

ANHEDDAU CYFYNGEDIG

(Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

(Company Registration Number 2380151)
(Charity Registration Number 701697)

For an interactive version and summary of
the Annual Report please visit our website:

www.anheddau.co.uk/en/home

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29/09/2017
COMPANIES HOUSE

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT

The Trustee Directors (hereafter referred to as "Trustees") present their report and audited accounts for the year ended 31 March 2017.

Reference & Administrative Details

Charity Registration Number	701697
Company Registration Number	2380151
Registered and Principal Office	6 Llys Britannia Parc Menai Bangor GWYNEDD LL57 4BN
Bankers	HSBC plc 24 Castle Square CAERNARFON LL55 2NB
Auditors	Owain Bebb a'i Gwmni 32 Y Maes CAERNARFON LL55 2NN
Accountants	TLL Accountants Ltd 7 – 9 Station Road PRESTON PR4 6SN
Solicitors	Richard C Hall & Partners Red Hill House, Hope Street SALTNEY CH4 8BU

Directors (Trustees)

The directors of the charitable company are also its Trustees for the purpose of charity law. The Trustees who served during the year and the present members are:

Brian Merfyn Jones (Chairman)
Richard G Barker (Vice Chairman)
Jonathan M Walsh (Treasurer)
John Williams
Martin Davidson
Gwylan Williams

Senior Staff Members as at 31 March 2017

Janetta T. Jones (CEO and Chief Financial Officer)
Nia Prendergast (Head of Corporate Services and Company Secretary)
Sharon Burke (Head of Service Delivery)

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Structure, Governance and Management

Anheddau is a Registered Charity and a Company Limited by Guarantee and is governed by its Memorandum and Articles of Association (hereafter referred to as "the charity").

Any adult can apply to become a Trustee. There is an application pack available which is completed by applicants who are then interviewed by not less than two of the existing Trustees. The induction process is carried out with the existing Trustees. Trustees are encouraged to undertake relevant training such as that offered by the Wales Council for Voluntary Action.

The day to day management of the organisation is delegated by the Trustees to the Chief Executive. Management duties are then carried out as appropriate by the other managers within Anheddau. (see organisation chart below).

The Chief Executive, Head of Administrative Services and Head of Client Services meet with the Chair of the Trustee Board as the Executive Group. This group meets at least six times per year in addition to the other Board meetings. At the Executive Group meetings the Senior Managers report to the Chair and matters not requiring full Board approval are addressed. A report from this group is made by the Chief Executive and the Chair to the full Board. The Board make the final decisions and ratify the policies by which the organisation is bound.

The full Trustee Board meets quarterly in addition to the Annual General Meeting.

The Board has undertaken a full assessment of the risks to which Anheddau may be subject such as loss of income, health and safety issues and changes in legislation. A risk management strategy is in place which identifies the risks and sets out methods and procedures by which they may be minimised and dealt with should they arise.

Objectives, Activities and Strategy to Achieve these Aims

The objectives of Anheddau are to promote the relief of people with support needs, residing primarily or temporarily in Wales, to empower them to live fulfilled lives. Anheddau currently works in the Counties of Gwynedd, Ynys Mon, Conwy and Denbighshire.

Our Mission Statement

Our mission is to assist people who have support needs to establish homes in the community and to provide a supportive environment from which people can enhance their experience of community living.

We will:

- * work for the physical and social integration of people
- * Promote choice and protect the rights of people
- * Enable people to acquire and improve life skills and quality of life
- * Enable people to enhance their status and self respect
- * Employ appropriate support staff in order to enable people to fulfil their maximum potential as individuals
- * Work with organisations that share Anheddau's general philosophy in order to maximise the positive outcomes for people

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Objectives, Activities and Strategy to Achieve these Aims - continued

Vision Statement

Anheddau will: -

- * work with people in North Wales who have support needs to achieve their goals
- * Provide high quality, flexible, innovative services in response to individual need
- * Support these services by ensuring that a learning environment, which works in partnership with staff, customers and clients, is created

The services provided are within a structure which is a progressive model of supporting individuals to achieve their maximum potential and independence through using person centered, active and outcome focused approaches. This is translated into the supportive management interventions, such as workforce development and Health and Safety. Such interventions are identified and determined from the care plan of the individual service user.

