances irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. However, in these financial statements there is an exception to this so as to highlight the irrecoverable VAT on the adjusted facility fee amounts invoiced by the subsidiary to the parent, to which the prior year adjustment also relates.

###### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Fund accounting**

###### **Unrestricted funds**

The general funds are unrestricted and can be used in accordance with the charitable objectives at the discretion of the trustees.

###### **Non-charitable trading funds**

These funds are unrestricted in nature, and are expendable for the furtherance of the objectives of the charity's group undertaking, Gwesty Seren without further specified purposes.

###### **Restricted funds**

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

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**1. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

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

**Legal status of the charitable company**

The charitable company is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**2. FINANCIAL PERFORMANCE OF THE CHARITY AND THE SUBSIDIARY**

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which operates as a hotel for individuals with various forms of disabilities.

The summary financial performance of the charity alone is:

	<b>31.3.16</b>	<b>31.3.15</b>
	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>as restated £</b>
Incoming resources	<b>1,111,054</b>	<b>1,241,295</b>
Expenditure on:		
Raising funds	<b>136,411</b>	<b>145,194</b>
Charitable activities	<b>970,336</b>	<b>1,087,229</b>
Governance	<b>23,988</b>	<b>25,155</b>
	<b>1,130,735</b>	<b>1,257,578</b>
Net income / (expenditure)	<b>(19,681)</b>	<b>(16,283)</b>
<b>Other recognised gains/(losses)</b>		
Gains/(losses) on investment assets	<b>-</b>	<b>(10,000)</b>
Write-off of the Stephen Williams account	<b>(744)</b>	<b>-</b>
	<b>(744)</b>	<b>(10,000)</b>
Net movement in funds	<b>(20,425)</b>	<b>(26,283)</b>
As previously reported	<b>766,215</b>	<b>798,879</b>
Prior year adjustment	<b>6,381</b>	<b>-</b>
As Restated	<b>772,596</b>	<b>798,879</b>
Total funds carried forward	<b>752,171</b>	<b>772,596</b>



**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**2. FINANCIAL PERFORMANCE OF THE CHARITY AND THE SUBSIDIARY – continued**

The wholly owned subsidiary, Gwesty Seren is incorporated in England and Wales under company number 08077369. Gwesty Seren operates a hotel for individuals and families with learning and other disabilities with all commercial trading carried out at Bryn Llewelyn, Llan Ffestiniog. The subsidiary is also limited by guarantee and the charity is the only member.

The summary financial performance of the subsidiary alone is:

	31.3.16	31.3.15
	Total funds	Total funds
	£	as restated £
Turnover	140,212	67,496
Other operating income	80,375	139,668
	<u>220,587</u>	<u>207,164</u>
Cost of sales	(27,708)	(11,254)
Administrative expenses	(176,720)	(195,432)
Interest payable and similar charges	(28,506)	(28,065)
Deferred tax	704	418
	<u>-232,230</u>	<u>-234,333</u>
Retained in the subsidiary	<u>-11,643</u>	<u>-27,169</u>

The assets and liabilities of the subsidiary were:

Fixed assets	1,047,645	1,055,503
Current assets	30,071	35,377
Current liabilities	(62,685)	(61,502)
Long term liabilities	(348,264)	(335,315)
Provisions	(3,632)	(4,336)
Deferred Income	<u>(726,480)</u>	<u>(741,429)</u>
Reserves	<u>(63,345)</u>	<u>(51,702)</u>

**3. DONATIONS AND LEGACIES**

	31.3.16	31.3.15
	£	as restated £
Donations	11	371
Grants	65,420	186,705
Noddfa income	<u>7,949</u>	<u>7,530</u>
	<u>73,380</u>	<u>194,606</u>

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**3. DONATIONS AND LEGACIES - continued**

Grants received, included in the above, are as follows:

	31.3.16	31.3.15 as restated
	£	£
Gwesty Seren	<u>65,420</u>	<u>186,705</u>

The £65,420 received by Gwesty Seren during the year ended 31 March 2016 related entirely to revenue funding. The £186,705 received in 2015 consisted of £113,126 of revenue grant funding and £73,579 of capital receipts received for the refurbishment of Bryn Llewelyn. This capital element was treated in line with generally accepted practices.

