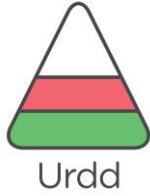


REGISTERED COMPANY NUMBER: 00263310 (England and Wales)
REGISTERED CHARITY NUMBER: 524481



**Report of the Trustees and
Audited Financial Statements for the
Year Ended 31 March 2020
for**

**Cwmni Urdd Gobaith Cymru
(A Company Limited by Guarantee)**

Cwmni Urdd Gobaith Cymru

**Contents of the Financial Statements
for the year ended 31 March 2020**

| | <u>Page</u> |
|------------------------------------|-------------|
| Report of the Trustees | 3 – 13 |
| Report of the Independent Auditors | 14 – 15 |
| Statement of Financial Activities | 16 |
| Balance Sheet | 17 |
| Cash Flow Statement | 18 |
| Notes to the Cash Flow Statement | 19 |
| Notes to the Financial Statements | 20 - 35 |

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

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 2020. 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 2015).

Cwmni Urdd Gobaith Cymru is a registered charity and company limited by guarantee. The first branch of the movement was opened in 1922 and the Urdd was then incorporated on 8 March 1932 and registered as a charity on the same date. It was set up under the Memorandum which states the aims and powers of the company governed by the Articles of Association. Should the company be wound up in future, the liability would be no more than £0.25 payable by the trustees.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main aims of the charity are to ensure that all the young people of Wales have the opportunity, through the medium of Welsh, to develop as complete individuals, and enable them to play a constructive role in society, by nurturing personal and social skills.

The charity fulfils its aims in four main ways, namely by offering to young people experience of residential centres, local and national eisteddfodau to promote the arts, a service of sports provision, and a network of national activities. It also offers wider opportunities by arranging occasional trips. A detailed review of achievements and performances is available in a separate annual report to be presented at the Annual Meeting (see www.urdd.cymru).

The charity is grateful for the efforts of its volunteers who help fulfil its service with fundraising and giving their time to assist in the charity's activities. Since the charity is principally a voluntary company, the results of its local area and regional committees and branches are not included in the accounts. It is estimated that up to 10,000 volunteers contribute towards Urdd activities annually – in the main these contributions consist of volunteering for the numerous Eisteddfodau which take place on a local and regional level prior to qualification for the National Eisteddfod; assisting with numerous sports and social clubs which operate year round; helping with the organising and stewardship of regional and national competitions as well as our Trustees and other volunteers who sit on and attend our boards and panels for Business, Eisteddfod, Sport, Youth and Community.

Achievements and Performance:

- During the year the Urdd's Residential Centres have attracted over 49,000 visits.
- The Urdd Outdoor Activities Service enabled young people in Wales to visit over 80 of the country's mountains, forests, lakes, rivers and beaches.
- £6.5million investment programme began in the Urdd centres at Llangrannog and Glan-llyn.
- The Urdd National Eisteddfod, one of Europe's largest arts festivals, attracted 70,000 competitors and 100,000 visits.
- Community sport was provided across the country through 339 clubs to more than 15,000 children and young people on a weekly basis.
- 100 learners enrolled on the Urdd Apprenticeship scheme.
- The Urdd's magazines were distributed to 7,000 enthusiastic readers.
- During the year, we revived our International programme, offering our older members and staff opportunities to develop relationships with partners and services across the world including Australia, USA, Patagonia, Kenya, Cameroon and Japan.

STRATEGIC REPORT

Financial review

Financial position

The trustees, who are also directors of the Charity for the purpose of company legislation, present their annual report and the audited financial statements for the year ended 31 March 2020. The accounts have adopted the provisions of the 'Statement of Recommended Practice for Charities' in preparing the annual report and the financial statements.

The Charity's results are reported in the Statement of Financial Activities on page 16. The net income from all funds shows a surplus of £219,628 (2019: surplus of £2,217,897), which has contributed to increasing the level of the Charity's reserves. Income from legacies was notably lower than that received in 2018/19 which was an exceptional year.

Each year, the Urdd's internal management accounts show that the Llangrannog, Glan-llyn and Cardiff residential centres, as well as the Magazine Department and the Eisteddfod and Arts Department, contribute a surplus towards development and regional activities. In accordance with accounting policies, in the statutory accounts the costs of supporting the charitable activities are apportioned on the basis of the percentage of income received by each department. In addition, grant funding is noted separately in the Statement of Financial Activities. As a result, the financial endowment of the individual departments can appear to be less than reported in the management accounts.

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

STRATEGIC REPORT

Financial position - continued

Changes in fixed assets are shown in the notes to the financial statements. During the year £1,173,752, was spent on various fixed assets, most notably the major re-development of Glan-llyn Isaf, preparatory construction work on the Llangrannog 'Calon y Gwersyll' development, as well as construction of a new Go-carting track at the Llangrannog centre. In November 2019 the charity secured Welsh Government funding to contribute towards its capital projects programme between 2019 – 2021.

The Urdd Eisteddfod was staged in Cardiff and the Vale in May 2019 without the benefit of a Working Committee. In a bid to attract a new and more diverse audience, the decision was taken to offer free entry to the 'Maes'. Whilst the festival was perceived as a success, this contributed to the Eisteddfod failing to return a surplus, and therefore in turn was unable to reimburse the Urdd's central internal costs as had been expected.

Significant Events and Future Developments

During the final weeks of the reporting period the onset of the Covid-19 global pandemic had a direct impact on the Urdd's activities. A number of schools cancelled their visits to the Residential Centres in Llangrannog, Cardiff and Glan-Llyn during March 2020 and our residential centres were closed to all courses on 20th March 2020. This resulted in a drop in revenue of approximately £220,000 for March 2020 alone which equated to a reduction of 38% in comparison with the previous year.

As the pandemic affected the stock market from mid-February 2020 onwards, the Urdd investments at one point lost approximately £0.75M in value. The reduction in value during the year is reflected in the Statement of Financial Activities.

The trustees identified that the continued effect of Covid on our activities, especially on those of our residential centres, was the principal and over-riding risk and uncertainty facing the charity. A number of steps were taken by the Trustees to manage this risk. An Emergency Executive Committee was established to monitor the situation and maintain close contact with the Charity's Senior Management Team. This Committee initially met weekly and has continued at least monthly since July 2020; and has:

- i. Supported the Senior Management Team in ensuring that the Charity benefitted from the UK Government's assistance to businesses, such as the Job Retention Scheme. As a result, almost 250 of the Urdd staff and seasonal workers were placed on Furlough from 1st April 2020;
- ii. Supported the Senior Management Team in working to secure Welsh Government resilient grant funding to support the Urdd through the lockdown period;
- iii. Agreed an emergency budget for the following 24 months;
- iv. Overseen a review of the Charity's staffing requirements and subsequent staff consultation which resulted in significant redundancies in October 2020.

Throughout the Pandemic, the Urdd has remained committed to continuing to deliver its charitable objectives as well as being focussed on ensuring the safety and well-being of its staff and members. The Urdd has successfully adapted its services and delivery during the lockdown periods – providing increasing services on-line. In response to the postponement of the Urdd Eisteddfod in May 2020, the charity took the innovative step to stage a 'virtual' Eisteddfod T. In partnership with key stakeholders, S4C and Avanti, this resulted in a hugely popular and successful week of on-line competition broadcast from the Urdd Centre in Cardiff Bay.

The Urdd's highly successful apprenticeship programme was maintained at full capacity during the pandemic, ensuring that all the charity's apprentices were able to complete their training. As restrictions were eased, the Sport department were also able to re-establish face to face Community Sport services between September and November 2020.

The Urdd also re-configured its International partnership strategy and held successful virtual projects in November 2020 with partners in Alabama, USA and in January 2021 between the Urdd and TG Lurgan in Ireland.

The charity's residential centres have also diversified, offering greater 'out-reach' services from its outdoor centres in Llangrannog and Glan-llyn, which have been able to operate residential courses for only very limited periods since March 2020.

Investment policy and objectives

The trustees' investment powers are governed by the Memorandum and Articles of Association. The trustees have decided upon a policy of investing money in a combination of government stock, listed shares and specialised investment units for charities, in order to meet their requirements for income generation and capital growth as well as ethical investment. The Trustees continue to monitor performance closely, with the Emergency Executive Committee also reviewing the performance of investments after the end of the reporting period in order to closely monitor any impact of the pandemic on the Charity's investments.

