

REGISTERED COMPANY NUMBER: 04004593 (England and Wales)
REGISTERED CHARITY NUMBER: 1082128

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2021**

FOR

**YMDDIRIEDOLAETH PENLLERGARE
THE PENLLERGARE TRUST**

Gerald Thomas
Chartered Accountants & Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Page
Report of the Trustees	1 to 11
Independent Auditor's Report	12 to 15
Statement of Financial Activities	16
Balance Sheet	17 to 18
Statement of Cash Flows	19 to 20
Notes to the Financial Statements	21 to 37

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The report is also prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

04004593 (England and Wales)

Registered Charity Number

1082128

Registered Office

Tredegar Fawr
Llangyfelach
Swansea
SA7 9FG

Trustees

P Baker	Chair
H Thomas	Treasurer
B Richards	Secretary
J Childs	
W Fitzgerald	
C Richards	
L Howe	
R Butt	
C O'Brien	
K Napieralla OBE	(Appointed March 2021)

Trustee Emeritus

H T Moggridge

Company Secretary

B Richards

Observers and Advisors

B Thomas

Auditors

Gerald Thomas
Chartered Accountants & Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS - continued

Solicitors

Edward Harris Solicitors
Tredegar Fawr
Llangyfelach
Swansea
SA5 7LS

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Chair's Foreword

It gives me great pleasure, and not a little relief to introduce the Annual Report of The Trustees of Penllergare Trust for the year ended 31 March 2021.

I say this in all sincerity as this has been the most challenging year faced by the Penllergare Trust, indeed the overwhelming priority has been the very survival of the Trust. The restrictions which resulted from the Covid 19 pandemic are unparalleled. However, Penllergare Valley Woods has remained open during lockdown, so visitors continue to enjoy the experiences and benefits that this unique and beautiful place has to offer, albeit in accordance with Government guidelines.

This year has been so very different in so many ways and the Annual Report reflects this. Much of the work of our amazing volunteers has, of necessity been suspended. However, if not physically engaged, (although some have continued to come to help with general maintenance, litter picking and the like) they continue to support the Trust and Penllergare Valley Woods.

Regrettably, we have been forced to close our Coffee Shop for significant periods of time, and the overwhelming majority of fund-raising events have ceased. Although the car park has remained open for the majority of the time this has been as a "public service" to alleviate the pressure of parking in Mansion Gardens. This has had an extremely serious effect on the finances of the Trust and it isn't an exaggeration to say that the long-term financial viability of the Trust was threatened. However, through the emergency grant assistance received from Welsh Government, NHLF and WCVA, we have been able to meet our financial responsibilities.

The effect of this epidemic on staff has been profound, both in terms of employment and unfortunately, on their health. For significant periods of time the majority of staff have been furloughed. We are grateful that those who have been required to work, whether in the Woods or at home have continued to do so and have done an amazing job but we also feel for those who aren't able to, for whatever reason.

I would also pay tribute to the work and commitment of my fellow Trustees, all of whom are volunteers themselves. Throughout the majority of lockdown, meetings have been held virtually, an experience in itself!! Obviously, this was far from ideal but served to ensure continuity of the activities of the Board and business of the Trust.

Despite these pressures, the Trust has been able to continue with our plans for the Phase 2 Walled Garden Development, funded by the National Lottery Heritage Fund and with our plans for the new Skills Centre with adjoining horticultural training centre funded by the Regional Development Fund. The Trust is also working with existing and potential partners, both local and nationally recognised, in exploring a number of exciting initiatives and projects. These projects, particularly in the areas of education and biodiversity will enhance the reputation and status of Penllergare Valley Woods and will ensure we remain one of THE Regional and National attractions.

I would once again express our grateful thanks to the Friends of Penllergare Valley Woods for their support throughout the year. Whilst their fundraising efforts and their programme of events have been seriously curtailed, they have still been able to contribute a significant amount of money to the redevelopment of the Trust's website. Throughout the year they have been able to keep in touch with members through their wonderful "Friends in Lockdown" and keep the 200 Club going, both of which have proved invaluable.

I would thank our donors and grant givers for their contributions and particularly, the National Lottery Heritage Fund which has been so supportive and understanding during the year.

Please remember that the Penllergare Trust is a small independent charity. Although we continue to have a close and good relationship with the City and County of Swansea through our Memorandum of Understanding, we receive no financial assistance from them.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Chairman's foreword – continued

I can only repeat that the Trust's biggest challenge is to ensure that we are financially sustainable and the Covid restrictions have made this even more of a challenge. Our staffing and financial resources are limited, so we have to balance carefully what we would like to do with what we can afford. We need to raise over £130,000 of income each year to ensure that the woods can be maintained to provide a wonderful and safe environment for our visitors. Every small donation counts towards this target, and we are grateful to all our visitors and supporters for their generous and continued financial support.

Paul Baker - Chair

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Penllergare Trust (the Charity) is controlled by its Memorandum and Articles of Association, and is constituted as a company limited by guarantee, as defined by the Companies Act 2006.

Recruitment and Appointment of New Trustees

Trustees are appointed by existing members of the Board in furtherance of the objects of the Trust, in a number of ways, including personal recommendation and use of voluntary organisation resources, such as SCVS and WCVA.

Notwithstanding the pandemic, the Board welcomed a new Trustee in March 2021 who will bring an important background in education, as noted below.

Induction and Training of New Trustees

New Trustees receive training and induction through a variety of means, including one to one sessions with the Chairman, Secretary, Treasurer and other Trustees/staff as appropriate; being supplied with relevant reading materials, briefing documents and guidance as well as regular briefings and formal Board training sessions. Skills shortages on the Board are also kept under constant review and recruitment of new Trustees is targeted accordingly. A skills audit was implemented during April 2021, the outcome of which will be followed up in our next Annual Report.

Risk Management

In compliance with the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice, the major risks to which the Charity is exposed, as identified by Trustees, have been reviewed and systems have been established to manage those risks, including reviews at Board Meetings.

Management

Day to day management of the Trust is undertaken by our General Manager, Lee Turner, who is assisted by a small team of operational staff, most of whom are part-time.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

Ymddiriedolaeth Penllergare - the Penllergare Trust - is an independent registered charity (number 1082128), and a company limited by guarantee not having share capital (number 04004593).

This is our 21st report and it covers the 12-month period ending 31 March 2021.

The Charity was established in 2000 for the benefit of the public at Penllergare and its setting in Swansea, to further the protection, conservation, restoration and maintenance of the cultural landscape of Penllergare; enhance the knowledge and appreciation of Penllergare and promote the protection and conservation of wildlife.