**4. OTHER TRADING ACTIVITIES**

	31.3.16	31.3.15 as restated
	£	£
Shop income	291,812	337,722
Hotel income	<u>112,424</u>	<u>40,864</u>
	<u>404,236</u>	<u>378,586</u>

The shop income relates entirely to the trading activity undertaken by the parent company, net of any transactions with the subsidiary.

The hotel income represents the third party turnover made by the subsidiary during the period noted.

**5. INVESTMENT INCOME**

	31.3.16	31.3.15 as restated
	£	£
Deposit account interest	<u>1</u>	<u>11</u>

All of the group's investment income arises from money held in interest bearing deposit accounts.

**6. INCOME FROM CHARITABLE ACTIVITIES**

		31.3.16	31.3.15 as restated
	Activity	£	£
GCC Care in the community	Care in the community	305,885	466,133
GCC Service level agreement	Care in the community	211,371	66,851
Supporting people payments	Care in the community	114,372	191,401
Independent living fund	Care in the community	134,574	125,219
Private client fees	Care in the community	<u>43,219</u>	<u>42,916</u>
		<u>809,421</u>	<u>892,520</u>

All of this income pertains to the charitable activities carried on by the parent company and is unrestricted in nature.

**Seren Ffestiniog Cyf****Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016****7. RAISING FUNDS****Raising donations and legacies**

	31.3.16	31.3.15 as restated
	£	£
Staff costs	<u>13,408</u>	<u>13,271</u>

**Other trading activities**

	31.3.16	31.3.15 as restated
	£	£
Opening stock	37,890	41,293
Purchases	121,092	125,242
Closing stock	(32,865)	(37,890)
Bad debts	<u>1,148</u>	<u>19,796</u>
	<u>127,265</u>	<u>148,441</u>
Aggregate amounts	<u>140,673</u>	<u>161,712</u>

The staff costs relate to client wages in the parent, while the other trading activities figures are consolidated totals for the group.

The other trading activities total for the charity parent alone is:

	31.3.16	31.3.15 as restated
	£	£
Opening stock	35,272	40,893
Purchases	97,376	111,895
Closing stock	(31,616)	(35,272)
Bad debts	<u>1,148</u>	<u>14,416</u>
	<u>102,180</u>	<u>131,932</u>

**8. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Care in the community	940,818	20,823	961,641
Gwesty Seren	<u>175,398</u>	<u>7,447</u>	<u>182,845</u>
	<u>1,116,216</u>	<u>28,270</u>	<u>1,144,486</u>

The care in the community costs relate to the charitable activities carried on by the charity parent and the Gwesty Seren costs are the costs incurred by the subsidiary.

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**9. SUPPORT COSTS**

	<b>Finance</b>	<b>Governance costs</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Care in the community	4,897	15,926	20,823
Gwesty Seren	<u>2,188</u>	<u>5,259</u>	<u>7,447</u>
	<u><b>7,085</b></u>	<u><b>21,185</b></u>	<u><b>28,270</b></u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are shown separately.

**10. NET INCOME/(EXPENDITURE) FOR THE GROUP AND CHARITY**

**GROUP**

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

	<b>31.3.16</b>	31.3.15 as restated
	<b>£</b>	<b>£</b>
Auditors' remuneration	3,825	3,480
Depreciation - owned assets	39,164	41,147
Hire of plant and machinery	14,048	15,202
Other operating leases	<u>10,053</u>	<u>9,472</u>

**CHARITY**

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

	<b>31.3.16</b>	31.3.15 as restated
	<b>£</b>	<b>£</b>
Auditors' remuneration	2,165	1,970
Depreciation - owned assets	23,988	25,154
Hire of plant and machinery	<u>14,048</u>	<u>14,447</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

	<b>31.3.16</b>	31.3.15 as restated
	<b>£</b>	<b>£</b>
Trustees' salaries	69,500	69,500
Trustees' social security	<u>7,353</u>	<u>7,353</u>
	<u><b>76,853</b></u>	<u><b>76,853</b></u>

The only trustees to receive a salary from the charity in both the current and comparative year were the Managing Director Mrs L. A. W. Jones and Mrs A Ellis the charity's Care & Business Manager.