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

Reserves policy

The trustees have established a policy whereby general funds should represent approximately 6 months' worth of general expenditure. At this level, the trustees felt that the Charity would be able to continue to operate in case of any significant income shortfall. It would be necessary to consider how to change the activities or increase income in such a case. Although the free funds of £5,201,830 (2019: £6,071,337) indicate that the target specified in the corporate plan is near to having been met, this does not take account of the fact that the Urdd had previously set aside £3m of reserves towards significant capital costs of re-development of its Llangrannog and Glan Llyn centres.

Whilst the long-term strategy remains to continue to increase free funds in the future by creating an annual surplus on activities, the Covid-19 pandemic which led to a nationwide lockdown in the weeks prior to the end of the reporting period, is expected to have a significant effect on the Charity's future reserve position.

After the end of the reporting period, discussions with Welsh Government have led to the Charity securing further capital grant funding which will enable the Charity to re-allocate part of its unrestricted reserves to ease the effect of shortfall in revenue during 2020/21, as well as an increase in its revenue grant from Welsh Government in March 2021.

Restricted funds at the year-end were £930,994 (2019: £1,944,434). The majority of the balance at the year-end is made up of Restricted Grant funding of £93,000 and Capital Grant Funding of £825,954 received in support of the developments at Llangrannog and Glan-llyn.

Endowment funds were £221,249 (2019: £268,870).

Financial and risk management objectives and policies

The board of trustees has reviewed those significant risks to which the Charity is exposed and set up systems to alleviate such risks. Regular reports have been prepared to ensure that appropriate measures exist to reduce risks. Internal risks have been reduced by implementing arrangements to authorise financial transactions and projects, and in order to ensure consistent quality for all the charity's activities. These arrangements have been periodically reviewed to ensure that they continue to meet charity requirements.

Going Concern

The Trustees have assessed the appropriateness of the going concern basis through updated budget and financial models for the period to March 2022 and are satisfied that it remains appropriate to use the going concern basis of preparation of the financial statements for the year ended 31 March 2020. See Accounting Policies, Note 1 to the Financial Statements.

Future plans

The Urdd's schemes are outlined in its Corporate Plan. The present Plan is in place for the period 2019-2022. The main priorities set out in the plan are:

- to ENSURE that all the young people of Wales are given the opportunity, through the medium of Welsh, to develop into rounded individuals, and enable them to play a constructive role in the community, by developing personal and social skills.
- to ENCOURAGE
 - to use the Welsh language
 - to be part of the Urdd's activities
- to CELEBRATE
 - the success of children and young people
 - the unique nature of the Urdd
- to INNOVATE
 - to create new opportunities for our members
 - to be the best in the field

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

Future plans - continued

Priorities 2019-22:

- To open our doors for more children and young people to gain access to quality provision and to use the Welsh language in a positive and social environment.
- To develop the appeal of Eisteddfod yr Urdd to our members and our visitors.
- To extend the provision and reach of the Urdd's national sports competitions.
- To establish a national Welsh-medium youth work model across Wales.
- To invest in the 3 residential centres to offer the best experiences.
- To extend the reach of our outdoor pursuits' services across Wales.
- To provide Welsh-medium apprenticeships for young people across Wales.
- To aim for a worldwide reach for the Urdd's Peace and Goodwill Message.
- To offer international opportunities and experiences for Urdd members.
- To establish a data system that strengthens how we communicate with our members and partners.
- To create art and cultural activities for our members within their communities.
- To celebrate the Urdd's Centenary in 2022 by celebrating the past and innovating for the future.
- Develop Pentre Ifan, Pembrokeshire as the fourth Urdd Camp.

The Urdd will also be taking advantage of opportunities arising to develop projects which accord with its aim and objectives, and to try to increase the budget available to operate them.

Major re-development of both the Glan Llyn and Llangrannog centres began during 2019/20 and are scheduled to continue until early 2022. Whilst the Urdd had initially set aside £3m of capital reserves towards the projects' costs, the level of grant funding secured has since increased, which will reduce the allocation of the Urdd's own funds. It is still envisaged that the funding model will include a commercial loan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

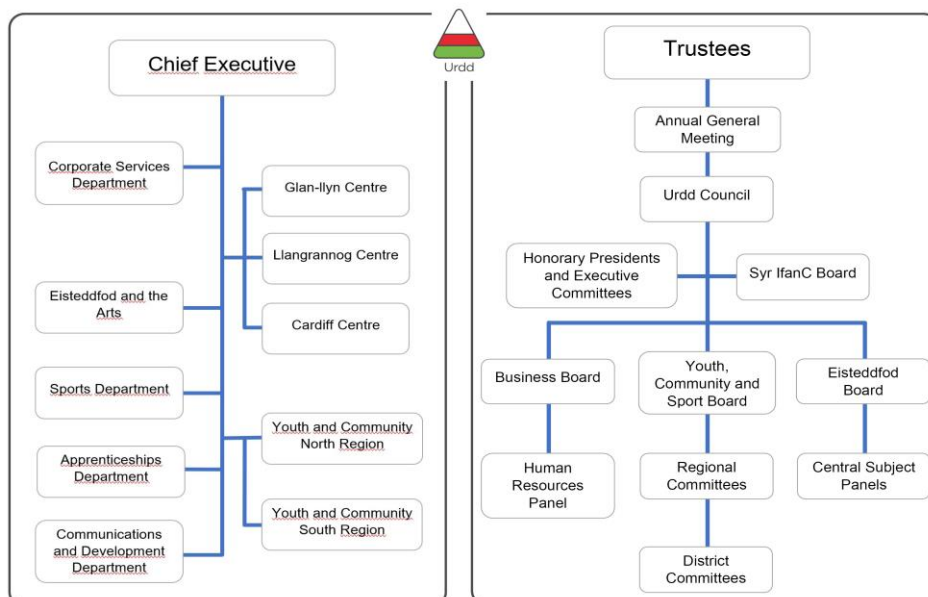
The charity is controlled by its governing document, a Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

The charity is a company limited by guarantee without shares. It was incorporated on 8 March 1932. It is governed by a Memorandum and Articles of Association.

The trustees believe that the Urdd is a Public Benefit Entity and meets the requirements laid down in Section 4 of the Charities Act 2011.

Organisational structure



Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

Organisational structure - continued

During the reporting period, the Urdd was managed day-to-day by a Chief Executive with the support of nine departmental heads. Since the end of the reporting period, the South and North Youth and Community Regions have merged for management purposes, resulting in eight departmental heads reporting to the Chief Executive.

Meetings of the council are held twice a year in addition to the meetings of the trustees' boards, committees and panels. As an organisation the Urdd is extremely grateful to the large number of individuals who volunteer to support this entire network.

The members of the board of trustees (who are also directors of the charity for the purposes of company legislation) who served during the year and at the date of this report are listed on page 12.

During the reporting period the following served as Honorary Presidents of the Charity:

- Mr P Edwards
- Mr R Roberts
- Mr W Melville Jones
- Mr S ab Edwards
- Ms R Lewis

It is with great sadness that the Trustees report the passing of both Prys Edwards in March 2020 and Bob Roberts in April 2020.

The son of the Urdd's founder, Sir Ifan ab Owen Edwards, Prys served as President of the Urdd for many years before becoming one of the Charity's first Trustees in the 1990s, and then an Honorary President in 2016. Bob served as both the Urdd's Treasurer and Chairman prior to becoming a Trustee in 1997 and then an honorary President in 2018. The Board of Trustees would like to acknowledge the dedication of both Prys and Bob as well as their life-long loyalty to the Urdd.

The Urdd President during the reporting period was Ethan Williams from Pontypridd. In January 2021 Ethan was succeeded by Mared Edwards from Anglesey.

Delegation

The trustees delegate day-to-day management of the charity to the Chief Executive, and the Senior Management Team, which during the reporting period consisted of:

- Sian Lewis Chief Executive
- Hywel Williams Director of Finance and Information Technology
- Lowri Jones Director Llangrannog Centre
- Huw Antur Director Glan—Llyn Centre
- Gary Lewis Director Sport and Apprenticeships
- Aled Sion Director Eisteddfod and the Arts
- Mali Thomas Director Communication and Development
- Sian Rogers Director Youth and Communities, North
- David Bryer Director Youth and Communities, South
- Ceren Roberts Head of Cardiff Centre

The Trustees receive advice from Charity's Legal Advisers and Auditors as well as from the Human Resources Panel which consists of industry specialists and practitioners.

Induction and Training of New Trustees

When new trustees are appointed, they are offered information on their duties and responsibilities and the Urdd adopts its normal induction procedure for appointing new members of staff. This includes training in Urdd procedures and policies. An assessment is made of training needs with specific training being offered to new trustees on their role and responsibilities.

