

**REGISTERED COMPANY NUMBER: 01180515 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 508849**

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 March 2021  
for  
Gwynedd Archaeological Trust Ltd  
A company limited by guarantee**

Bennett Brooks & Co Ltd  
Chartered Accountants  
& Statutory Auditors  
19 Trinity Square  
Llandudno  
CONWY  
LL30 2RD

**Gwynedd Archaeological Trust Ltd**  
**A company limited by guarantee**

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**for the year ended 31 March 2021**

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**Gwynedd Archaeological Trust Ltd**  
**A company limited by guarantee**

**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).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The aims and remit of the Gwynedd Archaeological Trust are to record, interpret and disseminate historical and archaeological information concerning the historic environment and built heritage of north-west Wales. The objective for which the Trust was formed is to 'advance the education of the public in archaeology'. This is achieved through the work undertaken by the Trust, as outlined in the Activities Report below.

**Public benefit**

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charity Commission.

The Trust works closely with national, regional and local bodies to help record, research, interpret and protect all aspects of the historic environment for the benefit of the public.

**Gwynedd Archaeological Trust Ltd**  
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**Report of the Trustees**  
**for the year ended 31 March 2021**

**STRATEGIC REPORT**

**Achievement and performance**

The following is a summary to demonstrate how the trust achieved its aims and objectives during the financial year.

The financial year continued to be dominated by the restrictions introduced to limit the impact of Covid-19. Staff continued to work from home where possible, and all face-to-face meetings were cancelled. This also included the cancellation of all community-based fieldwork. Our heritage management services, however, were able to continue to offer advice to the public, to local authorities and to Welsh Government. This included maintenance of the Historic Environment Record (HER). Work for commercial clients continued using professional staff who followed strict Covid preventative measures.

**Planning service**

The Trust advised the local planning authorities on archaeological implications. During the year, 2,414 applications were checked, and full details were requested for 696. Of these, 107 were considered to have an impact on the historic environment. In addition, 30 predetermination assessments were initiated during the year, and 40 post-determination recommendations were initiated, including survey, building recording, watching brief and photographic records. During the year 26 project designs were approved, and 25 archaeological reports produced through the planning process. In the year the planning service advised on 12 new schemes outside the planning process, requiring archaeological work in all cases.

**Historic Environment Record**

The Gwynedd Archaeological Trust maintains the regional Historic Environment Record (HER). This is a database of around 50,000 records relating to the archaeological landscape in north-west Wales. Enquiries can be made by telephone or email, and when covid restrictions are lifted by visiting the HER office and our library and records directly. The record is available on-line for public access through 'Archwilio'. Use of Archwilio and the HER are free of charge to the public. An additional 2,570 core records were added within the year, and 158 event records. An additional 15,916 core-event linking records were created. 29,803 core records were updated during the year. A number of other tasks were undertaken, including improving the recording and usage functions.

**Heritage Management**

Information and advice was supplied to a wide variety of organisations and institutions, including local historical organisations and societies and national archaeological organisations and societies (for example Cambrian Archaeological Association; 20C Society; Research Framework Wales). The Trust provides archaeological advice to the regional Planning Authorities, to Welsh Government and to Natural Resources Wales. Advice is also given to Bangor Diocese. A total of 163 enquiries from the general public were responded to.

**Education and outreach**

Despite the cancellation of 'physical' meetings GAT was able to take part in a wide range of digital events including the Anglesey Show, Festival of Archaeology and Kids in Museums. Our online lectures proved very popular, and were viewed some 5,000 times. We added more information to our website, and increased our social media presence. A very successful project involving the concordance of the journal Archaeologia Cambrensis with the historic environment record proved very popular, and all journals from 1846 onwards have now been added. Support of the Young Archaeologists Club continued, and we now have approximately 50 members.

**Fieldwork projects**

Though it was not possible to undertake community-based fieldwork or excavations, valuable work was continued by GAT staff. This included the production of educational resources, desk-based surveys and field surveys.

A project concerning the Landscape of Neolithic Axes was continued from the previous year. No further fieldwork was possible, but educational resources were produced, and events were arranged with a local school. The Trust is committed to helping the local authority bid to gain World Heritage status for the slate industry of North Wales, and we continued to provide the results of quarry surveys, and also published the results of the previous excavations undertaken at the quarry barracks, Pen y Bryn. A significant element of the work involved survey and recording of features at Dorothea Quarry, and at Treforys workers settlement.

