

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

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2016**

FOR

**YMDDIRIEDOLAETH PENLLERGARE
THE PENLLERGARE TRUST**

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

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

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FOR THE YEAR ENDED 31 MARCH 2016**

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

The Trustees who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in January 2015. The report is prepared in accordance with 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
SA5 7LS

TRUSTEES

T R Jones (Chairman)

P Baker

R Butt

J Childs

J Eyers

W Fitzgerald

H Thomas (Treasurer)

HT Moggridge

Resigned 23.07.15

B Richards

Reappointed 27.11.15

N Robins

Resigned 27.11.15 to take up the position of Project Manager

Trustee Emeritus

H T Moggridge

Appointed 25.09.15

Company Secretary

M Norman

Resigned 27.11.15

B Richards

Appointed 27.11.15

Observers and Advisors

Bronwen Thomas

Don Williams

WHGT

Independent Examiner

Gerald Thomas

Chartered Accountants

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 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Hon. Solicitors

Edward Harris Solicitors
Tredegar Fawr
Llangyfelach
Swansea
SA5 7LS

Bankers

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

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.

Skills shortages on the Board are also kept under constant review and recruitment of new Trustees is targeted accordingly.

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.

In addition to the general Trustees duties, Trustees are assigned additional specific duties.

Risk Management

In compliance with SORP 2015, 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. The major risks facing the charity include financial risks, general compliance risk, environmental and external factors, governance and operational.

OBJECTS 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 sixteenth report and it covers the 12-month period ending 31 March 2016.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

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
- knowledge and appreciation of Penllergare
- the protection and conservation of wildlife.

MAIN ACTIVITIES AND ACHIEVEMENTS

Over-view

The Board of Trustees met six times during the year and more often informally to discuss progress with tenure, the Heritage Lottery Fund (HLF) Phase 1 and 2 projects and to review management policies. The Annual General Meeting was held on 25th September 2015. Throughout the year and in the preparation of this report, the Trustees have paid due regard to public benefit guidance published by the Charity Commission in compliance with their duty in Section 17 of the Charities Act 2011.

The Trustees have once again been indebted to the tremendous support and contribution they have received from volunteers. They recognise that, as volunteers themselves, the Trust could not function without the support of all the other volunteers who are regularly to be found working in the woodlands, in the running of the very successful, and growing, coffee shop and in the administration of the Friends and in all the many other areas of our work, which range from fund-raising and research through to giving guided walks and talks to external organisations, as well as the growing number of volunteer rangers. In total, approaching just over 13,000 hours of volunteers' time has been recorded during the period covered by this report.

This year we implemented the Development Stage of the Phase 2 grant with a view to completion of this phase by the end of March 2017 and as part of that process, negotiations continue with the landlord for the acquisition of the walled garden and associated land. If successful in being awarded the Delivery Phase grant, Valley Woods will become a regionally unique and diverse visitor attraction, as well as achieving greater resilience through greater opportunities for volunteering and increased income.

During the year, Hal Moggridge, one of the original founding Trustees, resigned but has been appointed as Trustee Emeritus and Nigel Robins resigned as a Trustee following his appointment as Project Manager. Brian Richards was reappointed as a Trustee, following his resignation the previous year, and has taken over the role of Trust Secretary.

Works and Landscaping

Since our last report, we have now restored the former silt site at Middle Park to open parkland and the resulting meadow land is proving to be an excellent environment for wildlife. The small lake established there has also attracted amphibians and is a valuable source of water for several animal species. Future use of this land is under consideration by the Board.

We are also pleased to report that the repair work on the Observatory is now scheduled to be completed by the end of 2016.

The garden volunteers have continued to develop and maintain the several flower beds adjoining the coffee shop which are proving very popular with our increasing visitor numbers and give some idea of what the Mansion's former gardens may well have looked like. The new lower garden flows naturally down to a bog garden edging a rivulet which itself flows aesthetically down to the Upper Lake.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

On the theme of gardens re-establishment, work is well underway on the restoration of the historic Rockwork Gardens following completion of the rebuilding of the two main retaining walls, under the supervision of a suitably qualified stone mason. This work is being aided by a photograph taken by John Dilwyn Llewelyn of this garden, taken when it was well established.

