

Gwalia Trust

Financial statements

Year ended 31 March 2017

Registered Charity Number: 700822

WG Registration Number: J114



CONTENTS

OFFICERS AND PROFESSIONAL ADVISORS	3
REPORT OF THE TRUSTEES	4
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GWALIA TRUST YEAR ENDED 31 MARCH 2017	9
STATEMENT OF COMPREHENSIVE INCOME.....	11
STATEMENT OF FINANCIAL ACTIVITIES.....	12
STATEMENT OF FINANCIAL POSITION	13
STATEMENT OF CHANGES IN RESERVES	14
STATEMENT OF CASH FLOWS.....	15
NOTES TO THE FINANCIAL STATEMENTS	16

OFFICERS AND PROFESSIONAL ADVISORS

Chair

John Morse

Trustees

John Button
George Kennedy
Eileen Nielsen
Margaret Thorne
Anthony Pierce

Secretary

Tracey Healey

Pobl Group Executive Team

Amanda Davies, Group Chief Executive
Darrell Bolton, Managing Director - Commercial
Richard Davies, Managing Director – Care and Support
Kathryn Edwards, Managing Director – Homes and Communities
Tracey Healey, Executive Director – Corporate Services
Gaynor Morris, Executive Director - Organisational Development
Lisa Pinney, Executive Director – Finance and Procurement

Offices, Advisers & Bankers

Registered Office

Ty Gwalia
7-13 The Kingsway
Swansea
SA1 5JN

Auditor

Mazars LLP
Birmingham
45 Church Street
Birmingham B3 2RT

Principal bankers

Lloyds TSB
802 Oxford Street
Swansea
SA1 3AF

Principal solicitors

Hugh James
Hodge House
114 – 116 St Mary Street
Cardiff
CF10 1DY

REPORT OF THE TRUSTEES

The Trustees are pleased to present their annual report and financial statements for the year ended 31 March 2017.

The assets and liabilities of the previously unincorporated Gwalia Housing Trust were transferred into this registered charity on 1 April 2016. In order to assist the reader, these financial statements include comparatives from the unincorporated entity.

LEGAL AND ADMINISTRATIVE DETAILS

The full name of the charity is Gwalia Trust (The Trust). The Trust is registered as a Housing Association (No. J114) and with the Charity Commission as a registered Charity (No.700822). Details of the Trustees currently holding office, the Secretary, registered office, auditor and principal bankers are shown on page 3. The Trustees' report has been prepared in accordance with the Charity Statement of Recommended Practice (SORP) requirements applicable to charities preparing their accounts under the financial reporting standard in the UK (FRS102), effective 1 January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Trust is registered as a Housing Association (No. J114) and with the Charity Commission as a Registered Charity (No.700822). The Trust is managed by the Trustees for the purposes of meeting the aims and objectives of the Charity which are set out below. The Trust has six (2016 - six) Trustees who meet at regular intervals throughout the year.

On 1 April 2016 the assets and liabilities of Gwalia Trust were transferred to Gwalia Trust, a company limited by guarantee that was incorporated, and is registered in the UK. In order for the Trust to adopt a form of constitution which includes wider objects, and to afford the Trust greater security over its assets and viability the board took the decision to incorporate.

Appointment and training

The Board of Trustees of the Trust originally consisted of 14 members and the statutory power of appointing new Trustees is vested in Pobl Group (the Group). The Trustees who held office during the financial year are as shown on page 3. Trustee training is made available to all new members on appointment and at regular intervals.

Organisation

The Trust is controlled by the Board of Pobl Group. Pobl Group is the parent association of the Group of which the Trust is a member. The details of the members of the Group are shown in note 16 to the financial statements. The day-to-day management of the Trust is delegated to the Company Secretary.

Related parties

Pobl Group provides company secretarial and accounting services to the Trust. The parent association does not make a surplus on these transactions with the Trust. There are no transactions, balances or relationships that require disclosure.

Risk Management

A key element in the care and diligence expected of the Gwalia Trust, and therefore one of the main responsibilities of the Trustees, is to assess the risks affecting the Trust as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the Trust's assets, its financial position, and its results. The Trustees have in place a risk management system to identify significant risks in order to ensure that they are taken into account in the context of all relevant decisions affecting the Trust's activities.

Investments

Funds are invested within the Group in accordance with the Group Treasury Management Policy and Strategy.