Desk-based surveys were undertaken of historic farm buildings, and the potential impact from climate change. In addition the boundaries of Historic Landscapes were reviewed and amended.

**Financial review**

**Principal funding sources**

Grant aid from Cadw for undertaking a regional historic environment service was £303,697 plus an additional £16,667 towards the maintenance of the Historic Environment Record. Other restricted grants received amounted to £67,059. Project income for undertaking archaeological field services amounted to £334,214. The Trust benefited from a legacy of £10,000 to be allocated to furthering research on an aspect of Anglesey's archaeology. Included within "Other income" is an amount of £30,587 relating to support received from the Government as part of the Coronavirus Job Retention Scheme. A total income of £764,269 provided the Trust with sufficient resources to fulfil its primary object and aims.

**Gwynedd Archaeological Trust Ltd**  
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**Report of the Trustees**  
**for the year ended 31 March 2021**

**STRATEGIC REPORT**

**Financial review**

**Reserves policy**

The Trust maintains a level of reserves that enables the Charity to meet its ongoing commitments, to fund any short-term falls in income and to maintain sufficient funds to cover future liabilities to staff in case of redundancy, while in the longer term paying down the pension deficit. The accounts for 2020/2021 show a net surplus of funds for the year of £11,102. Total funds carried forward as at 31 March 2021 amounted to £599,121, before allowing for the pension deficit. Net current assets amounted to £544,501.

**Risk management**

The Trustees of the Gwynedd Archaeological Trust have considered the major risks to which Gwynedd Archaeological Trust is exposed. Procedures have been established in order to mitigate these risks in the following categories.

- Governance and Management, including Strategy, Organisations Structure and Staff
- Operational Risk, including the provision of services, competition, supply, IT security and back-up and procedures
- Financial risks, including budgetary control, procedures and reporting, reserves policy, cash flow, pension commitments and dependency on income sources.

For all funds, the charity's assets are available and adequate to fulfil its obligations. The Trust fulfils its charitable functions through the project work of its salaried staff. In this respect the financial priorities are in securing sufficient grant aided and commissioned work to meet those costs.

**Future funding**

The Trust has received a grant offer of £305,983 for 2021-22. This represents a slight increase on last year's grant income.

Commissions from consultants and developers are anticipated at the same level as 2020-21. The Trust expects to maintain a staffing level of 18 full time equivalent staff during 2021-22, which includes an Administrator and Finance Officer. Other temporary staff will be taken on to meet any increased commercial work.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Gwynedd Archaeological Trust Limited is a charitable Trust and a company limited by guarantee and not having a share capital. It is governed by Memorandum and Articles of Association dated 13 May 1974, updated at the AGM in August 2014.

The objective of the Trust is to advance the education of the public in archaeology. This is undertaken by means of the provision of a Historical Environment service, undertaking archaeological excavation and survey, encouraging community involvement and the dissemination of the results of such work through reports, publications, lectures, field excursions and similar means. There have been no material changes in policy since the last Trustees' report.

The Board of Trustees is responsible for overseeing the work of the Trust and monitors activities through a management committee and a finance sub-committee that has particular responsibility for overseeing the financial management of the Trust. The number of full-time employees during the year ended 31 March 2021 was 13 and there were 6 part time employees. The Chief Archaeologist is responsible for the overall day to day management of the Trust.

The Trustees may from time to time and at any time appoint a Trustee, either to fill a casual vacancy or by way of addition to the Board of Trustees, provided that the prescribed maximum be not thereby exceeded. Any member so appointed shall retain his/her office only until the next Annual General Meeting, but he/she shall then be eligible for re-election.

No person shall, unless recommended by the Trustees for election, be eligible for election as a Trustee at any General Meeting, unless within the prescribed time before the day appointed for the meeting there shall have been given to the Secretary notice in writing, by some member duly qualified to be present and vote at the meeting for which such notice is given, of his/her intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his/her willingness to be elected. The prescribed time above mentioned shall be such that, between the date when the notice is serviced or deemed to be served, and the day appointed for the meeting there shall be no less than four nor more than twenty-eight intervening days.

The Trustees are empowered to invest the monies of the Trust not immediately required for its purposes in or upon such investment securities or property as may be determined from time to time subject to the condition that such investments are calculated to further the objects of the Trust as defined in the governing instrument, being the Memorandum and Articles of Association of the Gwynedd Archaeological Trust.

No Trustee has an interest in the company which is limited by guarantee.

