

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2017
for
Seren Ffestiniog Cyf
Trading as
Grŵp Seren

CHARITY COMMISSION
FIRST CONTACT

28 DEC 2017

RECORDED
RECEIVED

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

Seren Ffestiniog Cyf

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for the Year Ended 31 March 2017

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Group Report of the Trustees
for the Year Ended 31 March 2017

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 2017. 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 2015).

In line with the requirements of UK GAAP at the time, 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 were 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

Group Report of the Trustees **for the Year Ended 31 March 2017**

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. Other activities which support the charitable company's aims included income from Noddfa and trading income from its retail outlets known as Waverley, Cylch yr Efail, Gerddi Stiniog, the Drill Hall Furniture store in Porthmadog and Harrods.

In addition to this the Company has continued its support to Gwesty Seren, its wholly owned trading subsidiary, for whom it provides 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. It is expected that during the 2017/18 financial year this project will be moving into profit.

Seren Ffestiniog Cyf continues with its furniture, textiles and clothing reuse and recycling project that benefits many people, especially those on low incomes or benefits. It also has other ventures like the Cylch yr Efail Arts and Crafts workshop, retail shop and Gerddi Stiniog, a market garden operation. All these generate income for the company. 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 nearly halved in the last 5 years. These still remain commercial projects that generate additional income for Seren Ffestiniog Cyf as well as offering cheaper textiles, clothing and furniture for those in need. During the year a Consultant's report was commissioned with the financial support of WRAP a Government organisation that has been established to encourage more recycling and reuse. This report and its recommendations will be the basis of further discussions with partner organisations such as the local authority that could lead to an increase in Seren Ffestiniog Cyf's involvement in recycling and reuse.

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, it responds to the needs of its 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

Group Report of the Trustees **for the Year Ended 31 March 2017**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2016/17 saw Seren Ffestiniog Cyf further expand its supporting interests in Gwesty Seren and, therefore, has, thanks in no small part to this development, continued to expand its main charitable aims offering people with a whole range of disabilities an unique and ground breaking facility. The hotel now caters for people with all kinds of disabilities as it was originally designed with these people in mind. It is an unique facility and the only one of its kind in Wales. One issue, however, is its lack of use as a respite/holiday facility by the local authority and this since it was opened. This matter will be formally addressed during 2017/18.

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 2016/17 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 Company has been able to achieve this without too much turmoil or staff losses. The original care contract for 2016/17 was much lower but additional work and contracts were secured as the year progressed.

As a consequence Seren Ffestiniog Cyf is still intent on looking closely at its overall operation. During 2017/18 a detailed financial and staffing breakdown of the various cost centres and units will be undertaken to ascertain whether any further efficiency savings 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 as well as the Flexible Support Fund, run by the Department of Work and Pensions. Seren Ffestiniog Cyf is part of a small consortium of local social enterprises that has managed to access the Opus Project's tendering portal and may benefit by being offered contracts during 2017/18. More significantly perhaps is the fact that the company, in its own right, has managed to access the DWP's official tendering portal and as from April 2017 will be able to tender for contracts on an UK wide basis.

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 six 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. The trustees therefore consider £600,000 to be an appropriate level of reserve to cover its expenditure for six months.

The charitable company had free reserves of £2,832 at the end of March 2017 (2016: deficit of £69,519), these figures being based on the charity's reserves, rather than at the group level. The trustees are confident that their current plans will continue to yield surpluses and thus they are confident that this figure will move closer to the target reserve level over time.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Group Report of the Trustees
for the Year Ended 31 March 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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.

RELATED PARTY AND SENIOR STAFF REMUNERATION POLICY

Two of the trustees receive a salary from their work with the charity. Any connection between a trustee or senior manager of the charity with the subsidiary must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

The trustees consider the board of trustees, who are the charity's trustees, and the senior management team made up of the remunerated trustees comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. Details of directors' remuneration, expenses and related party transactions are disclosed in note 13 to the accounts.

Seren Ffestiniog Cyf

Group Report of the Trustees
for the Year Ended 31 March 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03596581 (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 Ll 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

Mrs M A Williams

Retired

Care & Business

Manager

Solicitor

Retired

County Councillor

Retired Head Teacher

Production

Technician

Retired

Retired School

Teacher

Teacher

Company Secretary

Mrs K K Madoc-Jones

Auditors

Dunn & Ellis Cyf

Chartered Accountants & Statutory Auditors

Chartered Accountants

Adeilad St David's Building

Stryd Lombard Street

Porthmadog

Gwynedd

LL49 9AP

Seren Ffestiniog Cyf

Group Report of the Trustees
for the Year Ended 31 March 2017

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:

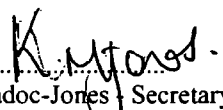
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 on20 / 12 / 17..... 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 2017 on pages nine to thirty four. 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).