Recruitment and Appointment of New Trustees

Urdd Gobaith Cymru recruits and appoints new Trustees in accordance with its Articles of Association, which states that by a resolution at the Annual General Meeting the Charity will:

- Appoint a person who has agreed to be nominated as a Trustee
- Re-appoint an existing Trustee once their three-year term is complete

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

Recruitment and Appointment of New Trustees - continued

The existing board of Trustees periodically assesses and identifies those areas where the Charity would benefit from appointing new Trustees with particular skills or backgrounds. These might be professional qualifications, experience in areas or industries relevant to the Charity's operations and aspirations.

In this process the Board takes advice from a range of the Charity's stakeholders, following which individuals are approached and invited to apply for vacancies on the Board of Trustees. In addition, in order to ensure transparency, prior to the Annual General Meeting, notice is given that members may nominate individuals to be considered as Trustees. In the event that there are a greater number of applicants than there are vacancies on the board, a voting procedure is adopted.

New Trustees are appointed for an initial term of 3 years, with the option to extend their term, upon re-election, for a further 3 years.

Report on Pay and Remuneration

A review of the grading process for newly developed roles at the Urdd commenced in 2019, recognising the responsibilities and duties of staff and aligning them appropriately to the suitable salary levels for posts. A benchmarking exercise was conducted as part of this process, allowing the comparison of salaries of similar roles within other organisations of a similar nature and size.

There is scope within the Urdd to apply for re-grading should there be significant change within the scope of the role's duties and responsibilities. An updated job description reflecting the changes will be considered by the HR department, who will conduct 2 independent assessments of the role using the Urdd's chosen job evaluation tool (currently HR Inform).

As with the creation of any role, an external benchmarking exercise is also conducted to ensure a fair and appropriate assessment of salary for the role.

A full review of all roles across the Urdd will be undertaken during 2020/21, which will lead to the development and implementation of a new and revised pay and grading structure. This will be undertaken by our HR department with the support and guidance of external HR practitioners. This is in line with our commitment to ensure that our rates of pay are fair and competitive, ensuring we are able to attract candidates of the necessary calibre for our job vacancies.

Each year, the Board of Trustees makes an assessment of the salaries paid to staff and considers if, and at what level, a cost of living increase in salaries may be applied for the following financial year. This is done alongside a forecasts of the organisation's financial situation, forthcoming budgets and in consultation the Human Resources Panel and the Staff Forum. In formulating its advice to the Trustees, the HR Panel will make use of benchmarking evidence of similar roles in comparable third sector as well as other public sector organisations, as well being advised of economic measures such as RPI and pay awards in comparable organisations.

The Urdd is committed to being a Living Wage employer, ensuring our starting salaries are in line with the Living Wage Foundation's recommended rate of pay (this currently excludes apprentices).

Diversity and Staff Involvement

Urdd Gobaith Cymru has a range of policies which reflect current legislation and aim to secure retention and motivation of its staff. These policies are reviewed regularly and are equality checked before implementation. The Charity is committed to equality of opportunity in our employment practices. In particular, the Urdd aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion, or sexual orientation. This is reflected in our equality and diversity policy.

Our HR system, *Safle Staff*, is a safe place for staff to share personal details in relation to equal opportunity data. We plan on launching a campaign requesting staff log in and ensure their details are up to date, accurate and as complete as possible to assist us in ensuring we have a better understanding of our workforce's data. We cannot insist staff complete this data, however by encouraging them to do so we can ensure we are providing the best support possible to each and every employee and we will be able to more accurately report on our staff diversity. We are fully aware that we could have a much more diverse and representative workforce. We are therefore putting in place new approaches to how we recruit in order to assist us in attracting a more diverse network of candidates. We will remain vigilant in this area.

Communication is key in all of our activities and ensuring staff are updated and aware of developments across the organisation is imperative. We use a number of resources to ensure this is effective such as our regular updates via 'Y Ddolen', various departmental platforms on our Teams network and our HR system *Safle Staff* where announcements can be posted and new policies and documents shared. It is also crucial for staff to receive regular updates from the Chief Executive, which has been a much-needed resource after the end of the reporting period given the challenges that the Urdd and wider society has faced.

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

Diversity and Staff Involvement – continued

The communication chain within the Urdd enables information to be disseminated down from the top throughout the staffing structure – from Trustee Board Meetings, to the Senior Management Team, to departmental Managers and Staff. The Senior Management Team meet regularly to discuss any changes, developments and issues faced by the organisation and staff are kept informed of any major factors effecting the Charity as a whole and their departments and roles in particular.

The Urdd has an active Staff Forum group which aims to bring together voices from across the organisation to help develop and promote staff engagement and to educate, inform and implement initiatives benefiting both employees and the organisation. Matters raised by this group are discussed and fed back to the Senior Management Team. One of the most effective recent outcomes of such discussions was the proposed restructuring of the Youth and Community department. It was identified that many staff were concerned in relation to workload, working hours, breadth of duties which had increasingly led to situations of stress and anxiety. Many staff were feeling over worked and under paid, effecting their performance and job satisfaction. Having conducted an external review of the department's structure and service provision, and mindful of the concerns raised, a decision was taken to restructure the department.

During the resulting consultation period during 2019/20, a delegate group, selected by the workforce, was appointed to act as Staff Representatives throughout the process. This proved to be a beneficial resource for both the management team and staff and assisted in ensuring a difficult change process was managed sensitively with full cooperation, communication and input from all parties.

Amongst the specialist panels to which the Trustees delegate some degree of responsibility is the Human Resources Panel which consists of an experienced HR practitioner and a law specialist, ensuring that advice is provided and decisions are made with the benefit of their experience, direction and guidance.

The Environment

Cwmni Urdd Gobaith Cymru is committed to securing continuous improvements to its procedures and use of resources, in order to reduce its carbon footprint. The Urdd recognises the Climate Emergency and aims to set a target to become a carbon neutral organisation.

Sustainable development is the essence of the Future Generations Act and the Urdd aims to improve the environmental well-being of Wales through the application and implementation of its environmental policy.

Streamlined Energy and Carbon Report (SECR)

Under the SECR regulations Urdd Gobaith Cymru is classed as a 'large unquoted' organisation and so is required to report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport. As the year ended 31 March 2020 is the first reporting year, no emissions data from previous years are available as a comparison.

Methodology

The reporting period is the most recent financial year 1 April 2019 to 31 March 2020. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated. The carbon figures have been calculated using the BEIS 2020 carbon conversion factors for all fuels.

UK Carbon Footprint Data 2019-20:

| Scope | Description | Specific fuels | tCO2e |
|------------------------|---|---|------------------|
| Scope 1 | Combustion of fuel on site and transportation | On site: Natural Gas, LPG, Transport: Petrol, Diesel | 571 |
| Scope 2 | Purchased energy | Electricity | 207 |
| Total | | | 778 |
| Intensity Ratio | tCO2e / £1m Turnover | | 65.1 |
| Energy Usage | Total kWh consumed | Electricity, Natural Gas, LPG, Petrol, Diesel. | 3,543,936 |

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

TRUSTEES SECTION 172 STATEMENT

The Directors understand their responsibilities to promote the success of the Company and are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, having regard to (amongst other matters):

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company, (the "s.172(1) Matters").

The Likely Consequences of any Decisions in the Long Term

The Board remains mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed.

During the year, in approving the Urdd's budget the Board of Trustees addressed the following:

- Capital investment at the Residential Centres to upgrade and improve facilities
- Investment in a management information system for secure and robust membership registration and activity data
- Investment to establish an Apprentice Department to provide Welsh language training and qualifications to young people

The Interests of the Company's Employees

Enhancing employee engagement is an integral part of the culture of the Urdd. Senior management are actively involved in engagement with staff through, weekly face to face and electronic communications. These meetings provide updates to staff on business developments and provide an opportunity to raise questions and to answer questions directly.

The Trustees receive regular updates on employee matters from the Chief Executive, who attends Trustee Board meetings. The Urdd's Human Resource Panel, provides support, advice and expertise to the Human Resources Department and makes recommendations on matters affecting staff, including remuneration, to the Board of Trustees. Membership of the Human Resource Panel includes independent professional human resources practitioners. The chair of the Human Resources Panel provides the Board with oversight and advice on employee engagement and attends the Board Meetings as well as meetings of the Emergency Executive Committee established in response to the Covid-19 pandemic.

This includes:

- Including the Trustees in the independent structural review of the Youth and Communities Department in 2019. This included taking opinions of staff, stakeholders and members in considering how the staff issues raised could best be addressed for the long-term benefit of the Urdd's workforce.
- Sharing a 6 monthly electronic newsletter with all staff to update on progress and strategic development within the organisation.