REPORT OF THE TRUSTEES (Continued)

Reserves

Reserves held are expended for charitable purposes; a number of schemes have been identified that will benefit and the Trust welcomes applications from worthwhile causes which can also benefit from the funding which is available. The reserve policy is reviewed annually.

During the year the Trust has run the annual golf tournament raising funds through sponsorship and entry fees and has supported local communities by making donations for breakfast club grants at Penplas Community Centre and funded applications towards woodland projects. The main activity currently being reported through the Charity is the Big Lottery Funded CHAPS project which has been set up to improve the well-being of service users through equine therapy and engagement in society.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects of the Trust are to raise funds that may be applied to activities complementing housing schemes for varying categories of people including the elderly, physically handicapped, those recovering from mental illness, single homeless and other members of society with special housing needs.

The Trust carries out these objects by:

- the provision of grants to individuals, groups or communities, in the provision of housing and associated amenities;
- funding research into housing needs in the community and methods of fulfilling such needs to further the objects of the charity.

ACHIEVEMENTS AND PERFORMANCE

The Board of Trustees considers that substantial progress has been made in terms of supporting charitable objectives during the year and achieving its business planning targets for the year. In excess of £30,000 (2016: £25,000) was raised through fundraising which was in line with the target set for the year.

GOING CONCERN

The Trust has generated a surplus of £4,120 (2016: deficit of £70,987) for the year before transfer to reserves and at the balance sheet date has total net assets of £1,740,061 (2016: £1,735,941), including cash of £305,876 (2016: £251,738) and investments of £1,444,528 (2016: £1,498,454). The Trustees also note that the Trust has no external borrowing and all expenditure is discretionary. Therefore, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The Charities Act 2011, the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the income and expenditure for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP).

REPORT OF THE TRUSTEES (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INTERNAL CONTROL

Certain central functions including finance and accounting, together with company secretarial services are provided to the Trust by its parent association (Pobl Group). The parent association includes statements in its own Annual Report relating to its procedures in relation to Housing Association Governance and internal control. The last Annual Report of Pobl Group confirmed that it had adopted CHC's Code of Governance and had complied with the Code's principal recommendations. Pobl Group's Annual Report stated that mechanisms introduced by Pobl Group, which are designed to provide effective internal controls over Pobl Group's operation, include:

- (a) clearly defined management and reporting structures
- (b) careful recruitment and an effective financial training programme
- (c) regulations and procedure manuals for staff; and
- (d) monitoring of the control system by the Board of Management of Pobl Group, internal audit and management review.

The Board of Management of Gwalia Trust is ultimately responsible for the Association's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

In reviewing the effectiveness of the Association's internal financial control procedure for the period from 1 April 2016 to the date of this report, the Board of Management has carried out the following:

- (a) review of management information with quarterly reporting of financial results and other performance indications compared with forecasts; and
- (b) review of the Association's strategic business plan

The Board of Management has reviewed the effectiveness of the system of internal control in existence in the Association for the year ended 31 March 2017. No weaknesses were found in internal controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements.

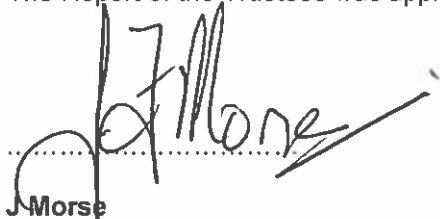
REPORT OF THE TRUSTEES (Continued)

INDEPENDENT AUDITOR

In the case of each of the persons who are trustees at the date when this report is approved:

- so far as each of the trustees is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- each of the trustees has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information (as defined) and to establish that the Trusts auditor is aware of that information.

The Report of the Trustees was approved by the Board and signed on its behalf on 7 August 2017.

A handwritten signature in black ink, appearing to read "J. Morse", is written over a horizontal dotted line. The signature is stylized and includes a long, sweeping underline.

J. Morse

Chairperson and Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GWALIA TRUST YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Gwalia Trust (the "Trust") for the year ended 31 March 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Activities, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the related notes. 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".

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5-6, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

This report is made solely to the Trustees, as a body, in accordance with the Charities Act 2011, the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's 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 Trust and the Trustees as a body for our audit work, for this report, or the opinions we have formed.