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 charitable company'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 state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure of the undertakings included in the consolidation as a whole, so far as concerns members of the company, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

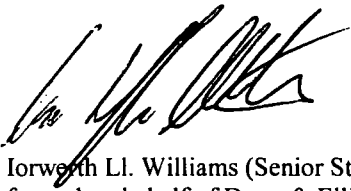
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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
Chartered Accountants/Statutory Auditors
Chartered Accountants
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Date: 21/12/17

Seren Ffestiniog Cyf**Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2017**

		Unrestricted funds	Restricted funds	31.3.17 Total funds	31.3.16 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	12,406	25,835	38,241	73,380
Charitable activities	4				
Care in the community		941,665	-	941,665	809,421
Other trading activities	5	323,075	190,881	513,956	404,236
Investment income	6	5	-	5	1
Other income		3,047	-	3,047	1,065
Total		1,280,198	216,716	1,496,914	1,288,103
EXPENDITURE ON					
Raising funds	7	144,455	62,280	206,735	140,673
Charitable activities	8				
Care in the community		1,030,805	-	1,030,805	961,641
Gwesty Seren		-	184,242	184,242	182,845
Other		25,907	29,052	54,959	49,218
Total		1,201,167	275,574	1,476,741	1,334,377
NET INCOME/(EXPENDITURE)		79,031	(58,858)	20,173	(46,274)
Transfers between funds	25	64,899	(64,899)	-	-
Other recognised gains/(losses)					
Write-off of the Stephen Williams fund		-	-	-	(744)
Net movement in funds		143,930	(123,757)	20,173	(47,018)
RECONCILIATION OF FUNDS					
Total funds brought forward		647,958	767,347	1,415,305	1,462,323
TOTAL FUNDS CARRIED FORWARD		791,888	643,590	1,435,478	1,415,305

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

**Consolidated Balance Sheet
At 31 March 2017**

		Unrestricted funds £	Restricted funds £	31.3.17 Total funds £	31.3.16 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	15	808,777	1,039,035	1,847,812	1,869,335
CURRENT ASSETS					
Stocks	16	45,754	2,164	47,918	32,865
Debtors: amounts falling due within one year	17	78,599	17,454	96,053	80,623
Investments	18	116,717	(116,717)	-	-
Cash at bank and in hand		74,308	192	74,500	82,455
		315,378	(96,907)	218,471	195,943
CREDITORS					
Amounts falling due within one year	19	(110,571)	(58,287)	(168,858)	(173,228)
NET CURRENT ASSETS/(LIABILITIES)		204,807	(155,194)	49,613	22,715
TOTAL ASSETS LESS CURRENT LIABILITIES		1,013,584	883,841	1,897,425	1,892,050
CREDITORS					
Amounts falling due after more than one year	20	(221,696)	(235,511)	(457,207)	(473,113)
PROVISIONS FOR LIABILITIES	24	-	(4,740)	(4,740)	(3,632)
NET ASSETS		791,888	643,590	1,435,478	1,415,305
FUNDS	25				
Unrestricted funds:					
General fund				717,195	571,641
Charity Bank grant - outbuilding				8,832	9,024
Waverley improvement fund				8,361	8,543
Drill hall				57,500	58,750
				791,888	647,958
Restricted funds:					
Gwesty Seren				643,590	767,347
TOTAL FUNDS				1,435,478	1,415,305

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 constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Consolidated Balance Sheet - continued

At 31 March 2017

The financial statements were approved by the Board of Trustees on20/12/17..... and were signed on its behalf by:



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

Seren Ffestiniog Cyf**Group Cash Flow Statement
for the Year Ended 31 March 2017**