Anheddau is self sufficient in terms of its Training, QCF, Health and Safety, and Behavioural Support Planning, with in house key personnel who are occupationally competent in their specialist area as well as being experienced social care professionals. These interventions are therefore embedded in the planning of service delivery rather than an ad hoc blanket approach ensuring an integrated approach to the management of services.

The aim is that the Individual's supported live as independently as possible in their own homes. The success is measured in terms of outcomes achieved for the Individuals. The measured goals are specific to each service user.

The services delivered follow the principles and objectives of the All Wales Strategy, 'Fulfilling the Promise.' Its basis is the principle that people with a learning, or any other, disability have a right to ordinary patterns of life within the community, and have the right to be treated as individuals. The aim of the support is therefore to encourage and empower service users to make choices, develop competencies, enjoy a social life and be supported in a way that compliments their culture and enhances their opportunities.

The active support model underpins the progressive model of support and involves partnership working, utilising person centered approaches, and goal setting. This enables Individuals to achieve their aspirations for independence, including outcome based reviews, positive risk taking, goal directed support planning, evidence based assessments of daily living skills and a differentiation of maintenance and development needs.

Additionally, following the introduction of the Social Services and Well Being Act, greater emphasis has been placed on user involvement from the onset of any services or support being delivered. From the Organisation's perspective, once an individual is receiving support, the focus is on them and the staff team tailor their support needs via person centered planning and outcome focused support. This, over the years has proven to be very successful.

The Social Service and Wellbeing Act indicates that Involvement should happen at all stages of the design and operation of services.

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Objectives, Activities and Strategy to Achieve these Aims - continued

Essential to fulfilling this duty is an approach which is based on co-production principles. By way of:

1. Recognising people as assets, and as having a positive contribution to make to the design and operation of services.
2. Supports and empowers people to get involved with the design and operation of services Empowers people to take responsibility for, and contribute to, their own well-being
3. Ensures that practitioners work in partnership with people to achieve personal outcomes at an individual and service level
4. Involves people in designing outcomes for services.

Public Benefit

In meeting the objects of the charitable company the Trustees have considered the Charity Commission guidance on public benefit and are satisfied that the activities undertaken during the year have provided significant benefit to the section of the general public, being as described in the Guidance of being in need due to ill-health, disability, age or other disadvantage.

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Organisation Chart as at 31 March 2017

BOARD OF TRUSTEE DIRECTORS

COUNCIL OF MANAGEMENT

Executive Managers Group

Chairman, CEO, Head of Client Services and Head of Corporate Services

**Service Delivery and
Safeguarding Group**

Vice Chairman, Trustee and Head of
Client Services

Finance Sub Group

Treasurer, CEO, Finance Manager
and Accountant

**Corporate Services Sub
Group**

Trustee, Head of Corporate Services,
IT Manager, H&S Manager,
Workforce Development Manager

C.E.O

Janetta T Jones

Head of Service Delivery

Sharon C Burke

Head of Corporate Services

Nia E Prendergast

Senior Managers

Finance Manager, Assistant Heads of Service, Assistant Head of Corporate Services, Workforce
Development Manager, Health and Safety Manager

Area/Service Managers

Anglesey
Conwy
Denbighshire
Gwynedd

Administrative Managers

Contracts Manager
Training Manager
Office Manager

House Managers

Anglesey
Conwy
Denbighshire
Gwynedd

Administrative Officers

Finance Officer
Payroll Officer
PCP Facilitator
Information Officer
Internal Verifiers

Support Workers

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Financial Review

During the year the charity has achieved a surplus of £211,641. Unrestricted reserves now stand at £945,516 (General fund balance). The detailed results and closing balances are shown on the Statement of Financial Activities and Balance Sheet respectively.

Policy on Reserves, and Investment

Anheddau needs reserves for the following reasons:-

- a) To provide sufficient working capital for its day to day needs;
- b) To enable it to continue to operate in the event of a crisis, whether foreseen or unforeseen;
- c) To enable it to cope with any reduction in its income;
- d) To finance and underpin growth in its activities.