Engagement with Stakeholders

The Trustees recognise the existence of a number of the Charity's key internal stakeholders (Urdd members and volunteers) and external stakeholders (general public, delivery partners, funders, local authorities, Welsh Government, suppliers, customers, and sponsors).

The Trustees remain committed to effective engagement of all stakeholders and are mindful that the Urdd's success depends on its ability to engage effectively, work together constructively and to take stakeholder views into account. The Trustees consider and discuss information from across the organisation to understand the impact of the Urdd operations and the interests and views of our key stakeholders. The Trustees also review financial and operational performance, as well as information covering areas such as key risks, legal and regulatory compliance.

This information is provided to the Trustees through routine reports circulated in advance of each Board of Trustees meeting and via in person presentations by senior management and other staff when appropriate.

Cwmni Urdd Gobaith Cymru

Report of the Trustees for the year ended 31 March 2020

Engagement with Stakeholders - continued

The Urdd's Governance structure is key to engaging with stakeholder. Regional Committees and Boards sit at regular intervals during the year. These consist of volunteers, members and other stakeholders and partners as well as a delegation of Trustees and staff and provide opinion, feedback and guidance to the Trustees providing opportunities for Trustees to engage directly with members and volunteers. The current Boards have been established to consider matters affecting:

- Business
- Youth and Communities
- Sport
- Eisteddfod and the Arts

Stakeholders receive a regularly newsletter update from the Chief Executive.

The Company is promoted to all stakeholders through media and public engagements by the Chair of Trustees, Urdd President and the Chief Executive.

In efforts to help ensure that the voice and interests of the Urdd's stakeholders are given due consideration and that Trustees are given the best possible opportunity to actively and positively engaging with the full range of its stakeholders, a number of practical steps have been taken, including:

- Appointment of 2 young Trustees under 25 years of age
- Development and active input into the 2019-2022 Corporate Plan
- Commencing a review of the charity's current governance structures with a view to modernising and better reflecting the needs of its members
- Establishing a new Sport and Apprenticeship Board
- Review of the Urdd's National Youth Board and its connectivity with the Board of Trustees and the Senior Management Team

The Impact of the Company's Operations on the Community and the Environment

The Trustees are committed to supporting the communities throughout Wales but give particular consideration to those regions where the Urdd's principal residential centres are located, and the Charity's responsibility as a local employer, a customer to local businesses as well as its environmental impact in those areas.

The Urdd is committed through its environmental policy to minimise its environmental impact by reducing both the carbon footprint of its activities and the natural resources it utilises. This is to be achieved through the development and operation of good business practices to manage resources more efficiently through their lifecycle.

The Urdd supports communities, through local employment and the local supply chain. The Urdd contributes particularly to community cohesion by delivery a range of opportunities for young people and volunteers from the local communities in and around the Charity's main employment hubs.

Maintaining a Reputation for High Standards of Business Conduct.

The Board prides itself on its long history of honesty and integrity in its business dealings. It recognises the importance of operating a robust corporate governance framework. The Board of Trustees are actively reviewing its governance structures and intend adopting a modernised, robust governance structure that better reflects the scale of provision, turnover and staffing levels of the Charity.

The Need to Act Fairly Between Members

All Board members have completed a declaration of interest and a skills audit. This ensures that their skills knowledge and experiences are aligned to the Charity's objectives.

Cwmni Urdd Gobaith Cymru
Report of the Trustees
for the year ended 31 March 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00263310 (England and Wales)

Registered Charity number
524481

Registered office
Adran Ariannol
Gwersyll Yr Urdd Glan Llyn
Llanuwchllyn, Y Bala
Gwynedd LL23 7ST

Trustees

Ms E C Davies
Mr D Davies, Chairman
Mr S A Edwards - resigned November 2019
Mr T D Jones
Miss M R Lewis - resigned November 2019
Mr G Morris
Mrs M Parry
Ms A Parry
Mr D Price
Mr R Tomos, Deputy Chairman
Mr I A Walters
Miss N Haf
Miss S Ff Dafydd

Abigail Williams is the Charity's treasurer, but has not been appointed as either a Trustee nor Director.

Company Secretary

Ms A Parry

Auditors

Ashmole & Co.
Chartered Certified Accountants & Registered Auditors
18 High Street
Llanymddyfri
Sir Gaerfyrddin
SA20 0PU

Bankers

HSBC plc
19 Y Stryd Fawr
Aberystwyth
Ceredigion
SY23 1DE

Investment Managers

Canaccord Genuity Wealth Management
Anson House
1 Cae'r Llynen
Llandudno Junction
Conwy
LL31 9LS

Principal Legal Advisors

Hugh James
Two Central Square
Caerdydd
CF10 1FS

Cwmni Urdd Gobaith Cymru

**Report of the Trustees
for the year ended 31 March 2020**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Cwmni Urdd Gobaith Cymru for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27 March 2021 and signed on the board's behalf by:



Mr Dyfrig Davies – Chairman, Board of Trustees

Report of the Independent Auditors to the Members of Cwmni Urdd Gobaith Cymru

Opinion

We have audited the financial statements of Cwmni Urdd Gobaith Cymru (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2020 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 including Strategic Report 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 Cwmni Urdd Gobaith Cymru

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.

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

Use of our report

This report is made solely to the charitable company's 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.



C H Llwyd FCA FCCA (Senior Statutory Auditor)
for and on behalf of Ashmole & Co
Chartered Certified Accountants & Registered Auditors
18 High Street
Llanymddyfri
Sir Gaerfyrddin
SA20 0PU

Date: 27 March 2021

Note:

The maintenance and integrity of the Cwmni Urdd Gobaith Cymru website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements as presented on the website.

Cwmni Urdd Gobaith Cymru

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2020**

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|------|----------------------------|--------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and legacies | 2 | 549,934 | - | - | 549,934 | 2,462,900 |
| Charitable activities | 5 | | | | | |
| Grants - Supporting charitable activities | | 24,568 | 3,255,167 | - | 3,279,735 | 2,425,816 |
| Llangrannog and Pentre Ifan residential centre | | 3,076,969 | - | - | 3,076,969 | 3,042,726 |
| Glan Llyn residential centre | | 1,898,807 | - | - | 1,898,807 | 1,835,091 |
| Cardiff residential centre | | 965,318 | - | - | 965,318 | 875,942 |
| Sports department | | 349,201 | - | - | 349,201 | 441,517 |
| Apprentices department | | 221,857 | - | - | 221,857 | - |
| Eisteddfod festival and department | | 914,368 | - | - | 914,368 | 1,133,223 |
| Magazines | | 71,644 | - | - | 71,644 | 62,304 |
| Subscriptions and membership | | 448,188 | - | - | 448,188 | 434,646 |
| Other trading activities | 3 | 82,882 | 13,800 | - | 96,682 | 131,768 |
| Investment income | 4 | <u>67,072</u> | <u>-</u> | <u>10,771</u> | <u>77,843</u> | <u>68,512</u> |
| Total | | 8,670,808 | 3,268,967 | 10,771 | 11,950,546 | 12,914,445 |
| EXPENDITURE ON | | | | | | |
| Raising funds | 6 | 44,243 | - | - | 44,243 | 71,461 |
| Charitable activities | 7 | | | | | |
| Llangrannog and Pentre Ifan residential centre | | 2,919,766 | - | - | 2,919,766 | 2,869,742 |
| Glan Llyn residential centre | | 2,045,720 | - | - | 2,045,720 | 1,924,179 |
| Cardiff residential centre | | 935,425 | - | - | 935,425 | 777,364 |
| Sports department | | 451,940 | 660,940 | - | 1,112,880 | 1,293,140 |
| Apprentices department | | 282,706 | 133,144 | - | 415,850 | - |
| Eisteddfod festival and department | | 1,308,544 | 448,441 | 3,950 | 1,760,935 | 1,769,094 |
| Magazines | | 109,916 | 28,990 | - | 138,906 | 164,083 |
| Youth and community costs | | 860,708 | 1,078,498 | - | 1,939,206 | 1,861,880 |
| Governance costs (allocated to charitable activities in 2020) | 8 | - | - | - | - | 127,825 |
| Revaluation of buildings | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,700</u> |
| Total | | 8,958,968 | 2,350,013 | 3,950 | 11,312,931 | 10,863,468 |
| Net gains/(losses) on investments | | <u>(370,313)</u> | <u>-</u> | <u>(47,674)</u> | <u>(417,987)</u> | <u>166,920</u> |
| NET INCOME / (EXPENDITURE) | | (658,473) | 918,954 | (40,853) | 219,628 | 2,217,897 |
| Transfers between funds | 21 | <u>1,939,162</u> | <u>(1,932,394)</u> | <u>(6,768)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | 1,280,689 | (1,013,440) | (47,621) | 219,628 | 2,217,897 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>18,634,876</u> | <u>1,944,434</u> | <u>268,870</u> | <u>20,848,180</u> | <u>18,630,283</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>19,915,565</u></u> | <u><u>930,994</u></u> | <u><u>221,249</u></u> | <u><u>21,067,808</u></u> | <u><u>20,848,180</u></u> |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