	Notes	31.3.17 £	31.3.16 £
Cash flows from operating activities:			
Cash generated from operations	A	55,138	31,951
Interest paid		(27,031)	(28,395)
Interest element of hire purchase and finance lease rental payments		<u>(93)</u>	<u>(336)</u>
Net cash provided by (used in) operating activities		<u>28,014</u>	<u>3,220</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(21,069)	(7,319)
Sale of tangible fixed assets		1,000	-
Interest received		<u>5</u>	<u>1</u>
Net cash provided by (used in) investing activities		<u>(20,064)</u>	<u>(7,318)</u>
Cash flows from financing activities:			
Capital repayments in year		(15,905)	(19,129)
Net cash provided by (used in) financing activities		<u>(15,905)</u>	<u>(19,129)</u>
Change in cash and cash equivalents in the reporting period		<u>(7,955)</u>	<u>(23,227)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>82,455</u>	<u>105,682</u>
Cash and cash equivalents at the end of the reporting period		<u>74,500</u>	<u>82,455</u>

Notes to the Group Cash Flow Statement
for the Year Ended 31 March 2017

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

	31.3.17	31.3.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	20,173	(46,274)
Adjustments for:		
Depreciation charges	42,177	39,165
Profit on disposal of fixed assets	(586)	-
Interest received	(5)	(1)
Interest paid	27,031	28,395
Interest element of hire purchase and finance lease rental payments	93	336
(Increase)/decrease in provisions	1,108	(704)
Stephen Williams write out	-	(739)
(Increase)/decrease in stocks	(15,053)	5,025
(Increase)/decrease in debtors	(15,430)	2,010
(Decrease)/increase in creditors	<u>(4,370)</u>	<u>4,738</u>
Net cash provided by (used in) operating activities	<u>55,138</u>	<u>31,951</u>

Seren Ffestiniog Cyf.

Charity Cash Flow Statement
for the Year Ended 31 March 2017

	Notes	31.3.17 £	31.3.16 £
Cash flows from operating activities:			
Cash generated from operations	B	41,833	(11,512)
Interest paid		(9,612)	(9,942)
Interest element of hire purchase and finance lease rental payments		<u>(93)</u>	<u>(336)</u>
Net cash provided by (used in) operating activities		<u>32,128</u>	<u>(21,790)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(13,995)	-
Sale of tangible fixed assets		1,000	-
Interest received		<u>5</u>	<u>1</u>
Net cash provided by (used in) investing activities		<u>(12,990)</u>	<u>1</u>
 Cash flows from financing activities:			
Capital repayments in year		<u>(6,226)</u>	<u>(10,103)</u>
Net cash provided by (used in) financing activities		<u>(6,226)</u>	<u>(10,103)</u>
 Change in cash and cash equivalents in the reporting period		<u>12,912</u>	<u>(31,892)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>61,396</u>	<u>93,288</u>
 Cash and cash equivalents at the end of the reporting period		<u>74,308</u>	<u>61,396</u>

Notes to the Charity Cash Flow Statement
for the Year Ended 31 March 2017

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

	31.3.17	31.3.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	59,438	(19,681)
Adjustments for:		
Depreciation charges	26,493	23,988
Gain on investments	(13,642)	(21,976)
Profit on disposal of fixed assets	(586)	-
Interest received	(5)	(1)
Interest paid	9,612	9,942
Interest element of hire purchase and finance lease rental payments	93	336
Stephen Williams write out	-	(744)
(Increase)/decrease in stocks	(14,138)	3,656
(Increase)/decrease in debtors	(21,785)	158
Decrease in creditors	<u>(3,647)</u>	<u>(7,190)</u>
Net cash provided by (used in) operating activities	<u>41,833</u>	<u>(11,512)</u>

Notes to the Financial Statements
for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 accordance with requirements to consolidate the financial statements the consolidation has been prepared on a line by 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, including the income and expenditure account for the parent charity has not been included.

The company is a charitable company, limited by guarantee and registered in Wales. The company's registered number and registered office address can be found on the Company Information page and should the company ever be wound up, any assets whatsoever remaining upon winding up or dissolution, after satisfying all its debts and liabilities, 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 & investment income

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

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

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.

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 2017

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.