The view of the Trustees is that Anheddau needs sufficient reserves to cover the Charity's activities for a period of three to six months, and sufficient liquid reserves (i.e. cash, bank balances or other assets close to cash such as deposits) to cover the payroll and other costs for a period of four months. At the year end, approximately two months' liquid reserves are available (after providing for exceptional items and non-liquid fixed asset funds). See note 10 to the Accounts for further details. 'Reserves have been significantly reduced due to meeting the requirements of National Minimum Wage.

The reserves policy shall inform other spending decisions, which must be examined having regard to their impact on it. A sum of £5,000 has been transferred onto deposit each month unless there is an agreed written dispensation from the Treasurer having consulted with one or more members of the Council of Management. The Trustees are instigating a programme of rebuilding reserves to a sustainable level.

The Trustees believe that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in producing these accounts.

Plans for Future Periods

The primary objective for Anheddau for the immediate future is to continue to expand and develop as an organisation, in a financially challenging climate, whilst maintaining the high quality of service to existing and new clients.

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Employment Policy

The Charity's policy is to promote equality of opportunity to all in employment and the selection process irrespective of their gender, race, ethnic origin, disability, age, nationality, sexuality, marital status and social class. Anheddau oppose all forms of unlawful and unfair discrimination.

All employees and volunteers will be treated fairly and equally. Selection for employment, promotion, training and any other benefits will be on the basis of aptitude and ability. All employees will be helped and encouraged to further develop their full potential and the talents and the resources of the workforce will be fully utilised to maximise the efficiency of the organisation.

Remuneration Policy

It is a stated aim of Anheddau to; "exercise fair and consistent employment practice". This aim sits alongside the other aims of the Charity and is of equal importance.

The Trustees consider the board of Trustees, the Chief Executive and the Heads of Service and Corporate Service as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. A Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related third party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Chief Executive in accordance with the charity's policy and withdraw from decisions where a conflict of interest arises.

Remuneration is one part of the relationship between employer and employee.

All Anheddau employees have the same contract of employment and terms and conditions.

Pension payments by both employee and employer are determined by statute and are paid accordingly.

The remuneration of support workers is currently set by the National Minimum Wage legislation. It is not the view of the Trustees that this represents adequate remuneration for the work undertaken and the Trustees are committed to paying a fair wage for the post once sufficient income can be sustainably achieved.

The Anheddau pay scale represents six levels from Support Worker to CEO. The levels above support worker have been severely compressed since 2013 due to the impact of legislation. The Trustees will address this compression as finances allow.

The pay scale showing all levels is available to all staff.

Anheddau has a Joint Bargaining Agreement with UNISON and encourages membership amongst staff.

The level of pay and terms and conditions currently available to all employees represents a challenge to the charity in terms of meeting its objectives as the recruitment and retention of staff is undermined by better opportunities existing in the labour market. The Trustees are pro actively engaging with the Commissioners of service to address this issue.

ANHEDDAU CYFYNGEDIG

TRUSTEES' REPORT - continued

Management of key risks

The Trustees have a risk management strategy which comprises: An annual review of the detailed Risk Register which identifies the key risks and the strategies employed to address them; the establishment of policies, systems and procedures to mitigate the identified risks; the implementation of procedures designed to minimise or manage any potential impact on the organisation should those risks materialise;

This work has identified two broad main categories of risk facing Anheddau: Namely the safeguarding of the individuals we support and financial risks

Safeguarding

The key risks surround the availability of suitably trained staff and ensuring that safeguarding and the reporting procedures which surround it are embedded in everyday practice.

The concept of safeguarding is implementing measures (protocols, risk assessments, MDT) to try and prevent abuse and ensure the safety and wellbeing of the Individual. The concept of protection is accessing internal and processes to formally report and record concerns/allegations.

Safeguarding is the responsibility of everyone that comes into contact with a vulnerable person, if capacity is present the service user should be encouraged to have ownership of their own safeguarding giving them informed choices and opportunities to explore calculated risks. Safeguarding is a statutory responsibility in response to individual cases where risk of harm has been identified and this concern has been highlighted via the POVA (Protection of Vulnerable Adults) referral system to the local authority.