Following a health and safety survey, the Board decided that Keepers Bridge, situated between the Upper and Lower Lakes, was unsafe and was taken down. As this is an integral part of the paths network in the valley, its replacement is considered necessary and the Trust is currently seeking planning approval from the Local Authority.

A successful fund raising campaign to pay for its restoration has been carried out.

Visitors, Access and Biodiversity

The history and development of Penllergare Valley Woods has featured in a number of television documentaries and news items filmed in the Woods, and these have markedly increased awareness of the facilities at Valley Woods, not least the quality of its coffee shop. In consequence however the impact of increased footfall on our paths and water courses, often made worse by accompanying dogs, has markedly increased the maintenance load that falls mainly on volunteers.

Despite these problems we have continued to increase visitor access throughout the Woods including new steps from the Carriage Drive to the Middle Rockwork Garden Terrace. Using our own timber our volunteers have cleft-fenced partway along the Carriage Drive, replicating the design also depicted by John Dillwyn Llewelyn and providing sustainable, secure and safe boundaries. In addition, new Victorian pattern metal fencing has also been installed along the Carriage Drive to enhance "the sense of place".

We manage a wide range of wildlife habitats and we have therefore to avoid so far as is possible the impact of visitor access. Of particular concern are the two lakes which, although being important visitor destinations, suffer significant problems with dogs. This is especially so at Lower Lake which is an important habitat for wetland birds, water voles and plants, but which has particularly suffered from litter and unauthorised fishing. A regular group of volunteers report on and record sightings of interesting and locally rare wildlife to help combat these problems. In addition, our newly appointed Wardens are proving to be a visible deterrent to reduce antisocial behaviour, particularly during school holidays.

Woodlands

We manage the largest Glastir Woodland Management Programme in Wales. This provides us with funds to control invasive species, replant former forested areas with broadleaf woodland and provide timber extraction and storage areas. Glastir also provides additional funding for areas including estate fencing, path-works, stonework restoration and control of invasive vegetation.

Health and Safety

In order that Penllergare remains a safe place to work and visit so far as it is reasonably practicable, we enforce robust health and safety measures and encourage thorough reporting of hazards and incidents by visitors and volunteers. We continue to review our policies and update them as necessary.

Partnerships

There are now several local businesses and organisations who want to be associated with us and what we are doing in our restoration project, and in some cases, to be actively involved. These include Virgin Media, Cemex, Dylan Thomas Community School, Forest Schools, Natural Resources Wales, Keep Wales Tidy, Sustainable Swansea, Swansea University, Glynn Vivian Art Gallery, Renew Wales, Swansea Council for Voluntary Services, Swansea Bay Tourism, Marie Curie, City and County of Swansea, Gower College, Local Schools, Local Scout and Cubs Groups and the Amphibian & Reptile Conservation Trust.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Volunteers

We have continued to have a steady recruitment and induction of new volunteers over the past year and now have a total of 102 in both the woodland & garden areas and the coffee shop. Although this number is down on the previous year's 115, volunteer hours have risen from approximately 10,000 the previous year to just over 13,000 in the period covered by this report.

We support and train our volunteers to fulfil a wide range of roles including the duties of the coffee shop assistants, woodland and tree conservationists and gardeners and general woodland skills including willow weaving as well as undertaking guided walks and talks. Training provided over the past year has included first aid, food hygiene, chainsaw use and felling.

The Friends of Penllergare

The Board of Trustees wish to place on record their thanks and appreciation for all the hard work the Friends carry out and for their continued selfless support, and although this section is covered in more detail in the Treasurer's report, the key points to note here are:-

The Friends of Penllergare Valley Woods was set up by the Board of Trustees and launched on the 20th October 2007. It was further confirmed at the 45th Meeting in October 2012 that, "The Friends Group is the membership arm of the Trust of which it is part and to which it is accountable."

The number of individual members has increased from 242 in 2014 to 432 in 2016 and we are confident we can continue to grow this number.

An Advisory & Action Group comprised of between 12 and 15 people meet at regular intervals. Their role is to advise, help plan events and provide feedback on Friends' activities.

Fundraising events form an important source of revenue with the annual Potting Shed Sale day proving to be the most popular, closely followed by the annual Christmas concert and various quiz nights and other events. The 100 club, set up in 2013 is also a very important part of our fundraising activities.