**Gwynedd Archaeological Trust Ltd**  
**A company limited by guarantee**

**Report of the Trustees**  
**for the year ended 31 March 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
01180515 (England and Wales)

**Registered Charity number**  
508849

**Registered office**

Craig Beuno  
Garth Road  
Bangor  
LL57 2RT

**Trustees**

R S Kelly  
Dr F A Richardson  
Mrs L Francis  
Mrs F E Gale  
Dr G Robinson  
Dr D M Roberts  
D G Elis-Williams  
Mrs F L Llewellyn  
Mr John Ratcliffe

(appointed 09.09.20)

**Company Secretary**

A F Davidson

**Auditors**

Bennett Brooks & Co Ltd  
Chartered Accountants  
& Statutory Auditors  
19 Trinity Square  
Llandudno  
CONWY  
LL30 2RD

**Bankers**

National Westminster Bank plc  
Menai Business Centre  
Menai Bridge  
Anglesey  
LL59 5WY

**Solicitors**

Parry Davies Clwyd-Jones  
123 High Street  
Bangor  
LL57 1NT

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Gwynedd Archaeological Trust Ltd A company limited by guarantee 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Gwynedd Archaeological Trust Ltd  
A company limited by guarantee

Report of the Trustees  
for the year ended 31 March 2021

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 8 December 2021 and signed on the board's behalf by:



.....  
D G Elis-Williams - Trustee

**Report of the Independent Auditors to the Members of  
Gwynedd Archaeological Trust Ltd  
A company limited by guarantee**

**Opinion**

We have audited the financial statements of Gwynedd Archaeological Trust Ltd A company limited by guarantee (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of  
Gwynedd Archaeological Trust Ltd  
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**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**

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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business. Audit procedures performed included:

- Enquiry of trustees around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of board meeting minutes where available.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of  
Gwynedd Archaeological Trust Ltd  
A company limited by guarantee**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Leach FCA (Senior Statutory Auditor)  
for and on behalf of Bennett Brooks & Co Ltd  
Chartered Accountants  
& Statutory Auditors  
19 Trinity Square  
Llandudno  
CONWY  
LL30 2RD

Date: 8 December 2021

**Gwynedd Archaeological Trust Ltd**  
A company limited by guarantee

**Statement of Financial Activities**  
(Incorporating an Income and Expenditure Account)  
for the year ended 31 March 2021

	Notes	Unrestricted fund £	Restricted fund £	31.3.21 Total funds £	31.3.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	10,000	-	10,000	950
<b>Charitable activities</b>	5				
		343,828	379,063	722,891	733,226
Investment income	4	659	-	659	1,334
Other income		<u>30,719</u>	<u>-</u>	<u>30,719</u>	<u>1,920</u>
<b>Total</b>		385,206	379,063	764,269	737,430
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
		329,901	423,266	753,167	797,536
 <b>NET INCOME/(EXPENDITURE)</b>		55,305	(44,203)	11,102	(60,106)
 <b>Other recognised gains/(losses)</b>					
Defined benefit scheme transition adjustment		(753,846)	-	(753,846)	-
Actuarial gains on defined benefit schemes		<u>210,000</u>	<u>-</u>	<u>210,000</u>	<u>-</u>
<b>Net movement in funds</b>		(488,541)	(44,203)	(532,744)	(60,106)
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		554,918	44,203	599,121	659,227
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>66,377</u></u>	<u><u>-</u></u>	<u><u>66,377</u></u>	<u><u>599,121</u></u>

The notes form part of these financial statements

**Gwynedd Archaeological Trust Ltd**  
A company limited by guarantee

**Statement of Financial Position**  
31 March 2021

	Notes	Unrestricted fund £	Restricted fund £	31.3.21 Total funds £	31.3.20 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	306,876	-	306,876	312,790
<b>CURRENT ASSETS</b>					
Debtors	13	188,910	-	188,910	137,444
Cash at bank and in hand		<u>399,610</u>	<u>-</u>	<u>399,610</u>	<u>411,209</u>
		588,520	-	588,520	548,653
<b>CREDITORS</b>					
Amounts falling due within one year	14	(44,019)	-	(44,019)	(36,168)
<b>NET CURRENT ASSETS</b>					
		<u>544,501</u>	<u>-</u>	<u>544,501</u>	<u>512,485</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		851,377	-	851,377	825,275
<b>PROVISIONS FOR LIABILITIES</b>	15	-	-	-	(226,154)
<b>PENSION (LIABILITY)/ASSET</b>	17	(785,000)	-	(785,000)	-
<b>NET ASSETS</b>					
		<u>66,377</u>	<u>-</u>	<u>66,377</u>	<u>599,121</u>
<b>FUNDS</b>					
Unrestricted funds	16			66,377	554,918
Restricted funds				<u>-</u>	<u>44,203</u>
<b>TOTAL FUNDS</b>					
				<u>66,377</u>	<u>599,121</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8 December 2021 and were signed on its behalf by:



.....  
D G Elis-Williams - Trustee

**Gwynedd Archaeological Trust Ltd**  
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**Statement of Cash Flows**  
**for the year ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(6,122)	(9,464)
Interest paid		<u>(696)</u>	<u>(882)</u>
Net cash used in operating activities		<u>(6,818)</u>	<u>(10,346)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(5,659)	(13,798)
Sale of tangible fixed assets		219	-
Interest received		<u>659</u>	<u>1,334</u>
Net cash used in investing activities		<u>(4,781)</u>	<u>(12,464)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		(11,599)	(22,810)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>411,209</u>	<u>434,019</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>399,610</u>	<u>411,209</u>

The notes form part of these financial statements

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Statement of Cash Flows**  
**for the year ended 31 March 2021**

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

	31.3.21	31.3.20
	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	11,102	(60,106)
<b>Adjustments for:</b>		
Depreciation charges	11,426	12,045
Profit on disposal of fixed assets	(73)	-
Interest received	(659)	(1,334)
Interest paid	696	882
(Increase)/decrease in debtors	(51,466)	66,458
Increase/(decrease) in creditors	7,852	(27,409)
Difference between pension charge and cash contributions	<u>15,000</u>	<u>-</u>
<b>Net cash used in operations</b>	<u>(6,122)</u>	<u>(9,464)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>411,209</u>	<u>(11,599)</u>	<u>399,610</u>
	<u>411,209</u>	<u>(11,599)</u>	<u>399,610</u>
<b>Total</b>	<u>411,209</u>	<u>(11,599)</u>	<u>399,610</u>

**Gwynedd Archaeological Trust Ltd**  
**A company limited by guarantee**

**Notes to the Financial Statements**  
**for the year ended 31 March 2021**

**1. GENERAL INFORMATION**

The Trust is a private company limited by guarantee and a charity registered in England and Wales.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The directors/trustees have reviewed the cash resources of the Trust for the foreseeable future, and considering any potential adverse impact to the charitable company's income as a result of the COVID pandemic, consider that the accounts being prepared on a Going Concern basis is appropriate.

**Incoming resources**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activities includes grant funding and income under contract.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate costs 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.

Charitable activities include expenditure associated with archaeological projects and include the direct costs and support costs relating to those activities.

Governance costs are costs associated with the general running of the charity.

**Allocation and apportionment of costs**

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, other are allocated on an appropriate basis.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The cost of minor additions or those costing below £1,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	50 years
Motor vehicles	5 years
Equipment	3 - 5 years

On transition to FRS102 the previously revalued freehold property became the deemed cost.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**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 charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Gwynedd Archaeological Trust Ltd**  
A company limited by guarantee

**Notes to the Financial Statements - continued**  
for the year ended 31 March 2021

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The trust operates a defined benefit pension scheme which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in statement of financial activities on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the statement of financial activities. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the statement of financial activities as other finance income or expense. Actuarial gains and losses are recognised in full in the statement of financial activities in the period in which they occur.

The defined benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**3. DONATIONS AND LEGACIES**

	31.3.21	31.3.20
	£	£
Donations	-	950
Legacies	<u>10,000</u>	<u>-</u>
	<u>10,000</u>	<u>950</u>

**4. INVESTMENT INCOME**

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>659</u>	<u>1,334</u>

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
for the year ended 31 March 2021

**5. INCOME FROM CHARITABLE ACTIVITIES**

Activity	31.3.21 £	31.3.20 £
Grants from Cadw	320,364	310,237
Other grants	67,059	72,089
Private archaeological projects	334,214	348,470
Subscriptions/friends income	<u>1,254</u>	<u>2,430</u>
	<u>722,891</u>	<u>733,226</u>

**6. CHARITABLE ACTIVITIES COSTS**

Direct Costs £	Support costs (see note 7) £	Totals £
<u>608,615</u>	<u>144,552</u>	<u>753,167</u>