Additionally, people who work with vulnerable groups must be alerted to the possible indicators of abuse and be able to act to protect them from harm. In order to ensure the above Anheddau embeds the principles and practical awareness of Safeguarding in its core training programme.

Principles of good practice

- Recognise the rights of individuals and treat them with dignity and respect.
- Train staff to be aware of risks and the needs of vulnerable groups.
- Plan the work of the Organisation to minimise opportunities for vulnerable groups to suffer harm.
- All staff training is updated annually.

The main legal enforcement framework is in the, "Safeguarding Vulnerable Groups", Act 2006, and its supporting regulations and the, "Protection of Freedoms Act", 2012; As well as the Social Services and Well-being Act (Wales) 2014.

Financial

The external financial climate facing Anheddau, social care, is extremely challenging as the twin forces of increased legislative requirements and the dwindling resources available from Commissioners to provide services collide. Anheddau therefore manages its finances robustly via the scrutiny of the Finance sub Group of the Trustee Board which reviews the financial viability of all services quarterly. This Group comprises the Treasurer, CEO, Finance Managers and external professional accountancy support from TLL Accountants.

ANHEDDAU CYFYNGEDIG
TRUSTEES' REPORT - continued

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Anheddau Cyfyngedig for the purposes of company law) are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP).

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 these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.


The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

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

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

This report was approved by the Board on 30th August 2017 and signed on its behalf by:



.....
N E Prendergast (Company Secretary)



.....
B M Jones (Trustee / Chairman)

*For an interactive version and summary of
the Annual Report please visit our website:*

www.anheddau.co.uk/en/home

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ANHEDDAU CYFYNGEDIG

We have audited the financial statements of Anheddau Cyf. (limited by guarantee) for the year ended 31 March 2017, which comprise the Statement of Financial Activities (Income and Expenditure Account), the Balance Sheet, 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).

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 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

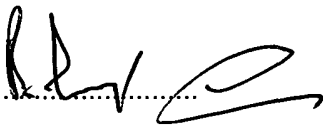
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ANHEDDAU CYFYNGEDIG - continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of the Trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Date: 22/8/17

Rhys Harris
Senior Statutory Auditor, for and on behalf of:
Owain Bebb a'i Gwmni
Chartered Accountants
Statutory Auditor

32 Y Maes
Caernarfon
LL55 2NN

ANHEDDAU CYFYNGEDIG

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:					
<i>Generated Funds</i>					
Investment Income					
- Bank interest (UK)		1,653	-	1,653	1,761
<i>Charitable Activities</i>					
Supporting People in the Community	2	4,981,075	-	4,981,075	4,837,474
Total		4,982,728	-	4,982,728	4,839,235
Expenditure on:					
<i>Charitable Activities:</i>					
<i>Supporting People in the Community</i>					
- Wages & travel		4,377,587	-	4,377,587	4,572,800
- Exceptional costs		-	-	-	207,869
- Training and recruitment costs		18,829	-	18,829	14,679
- Food & provisions		33,142	-	33,142	13,907
- Property costs	2	98,177	-	98,177	142,784
- Office & insurance costs	2	180,477	-	180,477	186,522
- Bank charges & interest		3,893	-	3,893	4,393
- Depreciation		21,699	-	21,699	22,616
- Audit & accountancy		12,100	-	12,100	11,000
- Professional fees		25,183	-	25,183	24,984
Total		4,771,087	-	4,771,087	5,201,554
Net income/(expenditure)		211,641	-	211,641	(362,319)
Gross transfers between funds	10	1,250	(1,250)	-	-
Net incoming/(outgoing) resources for the year		212,891	(1,250)	211,641	(362,319)
Total Funds b/fwd		830,527	80,000	910,527	1,272,846
Total funds c/fwd *	10	1,043,418	78,750	1,122,168	910,527

* Part of the unrestricted funds are designated for specific reasons as shown on the Balance Sheet.