Cwmni Urdd Gobaith Cymru (Registered number: 00263310)

Balance Sheet
At 31 March 2020

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | 2020 Total funds £ | 2019 Total funds £ |
|--|------|-------------------------|-----------------------|----------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | | |
| Tangible assets | 13 | 14,713,735 | 825,954 | - | 15,539,689 | 14,495,071 |
| Investments | 14 | <u>2,851,307</u> | <u>12,040</u> | <u>221,249</u> | <u>3,084,596</u> | <u>3,154,067</u> |
| | | 17,565,042 | 837,994 | 221,249 | 18,624,285 | 17,649,138 |
| CURRENT ASSETS | | | | | | |
| Stocks | 15 | 30,641 | - | - | 30,641 | 58,460 |
| Debtors | 16 | 778,859 | - | - | 778,859 | 1,169,780 |
| Investments | 17 | 896,943 | - | - | 896,943 | 875,410 |
| Cash at bank | | <u>1,986,944</u> | <u>93,000</u> | <u>-</u> | <u>2,079,944</u> | <u>2,548,519</u> |
| | | 3,693,387 | 93,000 | - | 3,786,387 | 4,652,169 |
| CREDITORS | | | | | | |
| Amounts falling due within one year | 18 | (1,342,864) | - | - | (1,342,864) | (1,453,127) |
| NET CURRENT ASSETS | | | | | | |
| | | <u>2,350,523</u> | <u>93,000</u> | <u>-</u> | <u>2,443,523</u> | <u>3,199,042</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | | |
| | | <u>19,915,565</u> | <u>930,994</u> | <u>221,249</u> | <u>21,067,808</u> | <u>20,848,180</u> |
| NET ASSETS | | | | | | |
| | | <u>19,915,565</u> | <u>930,994</u> | <u>221,249</u> | <u>21,067,808</u> | <u>20,848,180</u> |
| FUNDS | | | | | | |
| Unrestricted funds | 21 | | | | 19,915,565 | 18,634,876 |
| Restricted funds: | | | | | | |
| John and Rhys James Fund | | | | | 6,800 | 7,662 |
| John and Ceridwen Medal Grants | | | | | 5,240 | 5,240 |
| Capital Fund | | | | | 93,000 | - |
| Buildings and Equipment Fund | | | | | 825,954 | - |
| | | | | | <u>-</u> | <u>1,931,532</u> |
| Endowment funds | | | | | 930,994 | 1,944,434 |
| | | | | | <u>221,249</u> | <u>268,870</u> |
| TOTAL FUNDS | | | | | | |
| | | | | | <u>21,067,808</u> | <u>20,848,180</u> |

The financial statements were approved by the Board of Trustees on 27 March 2021 and were signed on its behalf by:



Mr Rheon Tomos - Deputy Chairman, Board of Trustees

Cwmni Urdd Gobaith Cymru

**Cash Flow Statement
for the year ended 31 March 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|-------------------------|-------------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | 666,692 | 2,091,074 |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (1,173,752) | (794,247) |
| Purchase of fixed asset investments | | (457,374) | (245) |
| Sale of tangible fixed assets | | 450 | 49,350 |
| Sale of fixed asset investments | | 458,858 | 1,626 |
| Interest received | | <u>29,736</u> | <u>15,082</u> |
| Net cash provided by (used in) investing activities | | <u>(1,142,082)</u> | <u>(728,434)</u> |
| Cash flows from financing activities: | | | |
| Income attributable to endowment | | 10,771 | 10,368 |
| Expenditure attributable to endowment | | <u>(3,950)</u> | <u>(7,941)</u> |
| Net cash provided by (used in) financing activities | | <u>6,821</u> | <u>2,427</u> |
| <hr/> | | | |
| Change in cash and cash equivalents in the reporting period | | (468,569) | 1,365,067 |
| Cash and cash equivalents at the beginning of the reporting period | 2 | <u>2,548,513</u> | <u>1,183,446</u> |
| Cash and cash equivalents at the end of the reporting period | 2 | <u><u>2,079,944</u></u> | <u><u>2,548,513</u></u> |

Cwmni Urdd Gobaith Cymru

**Notes to the Cash Flow Statement
for the year ended 31 March 2020**

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

| | 2020 | 2019 |
|---|-----------------------|-------------------------|
| | £ | £ |
| Net income for the reporting period (as per the statement of financial activities) | 219,628 | 2,217,897 |
| Adjustments for: | | |
| Depreciation charges | 121,989 | 129,401 |
| Losses/(gain) on investments | 417,987 | (166,920) |
| Loss/(profit) on disposal of fixed assets | 6,695 | (1,059) |
| Donation of investment property | (350,000) | - |
| Interest received | (29,736) | (15,082) |
| Income attributable to endowment | (10,771) | (10,368) |
| Expenditure attributable to endowment | 3,950 | 7,941 |
| Revaluation of property | - | 4,700 |
| (Increase)/decrease in current investments | (21,533) | 290,441 |
| Decrease/(increase) in stocks | 27,819 | (12,274) |
| Decrease/(increase) in debtors | 390,921 | (390,599) |
| (Decrease)/increase in creditors | <u>(110,257)</u> | <u>36,996</u> |
| Net cash provided by operating activities | <u><u>666,692</u></u> | <u><u>2,091,074</u></u> |

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2020 | 2019 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Notice deposits (less than 3 months) | 2,079,944 | 2,548,519 |
| Overdrafts included in bank loans and overdrafts falling due within one year | <u>-</u> | <u>(6)</u> |
| Total cash and cash equivalents | <u><u>2,079,944</u></u> | <u><u>2,548,513</u></u> |

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements for the year ended 31 March 2020

1. 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

The Urdd's activities and future plans are set out in the Trustees Report. In their assessment of the appropriateness of the going concern basis, the Trustees have taken into account a range of factors including cash reserves, liquidity and anticipated demand for services in light of the effects of the Covid-19 pandemic.

As a result of Covid-19, income from the Urdd's traditional activities, especially the operation of the 3 residential centres, is expected to be significantly lower than was originally budgeted for 2020/21. However, it is now expected that a significant proportion of the reduction in income will be offset by a combination of reduced expenditure as well as increased grant funding from other sources – principally Welsh Government and the Coronavirus Job Retention Scheme. In addition, the organisation has considerable financial resources which have been released from capital commitments following the doubling of capital investment by the Welsh Government's 21st Century Schools department in the Urdd's developments in Llangrannog and Glan-llyn.

As a consequence, the Trustees believe that the Charity is well-placed to manage its business risks through this current period of economic uncertainty and that there is a reasonable expectation that the Urdd has adequate resources to continue operating successfully for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounts preparation.

Income

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. Deferred income represents monies received for periods in the future and consequently released to income during the relevant period.

For legacies, entitlement is taken at the earlier of the date on which either, the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition has not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are accounted when received by the charity. Tax reclaimed in respect of Gift aid is accounted for on an accrual basis. Tangible asset donations are included in the accounts at their market value. The charity also receives the benefit of work carried out by volunteers, the value of which cannot be quantified and therefore not recognised financially in the accounts.

Grant and service level agreement income are only recognised in the SOFA when the general income recognition criteria are met. In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods and services. Capital grants are recorded in the Statement of Financial Activities in the year of receipt.

Membership subscriptions are treated as income for the provision of Charitable activities.

Investment income is recognised at the time the investment income is receivable. Investment return of Fixed Asset Investment Bond Accumulation Funds is not shown as investment income but is reflected in the price of each unit, and therefore reflected in the market value of the units at the year-end date.

Turnover is recorded net of any applicable VAT.