**7. SUPPORT COSTS**

Management £	Other £	Governance costs £	Totals £
<u>128,599</u>	<u>1,387</u>	<u>14,566</u>	<u>144,552</u>

**8. NET INCOME/(EXPENDITURE)**

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

	31.3.21 £	31.3.20 £
Auditors' remuneration	5,475	7,885
Depreciation - owned assets	11,427	12,044
Other operating leases	3,190	6,743
Surplus on disposal of fixed assets	<u>(73)</u>	<u>-</u>

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
**for the year ended 31 March 2021**

**9. 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.

**10. STAFF COSTS**

	31.3.21	31.3.20
	£	£
Wages and salaries	472,141	466,527
Social security costs	34,709	37,342
Other pension costs	<u>15,537</u>	<u>49,568</u>
	<u>522,387</u>	<u>553,437</u>

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

	31.3.21	31.3.20
Chief Executive	1	1
Heritage management	6	6
Archaeological projects	11	10
Administration and support	<u>2</u>	<u>2</u>
	<u>20</u>	<u>19</u>

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

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund	Restricted fund	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	950	-	950
<b>Charitable activities</b>			
	350,900	382,326	733,226
Investment income	1,334	-	1,334
Other income	<u>1,920</u>	<u>-</u>	<u>1,920</u>
<b>Total</b>	355,104	382,326	737,430
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
	450,445	347,091	797,536
<b>NET INCOME/(EXPENDITURE)</b>	(95,341)	35,235	(60,106)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	650,259	8,968	659,227

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
for the year ended 31 March 2021

<b>11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued</b>				
	Unrestricted fund £	Restricted fund £	Total funds £	
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>554,918</u>	<u>44,203</u>	<u>599,121</u>	
<b>12. TANGIBLE FIXED ASSETS</b>				
	Freehold property £	Equipment £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2020	350,000	128,534	20,941	499,475
Additions	-	5,659	-	5,659
Disposals	<u>-</u>	<u>(219)</u>	<u>-</u>	<u>(219)</u>
At 31 March 2021	<u>350,000</u>	<u>133,974</u>	<u>20,941</u>	<u>504,915</u>
<b>DEPRECIATION</b>				
At 1 April 2020	50,603	116,475	19,607	186,685
Charge for year	2,000	8,093	1,334	11,427
Eliminated on disposal	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>(73)</u>
At 31 March 2021	<u>52,603</u>	<u>124,495</u>	<u>20,941</u>	<u>198,039</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>297,397</u>	<u>9,479</u>	<u>-</u>	<u>306,876</u>
At 31 March 2020	<u>299,397</u>	<u>12,059</u>	<u>1,334</u>	<u>312,790</u>
<b>13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
		31.3.21 £	31.3.20 £	
Trade debtors		116,501	49,310	
Other debtors		66,041	80,660	
Prepayments and accrued income		<u>6,368</u>	<u>7,474</u>	
		<u>188,910</u>	<u>137,444</u>	
<b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
		31.3.21 £	31.3.20 £	
Trade creditors		11,794	9,415	
VAT		20,313	17,033	
Accruals and deferred income		<u>11,912</u>	<u>9,720</u>	
		<u>44,019</u>	<u>36,168</u>	

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
**for the year ended 31 March 2021**

**15. PROVISIONS FOR LIABILITIES**

	31.3.21	31.3.20
	£	£
Defined benefit pension plan liability	-	<u>226,154</u>

During the period, a change in measurement basis from a defined contribution plan to a defined benefit plan took place due to sufficient information becoming available to enable the split of assets and liabilities reasonably between the participating Trusts. Please refer to note 17 for more information.

**16. MOVEMENT IN FUNDS**

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
<b>Unrestricted funds</b>			
General fund	554,918	(488,541)	66,377
<b>Restricted funds</b>			
Restricted fund	44,203	(44,203)	-
	<u>599,121</u>	<u>(532,744)</u>	<u>66,377</u>
<b>TOTAL FUNDS</b>			

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	385,206	(329,901)	(543,846)	(488,541)
<b>Restricted funds</b>				
Restricted fund	379,063	(423,266)	-	(44,203)
	<u>764,269</u>	<u>(753,167)</u>	<u>(543,846)</u>	<u>(532,744)</u>
<b>TOTAL FUNDS</b>				