**Trustees' expenses**

There were no trustees' expenses paid neither for the year ended 31 March 2016 nor for the year ended 31 March 2015.

There were no trustees employed by or received expenditure payments from the subsidiary during the year ended 31 March 2016 or for the year ended 31 March 2015.

The notes form part of these financial statements

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**12. STAFF COSTS FOR THE GROUP AND THE CHARITY**

	<b>31.3.16</b>	31.3.15 as restated
	£	£
Wages and salaries	<b>910,867</b>	959,470
Social security costs	<b>58,969</b>	58,898
	<b><u>969,836</u></b>	<u>1,018,368</u>

**GROUP**

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

	<b>31.3.16</b>	31.3.15 as restated
Salaried trustees	<b>2</b>	2
Seren Management	<b>3</b>	5
Gwesty Management	<b>1</b>	1
Other staff at Seren	<b>50</b>	53
Other staff at Gwesty	<b>8</b>	8
	<b><u>64</u></b>	<u>69</u>

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

**CHARITY**

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

	<b>31.3.16</b>	31.3.15 as restated
Salaried trustees	<b>2</b>	2
Management	<b>3</b>	5
Other staff	<b>50</b>	53
	<b><u>55</u></b>	<u>60</u>

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

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016****13. COMPARATIVES FOR THE 2015 GROUP STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds as restated £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	7,629	186,977	194,606
<b>Charitable activities</b>			
Care in the community	892,520	-	892,520
Other trading activities	338,842	39,744	378,586
Investment income	11	-	11
Other income	<u>3,143</u>	<u>606</u>	<u>3,749</u>
<b>Total</b>	<b>1,242,145</b>	<b>227,327</b>	<b>1,469,472</b>
 <b>EXPENDITURE ON</b>			
Raising funds	145,078	16,634	161,712
<b>Charitable activities</b>			
Care in the community	1,053,643	6,210	1,059,853
Gwesty Seren	-	193,095	193,095
Other	<u>25,155</u>	<u>25,466</u>	<u>50,621</u>
<b>Total</b>	<b>1,223,876</b>	<b>241,405</b>	<b>1,465,281</b>
 <b>NET INCOME/(EXPENDITURE)</b>	<b>18,269</b>	<b>(14,078)</b>	<b>4,191</b>
<b>Transfers between funds</b>	<u>15,557</u>	<u>(15,557)</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>			
Gains/(losses) on investment assets	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
<b>Net movement in funds</b>	<b>23,826</b>	<b>(29,635)</b>	<b>(5,809)</b>
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>683,058</b>	<b>785,074</b>	<b>1,468,132</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>706,884</u></b>	<b><u>755,439</u></b>	<b><u>1,462,323</u></b>

**Seren Ffestiniog Cyf****Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016****14. PRIOR YEAR ADJUSTMENT**

The prior year adjustments related to the adjustments required to correctly disclose the value added tax treatment of the facility fee payments made by Seren Ffestiniog Cyf to Gwesty Seren.

**15. TANGIBLE FIXED ASSETS****GROUP**

	<b>Land and buildings</b>	<b>Plant and machinery etc</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At 1 April 2015	<b>2,065,851</b>	<b>158,022</b>	<b>2,223,873</b>
Additions	<b><u>6,297</u></b>	<b><u>1,022</u></b>	<b><u>7,319</u></b>
At 31 March 2016	<b><u>2,072,148</u></b>	<b><u>159,044</u></b>	<b><u>2,231,192</u></b>
 <b>DEPRECIATION</b>			
At 1 April 2015	<b>202,922</b>	<b>119,771</b>	<b>322,693</b>
Charge for year	<b><u>30,807</u></b>	<b><u>8,357</u></b>	<b><u>39,164</u></b>
At 31 March 2016	<b><u>233,729</u></b>	<b><u>128,128</u></b>	<b><u>361,857</u></b>
 <b>NET BOOK VALUE</b>			
At 31 March 2016	<b><u>1,838,419</u></b>	<b><u>30,916</u></b>	<b><u>1,869,335</u></b>
At 31 March 2015	<b><u>1,862,929</u></b>	<b><u>38,251</u></b>	<b><u>1,901,180</u></b>