Social Media and Website

Following the total redesign of our website last year, engagement on social media is continuing to show increased activity. Facebook is the main channel of communication, with nearly 4,500 "likes" in the last 12 months with some posts reaching over 6,000 people. We are currently showing a Facebook average review rating of 4.7 out of 5. Our Twitter followers are also increasing month by month and currently stand at just over 1,200. Penllergare Valley Woods shows as number 6 out of 107 "things to do" in Swansea on Tripadvisor, with many positive comments giving us a Certificate of Excellence again this year. Upcoming events and news are posted on our website and Facebook with links to our website posts posted on Twitter.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

FINANCIAL REVIEW

The Trust has recorded a net surplus of £259,062 for the year and managed all of its grant-funded projects within their allocated budgets for the year, apart from a minor overspending on the Marks and Spencer Spark Something Special grant. It also achieved a net surplus of just over £33,000 on its unrestricted reserves. The Trust now has net assets of £2.327 million.

Our income

The Trust's primary source of income during the year was the Heritage Lottery Fund, which is contributing 79% of the cost of the Parks for People Project which began in April 2012.

Grants and donations are vital to ensure the continuation of the Trust's activities. The bodies who gave grants and large donations to the Trust during the year included the Welsh Assembly Government under the Glastir Woodland Management Scheme, the Wolfson Foundation, Marks and Spencer, the Price and Craig Families' Educational Trust and Keep Wales Tidy. Sums received by way of smaller donations continue to grow. As always, we are eternally grateful to all our donors and grant makers for their contributions, however small, and for their continued support during the year.

The Friends of Penllergare Valley Woods continue to contribute valuable financial support to the Trust, both through subscriptions and from new fund-raising schemes. The Friends' 100 Club scheme attracted considerable support, raising almost £1,200 in the year, and two extremely successful fundraising events – the Potting Shed Sale and the Car Boot Sale - were organised which meant that the overall contribution from the Friends' fundraising activities amounted to a substantial total of over £2,658. The number of Friends' memberships grew to just over 430 by the year end, and income from Friends subscriptions increased by 8% during the year.

Grants and donations are vital, but the Trust has been continuing to focus on developing its own revenue generating schemes in order to become less grant dependent and more financially sustainable. The Coffee Shop and Car Park are providing the Trust with important ongoing sources of income. Between them, a net amount of £33,500 was generated during the year. We are grateful to all our wonderful volunteers and staff for making this possible.

During the year, The Trust was able conclude its negotiations with OFGEM to allow the sale of electricity under the Feed in Tariff. The income generated is a further key source of revenue to enable the Trust's work to be sustained.

The re-assignment of the lease for Valley Woods in 2012 means that the Trust is liable to meet rent payments of at least £25,000 per annum for the next 101 years. Together with maintaining Valley Woods as a safe and enjoyable place to visit, this presents a significant on-going challenge once the HLF project is completed.

Unfortunately, from December 2015, the Trust has been required to register for VAT on its business activities, which reduces the amount which can be fed back from our trading income into support our day to day charitable work in the woods. However, a major benefit is that the Trust now expects to be able to receive a substantial refund of the input VAT which was incurred in the construction of the Coffee Shop, Car Park and Turbine installation, and this will be re-invested to ensure the future sustainability of the Trust.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Our Expenditure

The Trust is pleased to report that only 1.8% of its overall expenditure was on support costs and 1.7% on governance costs. Just under 67% went on direct projects within the woods, including depreciation on our project-funded assets, whilst 18.3 % was incurred on the cost of fundraising activities – primarily the costs of running the Coffee Shop, Car Park and Turbine and some small costs associated with the Friends' Fundraising events – the surplus from which all goes back into the woods. A further £25,000 or 7.2% was incurred on the annual leasehold rent.

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 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. In two years' time, they will also be needed to meet the annual lease rent. The Trust has set itself a target to increase its reserve balances to the equivalent of one year's running costs, before the end of the Park for People Project. We were pleased to achieve a large increase in the balance of unrestricted reserves to over £91,000 during the year, due primarily to the impact of trading activities and Feed In Tariff, so we are making very good progress towards our target. These unrestricted reserves will stand the Trust in good stead financially as it moves forward.

Relates Parties

The only related parties of the charity are the trustees' which are listed earlier in the Report of the Trustees.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

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 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.

ON BEHALF OF THE BOARD:

.....
T R Jones – Chairman

Date:

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

I report on the accounts for the year ended 31 March 2016 set out on pages ten to twenty.