**Comparatives for movement in funds**

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
<b>Unrestricted funds</b>			
General fund	650,259	(95,341)	554,918
<b>Restricted funds</b>			
Restricted fund	8,968	35,235	44,203
	<u>659,227</u>	<u>(60,106)</u>	<u>599,121</u>
<b>TOTAL FUNDS</b>			

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
for the year ended 31 March 2021

**16. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	355,104	(450,445)	(95,341)
<b>Restricted funds</b>			
Restricted fund	382,326	(347,091)	35,235
	<u>737,430</u>	<u>(797,536)</u>	<u>(60,106)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b>			
General fund	650,259	(583,882)	66,377
<b>Restricted funds</b>			
Restricted fund	8,968	(8,968)	-
	<u>659,227</u>	<u>(592,850)</u>	<u>66,377</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	740,310	(780,346)	(543,846)	(583,882)
<b>Restricted funds</b>				
Restricted fund	761,389	(770,357)	-	(8,968)
	<u>1,501,699</u>	<u>(1,550,703)</u>	<u>(543,846)</u>	<u>(592,850)</u>

The restricted funds set out above principally relate to CADW projects with the restriction being that these funds should be spent in accordance with the grant application.

The pension provision (in year ended 31 March 2020) and estimated liability (in year ended 31 March 2021) are made in the unrestricted fund. Through the apportionment of overheads, restricted activities make a contribution to the deficit reduction, but it is not possible to calculate what portion of the provision or liability would be attributable to the restricted fund in the Statement of Financial Activities.

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
**for the year ended 31 March 2021**

**17. EMPLOYEE BENEFIT OBLIGATIONS**

The Trust is a member of a multi-employer defined benefit pension scheme for the benefit of the employees of a number of archaeological organisations, the Archaeological Organisations Pension Scheme (AOPS). This requires contributions to be made to a separately administered pension fund. The assets of the scheme are invested and managed independently of the finances of the Trust. The latest triennial actuarial valuation using the Projected Unit Method was undertaken by an independent qualified Actuary, Aviva, as at 6 April 2018. The pension scheme is a multi-employer scheme and is shared by three other charities.

Previously, the actuarial reports did not enable each charity to identify the shares of the underlying assets and liabilities on a consistent or reasonable basis. As a result the charity was unable to comply with the full provisions of FRS102. Disclosure was therefore made in accordance with paragraph 28.11A of FRS102 as if the scheme was a defined contribution scheme and the Trust recognised a liability for the contributions payable that arise from the deficit recovery plan of £226,154 at 31 March 2020.

Subsequently, sufficient information became available and a change to defined benefit accounting took place as of 1 April 2020 in accordance with FRS102 paragraph 28.8C. This is seen as a change to an improved measurement basis, using more complete information to measure the same underlying obligation, which results in a difference recognised on transition. A transition difference of £753,846 (updated brought forward pension liability of £980,000 less prior year provision liability of £226,154) has been recognised as a separate item in the statement of financial activities under "other recognised gains/(losses)".

The company has 7 employees in the AOPS (2020 - 7). At 6 April the scheme had a total 22 members still in employment and 52 members with preserved benefits.

The Trust has ceased contributions to the scheme for enrolled members as at 31 July 2018, this was after a consultation between the four Welsh Archaeological Trusts to cease the defined benefit contribution scheme from 1 August 2018.

The pension scheme triennial valuation as at 6 April 2018, updated to July 2019, shows a deficit of £1,143,000. There is a recovery plan in place to seek to eliminate the deficit by 5 August 2030. This requires GAT to make additional deficit reduction contributions of circa £21,000 per annum, increasing by 3% each year.

Payment of the above rate (plus members' contributions and the premiums required for the insurance of death in service benefits) will ensure that the benefits promised under the Scheme can be provided as they fall due. If the assumptions are borne out in practice. The contribution rates are based on the assumption that all members who joined before 6 April 2000 exercise their right to retire at the age of 60 (or their next birth date if over the age of 60 at the valuation date).

Members of the AOPS accrue an indexed linked pension of 1/60th of final pensionable salary for each year in the scheme up to 6 April 2008 and 1/80th for each year since.

The latest triennial actuarial valuation was undertaken by an independent qualified actuary. The update valuation as at 6 April 2018 showed:

	£	£
Value of assets		10,562,000
Active members	3,776,000	
Members with preserved benefits	3,714,000	
Pensioners paid from the fund	4,215,000	
		11,705,000
Deficit		1,143,000

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
for the year ended 31 March 2021

**17. EMPLOYEE BENEFIT OBLIGATIONS - continued**

A valuation has been obtained at 31 March 2021 to ascertain the proportion of the defined benefit scheme assets, liabilities, income and costs attributable to the Trust.