Pension costs and other post-retirement benefits

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

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

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:

	31.3.17	31.3.16
	Total	Total
	funds	funds
	£	£
Incoming resources	1,283,992	1,111,054
Expenditure on:		
Raising funds	148,121	136,411
Charitable activities	1,050,526	970,336
Governance	25,907	23,988
	1,224,554	1,130,735
Net income / (expenditure)	59,438	(19,681)
Other recognised gains/(losses)		
Write-off of the Stephen Williams account	-	(744)
	-	(744)
Net movement in funds	59,438	(20,425)
As previously reported	752,171	766,215
Prior year adjustment	-	6,381
As Restated	811,609	772,596
Total funds carried forward	811,609	752,171

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

3. DONATIONS & LEGACIES

	31.3.17	31.3.16
	£	£
Donations	8	11
Grants	25,836	65,420
Noddfa income	<u>12,397</u>	<u>7,949</u>
	<u>38,241</u>	<u>73,380</u>

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

	31.3.17	31.3.16
	£	£
Gwesty Seren	<u>25,836</u>	<u>65,420</u>
	<u>25,836</u>	<u>65,420</u>

The £25,836 (2016: £65,420) received by Gwesty Seren during the year ended 31 March 2017 related entirely to revenue funding.

There were no donations received from related parties in the year.

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.17	31.3.16
	£	£
GCC Care in the community	336,460	305,885
GCC Service level agreement	324,506	211,371
Supporting people payments	140,097	114,372
Independent living fund	106,960	134,574
Private client fees	<u>33,642</u>	<u>43,219</u>
	<u>941,665</u>	<u>809,421</u>

All of income related to the provision of care, which is one of the charity's primary objectives and all of this income pertains to the charitable activities carried on by the parent company and is unrestricted in nature.

5. OTHER TRADING ACTIVITIES

	31.3.17	31.3.16
	£	£
Trading income	323,075	291,812
Hotel income	<u>190,881</u>	<u>112,424</u>
	<u>513,956</u>	<u>404,236</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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

6. INVESTMENT INCOME

	31.3.17	31.3.16
	£	£
Deposit account interest	<u>5</u>	<u>1</u>

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

7. RAISING FUNDS

Raising donations and legacies

	31.3.17	31.3.16
	£	£
Staff costs	<u>14,674</u>	<u>13,408</u>

Other trading activities

	31.3.17	31.3.16
	£	£
Opening stock	32,865	37,890
Purchases	207,077	121,092
Closing stock	(47,881)	(32,865)
Bad debts	<u>-</u>	<u>1,148</u>
	<u>192,061</u>	<u>127,265</u>
Aggregate amounts	<u>206,735</u>	<u>140,673</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:

	31.3.17	31.3.16
	£	£
Opening stock	31,616	35,272
Purchases	147,585	97,376
Closing stock	(45,754)	(31,616)
Bad debts	<u>-</u>	<u>1,148</u>
	<u>133,447</u>	<u>102,180</u>
Aggregate amounts	<u>148,121</u>	<u>115,588</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017****8. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 9)	Totals
	£	£	£
Seren Ffestiniog Cyf	1,005,226	25,579	1,030,805
Gwesty Seren	<u>158,051</u>	<u>26,191</u>	<u>184,242</u>
	<u>1,163,277</u>	<u>51,770</u>	<u>1,215,047</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.

9. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Seren Ffestiniog Cyf	5,616	15,973	3,990	25,579
Gwesty Seren	<u>3,074</u>	<u>20,692</u>	<u>2,425</u>	<u>26,191</u>
	<u>8,690</u>	<u>36,665</u>	<u>6,415</u>	<u>51,770</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the various functions. 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):

	31.3.17	31.3.16
	£	£
Auditors' remuneration	4,205	3,825
Depreciation - owned assets	42,178	39,164
Hire of plant and machinery	15,894	14,048
Other operating leases	13,368	10,053
Surplus on disposal of fixed asset	<u>(586)</u>	<u>-</u>

CHARITY

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

	31.3.17	31.3.16
	£	£
Auditors' remuneration	2,380	2,165
Depreciation - owned assets	26,494	23,988
Hire of plant and machinery	15,894	14,048
Surplus on disposal of fixed asset	<u>(586)</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

11. TRUSTEES' REMUNERATION AND BENEFITS

	31.3.17	31.3.16
	£	£
Trustees' salaries	69,500	69,500
Trustees' social security	<u>7,352</u>	<u>7,353</u>
	<u>76,852</u>	<u>76,853</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 2017 nor for the year ended 31 March 2016.

There were no trustees employed by or received expenditure payments from the subsidiary during the year ended 31 March 2017 or for the year ended 31 March 2016.