Respective responsibilities of Trustees and examiner

The Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394, 395 and 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

John Evans FCA

for and on behalf of Gerald Thomas
Chartered Accountants and Statutory Auditors
Gerald Thomas
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

Date:

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

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	10,743	8,238	18,981	15,266
Charitable activities	3	2,675	467,251	469,926	83,458
Other trading activities	4	101,556	-	101,556	66,192
Investments	5	3,163	-	3,163	2,423
Other income	6	<u>12,013</u>	<u>-</u>	<u>12,013</u>	<u>-</u>
Total income and endowments		130,150	475,489	605,639	167,339
EXPENDITURE ON:					
Raising funds					
Coffee shop & car park running costs		61,225	-	61,225	42,496
Fundraising costs		588	-	588	991
Turbine running costs		1,738	-	1,738	210
Charitable activities					
Community Engagement & Education (C2E)		216	-	216	120
Friends of Penllergare Valley Woods		1,591	-	1,591	2,061
Parks for People project expenditure		-	102,450	102,450	100,474
Parks for People phase II project expenditure		-	7,891	7,891	-
Other project expenditure		-	33,022	33,022	72,777
Depreciation		164	88,965	89,129	70,398
Lease rent		-	25,000	25,000	25,000
Other unrestricted expenditure		11,556	-	11,556	6,690
Governance costs		4,168	1,871	6,039	5,277
Other expenditure		<u>3,180</u>	<u>2,952</u>	<u>6,132</u>	<u>2,252</u>
Total expenditure		<u>84,426</u>	<u>262,151</u>	<u>346,577</u>	<u>328,746</u>
NET INCOME/(EXPENDITURE)	7	45,724	213,338	259,062	(161,407)
TRANSFERS BETWEEN FUNDS		(12,460)	12,460	-	-
OTHER RECOGNISED GAINS/(LOSSES)					
Loss on disposal of fixed asset		<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,517)</u>
NET MOVEMENT IN FUNDS		33,264	225,798	259,062	(162,924)
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>58,466</u>	<u>2,009,542</u>	<u>2,068,008</u>	<u>2,230,932</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>91,730</u></u>	<u><u>2,235,340</u></u>	<u><u>2,327,070</u></u>	<u><u>2,068,008</u></u>

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

**BALANCE SHEET
AT 31 MARCH 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	11	2,266	1,372,377	1,374,643	1,562,502
Heritage assets	12	-	413,827	413,827	317,212
Programme related investments	13	-	50,000	50,000	50,000
		2,266	1,836,204	1,838,470	1,929,714
CURRENT ASSETS					
Stocks		1,335	-	1,335	1,346
Debtors	14	12,500	369,355	381,855	122,450
Cash at bank		89,075	158,768	247,843	295,452
		102,910	528,123	631,033	419,248
CREDITORS					
Amounts falling due within one year	15	(11,446)	(22,406)	(33,852)	(100,299)
NET CURRENT ASSETS					
		91,464	505,717	597,181	318,949
TOTAL ASSETS LESS CURRENT LIABILITIES					
		93,730	2,341,921	2,435,651	2,248,663
CREDITORS					
Amounts falling due after more than one year	16	(2,000)	-	(2,000)	(3,000)
ACCRUALS AND DEFERRED INCOME					
	17	-	(106,581)	(106,581)	(177,655)
NET ASSETS					
		91,730	2,235,340	2,327,070	2,068,008
FUNDS					
	19				
Unrestricted funds				91,730	58,466
Restricted funds				2,235,340	2,009,542
TOTAL FUNDS					
				2,327,070	2,068,008

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

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2016**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The Trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

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 prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

.....
T R Jones – Chairman

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Basis of preparation

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 Trustees have a reasonable expectation that 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 and endowments

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.

Expenditure

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.

Allocation and apportionment of costs

Expenditure which is charged on an accruals 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).

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	- 33% per annum
Long leasehold	- over the term of the lease

All fixed assets are employed in the furtherance of the charity's objectives.

Heritage assets

The heritage assets are the Llewelyn Bridge (completed) and the Observatory (restoration ongoing at balance sheet date). The reconstruction and restoration of both is to advance the preservation, conservation and educational objectives of the Trust, and in particular, the cultural landscape of Penllergare.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

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.

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.