ACHIEVEMENT AND PERFORMANCE

Overview

The Covid-19 pandemic severely constrained activities during this period with 9 of our 11 employees having to be placed on the Government's furlough scheme.

Notwithstanding, the Board of Trustees met 9 times during the year via Zoom on an agreed bi-monthly and monthly basis, as deemed appropriate by the Chair, to discuss progress with the Trust's financial position during the pandemic, the National Lottery Heritage Fund (NLHF) Phase 2 Project and to review any other urgent business.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENT AND PERFORMANCE

Overview - continued

In late March 2021 the Board welcomed Karl Napieralla as a Trustee, bringing the total to ten Trustee Board members. Karl will bring much needed knowledge, expertise and enthusiasm in the field of education and will strengthen the Board as the Trust prepares to move into a new era of its development.

Although the pandemic halted a number of operations and developments at Penllergare, the Phase 2 Project design team was able to continue developing the project with Trustees and Staff via a number of Zoom meetings.

The Trust also kept volunteers and stakeholders abreast of developments through a variety of social media, Zoom meetings and posted publications.

During the year, and with the support of the National Lottery Heritage Fund and our NHLF monitor, the Trust and its consultant design team undertook work to review the size and scope of the project in order to improve its overall sustainability and thus ensure the future of the Penllergare Trust. We were delighted that the NLHF, despite being under pressure to support many of its existing grantees through the pandemic, was able to agree a grant uplift of £250,000 to support our reworked Project and Business Plan. The sum of £250,000 did not fully meet our identified needs, so a considerable amount of value engineering took place to reduce proposed project costs and to allow for greater volunteer inclusion. In conjunction with this, additional fundraising and requests for support were undertaken to help bridge any gaps.

Two separate planning permission applications were submitted to the Local Authority in November 2020, covering the Walled Garden, the Orchard and its environs and the Visitor Centre and Car Park. Both applications were still undetermined by the end of the period covered by this report.

The Trustees have once again been indebted to the tremendous support and contribution they have received from volunteers as detailed below.

Volunteers

Due to the pandemic, recruitment and induction of new volunteers over the past year has been very much on hold but we are confident that when restrictions are lifted, we will still have a pool of c.100 regular volunteers in both the woodland & garden areas and the coffee shop to call on, much the same as the previous year. Our outreach programmes to local businesses and other organisations have also been put on hold, although we are, again, confident that there are a number of individuals who will be prepared to return.

In total, an average of 13 volunteers supported us throughout the year, compared with 106 the previous year. This was due, of course, to the lockdowns throughout that period which severely restricted activity in the Woods. Total volunteering hours decreased from 14,525 to 3,561 with the estimated financial benefit of those hours equated to £77,850 for the year, compared to £206,200 the previous year. This includes Trustees working from home; sub groups meeting regularly via Zoom, coffee shop volunteers opening as allowed within government restrictions and estate volunteers carrying out essential maintenance.

National Awards

Green Flag – we were again successful in achieving Green Flag status.

Works and Landscaping

This was severely impacted by the pandemic.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENT AND PERFORMANCE

Visitors, Access and Biodiversity

As a result of the pandemic, visitor footfall dropped dramatically during this period, especially as our Coffee Shop had to remain closed for most of the time. Visitors still came for exercise under government guidelines and Trustees and staff maintained a health and safety "watching brief" as best as they were able to ensure walker safety.

The Biodiversity Advisory Forum met virtually twice during the year with a further three information bulletins also circulated. The Forum also produced a Climate Change Mitigation and Adaptation report, submitted to the Board in March 2021.

Partnerships & The Champions Club.

Due to the pandemic, we were not able to develop this area during the period covered by this report.

The Friends of Penllergare

For the Friends of Penllergare (the membership part of the Trust), currently with 448 members, compared with 452 the previous year, the last year presented an unexpected challenge. Their 2020 programme of meetings and events was cancelled due to Covid19 thereby substantially reducing all fundraising activities to benefit the Trust. However, the 200 Club continued throughout the pandemic bringing in a pleasing amount of £1,800, thanks to the dedication and hard work of its organisers.

To keep the membership informed and engaged, a monthly online, illustrated publication, *Friends in Lockdown*, was introduced, which was not only well received but also generated further contributions of articles and photos from members, and therefore kept up the momentum of the Group throughout a very difficult time.

Social Media and Website

Facebook continues to be the main channel of communication, with nearly 11,500 "likes" in the last 12 months, up by over 2,000 year over year. We currently have just over 12,000 followers showing a Facebook average review rating of 4.5 stars out of 5.

Our Twitter followers also currently stand at 1,195 and we currently showing as number 7 out of 117 "things to do" in Swansea on Tripadvisor, with many positive comments giving us a Certificate of Excellence for the 7th year running with a rating of 4.5 stars out of 5, the same as the previous year.

We are delighted to note that Penllergare Valley Woods is still in the Tripadvisor Travellers Choice Awards Top 10% of places to visit in the world, as it had been the previous year.

FINANCIAL REVIEW

General

The Trust began the financial year facing the impact of the national lockdown, with huge uncertainties ahead. It was clear that we were facing a potentially catastrophic loss of income, and with only a limited balance in our unrestricted reserves, our financial future was extremely insecure. There was a real fear that the Trust could run out of funds during the year and would have to close. We immediately set about trying to secure Covid business support and other grants, as well as launching an appeal for donations, in order to replace the income we were expecting to lose. The Board's prime target was financial survival by the year end, but given that it could have been almost equally catastrophic to end the year with virtually nothing left in our unrestricted reserves, our secondary target was to try to minimise the amount we would have to use up from our own reserves to survive.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

General - continued

Ultimately, due to the National and Welsh Governments' business support grants and schemes, and to the generous assistance of other grant providers and our own supporters, we were able to secure sufficient grant and other funding to help us survive without having to use our own reserves. We are able to report a surplus on unrestricted reserves for the year of just under £38,000. Whilst this is a pleasing outcome which is much better than was expected, it is clear that the adverse impact of the Covid pandemic remains a continuing challenge, so this surplus is likely to be needed to meet the ongoing costs and loss of income for the coming year and possibly beyond.

The reported surplus on our restricted reserves is £113,376. However, this has largely resulted from the requirement to comply with the Charity SORP (Statement of Recommended Practice) in terms of recognition of income. This also happened last year as the Trust recognised almost all of its grant income from NLHF towards the Phase 2 Project. In 2020/21, the Trust has been required similarly to include the uplift in the Phase 2 NLHF grant of £250,000 even though most of the associated expenditure has not yet been incurred. As a result, the total restricted income reported for the year is £363,160. This reported increase in funds will be used over the next two years to meet future expenditure on the Phase 2 project.