12. STAFF COSTS

	31.3.17	31.3.16
	£	£
Wages and salaries	945,628	910,867
Social security costs	61,952	58,969
Other pension costs	<u>13,564</u>	<u>-</u>
	<u>1,021,144</u>	<u>969,836</u>

GROUP

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

	31.3.17	31.3.16
Salaried trustees	2	2
Seren management	3	3
Gwesty management	1	1
Seren's other staff	48	50
Gwesty's other staff	<u>11</u>	<u>8</u>
	<u>65</u>	<u>64</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

12. STAFF COSTS - continued

CHARITY

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

	31.3.17	31.3.16
Salaried trustee's	2	2
Management	3	3
Other staff	48	50
	<u>53</u>	<u>55</u>

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

13. RELATED PARTY DISCLOSURES

Key management costs and remuneration

The charity considers its key management personnel to comprise the trustees, which includes the remunerated trustees responsible for the day to day operations. The total employment benefits of the key management personnel were £76,852 (2016: £76,853). No employee had any benefit in excess of £60,000.

There were no expenses paid to the trustees in this or the proceeding year.

Dafydd Wyn Jones - Consultant / Spouse of a Trustee

During the year to 31 March 2017, Mr Jones provided services amounting to £990 to Seren Ffestiniog Cyf.

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

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.

There were no transactions during the year to the end of March 2017.

Gwesty Seren

During the year Seren Ffestiniog Cyf sold goods amounting to £24,824 (£3,466 in 2016) to its wholly owned subsidiary, of which £21,053 was still outstanding as at 31 March 2017.

Gwesty Seren also made supplies amounting to £64,688 (£31,783 up to the end of March 2016) to Seren Ffestiniog Cyf during the year to 31 March 2017, of which £1,888 was still owed to Gwesty Seren.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017****14. GROUP COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	7,960	65,420	73,380
Charitable activities			
Care in the community	809,421	-	809,421
Other trading activities	291,812	112,424	404,236
Investment income	1	-	1
Other income	1,059	6	1,065
Total	1,110,253	177,850	1,288,103
 EXPENDITURE ON			
Raising funds	114,698	25,975	140,673
Charitable activities			
Care in the community	961,641	-	961,641
Gwesty Seren	-	182,845	182,845
Other	23,988	25,230	49,218
Total	1,100,327	234,050	1,334,377
 NET INCOME/(EXPENDITURE)	9,926	(56,200)	(46,274)
 Transfers between funds	(68,852)	68,852	-
 Other recognised gains/(losses)			
Write-off of the Stephen Williams fund	-	(744)	(744)
 Net movement in funds	(58,926)	11,908	(47,018)
 RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	700,503	761,537	1,462,040
Prior year adjustment	6,381	(6,098)	283
As Restated	706,884	755,439	1,462,323
 TOTAL FUNDS CARRIED FORWARD	647,958	767,347	1,415,305

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

15. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Recycling shed at cost £	Improvement s to properties £	Plant and machinery £
COST				
At 1 April 2016	1,002,924	97,228	971,996	41,861
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2017	<u>1,002,924</u>	<u>97,228</u>	<u>971,996</u>	<u>41,861</u>
DEPRECIATION				
At 1 April 2016	173,350	9,723	50,656	36,636
Charge for year	18,039	1,945	10,824	1,045
Eliminated on disposal	-	-	-	-
At 31 March 2017	<u>191,389</u>	<u>11,668</u>	<u>61,480</u>	<u>37,681</u>
NET BOOK VALUE				
At 31 March 2017	<u>811,535</u>	<u>85,560</u>	<u>910,516</u>	<u>4,180</u>
At 31 March 2016	<u>829,574</u>	<u>87,505</u>	<u>921,340</u>	<u>5,225</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2016	39,718	43,003	34,462	2,231,192
Additions	7,074	13,995	-	21,069
Disposals	-	(2,325)	-	(2,325)
At 31 March 2017	<u>46,792</u>	<u>54,673</u>	<u>34,462</u>	<u>2,249,936</u>
DEPRECIATION				
At 1 April 2016	29,031	36,941	25,520	361,857
Charge for year	3,553	4,910	1,862	42,178
Eliminated on disposal	-	(1,911)	-	(1,911)
At 31 March 2017	<u>32,584</u>	<u>39,940</u>	<u>27,382</u>	<u>402,124</u>
NET BOOK VALUE				
At 31 March 2017	<u>14,208</u>	<u>14,733</u>	<u>7,080</u>	<u>1,847,812</u>
At 31 March 2016	<u>10,687</u>	<u>6,062</u>	<u>8,942</u>	<u>1,869,335</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