**Notes to the Financial Statements
for the year ended 31 March 2020**

1. ACCOUNTING POLICIES – continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and includes non-recoverable VAT.

Allocation and apportionment of costs

Expenditure has been classified under headings that aggregate all cost related to the category. Where it is not possible to allocate them on this basis, i.e. the organisation's central costs, they have been allocated to charitable activities on the basis on income received by each cost centre. It is felt that this policy gives a fair reflection of the time spent centrally. Governance costs represent the cost of administering the charity and meeting constitutional and statutory requirements. The fund-raising cost represents the cost of running the sponsorship department. The costs of operating leases are acknowledged annually in equal annual instalments over the period of the lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-------------------------|---|
| Long Leasehold Property | Straight line over the term of the lease |
| Plant and machinery | 4% - 25% on cost and 25% on reducing balance |
| Motor vehicles | 25% on reducing balance |
| Buildings | Straight line over 50 years on the difference between cost / valuation and the expected realisable value after 50 years |

Further details on the policy not to depreciate freehold buildings is given in note 13.

Land is not subject to depreciation.

Cash at Bank and in hand

Cash at bank and in hand included cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of a deposit or similar account.

Current asset investments

Current asset investments represent funds invested in a term investment for a period of less than 12 months to maturity.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

General Funds

General funds comprise donations and income which is receivable or generated for charity objectives with no other specific purpose and therefore available as general funds. No external conditions are imposed on general funds and they are available for expenditure by the Charity in accordance with its objectives/intentions or to set aside for appropriate internal purposes.

Designated Funds

Designated funds are general funds earmarked by the trustees for special purposes.

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements for the year ended 31 March 2020

1. ACCOUNTING POLICIES – continued

Restricted Funds

Restricted funds represent monies received towards special purposes where conditions are attached to their expenditure. Expenditure relating to this objective has been charged to the fund, together with a fair proportion of administration and management costs.

Endowment Funds

Endowment funds represent contributions and bequests where the contributor has noted that the monies should be kept as capital. The income has been used in accordance with the terms of the endowments and included in the statement of financial activities.

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 company runs three pension schemes for eligible staff.

1. Some of the organisation's staff are members of the Teachers' Pension Scheme, which is a national statutory contributable, defined-benefits, unfunded scheme. It is administered by the Teachers' Pension Agency, an executive agency of the Department for Education and Employment. Pension costs have been assessed by the Government Actuary. The Charity contributed 20.68% (2019: 16.48%) of pensionable pay to the scheme for the year ended 31 March 2020, that is £23,174 (2019: £24,683). The cost has been recognised in the financial statements as and when due. This scheme has been closed to new members of staff since 2000.

2. For members who are not eligible to join the Teachers' Scheme, the Charity has arranged a defined-contribution pension scheme. The scheme is managed independently and the charity contributes 6% of pensionable pay.

3. A further scheme is in place that complies with the requirements of auto enrolment for members of staff who are not contributing into the above schemes.

All schemes are held separately from charity assets and the costs have been recognised in the Statement of Financial Activities in the period to which they relate. The cost for the year of schemes 2 and 3 was £274,365 (2019: £219,074).

Branches and eisteddfod

No investment or deposit accounts of the regional committees or branches have been included in the accounts, as they are not under the Charity's control. At 31 March 2020, these committees held an estimated £683,497 (2019: £808,282) by way of cash in hand.

Similarly, any monies held by Eisteddfodau for which arrangements are still ongoing have not been reflected in the accounts.

2. DONATIONS AND LEGACIES

| | 2020 | 2019 |
|-----------|----------------|------------------|
| | £ | £ |
| Donations | 136,349 | 147,884 |
| Legacies | <u>413,585</u> | <u>2,315,016</u> |
| | <u>549,934</u> | <u>2,462,900</u> |

Voluntary income has been received in the form of donations, bequests and gifts and has been fully included in the financial statements as and when due. The value of service rendered by volunteers has not been included in the accounts. A substantial legacy was received during 2019 amounting to £2.13m from a single donor.

Cwmni Urdd Gobaith Cymru

**Notes to the Financial Statements
for the year ended 31 March 2020**

3. OTHER TRADING ACTIVITIES

| | 2020 | 2019 |
|------------------------------|---------------|----------------|
| | £ | £ |
| Miscellaneous income | 96,682 | 130,709 |
| Gain on sale of fixed assets | <u>-</u> | <u>1,059</u> |
| | <u>96,682</u> | <u>131,768</u> |

Miscellaneous income relates to various incidental sundry incomes arising from the charity's activities that are not directly related to the main activity headings, e.g. rent, sponsorship, sale of promotional goods.

4. INVESTMENT INCOME

| | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Investment portfolio income | 48,107 | 53,430 |
| Deposit account interest | <u>29,736</u> | <u>15,082</u> |
| | <u>77,843</u> | <u>68,512</u> |

Investment income has been recognised when received.

5. INCOME FROM CHARITABLE ACTIVITIES

| | | 2020 | 2019 |
|-----------------------|--|-------------------|-------------------|
| | Activity | £ | £ |
| Grants | Grants - Supporting charitable activities | 3,279,735 | 2,425,816 |
| Charitable activities | Llangrannog and Pentre Ifan residential centre | 3,076,969 | 3,042,726 |
| Charitable activities | Glan Llyn residential centre | 1,898,807 | 1,835,091 |
| Charitable activities | Cardiff residential centre | 965,318 | 875,942 |
| Charitable activities | Sports department | 349,201 | 441,517 |
| Charitable activities | Apprentices department | 221,857 | - |
| Charitable activities | Eisteddfod festival and department | 914,368 | 1,133,223 |
| Charitable activities | Magazines | 71,644 | 62,304 |
| Charitable activities | Subscriptions and membership | <u>448,188</u> | <u>434,646</u> |
| | | <u>11,226,087</u> | <u>10,251,265</u> |

Grants received, included in the above, are as follows:

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| Welsh Government - Eisteddfod Grants | 156,000 | 150,000 |
| Welsh Local Government Association - Eisteddfod Grants | 135,300 | 135,680 |
| Local and Community Councils - Eisteddfod Grants | 2,970 | 5,700 |
| Welsh Government - Supporting Employment in the Community/Sports/Eisteddfod/Communications and Central Departments | 762,985 | 722,512 |
| Welsh Government - Grant Scheme for National Voluntary Youth Organisations | 127,353 | 125,229 |
| Welsh Government - Cymraeg Pob Dydd Project | 168,275 | 132,820 |
| Welsh Books Council | 28,990 | 30,950 |
| Local Organisations and Authorities | 154,681 | 135,958 |
| Sports Grants | 532,373 | 473,623 |
| Youth Officers' Grants | 155,619 | 223,053 |
| Arts Council of Wales Youth Theatre - Eisteddfod | 3,091 | 17,959 |
| Welsh Government Cynllun Ardal Antur | - | 47,134 |
| Promoting Apprenticeships Scheme | 178,144 | 97,250 |
| Welsh Government Neuadd Chwaraeon | - | 127,948 |
| Welsh Government – International | 48,000 | - |
| Welsh Government - Capital Grants | <u>825,954</u> | <u>-</u> |
| | <u>3,279,735</u> | <u>2,425,816</u> |

Grants, including those for the purchase of fixed assets, have been fully acknowledged in the Statement of Financial Activities as and when due.

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

6. RAISING FUNDS

Raising donations and legacies

| | 2020 | 2019 |
|--------------|---------------|---------------|
| | £ | £ |
| Staff costs | 25,937 | 54,817 |
| Sundry costs | 18,306 | 16,644 |
| | <u>44,243</u> | <u>71,461</u> |

7. CHARITABLE ACTIVITIES COSTS

| | Direct costs | Support costs (See note 8) | Totals |
|--|-------------------|-------------------------------|-------------------|
| | £ | £ | £ |
| Llangrannog and Pentre Ifan residential centre | 2,661,828 | 257,938 | 2,919,766 |
| Glan Llyn residential centre | 1,881,719 | 164,001 | 2,045,720 |
| Cardiff residential centre | 852,017 | 83,408 | 935,425 |
| Sports department | 1,027,113 | 85,767 | 1,112,880 |
| Apprentices department | 387,035 | 28,815 | 415,850 |
| Eisteddfod festival and department | 1,626,381 | 134,554 | 1,760,935 |
| Magazines | 128,799 | 10,107 | 138,906 |
| Youth and community costs | <u>1,815,155</u> | <u>124,051</u> | <u>1,939,206</u> |
| | <u>10,380,047</u> | <u>888,641</u> | <u>11,268,688</u> |

The central costs of the Urdd have been allocated to the charitable activities on the basis of a percentage of income.