Our Income

Due to the pandemic, the Trust was unable to generate any income from fundraising events and activities and had to rely entirely on grants and donation income, together with some trading income from the Coffee Shop and Car Park, monies generated by our Archimedes Screw and Turbine, and income from Friends' subscriptions and the 200 Club.

During the year, the Coffee Shop was closed for approximately half of the year and when it was able to open, had to operate on a very limited basis. We were able to open the Car Park for all but two and a half months of the year, but visitor numbers and revenue were reduced significantly during several months when the lockdown restrictions required people to "stay local" or drive only short distances.

Nevertheless, Car Park income held up well during the year as we implemented an increase in charges for the Car Park during the year as part of our survival plan. However, the Coffee Shop turnover was very badly hit by the lockdown restrictions and its surplus for the year (£7,000) was around one-third of what would have been expected.

This small surplus was achieved mainly due to the reduced level of VAT to 5% for hospitality, but also to a number of grants that were provided including Furlough, Eat Out to Help Out and a grant towards the additional costs of Covid from the National Heritage Lottery Fund. It is pleasing that our customers and visitors did return in good numbers once we were able to re-open the Coffee Shop and we are extremely grateful for their continuing support. We remain very grateful to the Coffee Shop staff for their efforts to generate this income in particularly difficult circumstances this year, and with virtually no volunteer support possible.

The grants we received to provide support to the Trust to meet the costs of the pandemic during the year were as follows:

Source	£
Government Furlough Scheme	41,190
NLHF Emergency Funding towards fixed costs	18,300
NLHF Covid Recovery Fund	9,600
WCVA Charity Resilience Fund	18,608
Welsh Govt (Rates Relief Grant via City and County of Swansea)	20,000
Eat Out to Help Out Scheme	3,000
TOTAL	110,698

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Our Income - continued

In addition, the reduction of VAT to 5% for the hospitality sector benefitted the Trust by £7,200.

Without this financial support, the Trust would not have survived. We are extremely grateful in particular to the National Lottery Heritage Fund and the Welsh Council for Voluntary Action for their generous and timely grant assistance.

The appeal launched by the Trust to raise money from our supporters to help us through the pandemic reached a total of £7,800 and again we are extremely grateful for all the donations.

Whilst the Phase 2 project was largely put on hold during the year, the development work for the Phase 2 project continued, supported by grant payments from the National Lottery Heritage Fund. We also received a substantial grant of over £17,000 from the Post Code Lottery towards the Heritage Orchard development, as well as a number of smaller grants towards our work. We extend our thanks to Persimmon Homes, the Welsh Church Acts Fund, Oakdale Trust, DS Smith Trust and the Leach Charitable Trust for their generosity.

The Friends of Penllergare Valley Woods continue to contribute valuable financial support to the Trust, both through subscriptions, donations and from fund-raising schemes. Whilst their fundraising events were inevitably curtailed during the year, the Friends' 200 Club scheme again attracted considerable support, raising over £1,800 in the year. The Trust looks forward to the Friends being able to restart their successful fundraising events before too long.

Our Expenditure

The total expenditure was similar to the previous year; some categories of expenditure were down due to the impacts of the pandemic on the Trust's activities, however this was offset by higher project expenditure on Phase 2. Nine of our eleven staff were furloughed for all or part of the year, which meant that activity in the woods had to be severely curtailed.

The Trust spent a total of £90,091 (2020 - £145,900) on charitable activities from its unrestricted reserves during the year, i.e. on the day to day running costs of the woods. This excludes the direct running costs of our commercial and fundraising activities schemes (Coffee Shop, Car Park, Turbine etc)., on which a total of £81,693 was spent (2020 - £104,300). A further £245,795 was spent on restricted expenditure on projects or schemes for which specific funding had been received. This was mainly on the continuing development and design costs of the Phase 2 project.

Commentary on Balance Sheet

The Trust's balance sheet shows that the Trust has capital assets at the Balance Sheet date valued at just over £1.6 million. These assets are primarily a result of capital expenditure from our many projects over the years, particularly the NLHF Parks for People Project. These assets include major items such as the Coffee Shop and Car Park, Observatory, Llewelyn Bridge, Lakeworks and Turbine, as well as the many smaller assets we use on a day to day basis, including woodland equipment, vehicles, office equipment, coffee shop equipment etc. Most of the major assets could not be sold and have been capitalised to reflect that they will be providing a benefit over the long term, rather than for just one year.

The debtors shown in the balance sheet have increased by around £115,000, which reflects primarily the uplift on the NLHF Phase 2 grant, less amounts received during the year.

The balances shown as cash at bank have increased from £253,740 to £281,052.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

Commentary on Balance Sheet - continued

Deferred income has reduced compared to last year, the main movements being in relation to the NHLF Phase 2 grant.

The Trust's unrestricted reserves have increased during the year by £37,922 to £99,226. These represent funds which are available to the Trust to use for its day to day expenditure, with no restrictions on how the money is spent, other than on the Trust's charitable purposes. These funds include funds generated by income generating schemes, donations, the Friends' membership fees and fundraising events and are used to meet the general running costs of the Trust, such as operational staffing costs, general woodland maintenance, vehicle running costs, insurance and audit costs.

The Trust's restricted reserves are those funds which can only be used for restricted purposes, such as specific grant funded projects. These have increased in value during the year from £2,961,791 to £3,075,167.

The restricted reserves can be summarised as follows:

	£
NLHF Phase 2 Project funds	1,561,278
RDP Development funds	62,669
Minor ongoing projects	64,166
Parks for People & other projects	1,413,684
Fair value reserve	(26,630)
Total Restricted Reserves	3,075,167

Reserves Policy

The Trust maintains several specific reserves for particular projects, primarily those funded from external restricted-purpose grants.

Unrestricted reserves are used for monies which have no restriction on their use and include funds generated by income generating schemes, donations, the Friends' membership fees and fundraising events. These reserves are used to meet the general running costs of the Trust, such as general woodland maintenance, vehicle running costs, insurance and audit costs. The Trust had set itself a target to increase its reserve balances to the equivalent of one year's running costs before the end of the Parks for People Project.

The Trust's unrestricted reserve balance is £99,226 at the year end. However the increase is likely to be temporary in nature due to the ongoing impact of the pandemic and to short-term financial pressures arising from the delay to the Phase 2 project. The Trust has developed a sound business case for the next 5 years, as part of which we will be aiming to restore the unrestricted reserves to the target.