Comparative figures:

The only movement on restricted funds during the prior year was the annual £1,250 transfer to unrestricted funds.

The notes on pages 15 to 21 form an integral part of these accounts.

ANHEDDAU CYFYNGEDIG

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	3	176,652	173,767
		<hr/>	<hr/>
		176,652	173,767
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	4	523,773	555,633
Cash at bank and in hand		624,045	356,601
		<hr/>	<hr/>
		1,147,818	912,234
CREDITORS:			
Amounts falling due within one year	5	(202,302)	(175,474)
		<hr/>	<hr/>
NET CURRENT ASSETS		945,516	736,760
		<hr/>	<hr/>
NET ASSETS		1,122,168	910,527
		<hr/> <hr/>	<hr/> <hr/>
RESERVES			
Unrestricted reserves			
- General		945,516	736,760
- Fixed assets: Other		97,902	93,767
Restricted reserves (Land & Buildings)		78,750	80,000
		<hr/>	<hr/>
	10	1,122,168	910,527
		<hr/> <hr/>	<hr/> <hr/>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies.

The accounts were approved by the Board on 30th August 2017 and signed on its behalf by:-


.....

B M Jones (Trustee / Chairman)

The notes on pages 15 to 21 form an integral part of these accounts.

ANHEDDAU CYFYNGEDIG
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	290,374	(197,196)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		290,374	(197,196)
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(24,583)	(22,798)
Interest received		1,653	1,761
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		<u>(22,930)</u>	<u>(21,037)</u>
 Change in cash and cash equivalents in the reporting period		 267,444	 (218,233)
Cash and cash equivalents at the beginning of the reporting period		<u>356,601</u>	<u>574,834</u>
 Cash and cash equivalents at the end of the reporting period		 <u>624,045</u>	 <u>356,601</u>

ANHEDDAU CYFYNGEDIG
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	211,641	(362,319)
Adjustments for:		
Depreciation charges	21,699	22,616
Interest received	(1,653)	(1,761)
Decrease/(increase) in debtors	31,860	159,336
Increase/(decrease) in creditors	26,827	(15,068)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	290,374	(197,196)
	<hr/> <hr/>	<hr/> <hr/>

ANHEDDAU CYFYNGEDIG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting Policies

a. Basis of Preparation

The accounts have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), the Financial Reporting Standard for Smaller Entities (effective April 2008), the "SORP 2015" for charities (FRS102 version), and Companies Act 2006.

b. Fixed Assets

Fixed assets are stated at cost and depreciated over their economic useful lives at the following rates:-

Computer hardware & software	25%
Office equipment & furniture	15%
Housing furniture	15%
Freehold land & buildings	2%
Leasehold Improvements	Over the term of the lease

Individual purchases of £500 or less are not generally capitalised, but expended to the Statement of Financial Activities. A fixed asset register is maintained and items of a certain category (such as computers) are capitalised even if below this value.

c. Incoming Resources & Funds

Income is accounted for on a receivable basis and the main sources of income are service level agreements from various authorities. All income is derived in the UK.

Income with restrictions imposed is allocated to a restricted fund and matched with the expenditure. Capital grants are allocated to a Restricted Fund and released over the terms of the restriction.

Income has been split between the different incoming resources. All income (except bank interest) is shown as charitable activities.

d. Pension

The Charity operates a defined contribution group stakeholder pension scheme under Auto Enrolment where the contribution rate is a fixed percentage of qualifying pay. The Charity also continues to contribute to certain staff's private pension schemes. The total contributions payable are disclosed in the notes to the accounts.

ANHEDDAU CYFYNGEDIG

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting Policies - continued

e. Operating Leases

Operating leases are charged to the Statement of Financial Activities as incurred.

f. Resources Expended

All expenditure is included in the Statement of Financial Activities in accordance with the accruals concept, where there is a legal obligation committing the Charity to the expenditure.

Charitable activities include expenditure associated with supporting people in the community. Support costs are included within charitable activities as analysed in the Statement of Financial Activities.