No disposal of heritage assets has taken place to date.

Taxation

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

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.

The Trustees have agreed that up to 10% of restricted income may be allocated to the unrestricted fund to cover the costs of project management.

2. INCOME FROM DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	14,881	11,481
Subscriptions	<u>4,100</u>	<u>3,785</u>
	<u>18,981</u>	<u>15,266</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£	£
Grants	467,251	80,147
Gift Aid	1,999	2,020
Other fees	568	873
Charges for Friends of Penllergare Valley Woods Activities	<u>108</u>	<u>418</u>
	<u>469,926</u>	<u>83,458</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

4. INCOME FROM OTHER TRADING ACTIVITIES

	2016 £	2015 £
Book Sales	383	478
Coffee shop and car park	93,548	62,869
Export of electricity	2,138	-
Firewood sales	93	-
Fees – use of Trust premises	2,212	830
Fundraising activities	<u>3,182</u>	<u>2,015</u>
	<u>101,556</u>	<u>66,192</u>

5. INCOME FROM INVESTMENTS

	2015 £	2015 £
Deposit account interest	2,963	2,219
Current account interest	-	4
Leasehold bond interest	<u>200</u>	<u>200</u>
	<u>3,163</u>	<u>2,423</u>

6. OTHER INCOME

	2016 £	2015 £
Feed in tariff	<u>12,013</u>	<u>-</u>

7. NET INCOME/EXPENDITURE

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

	2016 £	2015 £
Depreciation		
Woodland Centre	5,102	5,102
Llewelyn Bridge	3,607	3,638
Lakeworks	51,906	30,085
Turbine	16,180	15,512
Coffee shop and car park – buildings	4,594	7,364
Coffee shop – fixtures and fittings	467	710
Coffee shop equipment	1,889	3,102
Other buildings	974	404
Long leasehold	122	122
Short leasehold	165	165
Office equipment	435	359
Woodland equipment (power tools)	1,291	875
Vehicle	1,083	813
Other equipment	<u>5,349</u>	<u>2,147</u>
	<u>93,164</u>	<u>70,398</u>
Auditor's fees – non-audit work	1,475	870
Independent examiners fee	<u>3,330</u>	<u>2,700</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' Expenses

During the year the trustees received £838 (2015 - £1,142) in respect of travelling expenses reimbursed by the charity. The number of trustees who claimed expenses during the year was two (2015 – two).

9. EXPENDITURE: SALARIES & NATIONAL INSURANCE

	2016 £	2015 £
Salaries	119,068	86,586
Social security costs	<u>7,700</u>	<u>3,613</u>
	<u>126,768</u>	<u>90,199</u>

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

The average weekly number of employees by function

	2016	2015
Charitable activities staff	6	4
Staff employed to generate funds	<u>2</u>	<u>1</u>

10. VOLUNTEERS

The charity is assisted by volunteers, the number of which fluctuated during the year but averaged 102 (2015 - 115) at any one time.

11. TANGIBLE FIXED ASSETS

	Assets under construction £	Long leasehold £	Short leasehold £	Plant and Machinery £	Total £
COST					
Brought forward	-	1,381,613	4,114	270,208	1,655,935
Additions	2,134	6,589	-	13,070	21,793
Transfers	-	(56,208)	-	57,334	1,126
Disposals	-	-	-	(1,010)	(1,010)
Adjustment for VAT reclaimed	-	(74,141)	-	(50,106)	(124,246)
At 31 March 2016	<u>2,134</u>	<u>1,257,853</u>	<u>4,114</u>	<u>289,496</u>	<u>1,553,597</u>
DEPRECIATION					
Brought forward	-	66,941	316	26,176	93,433
Charge for the year	-	65,080	165	24,311	89,556
Adjustment for VAT reclaimed	-	(3,836)	-	(198)	(4,034)
At 31 March 2016	<u>-</u>	<u>128,185</u>	<u>481</u>	<u>50,289</u>	<u>178,955</u>
NET BOOK VALUE					
At 31 March 2016	<u>2,134</u>	<u>1,129,668</u>	<u>3,633</u>	<u>239,207</u>	<u>1,374,643</u>
At 31 March 2015	<u>-</u>	<u>1,314,672</u>	<u>3,798</u>	<u>244,032</u>	<u>1,562,502</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

Disposals

During the year a donated van was sold for £650. In addition, a correction was made in respect of an amount of £360 which had previously been capitalised in error.