	2021 £
Amounts recognised in the Statement of Financial Activities	
Past service cost	17,000
Non investment expenses	17,000
Expected return on plan assets	(47,000)
Interest cost	<u>68,000</u>
Total charged to charitable expenditure	<u>55,000</u>

	2021 £
Amounts taken to other comprehensive income	
Return on assets excluding amounts included in net interest	397,000
Actuarial changes related to obligations	<u>(187,000)</u>
Actuarial gain/(loss) recognised in other gains/(losses)	<u>210,000</u>
Transition adjustment on defined benefit scheme	<u>(753,846)</u>
Total recognised in other gains/(losses)	<u>(543,846)</u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2021 £
Present value of defined benefit obligations	(3,452,000)
Fair value of plan assets	<u>2,667,000</u>
Deficit in scheme	<u>(785,000)</u>

	2021 £
Movements in the present value of defined benefit obligations	
Opening defined benefit obligation	3,246,000
Past service cost	17,000
Interest cost	68,000
Actuarial losses/(gains)	187,000
Benefits paid	<u>(66,000)</u>
	<u>3,452,000</u>

	2021 £
Movements in the fair value of plan assets	
Opening fair value of scheme assets	2,266,000
Contributions by employer	40,000
Non investment expenses	(17,000)
Expected return	47,000
Actuarial gains/(losses)	397,000

**Gwynedd Archaeological Trust Ltd**  
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**Notes to the Financial Statements - continued**  
for the year ended 31 March 2021

**17. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Benefits paid	(66,000)
	2,667,000

Composition of plan assets:	2021 £
Equities	1,393,000
Bonds	586,000
Alternatives	341,000
Annuities	164,000
Cash	183,000
	2,667,000

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2021
Discount rate	2.00%
Price inflation (RPI)	3.30%
Price inflation (CPI)	2.60%
Deferred revaluation	2.60%
Pension increases - RPI up to 5%	3.20%
Mortality - pre retirement	Nil
	S3PA tables based on year of birth, allowing for CMI 2020 improvements with a 1.25% pa long term trend rate
Mortality - post retirement	
Cash commutation	90% of maximum available
Life expectancy:	
Current pensioners age 65 - males	21.9
Current pensioners age 65 - females	24.3
Future pensioners age 65 (currently age 45) - males	23.2
Future pensioners age 65 (currently age 45) - females	25.7

**18. CONTINGENT LIABILITIES**

As noted in note 17 the Trust is party to the defined benefit AOPS.

**19. RELATED PARTY DISCLOSURES**

No Trustee or other person related to the Trust had any personal interest in any contract or transaction entered into by the Trust during the year.



**Private & Confidential**

The Trustees  
Gwynedd Archaeological Trust Ltd  
Craig Beuno  
Garth Road  
Bangor  
LL57 2RT

Dear Trustees,

**Audit of the financial statements of the Gwynedd Archaeological Trust Limited (“GAT”) for the year ended 31 March 2021**

We are writing to set out the findings from our audit of Gwynedd Archaeological Trust Ltd 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” (“UKGAAP”), International Standards on Auditing (UK and Ireland) (ISAs(UK&I)) and the Charities SORP (FRS 102).

**Significant findings from the audit**

We are required under ISA (UK&I) 260 “Communication to those charged with governance” to communicate findings from our audit, including:

- Our views about significant qualitative aspects of the entity’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit.

**Accounting for the Trust’s share of the deficit in the Archaeological Organisations Pension Scheme (“AOPS”)**

As you are all very much aware, the Trust is a member of AOPS which is a multi-employer defined benefit pension scheme. Previously, the Trust was unable to identify its share of the underlying assets and liabilities in AOPS, and therefore the scheme was accounted for as if it was a defined contribution scheme as follows:

- a) the pension contributions paid by the Trust were charged to the Statement of Financial Activities as they fell due (effectively on a monthly basis as they are paid), and
- b) A liability was recorded for the deficit reduction contributions that are required to fund any deficit that arises. This was measured at the present value of the contributions payable, discounted using yields applicable to high quality corporate bonds. The charge that arises was presented in the Statement of Financial Activities together with the normal contributions.