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**15. TANGIBLE FIXED ASSETS – continued**

**CHARITY**

	<b>Freehold property</b>	<b>Recycling shed at cost</b>	<b>Improvement s to properties</b>	<b>Plant and machinery</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
At 1 April 2015 and 31 March 2016	<u>800,924</u>	<u>97,228</u>	<u>110,332</u>	<u>41,861</u>
<b>DEPRECIATION</b>				
At 1 April 2015	149,252	7,778	22,350	35,330
Charge for year	<u>16,018</u>	<u>1,945</u>	<u>2,207</u>	<u>1,306</u>
At 31 March 2016	<u>165,270</u>	<u>9,723</u>	<u>24,557</u>	<u>36,636</u>
<b>NET BOOK VALUE</b>				
At 31 March 2016	<u>635,654</u>	<u>87,505</u>	<u>85,775</u>	<u>5,225</u>
At 31 March 2015	<u>651,672</u>	<u>89,450</u>	<u>87,982</u>	<u>6,531</u>

	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Computer equipment</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
At 1 April 2015 and 31 March 2016	<u>20,289</u>	<u>43,003</u>	<u>19,830</u>	<u>1,133,467</u>
<b>DEPRECIATION</b>				
At 1 April 2015	19,987	34,920	18,172	287,789
Charge for year	<u>60</u>	<u>2,021</u>	<u>431</u>	<u>23,988</u>
At 31 March 2016	<u>20,047</u>	<u>36,941</u>	<u>18,603</u>	<u>311,777</u>
<b>NET BOOK VALUE</b>				
At 31 March 2016	<u>242</u>	<u>6,062</u>	<u>1,227</u>	<u>821,690</u>
At 31 March 2015	<u>302</u>	<u>8,083</u>	<u>1,658</u>	<u>845,678</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

**GROUP**

	<b>31.3.16</b>	<b>31.3.15</b>
		as restated
	<b>£</b>	<b>£</b>
Trade debtors	77,575	77,388
Other debtors	<u>3,048</u>	<u>5,245</u>
	<u>80,623</u>	<u>82,633</u>



**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

**CHARITY**

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Trade debtors	<b>75,362</b>	<b>70,882</b>
Other debtors	<b>1,014</b>	<b>7,686</b>
VAT	<b><u>2,034</u></b>	<b><u>-</u></b>
	<b><u>78,410</u></b>	<b><u>78,568</u></b>

**17. STOCK**

**GROUP**

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Stocks	<b><u>32,865</u></b>	<b><u>37,890</u></b>

**CHARITY**

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Stocks	<b><u>31,616</u></b>	<b><u>35,272</u></b>

**18. CURRENT ASSET INVESTMENTS IN THE CHARITY PARENT**

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Gwesty Seren investment	<b><u>103,074</u></b>	<b><u>81,098</u></b>

The current asset investment figure of £103,074 (£81,098 in 2015) relates to an outstanding investment of moneys into Gwesty Seren, a 100% owned subsidiary, for the costs incurred prior to the redevelopment funding being advanced to it.

Of all the investment opportunities available to Seren Ffestiniog Cyf, the investment in it's subsidiary was deemed by the board of Trustees to be the most appropriate as it was in keeping with the charities objectives and it was judged to be the safest investment that could be made of surplus funds. It would also result in the best long-term gains for the charity with a formal document being prepared which set out the terms of the investment.

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

**GROUP**

	31.3.16	31.3.15 as restated
	£	£
Bank loans and overdrafts	44,461	47,605
Hire purchase	2,860	2,997
Trade creditors	18,494	34,380
Taxation and social security	29,598	17,436
Other creditors	77,815	66,072
	<u>173,228</u>	<u>168,490</u>

**CHARITY**

	31.3.16	31.3.15 as restated
	£	£
Bank loans and overdrafts	17,363	20,501
Hire purchase	2,860	2,997
Trade creditors	14,829	19,308
Credit card account	368	200
Social security and other taxes	14,051	11,529
VAT	-	2,311
Other creditors	62,992	63,072
Accrued expenses	3,630	3,365
	<u>116,093</u>	<u>123,283</u>