Transfers

During the year a transfer of £1,126 was made from heritage assets to long leasehold assets in relation to costs incurred on the construction of the Coffee Shop which had been included within heritage assets in error.

A transfer of £57,334 was made from long leasehold assets to plant and machinery in relation to costs incurred on the construction of the turbine.

VAT adjustments

Following registration for VAT on 1 December 2015, the Trust was able to recover input VAT paid on the construction costs of the Turbine, Coffee Shop and Car Park. The asset costs and depreciation charges have been reduced to reflect this recovery.

12. HERITAGE ASSETS

	Buildings under construction £	Buildings £	Total £
COST			
Brought forward	103,640	218,264	321,904
Additions	100,485	864	101,349
Transfers	-	(1,126)	(1,126)
At 31 March 2016	<u>204,125</u>	<u>218,002</u>	<u>422,127</u>
DEPRECIATION			
Brought forward	-	4,692	4,692
Charge for the year	-	3,608	3,608
At 31 March 2016	<u>-</u>	<u>8,300</u>	<u>8,300</u>
NET BOOK VALUE			
At 31 March 2016	<u>204,125</u>	<u>209,702</u>	<u>413,827</u>
At 31 March 2015	<u>103,640</u>	<u>213,572</u>	<u>317,212</u>

13. 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 with regard that the leasehold of the park must be obtained in order to receive grant funding for the "Parks for People" project.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Grants	246,348	117,146
Prepayments & accrued income	125,233	2,923
Other debtors	<u>10,274</u>	<u>2,381</u>
	<u>381,855</u>	<u>122,450</u>

Included in prepayments and accrued income is £109,883 (2015 - £nil) due after one year.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	8,868	76,641
Interest-free loan from City & County of Swansea	1,000	1,000
Accruals	20,983	22,658
Other creditors	<u>3,001</u>	<u>-</u>
	<u>33,852</u>	<u>100,299</u>

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

	2016 £	2015 £
Interest-free loan from City & County of Swansea	<u>2,000</u>	<u>3,000</u>

17. ACCRUALS AND DEFERRED INCOME

	2016 £	2015 £
Deferred grants	<u>106,581</u>	<u>177,655</u>

MOVEMENT IN DEFERRED INCOME

Grants:

	2016 £
Released from previous year	71,074
New grants deferred during the year	<u>-</u>
	<u>71,074</u>

18. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2016 £	2015 £
Expiring:		
In more than five years	<u>25,000</u>	<u>25,000</u>

**YMDDIRIEDOLAETH PENLLERGARE (REGISTERED NUMBER: 04004593)
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

19. MOVEMENT IN FUNDS

	At 1/4/15 £	Net movement in funds £	At 31/3/16 £
Unrestricted funds			
General fund	36,853	29,427	66,280
Friends	<u>21,613</u>	<u>3,837</u>	<u>25,450</u>
	58,466	33,264	91,730
Restricted funds			
Parks for People Project (HLF)	1,940,481	150,200	2,090,681
Parks for People Project (HLF) Phase II	-	69,084	69,084
Santander Award	10,000	(10,000)	-
Environment Wales Grant	1,151	(630)	521
Woodland Centre	51,128	(5,102)	46,026
HLF catalyst project	2,806	(2,806)	-
Glastir	3,107	15,389	18,496
Parc Penllergare Path Improvement Fund	650	(650)	-
Bulb & plant appeal	219	(66)	153
Pride in Penderry	-	533	533
Keeper's Bridge Appeal	-	7,712	7,712
Marks & Spencer grant	<u>-</u>	<u>2,134</u>	<u>2,134</u>
	2,009,542	225,798	2,235,340
	<u>2,068,008</u>	<u>259,062</u>	<u>2,327,070</u>