15. TANGIBLE FIXED ASSETS - continued

CHARITY

	Freehold property	Recycling shed at cost	Improvement s to properties	Plant and machinery
	£	£	£	£
COST				
At 1 April 2016	800,924	97,228	110,332	41,861
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2017	<u>800,924</u>	<u>97,228</u>	<u>110,332</u>	<u>41,861</u>
DEPRECIATION				
At 1 April 2016	165,270	9,723	24,557	36,636
Charge for year	16,019	1,945	2,207	1,045
Eliminated on disposal	-	-	-	-
At 31 March 2017	<u>181,289</u>	<u>11,668</u>	<u>26,764</u>	<u>37,681</u>
NET BOOK VALUE				
At 31 March 2017	<u>619,635</u>	<u>85,560</u>	<u>83,568</u>	<u>4,180</u>
At 31 March 2016	<u>635,654</u>	<u>87,505</u>	<u>85,775</u>	<u>5,225</u>
	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST				
At 1 April 2016	20,289	43,003	19,830	1,133,467
Additions	-	13,995	-	13,995
Disposals	-	(2,325)	-	(2,325)
At 31 March 2017	<u>20,289</u>	<u>54,673</u>	<u>19,830</u>	<u>1,145,137</u>
DEPRECIATION				
At 1 April 2016	20,047	36,941	18,603	311,777
Charge for year	49	4,910	319	26,494
Eliminated on disposal	-	(1,911)	-	(1,911)
At 31 March 2017	<u>20,096</u>	<u>39,940</u>	<u>18,922</u>	<u>336,360</u>
NET BOOK VALUE				
At 31 March 2017	<u>193</u>	<u>14,733</u>	<u>908</u>	<u>808,777</u>
At 31 March 2016	<u>242</u>	<u>6,062</u>	<u>1,227</u>	<u>821,690</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017****16. STOCKS****GROUP**

	31.3.17	31.3.16
	£	£
Stocks	<u>47,918</u>	<u>32,865</u>

CHARITY

	31.3.17	31.3.16
	£	£
Stocks	<u>45,754</u>	<u>31,616</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**GROUP**

	31.3.17	31.3.16
	£	£
Trade debtors	81,876	77,575
Other debtors	6,459	1,014
VAT	4,003	2,034
Prepayments	<u>3,715</u>	<u>-</u>
	<u>96,053</u>	<u>80,623</u>

CHARITY

	31.3.17	31.3.16
	£	£
Trade debtors	96,192	75,362
Other debtors	-	1,014
VAT	<u>4,003</u>	<u>2,034</u>
	<u>100,195</u>	<u>78,410</u>

18. CURRENT ASSET INVESTMENTS - CHARTIY

	31.3.17	31.3.16
	£	£
Gwesty Seren investment	<u>116,717</u>	<u>103,074</u>

The figure detailed above is a balance included in the individual accounts of both companies. The £116,717 (£103,074 at the end of March 2016) detailed as being owned to group parent, relates to the investment of moneys in Gwesty Seren, the trading subsidiary, by Seren Ffestiniog Cyf. This was initially purposed for the costs incurred prior to the re-development funding being advanced by the grant providers, but support has continued in order to assist the company in establishing itself as a self sustaining entity.

Of all the investment opportunities available to Seren Ffestiniog Cyf, the investment in its 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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	31.3.17	31.3.16
	£	£
Bank loans and overdrafts (see note 21)	42,915	44,461
Hire purchase (see note 22)	-	2,860
Trade creditors	22,196	18,126
Credit card account	-	368
Social security and other taxes	18,805	15,773
VAT	5,805	13,825
Other creditors	72,722	71,950
Accrued expenses	6,415	5,865
	<u>168,858</u>	<u>173,228</u>

CHARITY

	31.3.17	31.3.16
	£	£
Bank loans and overdrafts (see note 21)	15,817	17,363
Hire purchase (see note 22)	-	2,860
Trade creditors	12,198	14,829
Credit card account	-	368
Social security and other taxes	17,179	14,051
Other creditors	63,262	62,992
Accrued expenses	3,990	3,630
	<u>112,446</u>	<u>116,093</u>

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

GROUP

	31.3.17	31.3.16
	£	£
Bank loans (see note 21)	<u>457,207</u>	<u>473,113</u>

CHARITY

	31.3.17	31.3.16
	£	£
Bank loans (see note 21)	<u>221,696</u>	<u>227,922</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