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

**GROUP**

	31.3.16	31.3.15 as restated
	£	£
Bank loans	473,113	489,382
Hire purchase	-	2,860
	<u>473,113</u>	<u>492,242</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Unity Trust loan	164,655	170,611
Gwesty Seren loan	136,799	145,825
	<u>301,454</u>	<u>316,436</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

**CHARITY**

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Charity bank loan	-	1,287
Unity trust bank due in 1 - 2 years	<b>15,817</b>	15,817
Unity trust bank due in 2 - 5 years	<b>47,450</b>	47,450
Unity trust bank due in > 5 years	<b>164,655</b>	170,611
Hire purchase	-	2,860
	<b><u>227,922</u></b>	<b><u>238,025</u></b>

Amounts falling due in more than five years:

Repayable by instalments:		
Unity trust bank due in > 5 years	<b><u>164,655</u></b>	<b><u>170,611</u></b>

**21. SECURED DEBTS**

**GROUP**

The following secured debts are included within creditors:

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Bank loans	<b><u>517,574</u></b>	<b><u>536,981</u></b>

**CHARITY**

The following secured debts are included within creditors:

	<b>31.3.16</b>	<b>31.3.15</b> as restated
	<b>£</b>	<b>£</b>
Bank loans	<b><u>245,285</u></b>	<b><u>255,666</u></b>

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**21. SECURED DEBTS - continued**

**SECURITY**

Seren Ffestiniog Cyf

HSBC Bank plc

Charge date: 01/06/2015

Charge code: 0359 6581 0007

Type: Legal mortgage

Details: A legal mortgage over the freehold property known as land and buildings lying to the north east side of Dorvil Street, Blaenau Ffestiniog - HM Land Registry Title number WA567730.

The agreement also contains a negative pledge.

Unity Trust Bank Plc

Charge date: 23/02/2015

Charge code: 0359 6581 0005

Type: Legal mortgage

Details: By way of legal mortgage, all estate, right, title and other interests of the company in the freehold property known as 17 Church Street, Blaenau Ffestiniog, LL41 3HB - HM Land Registry Title number WA629517.

Unity Trust Bank Plc

Charge date: 23/02/2015

Charge code: 0359 6581 0006

Type: Legal mortgage

Details: By way of legal mortgage, all estate, right, title and other interests of the company in the freehold property known as Units 1 & 2 Llwyngell Enterprise Park, Blaenau Ffestiniog, LL41 3HT - HM Land Registry Title number CYM378420.

Gwesty Seren

The Charity Bank Limited have as of the 12th July 2012 a legal charge over the freehold property known as Bryn Llewelyn, Llan Ffestiniog, Gwynedd, LL41 4NS.

The Big Lottery Fund also have as of the 9th August 2012 a legal charge over the freehold property known as Bryn Llewelyn, Llan Ffestiniog, Gwynedd, LL41 4NS.

The restrictions imposed by this legal charge as well as legal charge imposed by The Charity Bank Limited mean that no disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any other registered charge, not being a charge registered before the entry of these restrictions, is to be registered without a written consent signed by the proprietor for the time being of the charges dated 12th July 2012 and 9th August 2012 respectively in favour of The Charity Bank Limited and the Big Lottery Fund referred to in the Charges Register.

**Seren Ffestiniog Cyf****Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016****21. SECURED DEBTS - continued**

Both of these charges have been registered at Companies House and are detailed on the title document held by the Land Registry under title number CYM566060.

**22. PROVISIONS FOR LIABILITIES**

	<b>31.3.16</b>	31.3.15 as restated
	£	£
Gwesty Seren's (the subsidiary) Deferred tax provision	<u><b>3,632</b></u>	<u><b>4,336</b></u>

The abovementioned provision and movement in the year represents the timing differences between the depreciation and capital allowance claims that have not been reversed at the balance sheet date.