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Ymddiriedolaeth Penllergare - The Penllergare trust for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, Gerald Thomas, have agreed to offer themselves for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17 December 2021 and signed on its behalf by:

P Baker
Chairman

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
YMDDIRIEDOLAETH PENLLERGARE
THE PENLLERGARE TRUST (REGISTERED NUMBER: 040044593)**

Opinion

We have audited the financial statements of Ymddiriedolaeth Penllergare - The Penllergare Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2021 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
YMDDIRIEDOLAETH PENLLERGARE
THE PENLLERGARE TRUST (REGISTERED NUMBER: 040044593)**

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Detecting Irregularities

The objectives of our audit in relation to fraud are as follows:

- To identify and assess the risks of material mis-statement of the financial statements due to fraud;
- To obtain sufficient appropriate audit evidence regarding the assessed risks of material mis-statement due to fraud, through designing and implementing appropriate responses;
- And to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
YMDDIRIEDOLAETH PENLLERGARE
THE PENLLERGARE TRUST (REGISTERED NUMBER: 040044593)**

Auditor's approach to assessing the risks of material mis-statement due to irregularities, including fraud

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 102, Charity SORP and Companies Act 2006) and the relevant tax compliance regulations in the UK.

We assessed the risks of material misstatement in respect of fraud and considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements.

Audit procedures designed to respond to the risks of non-compliance with laws and regulations

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. We made enquiries of management to understand how the charity is complying with those frameworks.

Audit procedures performed by the engagement team also included a review of the financial statements disclosures to underlying supporting documentation.

Audit procedures designed to respond to the risks of fraud

We assessed the susceptibility of the company's financial statements to material mis-statement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud.

The COVID-19 working environment increases the inherent risk of fraud. Our audit procedures have been tailored to address this risk, with areas of audit focus identified as:

- Going concern risk;
- Government supports schemes fraudulently being claimed;
- Potentially more opportunities for fraud with more remote working;

As well as adopting an attitude of professional scepticism, we have obtained information for use in identifying the risk of fraud when performing risk assessment procedures, and performed the following procedures in light of the risk of fraud:

- Discussion amongst the engagement team regarding the susceptibility of the client to fraud;
- Consider the risk of fraud when documenting and testing internal controls;
- Enquiring of management how they: assess the risk of fraud; identify and respond to the risks of fraud; and
- Enquiring of management whether they have any knowledge of actual or suspected frauds;

Management override of controls

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach. The audit engagement team performed journal entry testing using a risk-based approach and evaluating whether there was evidence of bias, with a focus on any journals indicating large or unusual transactions based on our understanding of the charity.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
YMDDIRIEDOLAETH PENLLERGARE
THE PENLLERGARE TRUST (REGISTERED NUMBER: 040044593)**

Considerations around likelihood of detection

However, owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material mis-statements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of Gerald Thomas
Chartered Accountants and Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

Date: 17 December 2021

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	128,875	54,853	183,728	95,807
Charitable activities	4	-	308,307	308,307	1,352,231
Other trading activities	5	89,474	-	89,474	148,498
Investments	6	754	-	754	1,803
Other income	7	<u>13,244</u>	<u>-</u>	<u>13,244</u>	<u>16,832</u>
Total income and endowments		232,347	363,160	595,507	1,615,171
EXPENDITURE ON:					
Fundraising activities	9	81,693	-	81,693	103,834
Charitable activities	10	<u>90,091</u>	<u>245,795</u>	<u>335,886</u>	<u>306,961</u>
Total expenditure		171,784	245,795	417,579	410,795
NET INCOME/(EXPENDITURE)	8	60,563	117,365	177,928	1,204,376
TRANSFERS BETWEEN FUNDS	28	(22,641)	22,641	-	-
OTHER GAINS AND LOSSES	28	-	(26,630)	(26,630)	-
NET MOVEMENT IN FUNDS	28	<u>37,922</u>	<u>113,376</u>	<u>151,298</u>	<u>1,204,376</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>61,304</u>	<u>2,961,791</u>	<u>3,023,095</u>	<u>1,818,719</u>
TOTAL FUNDS CARRIED FORWARD		<u>99,226</u>	<u>3,075,167</u>	<u>3,174,393</u>	<u>3,023,095</u>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**BALANCE SHEET
AT 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	17	2,373	1,164,401	1,166,774	1,214,609
Heritage assets	18	-	398,247	398,247	399,975
Programme related investments	19	-	37,500	37,500	50,000
		<u>2,373</u>	<u>1,600,148</u>	<u>1,602,521</u>	<u>1,664,584</u>
CURRENT ASSETS					
Stocks		1,646	-	1,646	1,778
Debtors	20	34,740	1,600,441	1,635,181	1,520,332
Cash at bank		105,413	175,639	281,052	253,740
		<u>141,799</u>	<u>1,776,080</u>	<u>1,917,879</u>	<u>1,775,850</u>
CREDITORS					
Amounts falling due within one year	22	(44,946)	(24,320)	(69,266)	(58,706)
		<u>96,853</u>	<u>1,751,760</u>	<u>1,848,613</u>	<u>1,717,144</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		99,226	3,351,908	3,451,134	3,381,728
CREDITORS					
Amounts falling due after more than one year	23	-	(11,326)	(11,326)	(22,644)
ACCRUALS AND DEFERRED INCOME					
	25	-	(265,415)	(265,415)	(335,989)
NET ASSETS					
		<u>99,226</u>	<u>3,125,167</u>	<u>3,174,393</u>	<u>3,023,095</u>
FUNDS					
	28				
Unrestricted funds		99,226	-	99,226	61,304
Restricted funds		-	3,075,167	3,075,167	2,961,791
		<u>99,226</u>	<u>3,075,167</u>	<u>3,174,393</u>	<u>3,023,095</u>
TOTAL FUNDS					

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2021**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021, although an audit has been carried out under Section 144 of the Charities Act 2011.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The Trustees acknowledge their responsibilities for: -

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 17 December 2021 and were signed on its behalf by:

P Baker – Chairman

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	87,543	222,559
Interest paid		<u>(1,454)</u>	<u>(1,745)</u>
Net cash provided by operating activities		<u>86,089</u>	<u>220,814</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(66,773)	(64,022)
Proceeds from disposal of investment		12,500	-
Interest received		<u>754</u>	<u>1,803</u>
Net cash (used in)/provided by investing activities		<u>(53,519)</u>	<u>(62,219)</u>
Cash flows from financing activities			
Loan drawn		6,203	-
Loan repayments		<u>(11,461)</u>	<u>(15,326)</u>
Net cash (used in)/provided by financing activities		<u>(5,258)</u>	<u>(15,326)</u>
Change in cash and cash equivalents in the reporting period			
		27,312	143,269
Cash and cash equivalents at the beginning of the reporting period	2	<u>253,740</u>	<u>110,471</u>
Cash and cash equivalents at the end of the reporting period	2	<u>281,052</u>	<u>253,740</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	151,298	1,204,376
Adjustments for:		
Depreciation charges	116,336	114,409
Interest received	(754)	(1,803)
Interest paid	1,454	1,745
Decrease/(increase) in stock	132	(556)
Decrease/(increase) in debtors	(114,849)	(1,415,844)
Increase/(decrease) in creditors	4,500	22,243
Increase/(decrease) in deferred income	<u>(70,574)</u>	<u>297,989</u>
Net cash provided by operations	<u>87,543</u>	<u>222,559</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank	281,052	253,740
Total cash and cash equivalents	<u>281,052</u>	<u>253,740</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/20 £	Cash flows £	Other Non- cash changes £	At 31/3/21 £
Cash at bank and in hand	253,740	27,312	-	281,052
Loans falling due within one year	(9,000)	5,258	(11,318)	(15,060)
Loans falling due after one year	<u>(22,644)</u>	<u>-</u>	<u>11,318</u>	<u>(11,326)</u>
Total	<u>222,096</u>	<u>32,570</u>	<u>-</u>	<u>254,666</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATUTORY INFORMATION

The Penllergare Trust is a charitable company, limited by guarantee, registered in England & Wales. The charitable company's registered number and registered office address can be found in the Trustees' Report.

2. ACCOUNTING POLICIES

Basis of preparation

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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, as modified by the revaluation of certain assets.

The charitable company's functional and presentational currency is the pound sterling (£) and balances are rounded to the nearest £1.

Going concern

A significant proportion of the charity's income is by way of grants. The charity has net current assets at the balance sheet date and has a surplus in the current year. Whilst the charity has been reliant to date on the continuing support of its grant funders, it has developed an ongoing revenue stream from the coffee shop, car park and Hydropower Scheme from 2014. The charity is reliant on these income streams, together with using existing cash reserves and approved grants to meet the current running costs of the charity for the next twelve months.

The pandemic has had an adverse impact during the period in relation to the income generated from the coffee shop and the car park. The Trust has taken all necessary action to react to the change in circumstances and has secured sufficient emergency grant funding and financial support to enable it to continue operating without any adverse impact on either its level of unrestricted reserves or its expected future financial plans.

The Trustees have a reasonable expectation that sufficient income together with grants will continue to be received to meet its expenses and future capital commitments and therefore the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Income recognition

All income is included on the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Where grants are subject to performance related conditions, they are recognised in the Statement of Financial Activities based upon when the performance related conditions have been met, in line with the Statement of Recommended Practice: Accounting and Reporting by Charities. Donations are recognised either when received unless the charity has been notified in writing of both the amount and date of expected payment. Income from trading activities is recognised upon the delivery of goods and the provision of services. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

Income recognition - continued

Donated services and facilities are recognised as income and expenditure when the benefit to the charity can be reasonably quantified or measured and is considered material to the charity. The value of volunteers' time has not been recognised in the accounts.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. All expenses including support costs are allocated to the applicable expenditure headings.

Allocation and apportionment of costs

Expenditure which is charged on an accrual's basis, is allocated between expenditure incurred directly in the effort to raise funds, expenditure incurred directly in the fulfilment of the charity's objectives, and expenditure incurred in the management and administration of the charity (governance costs and other expenditure). Due to the operations of the charity it was not considered appropriate to allocate expenditure based on activities as the park is considered a unified activity.

Expenditure on raising funds

The costs of raising funds consist of the running costs of the car park and coffee shop together with fundraising costs.

Expenditure on charitable activities

Costs of charitable expenditure include the costs of operating and the general maintenance of the park.

Pension costs

The charity operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the charity to the fund, in accordance with the rules of the scheme.

Other expenditure

This consists of staff support costs and administrative expenses.

Significant judgements and estimates

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only effects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the trustees have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

Significant judgements and estimates

Provisions and contingencies

Provisions are recognised when the charity has a present obligation as a result of a past event and a reliable estimate can be made of a probable adverse outcome. Otherwise, material contingent liabilities are disclosed unless a transfer of economic benefits is considered remote. Contingent assets are only disclosed if an inflow of economic benefits is probable.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are reassessed annually and are amended when necessary to reflect current estimates of economic utilisation and physical condition of the assets.

Financial instruments

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

Non-exchange transactions, such as grant debtors and deferred grants are recognised at the present value of the likely settlement amount. Any gains or losses arising from present value adjustments are recognised in the Statement of Financial Activities.

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

Tangible fixed assets

Fixed assets costing £250 or more (including VAT) are capitalised and stated at cost less accumulated depreciation calculated so as to write off their cost less any residual value over their expected useful lives. Depreciation is provided at the following annual rates:

Buildings – new constructions	- straight line over 60 years
Buildings – other (including lakeworks)	- straight line over 15 years
Fixtures and fittings	- straight line over 15 years
Plant and machinery	- long life – straight line over 15 years
Plant and machinery	- medium life – straight line over 5 years
Plant and machinery	- short life - 33% per annum
Long leasehold	- over the term of the lease

Tangible fixed assets under construction are not depreciated.

Heritage assets

The acquisition of heritage assets relates to the reconstruction, restoration, preservation, conservation and educational objectives of the Trust, and in particular, the cultural landscape of Penllergare. The completed heritage assets include the Llewelyn Bridge and the Observatory.

The Llewelyn Bridge is a new structure on the site of an old stone bridge which existed on this site in the early 19th century and was incorporated into the landscape design conceived and implemented by John Dillwyn Llewelyn (JDL) and his father, Lewis Weston Dillwyn. The bridge features in contemporary paintings and photographs by JDL and his family, and as such is an integral part of the art of the landscape designer, in the historic style of the romantic picturesque landscape movement which prevailed at the time. The new bridge has been designed to be in keeping with the historic designed landscape, which is the main heritage feature at Penllergare Valley Woods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

Heritage assets

The Observatory is the only part of the original mansion house which is still standing. It was built in 1851 by JDL to further his interest in astronomy. It is a Scheduled Ancient Monument and of major historic significance as some of the earliest photographs of the moon were taken there.