We have reviewed the Trustees' statement on the Trust's compliance with the Welsh Government circular RSL 02/10 "Internal Controls and Reporting". We are not required to express an opinion on the effectiveness of the Trust's systems on internal control.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been properly prepared in accordance with the Charities Act 2011, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GWALIA TRUST (Continued)

Opinions on other matters prescribed by the Welsh Government circular RSL 02/10 'Internal Controls and Reporting'

With respect to the Trustee's statement on internal control, in our opinion, the Trust has provided the disclosures required by the Welsh Government circular RSL 02/10 "Internal Controls and Reporting" and the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Trust has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Mazars UK

**Mazars LLP
Birmingham
45 Church Street
Birmingham B3 2RT**

Date: *11 August 2017*

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2017 £	As previously stated in Gwalia Housing Trust 2016 £
Turnover	2	261,946	237,188
Operating costs		(283,478)	(337,282)
Operating deficit		(21,532)	(100,094)
Interest receivable and similar income	4	25,652	29,107
Surplus/(deficit) before tax		4,120	(70,987)
Taxation	7	-	-
Total surplus/(deficit) for the year		4,120	(70,987)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE FOR THE YEAR		4,120	(70,987)

There were no recognised gains or losses in wither the current or prior years except those reported in the Statement of Comprehensive Income.

All activities in both the current and prior year are continuing.

The notes on pages 15 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	2017 Total funds £	As previously stated in Gwalia Housing Trust 2016 Total funds £
Incoming resources				
Incoming resources from generated funds:				
Restricted income	-	218,767	218,767	206,581
Voluntary income	1,641	10,682	12,323	2,900
Activities for generating funds	30,856	-	30,856	27,707
Investment income (note 4)	25,652	-	25,652	29,107
Total incoming resources	58,149	229,449	287,598	266,295
Resources expended				
<i>Costs of generating funds (note 2):</i>				
Costs of generating fund raising income	9,695	-	9,695	10,582
Governance costs	5,099	-	5,099	7,494
<i>Charitable activities (note 3):</i>				
Costs of activities in furtherance of the Charity's objects	66,065	202,619	268,684	319,206
Total resources expended	80,859	202,619	283,478	337,282
Net (outgoing)/incoming resources before transfers	(22,710)	26,830	4,120	(70,987)
Net movement in funds	(22,710)	26,830	4,120	(70,987)
Balances brought forward at 1 April	1,683,418	52,523	1,735,941	1,806,928
Balances carried forward at 31 March	1,660,708	79,353	1,740,061	1,735,941

STATEMENT OF FINANCIAL POSITION

	Notes	2017 £	As previously stated in Gwalia Housing Trust 2016 £
Tangible assets	8	2,072	1,967
Current assets			
Debtors	9	10,121	10,356
Investments	10	1,444,528	1,498,454
Cash at bank		305,876	251,738
		1,760,525	1,760,548
Creditors amounts falling due within one year	11	(22,536)	(26,574)
Net current assets		1,737,989	1,733,974
Net assets		1,740,061	1,735,941
The Funds of the Charity			
Unrestricted income funds		1,660,708	1,683,418
Restricted income funds	12	79,353	52,523
Total charity funds		1,740,061	1,735,941

The Financial Statements on pages 10 to 24 were approved by the Board of Trustees on 7 August 2017 and signed on its behalf by:

J Morse
 Chairperson and Trustee



STATEMENT OF CHANGES IN RESERVES

	Unrestricted income funds £	Restricted income funds £	Total £
At 1 April 2015	1,652,822	154,106	1,806,928
Deficit for the year	(70,987)	-	(70,987)
Transfer to restricted funds	101,583	(101,583)	-
	<hr/>		
At 31 March 2016	1,683,418	52,523	1,735,941

	Unrestricted income funds £	Restricted income funds £	Total £
At 1 April 2016	1,683,418	52,523	1,735,941
Surplus for the year	4,120	-	4,120
Transfer to restricted funds	(26,830)	26,830	-
	<hr/>		
At 31 March 2017	1,660,708	79,353	1,740,061

Unrestricted funds

Unrestricted funds, comprising general funds and designated funds, are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust. This represents cumulative surpluses and deficits of the company.

Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders. These include funds raised in response to specific appeal.