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

	Income £	Expenditure £	Transfers £
Unrestricted funds			
General fund	124,135	(82,248)	(12,460)
Friends	<u>6,015</u>	<u>(2,178)</u>	<u>-</u>
	130,150	(84,426)	(12,460)
Restricted funds			
Parks for People Project (HLF)	349,835	(212,577)	12,942
Parks for People Project (HLF) Phase II	79,900	(10,816)	-
Santander Award	-	(8,500)	(1,500)
Environment Wales Grant	-	(630)	-
Woodland Centre	-	(5,102)	-
HLF catalyst project	-	(3,698)	892
Glastir	32,520	(17,131)	-
Parc Penllergare Path Improvement Fund	-	(617)	(33)
Bulb & plant appeal	511	(577)	-
Pride in Penderry	2,500	(1,967)	-
Keeper's Bridge Appeal	7,728	(16)	-
Marks & Spencer grant	2,000	(25)	159
Keep Wales Tidy	<u>495</u>	<u>(495)</u>	<u>-</u>
	475,489	(262,151)	12,460
	<u>605,639</u>	<u>(346,577)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

19. 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 (£)
Santander Award	General Reserve	Core cost funding within grant award	1,500
Parc Penllergare Path Improvement Fund	General Reserve	Contribution towards overhead costs	33
General Reserve	Parks for People Project (HLF)	Funding to cover increased management and maintenance costs as required by grant conditions	12,942
General Reserve	Marks & Spencer grant	To fund overspending on grant	159

20. CAPITAL COMMITMENTS

At 1 April 2015 the Trust had capital commitments of £66,059 respectively on the Observatory restoration contract.

Completed Works during the year:

- Installation of volunteer portakabin.

Buildings under construction as at the balance sheet date

- Observatory restoration, costs include contract payments and professional fees.
- Volunteer shelter

The Trust has future capital commitments on the Observatory contract of £23,147 at the balance sheet date.

21. SECURED GRANTS

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

22. POST BALANCE SHEET EVENTS

There are no significant post balance sheet events to report.

23. RELATED PARTY TRANSACTIONS

There are no related party transactions to report.

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

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
INCOMING AND ENDOWMENTS FROM:		
Donations and legacies		
Donations	14,881	11,481
Friends of Penllergare Valley Woods	<u>4,100</u>	<u>3,785</u>
	18,981	15,266
Charitable activities		
Grants	467,251	80,147
Gift aid	1,999	2,020
Other fees	133	-
Charges for Friends of Penllergare Valley Woods activities	108	418
Fees – walks & talks	435	868
Miscellaneous	<u>-</u>	<u>5</u>
	469,926	83,458
Other trading activities		
Coffee shop/car park	93,548	62,869
Book sales	383	478
Export of electricity	2,138	-
Firewood sales	93	-
Fees – use of Trust property/premises	2,212	830
Fundraising activities	<u>3,182</u>	<u>2,015</u>
	101,556	66,192
Investments		
Leasehold bond interest	200	200
Deposit account interest	2,963	2,219
Current account interest	<u>-</u>	<u>4</u>
	3,163	2,423
Other income		
Feed in tariff	<u>12,013</u>	<u>-</u>
Total income	<u><u>605,639</u></u>	<u><u>167,339</u></u>
EXPENDITURE ON:		
Charitable activities		
Salaries and wages	97,877	72,284
Insurance	5,456	3,733
Lease rent	25,000	25,000
Glastir Woodland Management	9,514	49,604
Parks for People project	28,367	38,661
Parks for People project Phase II	852	-
Keep Wales Tidy grant	495	-
Pride in Penderry grant	1,967	-
Community Education & Engagement	216	120
Environment Wales project	-	5,009
Visit Wales Grant	-	532
Woodland Works & Access	2,118	2,234
Friends of Penllergare Valley Woods	1,591	2,061
HLF Catalyst Project	3,698	6,652
Vehicle running costs	4,502	991

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Charitable activities - continued		
Miscellaneous	73	240
Depreciation	89,129	70,398
Governance costs:		
Accountancy	5,201	4,020
Trustee training	-	115
Trustee expenses	838	1,142
	<u>276,894</u>	<u>282,796</u>
Raising funds		
Coffee shop and car park	61,225	42,496
Friends fundraising event costs	588	991
Turbine running costs	1,738	210
	<u>63,551</u>	<u>43,697</u>
Other expenditure		
Salaries – office support	2,949	-
Bank charges	134	54
Volunteers expenses	93	10
Telephones, postage, stationery etc.	1,596	1,267
Room & office rental	339	583
Membership fees	178	300
Professional fees	586	-
Other	257	38
	<u>6,132</u>	<u>2,252</u>
Total expenditure	<u>346,577</u>	<u>328,746</u>
Net income/(expenditure)	<u>259,062</u>	<u>(161,407)</u>