The heritage assets also include the Vinery, Orchid House and Walled Garden which are all assets under construction. The charity plans to repair and conserve the Walled Gardens, conserve the Orchid House including its waterfall and pond and to restore the historic Vinery located within the Walled Gardens.

Heritage assets are capitalised and stated at cost less accumulated depreciation calculated so as to write off their cost less any residual value over their expected useful lives. Depreciation is provided at the following annual rates:

Buildings – new constructions - straight line over 60 years
Buildings – other (including Observatory) - straight line over 15 years

Heritage assets under construction are not depreciated.

The Trusts budgets for the management and preservation of completed heritage assets on an ongoing basis. No disposal of heritage assets has taken place to date and the Trust does not intend to dispose of heritage assets for the foreseeable future.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes purchase price less discounts where applicable. Net realisable value is based on estimated selling price. Provision is made for obsolete and slow moving items where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities. The charity registered for VAT on 1st December 2015 and is liable to pay VAT on its business activities, although its charitable activities are outside the scope of VAT.

Operating leases

Rentals paid under operating leases are charged as expenditure on a straight line basis over the period of the lease.

Deferred Income

Grant income is deferred to future periods when the grant is subject to performance related conditions being met. The grant income is deferred and not recognised until the conditions are fully met.

Investments

Fixed asset investments are valued at fair value.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. INCOME FROM DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	12,579	15,715
Grants	95,110	63,575
Government grants	68,188	9,099
Subscriptions	5,370	4,595
Gift Aid	<u>2,481</u>	<u>2,823</u>
	<u>183,728</u>	<u>95,807</u>

	Unrestricted £	Restricted £	2021 £
Donations	12,429	150	12,579
Grants	40,407	54,703	95,110
Government grants	68,188	-	68,188
Subscriptions	5,370	-	5,370
Gift aid	<u>2,481</u>	<u>-</u>	<u>2,481</u>
	<u>128,875</u>	<u>54,853</u>	<u>183,728</u>

	Unrestricted £	Restricted £	2020 £
Donations	10,415	5,300	15,715
Grants	-	63,575	63,575
Government grants	1,311	7,788	9,099
Subscriptions	4,595	-	4,595
Gift aid	<u>2,823</u>	<u>-</u>	<u>2,823</u>
	<u>19,144</u>	<u>76,663</u>	<u>95,807</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Grants	<u>308,307</u>	<u>1,352,231</u>

	Unrestricted £	Restricted £	2021 £
Grants	<u>-</u>	<u>308,307</u>	<u>308,307</u>

	Unrestricted £	Restricted £	2020 £
Grants	<u>1,927</u>	<u>1,350,304</u>	<u>1,352,231</u>

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

5. INCOME FROM OTHER TRADING ACTIVITIES	2021	2020
	£	£
Book Sales	141	1,002
Coffee shop and car park	82,185	131,917
Export of electricity	2,286	2,904
Firewood sales	38	125
Calendar Sales & Sponsorship	732	1,142
Sale of other items	67	3,299
Fees – use of Trust premises	850	1,292
Other fundraising activities	-	2,875
Friends Fundraising activities	3,175	3,942
	<u>89,474</u>	<u>148,498</u>
6. INCOME FROM INVESTMENTS	2021	2020
	£	£
Deposit account interest	612	1,628
Leasehold bond interest	142	175
	<u>754</u>	<u>1,803</u>
7. OTHER INCOME	2021	2020
	£	£
Feed in tariff	<u>13,244</u>	<u>16,832</u>
8. NET INCOME/EXPENDITURE		
Net income/(expenditure) is stated after charging/(crediting):	2021	2020
	£	£
Audit fees – tax advisory services	-	624
Audit fees	6,000	6,000
	<u>6,000</u>	<u>6,624</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

9. EXPENDITURE ON FUNDRAISING ACTIVITIES

	2021	2020
	£	£
Coffee shop and Car Park running costs	67,211	86,359
Friends events/100 Club prizes	475	727
Fundraising/Commercial staff costs	685	11,277
Other fundraising events	11,812	2,501
Depreciation	-	136
Turbine running costs	1,510	2,834
	<u>81,693</u>	<u>103,834</u>

10. EXPENDITURE ON CHARITABLE ACTIVITIES

	2021	2020
	£	£
Parks for People (NLHF) project expenditure	-	1,380
NLHF Phase 2 project delivery	30,328	13,391
Other project expenditure	7,666	6,530
Depreciation	116,335	114,273
Plant and Bulb Appeal	-	311
Lease rent	35,000	34,754
Accountancy and payroll	6,426	7,571
Friends	85	1,127
Staff salaries	70,005	66,112
Other Unrestricted Expenditure	14,886	11,606
Support costs – staff	42,645	40,330
Bank charges	238	201
Loan interest	1,454	1,745
Volunteers' Expenses	-	718
Telephone, postage and stationery	8,319	5,307
Support costs – other	2,499	1,605
	<u>335,886</u>	<u>306,961</u>

Analysis by fund

Unrestricted funds	90,091	90,919
Restricted funds	<u>245,795</u>	<u>216,042</u>
	<u>335,886</u>	<u>306,961</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020. There were no trustees reimbursed during the year (2020 - £513).

12. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
Loan interest	<u>1,454</u>	<u>1,745</u>

13. EXPENDITURE: SALARIES & NATIONAL INSURANCE

	2021	2020
	£	£
Salaries	156,721	153,802
Social security	4,981	6,632
Workplace pensions	<u>2,302</u>	<u>2,413</u>
	<u>164,004</u>	<u>162,847</u>

There are no employees with salaries greater than £60,000 per annum.

The average weekly number of employees by function

	2021	2020
	£	£
Charitable activities staff	6	6
Staff employed to generate funds	<u>7</u>	<u>7</u>
	<u>13</u>	<u>13</u>

14. VOLUNTEERS

The charity is assisted by volunteers, the number of which fluctuated during the year but averaged 13 (2020 - 106) at any one time. The value of volunteers' time is estimated with reference to the recorded number of volunteer hours multiplied by the estimated hourly rate that an employee would have been paid for carrying the type of service. The quantified benefit to the charity for volunteers time is £77,850 (2020 - £206,200) and, in line with requirements of the SORP, this amount has not been recognised within the accounts.

15. KEY MANAGEMENT PERSONNEL

Key management personnel are considered to be those personnel who are not trustees but sit within key operational and strategic roles. The total employee costs of the employee deemed to be key management personnel was £37,603 (2020 - £36,711).

YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	19,144	76,663	98,807
Charitable activities	1,927	1,350,304	1,352,231
Other trading activities	148,498	-	148,498
Investments	1,803	-	1,803
Other income	<u>16,832</u>	<u>-</u>	<u>16,832</u>
Total income and endowments	188,204	1,426,967	1,615,171
EXPENDITURE ON:			
Charitable activities	103,834	-	103,834
Other expenditure	<u>90,919</u>	<u>216,042</u>	<u>306,961</u>
Total expenditure	194,753	216,042	410,795
NET INCOME/(EXPENDITURE)	(6,549)	1,210,925	1,204,376
TRANSFERS BETWEEN FUNDS	-	-	-
NET MOVEMENT IN FUNDS	(6,549)	1,210,925	1,204,376
RECONCILIATION OF FUNDS:			
Total funds brought forward	<u>67,853</u>	<u>1,750,866</u>	<u>1,818,719</u>
TOTAL FUNDS CARRIED FORWARD	<u>61,304</u>	<u>2,961,791</u>	<u>3,023,095</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. TANGIBLE FIXED ASSETS

	Assets under construction £	Long leasehold £	Short leasehold £	Plant and Machinery £	Total £
COST					
Brought forward	26,188	1,342,641	4,114	393,779	1,766,722
Additions	37,936	-	-	11,993	49,929
Disposals	-	-	-	(1,619)	(1,619)
At 31 March 2021	<u>64,124</u>	<u>1,342,641</u>	<u>4,114</u>	<u>404,153</u>	<u>1,815,032</u>
DEPRECIATION					
Brought forward	-	396,768	1,140	154,205	552,113
Charge for the year	-	70,365	165	27,234	97,764
Eliminated on disposal	-	-	-	(1,619)	(1,619)
At 31 March 2021	<u>-</u>	<u>467,133</u>	<u>1,305</u>	<u>179,820</u>	<u>648,258</u>
NET BOOK VALUE					
At 31 March 2021	<u>64,124</u>	<u>875,508</u>	<u>2,809</u>	<u>224,333</u>	<u>1,166,774</u>
At 31 March 2020	<u>26,188</u>	<u>945,873</u>	<u>2,974</u>	<u>239,574</u>	<u>1,214,609</u>

In the prior year, depreciation on plant and machinery totalling £16,180 was allocated against long leasehold assets in error. The brought forward depreciation balances for plant and machinery and long leasehold assets have been adjusted to correct this error. There was no impact on the total depreciation balances.

18. HERITAGE ASSETS

	Buildings under Construction £	Buildings £	Total £
COST			
Brought forward	29,813	452,324	482,137
Additions	16,844	-	16,844
At 31 March 2021	<u>46,657</u>	<u>452,324</u>	<u>498,981</u>
DEPRECIATION			
Brought forward	-	82,162	82,162
Charge for the year	-	18,572	18,572
At 31 March 2021	<u>-</u>	<u>100,734</u>	<u>100,734</u>
NET BOOK VALUE			
At 31 March 2021	<u>46,657</u>	<u>351,590</u>	<u>398,247</u>
At 31 March 2020	<u>29,813</u>	<u>370,162</u>	<u>399,975</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

18. HERITAGE ASSETS - continued

Five year summary of heritage asset transactions:

	2021	2020	2019	2018	2017
	£	£	£	£	£
Cost of acquisitions	16,844	29,813	-	15,729	14,469

There have been no heritage assets acquired by donation during the last five years. There have been no disposals or impairment of heritage assets in the last five years.

19. INVESTMENTS: PROGRAMME RELATED INVESTMENTS

The programme related investment is in relation to a bond secured with the landlords of the park to secure the long term leasehold of the park. The investment supports the charitable objective as the leasehold of the park needed to be obtained in order to receive grant funding for the "Parks for People" project. During the year the charity withdrew £12,500 (2020 - £nil) from the bond.

At the year end the balance held as the bond was £37,500 (2020 - £50,000).

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Grants	228,076	1,269,384
Prepayments & accrued income	22,861	20,093
Other debtors	3,692	2,532
	<u>254,629</u>	<u>1,292,009</u>

21. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020
	£	£
Grants	1,331,518	167,085
Prepayments & accrued income	49,034	61,328
	<u>1,380,552</u>	<u>228,323</u>
	<u>1,635,181</u>	<u>1,520,332</u>

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	12,798	13,239
Accruals	23,013	20,839
Other creditors	18,395	13,261
Taxation and social security	-	2,367
Loans	15,060	9,000
	<u>69,266</u>	<u>58,706</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Loans	<u>11,326</u>	<u>22,644</u>

24. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Loans	<u>15,060</u>	<u>9,000</u>
Amounts falling due after more than one year but less than five years:		
Loans	<u>11,326</u>	<u>22,644</u>

25. ACCRUALS AND DEFERRED INCOME

	2021	2020
	£	£
Deferred grants	<u>265,415</u>	<u>335,989</u>

Summary of deferred income movements:

	£
Deferred income brought forward	335,989
Grants released during the year	(327,574)
New grants deferred during the year	257,000
	<u>265,415</u>

26. FINANCIAL COMMITMENTS

The charity has future operating lease commitments totalling £4,595,000 (2020 - £3,905,000).

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

27. COMPARATIVES FOR THE BALANCE SHEET

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	17	2,296	1,212,313	1,214,609	1,276,238
Heritage assets	18	-	399,975	399,975	388,733
Programme related investments	19	-	50,000	50,000	50,000
		<u>2,296</u>	<u>1,662,288</u>	<u>1,664,584</u>	<u>1,714,971</u>
CURRENT ASSETS					
Stocks		1,778	-	1,778	1,222
Debtors	20	34,363	1,485,969	1,520,332	104,488
Cash at bank		<u>44,647</u>	<u>209,093</u>	<u>253,740</u>	<u>110,471</u>
		80,788	1,695,062	1,775,850	216,181
CREDITORS					
Amounts falling due within one year	22	(21,780)	(36,926)	(58,706)	(45,463)
		<u>59,008</u>	<u>1,658,136</u>	<u>1,717,144</u>	<u>170,718</u>
NET CURRENT ASSETS					
		<u>59,008</u>	<u>1,658,136</u>	<u>1,717,144</u>	<u>170,718</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		61,304	3,320,424	3,381,728	1,885,689
CREDITORS					
Amounts falling due after more than one year	23	-	(22,644)	(22,644)	(28,970)
ACCRUALS AND DEFERRED INCOME	25	-	(335,989)	(335,989)	(38,000)
NET ASSETS		<u>61,304</u>	<u>2,961,791</u>	<u>3,023,095</u>	<u>1,818,719</u>
FUNDS					
Unrestricted funds	28	61,304	-	61,304	67,853
Restricted funds		-	2,961,791	2,961,791	1,750,866
		<u>61,304</u>	<u>2,961,791</u>	<u>3,023,095</u>	<u>1,818,719</u>
TOTAL FUNDS		<u>61,304</u>	<u>2,961,791</u>	<u>3,023,095</u>	<u>1,818,719</u>