Governance costs include those costs incurred in the governance of the charity and those associated with constitutional and statutory requirements.

g. Support Costs

The general running costs of the Charity are detailed in the SORP and Notes to the Accounts. Since there is one charitable activity and no fund-raising activities category, it is not necessary to do any further allocation of support costs.

h. VAT

The Charity is not registered for VAT, as such the VAT element is added to the related cost, shown gross.

ANHEDDAU CYFYNGEDIG

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2017

2. Statement of Financial Activities Notes

	2017	2016
	£	£
Income - Supporting People in the Community		
Mental Health	162,537	140,798
Social Services	3,379,001	3,411,321
Supporting People	454,813	613,888
Client contribution and Client Monies	575,627	258,066
Domiciliary Care Short Contracts	252,053	237,275
Local Health Board & Other Income	157,044	176,126
	<hr/>	<hr/>
	4,981,075	4,837,474
	<hr/>	<hr/>
Expenditure		
Property costs		
Rent	83,350	130,260
Heat & light	14,827	12,524
	<hr/>	<hr/>
	98,177	142,784
	<hr/>	<hr/>
	2017	2016
	£	£
Office and insurance costs		
Printing, stationery & advertising	22,131	28,356
Insurances	18,862	20,665
Telephone	56,186	60,098
Photocopying costs	21,697	24,175
Sundries	18,234	19,625
Repairs & renewals	14,046	4,648
Subscriptions	4,766	4,008
Health & safety	9,235	9,553
Cleaning costs	10,473	9,148
Computer costs	4,847	6,246
	<hr/>	<hr/>
	180,477	186,522
	<hr/>	<hr/>
	2017	2016
	£	£
Depreciation	21,699	22,616
Auditor's Fees:		
- Audit services	7,100	6,000
	<hr/>	<hr/>

ANHEDDAU CYFYNGEDIG

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2017

2. Statement of Financial Activities Notes - Continued

Trustees have not received any remuneration for their services during this year nor the prior year. Trustee expenses reimbursed during the year totalled £1,184 (2016: £1,498). This related to one Trustee (2016: two Trustees).

The full time equivalent number of staff (including relief staff) for the year was 197. Carers: 171 (2016: 201); Admin: 26 (2016: 31).

	2017 £	2016 £
Wages & Salaries (incl. Exceptional Costs)	3,950,707	4,268,279
Social Security costs	264,222	241,856
Pension costs for 218 staff (2016: 272 staff) in scheme	22,691	65,489
	<u>4,237,620</u>	<u>4,575,624</u>

The Trustees can confirm that no employee was paid in excess of £60,000 p.a. (being the minimum reporting level set by the Charity Commission) for this year, nor the previous year.

3. Fixed Assets

	Land & Buildings	Housing Furniture	Computer Hardware & Software	Office Furniture	Total
Cost/Valuation	£	£	£	£	£
Balance b/f	205,913	18,752	167,985	42,977	435,627
Additions	4,091	1,000	18,630	863	24,584
Disposals	-	-	-	-	-
	<u>210,004</u>	<u>19,752</u>	<u>186,615</u>	<u>43,840</u>	<u>460,211</u>
Depreciation					
Balance b/f	66,589	14,620	146,627	34,024	261,860
Charge for the year	2,965	767	14,310	3,657	21,699
Eliminated on disposal	-	-	-	-	-
	<u>69,554</u>	<u>15,387</u>	<u>160,937</u>	<u>37,681</u>	<u>283,559</u>
Net Book Value					
As at 31.3.17	<u>140,450</u>	<u>4,365</u>	<u>25,678</u>	<u>6,159</u>	<u>176,652</u>
As at 31.3.16	<u>139,324</u>	<u>4,133</u>	<u>21,358</u>	<u>8,953</u>	<u>173,767</u>

All fixed assets are used for charitable purposes. Land and Buildings includes freehold assets of £126,027 and leasehold improvements of £14,423.