21. LOAN ANALYSIS GROUP & CHARITY

An analysis of the maturity of loans is given below:

	31.3.17	31.3.16
	£	£
Amounts falling due within one year on demand:		
Unity Trust loan account	15,817	15,817
Charity bank loan	-	1,546
Gwesty Seren loan	<u>27,098</u>	<u>27,098</u>
	<u>42,915</u>	<u>44,461</u>
Amounts falling between one and two years:		
Unity Trust loan account - 1-2 years	15,817	15,817
Gwesty loan	<u>27,098</u>	<u>27,098</u>
	<u>42,915</u>	<u>42,915</u>
Amounts falling due between two and five years:		
Unity Trust loan account - 2-5 years	47,450	47,450
Gwesty Seren loan	<u>81,294</u>	<u>81,294</u>
	<u>128,744</u>	<u>128,744</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Unity Trust loan	158,429	164,655
Gwesty Seren loan	<u>127,119</u>	<u>136,799</u>
	<u>285,548</u>	<u>301,454</u>

22. HIRE PURCHASE LEASING AGREEMENTS

	Hire purchase contracts	
	31.3.17	31.3.16
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>2,860</u>

All hire purchase obligations related to the charity.

Seren Ffestiniog Cyf

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

23. SECURED DEBTS

GROUP

The following secured debts are included within creditors:

	31.3.17	31.3.16
	£	£
Bank loans	<u>500,122</u>	<u>517,574</u>

CHARITY

The following secured debts are included within creditors:

	31.3.17	31.3.16
	£	£
Bank loans	<u>237,513</u>	<u>245,285</u>

The following charges are currently shown as being active on the Companies House website:

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

23. SECURED DEBTS - continued

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.

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.

24. PROVISIONS FOR LIABILITIES

	31.3.17	31.3.16
	£	£
Gwesty Seren, the subsidiary's deferred tax provision	<u>4,740</u>	<u>3,632</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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

25. MOVEMENT IN FUNDS

GROUP

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
General fund	571,641	79,031	66,523	717,195
Charity bank grant - outbuilding	9,024	-	(192)	8,832
Waverley improvement fund	8,543	-	(182)	8,361
Drill hall	58,750	-	(1,250)	57,500
	647,958	79,031	64,899	791,888
Restricted funds				
Gwesty Seren	767,347	(58,858)	(64,899)	643,590
TOTAL FUNDS	1,415,305	20,173	-	1,435,478

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,280,198	(1,201,167)	79,031
Restricted funds			
Gwesty Seren	216,716	(275,574)	(58,858)
TOTAL FUNDS	1,496,914	(1,476,741)	20,173

Transfers between funds

During the year a total of £64,899 was transferred from Gwesty Seren to Seren Ffestiniog Cyf (2016: £68,852 from Seren Ffestiniog Cyf to Gwesty Seren) as an investment or return thereof 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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017****25. MOVEMENT IN FUNDS - continued****CHARTIY**

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
General fund	675,854	59,438	1,624	736,916
Charity bank grant - outbuilding	9,024	-	(192)	8,832
Waverley improvement fund	8,543	-	(182)	8,361
Drill hall capital grant fund	58,750	-	(1,250)	57,500
	752,171	59,438	-	811,609
TOTAL FUNDS	752,171	59,438	-	811,609

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,283,992	(1,224,554)	59,438
TOTAL FUNDS	1,281,107	(1,224,554)	56,553

26. AUDITOR'S REMUNERATION

The auditor's remuneration for the group constituted an audit fee of £4,205 (£3,825) with an additional £2,210 (2016: £2,040) for compiling accounts and tax returns from the client's records.

27. SUBSIDIARY UNDERTAKING DETAILS

Gwesty Seren is the charitable company's only subsidiary and is owned in its entirety by Seren Ffestiniog Cyf. Gwesty Seren is a private company, limited by guarantee, registered in England and Wales. The company's registered number is 08077369 and its registered office address is the same as the parent's, which can be found on the Company Information page.

A summary of its adjusted turnover and expenditure are included as the restricted fund on the face of the SoFA and on the subsidiary's audit report for the year ended on 31 March 2017 there was an emphasis of matter paragraph included. This related to the net liabilities on the balance sheet and the continued support of Seren Ffestiniog Cyf as well as to an issue relating to the closure of its bank accounts and the assistance provided to it by the parent as a result.

28. ULTIMATE CONTROLLING PARTY

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