The provision recorded as at 31 March 2020 was £226,154. For the financial year ended 31 March 2021, sufficient information became available (in the form of the FRS 102 pension disclosure report provided by Quantum Advisory) that enabled the reasonable split of assets and liabilities between the participating Trusts. A change to defined benefit accounting took place as of 1 April 2020 in accordance with FRS 102 paragraph 28.8C and this is seen as a change to an improved measurement basis. As a result of this change in accounting, a transition adjustment of £753,846 (updated brought forward pension liability of £980,000 less previous provision of £226,154) has been recognised in the Statement of Financial Activities. More detail can be found in note 17 of the financial statements, and we would be happy to discuss this in more detail with the Trustees during the AGM.

**St George's Court, Winnington Avenue, Northwich, Cheshire, CW8 4EE. Tel: 0845 330 3200 Fax: 0845 009 0561**

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### Appropriateness of the going concern concept

The financial statements are being prepared on the going concern basis, which means that the Trustees consider that the Trust will be able to meet its financial liabilities as they fall due for a period of at least 12 months from the date of signing, supported by the high levels of cash reserves held and the expected continuation of the Cadw grant. We have yet to review the forecasts for the coming 12-month period, which we hope to do before the meeting, but fully expect the going concern basis of preparation to remain appropriate.

### Assessment of the level of primary purpose and non-primary purpose trading

As discussed in previous years, the extent of the non-primary purpose trading within the Trust will need to be monitored as a risk on an ongoing basis. We are still seeing an increasing number of Charitable organisations adopting a structure with a trading subsidiary through which the non-primary purpose trading activity can be recorded. Any surplus generated by the trading subsidiary is then passed up to the Trust via a gift-aided covenant and would therefore not be subject to corporation tax. This is a common option in order to reduce the risk of challenge in this area and I continue to recommend that this structure is considered.

### Significant deficiencies in internal control

We are required under ISA (UK&I) 265 “Communicating deficiencies in internal control to those charged with governance and management” to communicate matters identified during the audit.

The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our work may therefore not have identified all significant deficiencies in your system of internal controls which a separate audit of internal control may reveal.

We wish to draw your attention to the following matters which we identified and you may consider implementing during the course of the year.

Observation	Implication	Recommendation
For one new starter in the period, a copy of the signed employment contract was not kept on file.	Employee contracts should be held for all staff members and kept up to date to comply with relevant workplace laws and regulations.	We advise that all signed employment contracts are kept on file and updated regularly where necessary.
Upon review, an old debtor balance was considered to be irrecoverable.	Income and debtors may be misstated.	We would recommend the finance team complete a full review of outstanding debtor balances quarterly and provide for any balances which are unlikely to be recovered.

### Auditor independence

We are required under the UK Ethical standards to report matters that bear upon the auditor’s objectivity and independence relating to the provision of non-audit services including the safeguards put in place. We provide certain accountancy services for the Trust in the preparation of the statutory financial statements and certain payroll advice during the year. The safeguards against these potential threats to auditor independence are the use of separate teams within Bennett Brooks to perform the services – these services are both performed by our Llandudno office under the direction of my fellow Director Andrew Filbee who leads the team in Llandudno. The audit is performed by a specialist audit team under my direction, and although the team members live local to the North Wales coast, are based in our Northwich head office with me. I consider appropriate safeguards to be in place and confirm that we consider both Bennett Brooks and myself as your senior statutory auditor to be independent.

**St George's Court, Winnington Avenue, Northwich, Cheshire, CW8 4EE. Tel: 0845 330 3200 Fax: 0845 009 0561**

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## Other matters

We are also required under ISAs (UK&I) to communicate to you if we have anything to report on the following matters:

- Uncorrected misstatements;
- Matters related to fraud;
- Matters related to laws and regulations;
- Matters related to related parties;
- Subsequent events;
- Matters related to going concern;
- Any significant facts that bear upon our independence and objectivity – refer above;
- Matters related to the auditors' report;
- Relevant returns with UK authorities have been filed promptly;
- Any other matters that, in our professional judgement, are significant to the oversight of the financial reporting process.

There are no further matters to report.

This letter has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this letter has not been prepared for, or is intended for, any other purpose.

We would like to thank you and your staff for their assistance and co-operation during the audit process. Please call me on 0771 423 1813 if there are any areas you would like to discuss.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Leach', written in a cursive style.

**Jason Leach on behalf of  
Bennett Brooks & Co Ltd**