**23. MOVEMENT IN FUNDS****GROUP**

	At 1.4.15 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.3.16 £
<b>Unrestricted funds</b>					
General fund	622,563	6,381	9,925	(67,228)	571,641
Charity Bank grant - outbuilding	9,216	-	-	(192)	9,024
Waverley improvement fund	8,724	-	1	(182)	8,543
Drill hall capital grant fund	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>(1,250)</u>	<u>58,750</u>
	700,503	6,381	9,926	(68,852)	647,958
<b>Restricted funds</b>					
Stephen Williams fund	744	-	(744)	-	-
Gwesty Seren	<u>760,793</u>	<u>(6,098)</u>	<u>(56,200)</u>	<u>68,852</u>	<u>767,347</u>
	761,537	(6,098)	(56,944)	68,852	767,347
<b>TOTAL FUNDS</b>	<u><b>1,462,040</b></u>	<u><b>283</b></u>	<u><b>(47,018)</b></u>	<u><b>-</b></u>	<u><b>1,415,305</b></u>

**Seren Ffestiniog Cyf****Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016****23. MOVEMENT IN FUNDS - continued**

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	1,110,252	(1,100,327)	-	9,925
Waverley improvement fund	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
	1,110,253	(1,100,327)	-	9,926
<b>Restricted funds</b>				
Stephen Williams fund	-	-	(744)	(744)
Gwesty Seren	<u>177,850</u>	<u>(234,050)</u>	<u>-</u>	<u>(56,200)</u>
	177,850	(234,050)	(744)	(56,944)
<b>TOTAL FUNDS</b>	<u>1,288,103</u>	<u>(1,334,377)</u>	<u>(744)</u>	<u>(47,018)</u>

**Transfers between funds**

During the year a total of £68,852 was transferred from Seren Ffestiniog Cyf to Gwesty Seren as an investment in the subsidiary. This was made under a formal agreement between the two companies after a detailed analysis by Seren Ffestiniog Cyf's board.

The loan of the moneys, given the current economic circumstances, was deemed to be the best and safest investment available to the company at the time.

**CHARITY**

	At 1.4.15 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.3.16 £
<b>Unrestricted funds</b>					
General fund	687,531	6,381	(19,682)	1,624	675,854
Charity Bank grant - outbuilding	9,216	-	-	(192)	9,024
Waverley improvement fund	8,724	-	1	(182)	8,543
Drill hall capital grant fund	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>(1,250)</u>	<u>58,750</u>
	765,471	6,381	(19,681)	-	752,171
<b>Restricted funds</b>					
Stephen Williams fund	744	-	(744)	-	-
<b>TOTAL FUNDS</b>	<u>766,215</u>	<u>6,381</u>	<u>(20,425)</u>	<u>-</u>	<u>752,171</u>

## Seren Ffestiniog Cyf

### Notes to the Financial Statements - continued for the Year Ended 31 March 2016

#### **23. MOVEMENT IN FUNDS - continued**

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	1,111,053	(1,130,735)	-	(19,682)
Waverley improvement fund	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
	1,111,054	(1,130,735)	-	(19,681)
<b>Restricted funds</b>				
Stephen Williams fund	-	-	(744)	(744)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>1,111,054</u>	<u>(1,130,735)</u>	<u>(744)</u>	<u>(20,425)</u>

#### **24. RELATED PARTY DISCLOSURES**

##### Mr Dafydd Wyn Jones

During the year ended in 2015, the charitable company paid Mr Dafydd Wyn Jones, a related party, the sum of £8,000 for consultancy work conducted on its behalf and there was no outstanding balance at the year end.

For the year ended in 2016, there were no transactions between the charitable company and Mr Dafydd Wyn Jones. There was however a small transaction amounting to £330 for services rendered to Gwesty Seren during the year ended in 2016, but there were no outstanding amounts at the year end.

##### Draigtex

Draigtex, was a joint venture set up in co-operation with Antur Waunfawr and Crest Co-operative Limited in late 2013

During the year to 31 March 2015, Seren Ffestiniog sold goods amounting to £57,321 to Draigtex, but as Draigtex ceased trading in April 2015, Seren Ffestiniog Cyf lost its initial £10,000 investment, and the £17,309 owed to it as at the end of March 2015 was written off

During the year ended in 2016, one further invoice was issued to Draigtex prior to its cessation. This amounted to £1,378 and has been written off as a bad debt during the year.

##### Gwesty Seren

During the year Seren Ffestiniog cyf sold goods amounting to £3,466 (£25,667 in 2015) to its wholly owned subsidiary, of which £3,344 was still outstanding..

Gwesty Seren also made supplies amounting to £31,783 (£34,245 in 2015) to Seren Ffestiniog during the year to 31 March 2016, of which £2,206 was still owed to Gwesty.