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
THE PENLLERGARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

28. MOVEMENT IN FUNDS

	At 01/04/20	Net movement in funds	At 31/03/21
	£	£	£
Unrestricted funds			
General fund	40,952	32,745	73,697
Friends	<u>20,352</u>	<u>5,177</u>	<u>25,529</u>
	61,304	37,922	99,226
Restricted funds			
Parks for People Project (NLHF)	1,545,469	(131,784)	1,413,685
NLHF 2 – fundraising for delivery phase	1,327,294	233,984	1,561,278
Woodland Centre	25,618	(5,102)	20,516
Rural Development Fund	43,863	18,806	62,669
Orchard	2,231	17,963	20,194
Other restricted funds	17,316	6,139	23,455
Fair value reserve	<u>-</u>	<u>(26,630)</u>	<u>(26,630)</u>
	<u>2,961,791</u>	<u>113,376</u>	<u>3,075,167</u>
TOTAL FUNDS	<u><u>3,023,095</u></u>	<u><u>151,298</u></u>	<u><u>3,174,393</u></u>

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

	Income	Expenditure	Transfers
	£	£	£
Unrestricted funds			
General fund	226,610	171,224	(22,641)
Friends	<u>5,737</u>	<u>560</u>	<u>-</u>
	<u>232,347</u>	<u>171,784</u>	<u>(22,641)</u>
Restricted funds			
Parks for People Project (NLHF)	-	106,784	-
NLHF 2 – fundraising for delivery phase	312,572	126,229	22,641
Woodland Centre	-	5,102	-
Rural Development Fund	18,806	-	-
Orchard	18,253	290	-
Other restricted funds	13,529	7,390	-
Fair value reserves	<u>-</u>	<u>-</u>	<u>-</u>
	<u>363,160</u>	<u>245,795</u>	<u>22,641</u>
TOTAL FUNDS	<u><u>595,507</u></u>	<u><u>417,579</u></u>	<u><u>-</u></u>

Other losses on the fair value reserve, as reported in the Statement of Financial Activities, totalled £26,630.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

28. MOVEMENT IN FUNDS CONTINUED

Where deficits arise on restricted funds, these will be met by reserves in the general fund.

Details of transfers between funds:

Transfer From	Transfer To	Reason	Amount £
Phase 2 Delivery fund	General reserve	Staffing costs funded by Covid Economic Resilience grant	5,985
Phase 2 Delivery fund	General reserve	Staffing costs funded by Government Furlough Scheme	16,656

Comparative for movement in funds

	At 01/04/19	Net movement in funds	At 31/03/20
	£	£	£
Unrestricted funds			
General fund	53,309	(12,357)	40,952
Friends	<u>14,544</u>	<u>5,808</u>	<u>20,352</u>
	67,853	(6,549)	61,304
Restricted funds			
Parks for People Project (NLHF)	1,675,396	(129,927)	1,545,469
NLHF 2 – fundraising for delivery phase	15,820	1,311,474	1,327,294
Woodland Centre	30,720	(5,102)	25,618
Rural Development Fund	9,548	34,315	43,863
Orchard	428	1,803	2,231
Other restricted funds	<u>18,954</u>	<u>(1,638)</u>	<u>17,316</u>
	<u>1,750,866</u>	<u>1,210,925</u>	<u>2,961,791</u>
TOTAL FUNDS	<u>1,818,719</u>	<u>1,204,376</u>	<u>3,023,095</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

28. MOVEMENT IN FUNDS CONTINUED

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

	Income £	Expenditure £	Transfers £
Unrestricted funds			
General fund	180,566	192,923	-
Friends	<u>7,638</u>	<u>1,830</u>	-
	188,204	194,753	-
Restricted funds			
Parks for People Project (NLHF)	-	129,927	-
NLHF 2 – fundraising for delivery phase	1,381,654	70,180	-
Woodland Centre	-	5,102	-
Rural Development Fund	33,916	(399)	-
Orchard	2,500	697	-
Other restricted funds	8,897	10,535	-
	<u>1,426,967</u>	<u>216,042</u>	-
TOTAL FUNDS	<u><u>1,615,171</u></u>	<u><u>410,795</u></u>	<u><u>-</u></u>

The unrestricted funds are available to be spent for any of the purposes of the charity.

Restricted Funds

The Parks for People Project Fund (NLHF) is in respect of the Phase 1 Development which was established from grant funding for capital projects for restoration and renovation work in the Park. This involved the restoration of the Llewellyn Bridge and Observatory and construction of the Visitor Car Park and Coffee Shop.

The National Lottery Heritage Fund (NLHF) Development and Delivery is in respect of the Phase 2 Development which is grant funded by the National Lottery Heritage fund for the capital project of the restoration of the Walled Gardens, Orchid House and Vinery in the Park.

The Rural Development Fund is funding for a capital project for the construction of a Training Centre in the Park. The training centre will enable the Park to have a facility to offer training courses to the local community and volunteers.

The remaining restricted funds are in respect of smaller restoration and renovation projects in the Park.

The fair value reserve relates to the fair value adjustment on grants due after one year, as set out in note 21 and the related accounting policy.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

29. CAPITAL COMMITMENTS

At the balance sheet date, the Trust had capital commitments totalling £nil (2020 - £91,459) in relation to committed professional costs relating to the undergoing construction works.

The total building works under construction at the balance sheet date amounted to £110,711 (2020 - £56,001).

30. SECURED GRANTS

A grant of up to £2,320,800 had been awarded to the charity by the National Heritage Fund to assist in the restoration of Penllergare Valley Woods. The National Lottery Heritage Fund has a right to demand repayment of some or all of the grant, should certain grant conditions not be met and has registered a legal charge over the lease of the Woods and the Observatory.

A further grant of up to £1,881,700 has also been awarded by the National Lottery Heritage Fund to assist in the second phase of the restoration – the Walled Garden and adjacent areas. The NLHF has a right to demand repayment of some or all of the grant, should certain grant conditions not be met, and has registered a legal charge over the lease of the Walled Garden and adjacent areas.

31. RELATED PARTY TRANSACTIONS

There are no related party transactions during the year apart from Key Management Personnel costs as disclosed in note 15.