8. SUPPORT COSTS

| | Management | Finance | Governance costs | Totals |
|------------------------|----------------|---------------|---------------------|----------------|
| | £ | £ | £ | £ |
| Wages | 602,879 | - | 40,250 | 643,129 |
| Social security | 83,883 | - | - | 83,883 |
| Pensions | 40,559 | - | - | 40,559 |
| Repairs and renewals | 12,066 | - | - | 12,066 |
| Professional fees | 71,818 | - | 10,325 | 82,143 |
| Auditors' remuneration | - | - | 16,500 | 16,500 |
| Bank charges | - | 9,489 | - | 9,489 |
| Loan interest | - | 872 | - | 872 |
| | <u>811,205</u> | <u>10,361</u> | <u>67,075</u> | <u>888,641</u> |

In contrast to 2019, in accordance with the Charities SORP (FRS 102), as opposed to being stated separately, governance costs have been allocated to each charitable activity shown on the Statement of Financial Activities.

9. NET INCOME / (EXPENDITURE)

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

| | 2020 | 2019 |
|--|--------------|----------------|
| | £ | £ |
| Auditors' remuneration | 16,500 | 7,750 |
| Auditors' remuneration for non-audit work | - | 8,250 |
| Depreciation - owned assets | 121,988 | 129,400 |
| Rent | 101,994 | 52,190 |
| Loss /(surplus) on disposal of fixed asset | <u>6,695</u> | <u>(1,059)</u> |

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

The charity reimbursed various trustees for general expenses (e.g. travel to meetings etc) totalling £615 during the year (2019: £371).

11. STAFF COSTS

| | 2020 | 2019 |
|-----------------------|-------------------------|-------------------------|
| | £ | £ |
| Wages and salaries | 5,569,464 | 5,195,813 |
| Social security costs | 433,228 | 350,189 |
| Other pension costs | <u>274,365</u> | <u>228,676</u> |
| | <u><u>6,277,057</u></u> | <u><u>5,774,678</u></u> |

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

| | 2020 | 2019 |
|-------------------------------|-------------------|-------------------|
| Charitable activities | 311 | 299 |
| Cost of generating funds | 1 | 1 |
| Administration and management | <u>13</u> | <u>13</u> |
| | <u><u>325</u></u> | <u><u>313</u></u> |

During the year, one member of staff earned between £60,000 and £70,000 (2019: one), and one employee earned between £70,000 and £80,000 (2019: one). These figures are based on gross salary.

During the year redundancy costs of £18,396 were incurred (2019: £nil).

Cost of Key Staff

Together with the Chief Executive the Urdd has nine heads of department who form the Senior Management Team which is responsible for managing the day-to-day activities of the charity. Total payments made to the Senior Management Team are shown below:

| | 2020 | 2019 |
|-------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Gross salary | 547,867 | 496,191 |
| Employer's national insurance | <u>63,316</u> | <u>57,026</u> |
| | <u><u>611,183</u></u> | <u><u>553,217</u></u> |

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

12. PRIOR YEAR FINANCIAL STATEMENTS

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2019

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | 2019 Total funds £ |
|--|------|----------------------------|--------------------------|-------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 2,462,900 | - | - | 2,462,900 |
| Charitable activities | 5 | | | | |
| Grants - Supporting charitable activities | | 869,303 | 1,556,513 | - | 2,425,816 |
| Llangrannog and Pentre Ifan residential centre | | 3,042,726 | - | - | 3,042,726 |
| Glan Llyn residential centre | | 1,835,091 | - | - | 1,835,091 |
| Cardiff residential centre | | 875,942 | - | - | 875,942 |
| Sports department | | 441,517 | - | - | 441,517 |
| Eisteddfod festival and department | | 1,133,223 | - | - | 1,133,223 |
| Magazines | | 62,304 | - | - | 62,304 |
| Subscriptions and membership | | 434,646 | - | - | 434,646 |
| Other trading activities | 3 | 117,968 | 13,800 | - | 131,768 |
| Investment income | 4 | 58,144 | - | 10,368 | 68,512 |
| Total | | 11,333,764 | 1,570,313 | 10,368 | 12,914,445 |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | 71,461 | - | - | 71,461 |
| Charitable activities | 7 | | | | |
| Llangrannog and Pentre Ifan residential centre | | 2,869,742 | - | - | 2,869,742 |
| Glan Llyn residential centre | | 1,924,179 | - | - | 1,924,179 |
| Cardiff residential centre | | 777,364 | - | - | 777,364 |
| Sports department | | 1,120,115 | 173,025 | - | 1,293,140 |
| Eisteddfod festival and department | | 1,610,073 | 151,080 | 7,941 | 1,769,094 |
| Magazines | | 133,133 | 30,950 | - | 164,083 |
| Youth and community costs | | 646,622 | 1,215,258 | - | 1,861,880 |
| Governance costs | | 127,825 | - | - | 127,825 |
| Revaluation of buildings | | 4,700 | - | - | 4,700 |
| Total | | 9,285,214 | 1,570,313 | 7,941 | 10,863,468 |
| Net gains/(losses) on investments | | 161,255 | - | 5,665 | 166,920 |
| NET INCOME / (EXPENDITURE) | | 2,209,805 | - | 8,092 | 2,217,897 |
| Transfers between funds | 20 | 273,455 | (271,029) | (2,426) | - |
| Net movement in funds | | 2,483,260 | (271,029) | 5,666 | 2,217,897 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 16,151,616 | 2,215,463 | 263,204 | 18,630,283 |
| TOTAL FUNDS CARRIED FORWARD | | 18,634,876 | 1,944,434 | 268,870 | 20,848,180 |

Cwmni Urdd Gobaith Cymru

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

13. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long leasehold £ | Plant and machinery £ | Motor vehicles £ | Totals £ |
|--------------------------|---------------------------|---------------------|-----------------------------|---------------------|-------------------|
| COST OR VALUATION | | | | | |
| At 1 April 2019 | 13,313,440 | 300,000 | 2,852,926 | 295,264 | 16,761,630 |
| Additions | 1,031,578 | - | 110,074 | 32,100 | 1,173,752 |
| Disposals | - | - | - | (197,776) | (197,776) |
| At 31 March 2020 | <u>14,345,018</u> | <u>300,000</u> | <u>2,963,000</u> | <u>129,588</u> | <u>17,737,606</u> |
| DEPRECIATION | | | | | |
| At 1 April 2019 | - | 21,300 | 1,978,392 | 266,867 | 2,266,559 |
| Charge for year | - | 1,500 | 111,038 | 9,450 | 121,988 |
| Eliminated on disposal | - | - | - | (190,630) | (190,630) |
| At 31 March 2020 | <u>-</u> | <u>22,800</u> | <u>2,089,430</u> | <u>85,687</u> | <u>2,197,917</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2020 | <u>14,345,018</u> | <u>277,200</u> | <u>873,570</u> | <u>43,901</u> | <u>15,539,689</u> |
| At 31 March 2019 | <u>13,313,440</u> | <u>278,700</u> | <u>874,534</u> | <u>28,397</u> | <u>14,495,071</u> |

The freehold property (Land and buildings) of the Urdd were professionally re-valued in 2016 at £12,733,800 by Rhys Davies MRICS, FAAV, N.Sch of R G Jones, Farmers Marts, Dolgellau. Additions subsequent to the revaluation date are included at cost.

The cost of freehold property that would be recognised in the financial statements had they not been revalued would be £14,471,651 (2019: £13,440,073).

Leasehold buildings are included at their original cost and depreciated over the period of the lease.

The Trustees are of the opinion that depreciating the freehold property (land and buildings) would not result in an accurate representation of the said properties, this being due to the continuous investment, by way of repairs and maintenance. The Trustees acknowledge that an accounting policy not to depreciate the freehold property is a departure from the Companies Act 2006, and hence have adopted the alternative provisions therein to state assets held as freehold property on a revaluation basis. Under this basis, the Trustees are committed to ensuring that revaluations should be made with sufficient regularity to ensure that the carrying amount of the revalued fixed assets do not differ materially from that which would be determined using a 'value in use' basis for the residential centres and 'fair value' for other properties, at the balance sheet date. In addition, the carrying value of freehold properties are reviewed at each reporting period date to determine whether there is any indication of impairment. If such an indication exists, the asset recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and its value in use. At 31st March 2020, the Trustees are of the opinion that the Fair value of freehold buildings is currently reported value.

Detailed plans are in place for major redevelopment works at Glan Llyn and Llangrannog, such that the value of properties will warrant a further revaluation on completion of the works to ensure the accuracy of the financial statements. It is not considered practical to carry out property valuations on an annual basis due to the costs involved, but any major changes to general market values or the condition of the properties will warrant another valuation. The Trustees have not identified any indicators of impairment to the properties since the last valuation.