STATEMENT OF CASH FLOWS

Cash flow from operating activities	Notes	2017 £	As previously stated in Gwalia Housing Trust 2016 £
Operating deficit		4,120	(70,987)
Depreciation	8	222	301
Change in debtors	9	235	(9,396)
Change in creditors	11	(4,038)	17,323
Decrease in investment	10	53,926	15,428
Interest received	4	(25,652)	(29,107)
Net cash flow from operating activities		28,813	(76,438)
Investing activities			
Interest received	4	25,652	29,107
Payments to acquire Property, plant and equipment	8	(327)	(2,000)
Net cash flow from investing activities		25,325	27,107
Increase/(decrease) in cash and cash equivalents		54,138	(49,331)
Cash and cash equivalents at the beginning of the year		251,738	301,069
Cash and cash equivalents at the end of the year		305,876	251,738

FREE CASHFLOW DISCLOSURE

Cash flow from operating activities	2017 £'000	2016 £'000
Operating cash flow	28,813	(76,438)
Interest paid		
Interest received	25,652	29,107
Free cash (consumed after loans repayments)	54,465	(47,331)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies of the Trust are set out in paragraphs (a) to (i) below. These financial statements include the comparative from the previously unincorporated Gwalia Housing Trust to assist the users of the accounts and their information needs.

(a) Introduction and accounting basis

These financial statements are prepared in accordance with the FRS102 The Financial Reporting Standard applicable in the UK and Ireland ('FRS102'). The Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers as updated in 2014 and comply with the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. In addition to being registered as a Housing Association, the Trust is also a registered charity. The accounting policies have been consistently applied.

The Trust meets the definition of a Public Benefit Entity under FRS102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. Gwalia Trust was formed, and is registered, in the UK. Assets and Liabilities are originally recognised at historical cost or transactional value unless otherwise stated.

The Trustees have chosen to include a Statement of Financial Activities in these financial statements in addition to the Trust's Statement of Comprehensive Income, which details allocation of incoming resources and resources used between the general funds and restricted funds.

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company, the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

This is the first trading year for the registered charity Gwalia Housing Trust. In prior years the assets and liabilities were held in an unincorporated body known by the same name. In order to aid understanding the reader comparative figures from the previous unincorporated Gwalia Housing Trust have been included in these financial statements for information.

(b) Going Concern

The Trust has generated a surplus of £4,120 (2016: deficit of £70,987) for the year before transfer to reserves and at the balance sheet date has total net assets of £1,740,061 (2016: £1,735,941), including cash of £305,876 (2016: £251,738) and investments of £1,444,528 (2016: £1,498,454). The Trustees also note that the Trust has no external borrowing and all expenditure is discretionary. Therefore, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(c) Incoming resources

Fund-raising income comprises receipts in respect of the Trust's annual golf tournament. Monies received relating to the next financial year's event are carried forward in the balance sheet. Donations and gifts are credited to income on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

(d) Resources expended

Expenditure is accounted for on an accruals basis. Resources expended comprise of:

Costs of Generating fund raising income - These include costs incurred as part of fundraising activities.

Governance costs - Governance costs comprise of all costs incurred in the governance of the Trust, including costs relating to statutory audit, professional fees and management charges payable to the parent.

Charitable Activities - Costs of charitable activities flow from the Trust's vision and purpose. These costs include donations and expenditure in line with grant funding.

(e) Operating Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive income on a straight line basis over the period of the lease.

(f) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of other tangible fixed assets is charged on the straight-line basis at rates estimated to write off the cost of the assets over their effective lives as follows:

Computer Equipment	-	5 years
Furniture and Equipment	-	10 years

(g) Unrestricted funds

Unrestricted funds, comprising general funds are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Trust.

(h) Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders. These include funds raised in response to specific appeal.

(i) Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognized when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

(i) Financial Instruments (continued)

If the arrangement constitutes a financial transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year.

The Group based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market circumstances, legislation or other circumstances beyond the Group's control. Such changes are reflected in the assumptions and estimates when they occur.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Estimated useful lives of property, plant and equipment

At the date of capitalising tangible fixed assets, the Company estimates the useful life of the asset based upon management's judgement and experience. Due to the significance of capital investment to the Company, variances between actual and estimated economic lives could affect the Company's result positively or negatively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Turnover and operating deficit and deficit before taxation