ANHEDDAU CYFYNGEDIG

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2017

4. Debtors - amounts falling due within one year

	2017 £	2016 £
Trade debtors	407,884	463,697
Prepayments	34,695	23,210
Other debtors	81,194	68,726
	<hr/>	<hr/>
	523,773	555,633
	<hr/>	<hr/>

5. Creditors - amounts falling due within one year

	2017 £	2016 £
Trade creditors	12,681	15,160
PAYE & NIC	59,161	53,012
Other Creditors and Accruals	130,460	107,302
	<hr/>	<hr/>
	202,302	175,474
	<hr/>	<hr/>

Creditors include £4,059 (2016: £2,870) due to the Charity pension scheme at 31 March 2017.

6. Capital Structure

The charitable company is limited by guarantee and has no share capital.

7. Operating Lease Commitments

At 31 March 2017 the charity had the following non-cancellable operating lease commitments.

	Cumulative Commitment *		Annual Commitment	
	2017	2016	2017	2016
	Cars & Equipment £	Land & Buildings £	Cars & Equipment £	Land & Buildings £
Expiring within one year	52,911	17,700	47,274	10,000
Expiring in two to five years	11,592	-	-	4,680
Expiring in more than five years	-	292,264	-	48,656
	<hr/>	<hr/>	<hr/>	<hr/>
	64,503	309,964	47,274	63,336
	<hr/>	<hr/>	<hr/>	<hr/>

*The basis of calculation has changed in 2017 under FRS102 – the commitment shown is the full amount to the end of the lease.

ANHEDDAU CYFYNGEDIG

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2017

8. Related Parties

The charity is controlled by the members of the Council of Management, which are listed in their report on page one. There were no related party transactions between the charity and its members.

9. Analysis of Net Assets between Funds

	Unrestricted Funds		Restricted Funds	Total
	General/ Designated	Fixed assets		
	£	£	£	£
Tangible Fixed Assets	-	97,902	78,750	176,652
Current Assets	1,147,818	-	-	1,147,818
Current liabilities	(202,302)	-	-	(202,302)
	<hr/>	<hr/>	<hr/>	<hr/>
	945,516	97,902	78,750	1,122,168
	<hr/>	<hr/>	<hr/>	<hr/>

10. Analysis of Funds

	Balance at 1.4.16	Income	Expenditure	Transfer	Balance 31.3.17
	£	£	£	£	£
Unrestricted Funds					
- General	736,760	4,982,728	(4,771,087)	(2,885)	945,516
- Fixed assets: Other	93,767	-	-	4,135	97,902
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	830,527	4,982,728	(4,771,087)	1,250	1,043,418
Restricted Funds					
- Land & Buildings fund	80,000	-	-	(1,250)	78,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	910,527	4,982,728	(4,771,087)	-	1,122,168
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Unrestricted Funds

The general fund is used to further the objects of the Charity.

The designated fixed asset fund represents the net book value of fixed assets (per the balance sheet, after deducting the related restricted fund) which clearly do not represent 'liquid' funds.

The view of the Trustees is that Anheddau needs sufficient reserves to cover the Charity's activities for a period of three to six months, and sufficient liquid reserves (i.e. cash, bank balances or other assets close to cash such as deposits) to cover the payroll and other costs for a period of three to six months. At the year end, approximately two months' liquid reserves (ignoring exceptional costs) are available and the Board will work to increase this level towards the three month level.

ANHEDDAU CYFYNGEDIG

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31 MARCH 2017

10. Analysis of Funds - Continued

Restricted Funds

The land and buildings fund represents monies received to purchase specific fixed assets, released over the terms of the restrictions. A transfer is made from restricted funds to unrestricted funds each year to reflect the annual reduction in restricted assets.

11. Agency Transactions

During the year the Charity received Housing Benefit and other income on behalf of certain clients which was re-distributed to the relevant clients in full.

The attributable amounts are not included within income or expenditure of the Charity for the year since the Charity only acts as Agent in relation to these amounts.

The amounts administered and excluded are as follows:

	£ 2017	£ 2016
- Income received and distributed (excluding Management Fees)	285,773	291,691
- Net amounts awaiting distribution at year end (within creditors)	-	-
- Amounts included in the client bank account awaiting receipt (within debtors)	6,836	12,197
- Separate bank accounts held on behalf of clients (not included in Charity Balance Sheet)	342,968	329,348