There is also of course the inter-company investment balance between the two entities and is mentioned in note 18 of these financial statements.

**Seren Ffestiniog Cyf**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2016**

**25. ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties of the group are deemed to be Seren Ffestiniog Cyf's members.



**Seren Ffestiniog Cyf****Consolidated Detailed Statement of Financial Activities  
for the Year Ended 31 March 2016**

	31.3.16 £	31.3.15 as restated £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	11	371
Grants	65,420	186,705
Noddfa income	7,949	7,530
	<u>73,380</u>	<u>194,606</u>
<b>Other trading activities</b>		
Shop income	291,812	337,722
Hotel income	112,424	40,864
	<u>404,236</u>	<u>378,586</u>
<b>Investment income</b>		
Deposit account interest	1	11
<b>Charitable activities</b>		
GCC Care in the community	305,885	466,133
GCC Service level agreement	211,371	66,851
Supporting people payments	114,372	191,401
Independent living fund	134,574	125,219
Private client fees	43,219	42,916
	<u>809,421</u>	<u>892,520</u>
<b>Other income</b>		
Sundry income	1,065	3,749
<b>Total incoming resources</b>	<u>1,288,103</u>	<u>1,469,472</u>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Client wages	13,408	13,271
<b>Other trading activities</b>		
Opening stock	37,890	41,293
Purchases	116,616	125,242
Reservation costs	4,476	-
Bad debts	1,148	19,796
Closing stock	(32,865)	(37,890)
	<u>127,265</u>	<u>148,441</u>
<b>Charitable activities</b>		
Trustees' salaries	69,500	69,500
Trustees' social security	7,353	7,353
Carried forward	76,853	76,853

This page does not form part of the statutory financial statements

**Seren Ffestiniog Cyf****Consolidated Detailed Statement of Financial Activities  
for the Year Ended 31 March 2016**

	31.3.16	31.3.15 as restated
	£	£
<b>Charitable activities</b>		
Brought forward	76,853	76,853
Wages	827,959	876,699
Social security	51,616	51,545
Hire of plant and machinery	14,048	15,202
Rates and water	2,466	2,671
Insurance	14,781	18,369
Light and heat	25,383	30,844
Telephone	7,832	10,942
Postage and stationery	4,542	5,034
Advertising	4,156	14,538
Sundries	1,684	313
Travelling	290	995
Motor expenses	15,442	14,981
Repairs and renewals	24,504	25,611
Licences & subscriptions	2,516	7,233
Household & cleaning	3,518	2,460
Tutor and course fees	766	4,708
Textile payments	4,702	8,237
Irrecoverable VAT	4,386	6,098
Uniform and other clothing	24	-
Refreshments/entertaining	721	544
Deferred tax	(704)	(418)
Bank loan interest	28,014	34,388
Interest charged by HM Revenue	381	-
Hire purchase	336	581
	<b>1,116,216</b>	<b>1,208,428</b>
<b>Other</b>		
Other operating leases	10,053	9,472
Freehold property	18,038	18,038
New outbuilding	1,945	1,945
Improvements to property	10,824	10,761
Plant and machinery	1,306	1,633
Fixtures and fittings	2,671	3,085
Motor vehicles	2,021	2,694
Computer equipment	2,360	2,993
	<b>49,218</b>	<b>50,621</b>
<b>Support costs</b>		
<b>Finance</b>		
Bank charges	7,085	11,656
<b>Governance costs</b>		
Auditors' remuneration	3,825	3,480
Accountancy fees	2,040	1,945
Professional and legal fees	15,320	27,439
	<b>21,185</b>	<b>32,864</b>

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**Seren Ffestiniog Cyf**

**Consolidated Detailed Statement of Financial Activities**  
**for the Year Ended 31 March 2016**

	31.3.16	31.3.15
	£	as restated £
<b>Total resources expended</b>	<b>1,334,377</b>	<b>1,465,281</b>
<b>Net (expenditure)/income before gains and losses</b>	<b>(46,274)</b>	<b>4,191</b>
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	-	(10,000)
<b>Net expenditure</b>	<b>(46,274)</b>	<b>(5,809)</b>

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