Income and expenditure

	Turnover £	Operating costs £	Operating Surplus/ (Deficit) £	2017 Deficit before Taxation £
Grant funding	218,767	(206,289)	12,478	12,478
Fund-raising income	26,792	(9,696)	17,096	17,096
Donations and gifts	10,743	(51,172)	(40,429)	(40,429)
Charitable expenditure	-	(16,321)	(16,321)	(16,321)
Other	5,644	-	5,644	5,644
Total	261,946	(283,478)	(21,532)	(21,532)
Interest receivable and other income				25,652
Surplus before taxation				4,120

Income and expenditure comparative figures (as previously stated in Gwalia Housing Trust)

	Turnover £	Operating costs £	Operating Surplus/ (Deficit) £	2016 Deficit before Taxation £
Grant funding	206,581	(214,252)	(7,671)	(7,671)
Fund-raising income	24,628	(10,582)	14,046	14,046
Donations and gifts	20	(11,043)	(11,023)	(11,023)
Charitable expenditure	-	(7,544)	(7,544)	(7,544)
Other	5,959	(93,861)	(87,902)	(87,902)
Total	237,188	(337,282)	(100,094)	(100,094)
Interest receivable and other income				29,107
Deficit before taxation				(70,987)

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Operating Costs: Costs of generating funds

	2017 £	As previously stated in Gwalia Housing Trust (GHT) 2016 £
Cost of fund-raising activities in furtherance of Charity's objectives	9,695	10,582
Governance costs	5,099	7,494
	14,794	18,076
Governance costs comprise:		
Recharge of central overheads	1,661	3,636
Legal and professional costs	1,642	74
Audit and Accountancy	1,200	1,732
Affiliation fees	-	1,651
Other governance costs	596	401
	5,099	7,494

Audit fees of £1,980 (2016: £472) are invoiced to Pobl Group and then recharged between the Group and Trust.

3. Operating Costs: Charitable Expenditure

	From general funds £	From restricted funds £	Total 2017 £	Total 2016 £
Llety Foyer	4,784		4,784	4,785
CHAPS Project	-	202,619	202,619	214,251
Kinora	-	-	-	93,861
Other	61,281	-	61,281	6,309
	66,065	202,619	268,684	319,206

Operating lease rental expenditure of £20,000 (2016: £21,944) is included within the operating expenditure of the CHAPS project.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Interest receivable and other income

	2017 £	Previously GHT 2016 £
Interest receivable on investments or cash held by fellow group undertaking (note 10)	<u>25,652</u>	<u>29,107</u>

5. Trustees' Remuneration

The Trust is administered by a voluntary Board of Trustees who received no remuneration or payment of expenses during the current year (2016: £nil).

6. Employees

There were no employees of the Trust during the year (2016: none).

7. Taxation

Gwalia Trust is registered with charitable status with HMRC and benefits from corporation tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for corporation tax is made.

8. Tangible Fixed Assets

	Furniture & equipment £'000	Computer hardware £'000	Total £'000
COST			
At 1 April 2016	2,000	1,781	3,781
Additions	327	-	327
Disposals	-	-	-
At 31 March	<u>2,327</u>	<u>1,781</u>	<u>4,108</u>
DEPRECIATION			
At 1 April 2016	33	1,781	1,814
Charge for the year	222	-	222
Disposals	-	-	-
At 31 March 2017	<u>255</u>	<u>1,781</u>	<u>2,036</u>
NET BOOK VALUE			
At 31 March 2017	<u>2,072</u>	<u>-</u>	<u>2,072</u>
At 31 March 2016	<u>1,967</u>	<u>-</u>	<u>1,967</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Debtors: Amounts falling due within one year

	2017 £	Previously GHT 2016 £
Other debtors and prepayments	60,121	60,356
Provision for bad & doubtful debts	(50,000)	(50,000)
	<u>10,121</u>	<u>10,356</u>

10 Investments

	2017 £	Previously GHT 2016 £
	<u>1,444,528</u>	<u>1,498,454</u>

The Investment represents monies held on deposit following transfer to Tai Gwalia Cyf. Interest receivable on this balance is credited to Gwalia Trust via inter-group transfer.

11 Creditors: Amounts falling due within one year

	2017 £	Previously GHT 2016 £
Trade creditors	4,789	3,160
Accruals and deferred income	17,747	23,414
	<u>22,536</u>	<u>26,574</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Restricted Income Funds

	2017 £	Previously GHT 2016 £
Balance at beginning of year	52,523	154,106
Surplus / (Deficit) for the year	26,830	(101,583)
	<hr/>	<hr/>
Balance at the end of the year	79,353	52,523

	CHAPS Project £	Welfare Funds £	Total £
Opening Funds	32,696	19,827	52,523
Received during the year	229,449	-	229,449
Funds available for use			
Paid during the year	(202,619)	-	(202,619)
	<hr/>	<hr/>	<hr/>
Closing funds	59,526	19,827	79,353

Welfare funds

Tenant Welfare Funds comprise funds raised to be applied to specific activities complementing the main objectives of the Trust. These are analysed as follows:

	£
Plas Y Mor	7,550
Swansea Foyer	9,999
Afon Road	2,278
	<hr/>
Total	19,827

There have been no movements on these funds during the year

Chaps Project

The CHAPS project is a Big Lottery funded project which aims to improve the well-being of service users through equine therapy and engagement in society. The funding is restricted to only be utilised in relation to the CHAPS project. Due to the cessation of Big Lottery funding, the project is due to close in June 2017.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 Analysis of net assets between funds

	Total unrestricted income funds £	Restricted funds £	Total £
Fixed asset	2,072	-	2,072
Current assets	1,681,172	79,353	1,760,525
Current liabilities	(22,536)	-	(22,536)
At 31 March 2017	<u>1,660,708</u>	<u>79,353</u>	<u>1,740,061</u>

14 Financial Commitments

The Association holds office premises on non-cancellable operating leases. Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	Previous GH' 2016
Leases expiring:		
Within one year of the balance sheet date	20,000	20,000
Between one and two years	13,333	-
Between two and five years	-	-
	<u>33,333</u>	<u>20,000</u>

15 Related Party Transactions

The Trustees who acted during the financial year are shown on page 3.

Except as disclosed on these pages and in the notes to the financial statements, there are no transactions, balances or relationships that require disclosure.

As Gwalia Trust is a member of Pobl Group, which prepares consolidated financial statements, the trust has taken advantage of the exemption in section 33 of FRS 102 not to disclose transactions with entities which are wholly owned within the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 Group information

The Board considers that Pobl Group Limited is the ultimate parent company of the Pobl Group which comprises:

- **Charter Housing Association Limited** – a registered society under the Co-operative and Community Benefits Act 2014, number L012 and is registered with the Financial Services Authority (Mutual Public Register) number 31833R;
- **Derwen Cymru Limited** – a private limited company with the company number 3870765 and a charity registered with the Charity Commission in England & Wales with reference 1085017;
- **Pobl Living Limited** – a registered society under the Co-operative and Community Benefits Act 2014, number P140 and is registered with the Financial Services Authority (Mutual Public Register) number 23142R;
- **reach (Supported Living) Limited** – a registered society under the Co-operative and Community Benefits Act 2014, number H141 and is registered with the Financial Services Authority (Mutual Public Register) number 29706R;
- **Solas Cymru Limited** – a registered society under the Co-operative and Community Benefits Act 2014, number J142 and is registered with the Financial Services Authority (Mutual Public Register) number 24054;
- **Arloes Limited** – a private limited company with company number 07689032
- **Tai Gwalia Cyfyngedig** – registered with charitable status as a registered housing association, number L006 and is registered with the Financial Services Authority (Mutual Public Register) number 21080R;
- **Gofal A Chymorth Gwalia Cyf** – a registered society under the Co-operative and Community Benefits Act 2014 and registered as a housing association with reference L111;
- **Gwalia Housing Trust** – a charity registered with the Charity Commission in England & Wales and also registered as a housing association with reference J114;
- **Tai Cartrefi Cyf** – a registered society under the Co-operative and Community Benefits Act 2014 and registered as a housing association with reference P119;
- **Tai Gŵyr Cyf** – a company with non-charitable rules, registered as a housing association under reference 29885R;
- **Habren Cyf** – a dormant private company limited by guarantee, company number 06807093; and
- **Gwalia Trust** – a registered society under the Co-operative and Community Benefits Act 2014, number J114 and a charity registered with the Charity Commission in England & Wales with reference 700822.

The immediate and ultimate parent undertaking and controlling party is Pobl Group Limited, a housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 29682R and registered with the Regulator pursuant to sections 111 and 112 of the Housing and Regeneration Act 2008 (Registration No. J139).

Copies of Group accounts can be obtained from the registered office at Exchange House, High Street, Newport, NP20 1AA.