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

14. FIXED ASSET INVESTMENTS

| | Listed investments £ | Investment Property £ | Totals £ |
|--|----------------------------|-----------------------------|------------------|
| MARKET VALUE | | | |
| At 1 April 2019 | 3,154,067 | - | 3,154,067 |
| Additions | 457,374 | 350,000 | 807,374 |
| Disposals | (520,806) | - | (520,806) |
| Net movement of cash holding within investment | 61,948 | - | 61,948 |
| Revaluations | <u>(417,987)</u> | <u>-</u> | <u>(417,987)</u> |
| At 31 March 2020 | <u>2,734,596</u> | <u>350,000</u> | <u>3,084,596</u> |
| NET BOOK VALUE | | | |
| At 31 March 2020 | <u>2,734,596</u> | <u>350,000</u> | <u>3,084,596</u> |
| At 31 March 2019 | <u>3,154,067</u> | <u>-</u> | <u>3,154,067</u> |

The majority of investments are in the UK. Any foreign investments are generally low value and held within the Canaccord Genuity investment portfolio.

The charity has investments in M&G Charifund and Blackrock Charishare representing 49.6% (2019: 53.2%) and 7.4% (2019: 7.6%) respectively of the total investment portfolio.

The market value of investments held in the Canaccord Genuity portfolio was £1,092,183 (2019: £1,160,336).

Fixed asset investments have been recognised at their market value as at balance sheet date. The investments have been revalued and any gain or loss in their value has been recognised in the Statement of Financial Activities.

Analysis of investments:

| | 2020 £ | 2019 £ |
|--------------------------|------------------|------------------|
| Cash or cash equivalents | 61,948 | - |
| Listed investments | <u>2,672,648</u> | <u>3,154,067</u> |
| | <u>2,734,596</u> | <u>3,154,067</u> |

The cost of the investments is as follows:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Historical cost of investments as at 31 March | 1,464,501 | 1,326,236 |

15. STOCKS

| | 2020 £ | 2019 £ |
|--------|---------------|---------------|
| Stocks | <u>30,641</u> | <u>58,460</u> |

Cwmni Urdd Gobaith Cymru

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|----------------|-----------------------|-------------------------|
| | £ | £ |
| Trade debtors | 427,970 | 768,305 |
| Other debtors | 70,520 | 103,063 |
| Accrued income | 13,394 | 268,537 |
| VAT | 2,482 | - |
| Prepayments | <u>264,493</u> | <u>29,875</u> |
| | <u><u>778,859</u></u> | <u><u>1,169,780</u></u> |

17. CURRENT ASSET INVESTMENTS

| | 2020 | 2019 |
|------------------------|----------------|----------------|
| | £ | £ |
| Cash invested in bonds | <u>896,943</u> | <u>875,410</u> |

Current asset investments, representing cash invested in short-term bonds, are stated at their commercial value as at the balance-sheet date.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 19) | - | 6 |
| Other loans (see note 19) | 74,588 | 120,775 |
| Trade creditors | 177,904 | 293,723 |
| Social security and other taxes | 106,138 | 98,113 |
| VAT | - | 35,990 |
| Other creditors | 131,253 | 42,823 |
| Deferred income | 439,236 | 287,163 |
| Accrued expenses | 193,228 | 223,496 |
| Payments in advance | <u>220,517</u> | <u>351,038</u> |
| | <u><u>1,342,864</u></u> | <u><u>1,453,127</u></u> |

19. LOANS

An analysis of the maturity of loans is given below:

| | 2020 | 2019 |
|--|----------------------|-----------------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | - | 6 |
| Other loans | <u>74,588</u> | <u>120,775</u> |
| | <u><u>74,588</u></u> | <u><u>120,781</u></u> |

Other loans relate to loans to the Charity from various of the regional groups on which interest is paid at a rate of 0.5% above base rate.

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2020 | 2019 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 12,616 | 21,518 |
| Between one and five years | <u>4,465</u> | <u>17,081</u> |
| | <u>17,081</u> | <u>38,599</u> |

The future operating lease commitments are not included in the financial statements.

21. MOVEMENT IN FUNDS

| | At 1/4/19 | Net movement | Transfers | At 31/3/20 |
|----------------------------------|-------------------|-----------------|--------------------|-------------------|
| | £ | in funds | between funds | £ |
| | | £ | £ | |
| Unrestricted funds | | | | |
| General fund | 16,933,679 | (658,473) | 3,640,359 | 19,915,565 |
| Revaluation of property fund | (126,633) | - | 126,633 | - |
| Revaluation of investments fund | <u>1,827,830</u> | - | <u>(1,827,830)</u> | - |
| | 18,634,876 | (658,473) | 1,939,162 | 19,915,565 |
| Restricted funds | | | | |
| John and Rhys James Fund | 7,662 | - | (862) | 6,800 |
| John and Ceridwen Medal | 5,240 | - | - | 5,240 |
| Apprentices Projects | - | 45,000 | - | 45,000 |
| Welsh Government | - | 48,000 | - | 48,000 |
| Capital Fund | - | 825,954 | - | 825,954 |
| Buildings and Equipment Fund | <u>1,931,532</u> | - | <u>(1,931,532)</u> | - |
| | 1,944,434 | 918,954 | (1,932,394) | 930,994 |
| Endowment funds | | | | |
| County Cup Fund | 139,095 | (24,022) | (5,232) | 109,841 |
| Corwen Home Fund | 4,679 | (790) | (254) | 3,635 |
| Art and Craft Fund | 3,124 | (528) | (170) | 2,426 |
| Glesni Evans Fund | 4,909 | (2,092) | (44) | 2,773 |
| Olwen Griffiths Fund | 11,369 | 48 | (381) | 11,036 |
| Ethleen Thomas Fund | 1,619 | 26 | (54) | 1,591 |
| Olwen Phillips / Pam Weaver Fund | 4,120 | (98) | (23) | 3,999 |
| Sim Davies Fund | 15,751 | (247) | (23) | 15,481 |
| Rhian Criddle Fund | 2,003 | - | 53 | 2,056 |
| Sharon Bonds Fund | 1,069 | (143) | 150 | 1,076 |
| Pendyrus Fund | 16,575 | (2,612) | (311) | 13,652 |
| Dr D Davies Fund | <u>64,557</u> | <u>(10,395)</u> | <u>(479)</u> | <u>53,683</u> |
| | 268,870 | (40,853) | (6,768) | 221,249 |
| | <u>20,848,180</u> | <u>219,628</u> | <u>-</u> | <u>21,067,808</u> |
| TOTAL FUNDS | | | | |

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

21. MOVEMENT IN FUNDS – continued

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

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|--------------------------------------|--------------------------|----------------------------|-------------------------|-----------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | <u>8,670,808</u> | <u>(8,958,968)</u> | <u>(370,313)</u> | <u>(658,473)</u> |
| | 8,670,808 | (8,958,968) | (370,313) | (658,473) |
| Restricted funds | | | | |
| John and Rhys James Fund | 13,200 | (13,200) | - | - |
| John and Ceridwen Medal | 600 | (600) | - | - |
| Sports Projects | 532,373 | (532,373) | - | - |
| Apprentices Projects | 178,144 | (133,144) | - | 45,000 |
| Arts Council of Wales Youth Theatre | 3,091 | (3,091) | - | - |
| Youth Officers | 155,618 | (155,618) | - | - |
| Local Councils / Institutions Grants | 268,384 | (268,384) | - | - |
| Welsh Government | 1,262,613 | (1,214,613) | - | 48,000 |
| Welsh Books Council | 28,990 | (28,990) | - | - |
| Capital Fund | <u>825,954</u> | <u>-</u> | <u>-</u> | <u>825,954</u> |
| | 3,268,967 | (2,350,013) | - | 918,954 |
| Endowment funds | | | | |
| County Cup Fund | 5,232 | - | (29,254) | (24,022) |
| Corwen Home Fund | 254 | - | (1,044) | (790) |
| Art and Craft Fund | 169 | - | (697) | (528) |
| Glesni Evans Fund | 194 | (150) | (2,136) | (2,092) |
| Olwen Griffiths Fund | 381 | - | (333) | 48 |
| Ethleen Thomas Fund | 54 | - | (28) | 26 |
| Olwen Phillips / Pam Weaver Fund | 173 | (150) | (121) | (98) |
| Sim Davies Fund | 524 | (500) | (271) | (247) |
| Rhian Criddle Fund | - | - | - | - |
| Sharon Bonds Fund | - | (150) | 7 | (143) |
| Pendyrus Fund | 711 | (400) | (2,923) | (2,612) |
| Dr D Davies Fund | <u>3,079</u> | <u>(2,600)</u> | <u>(10,874)</u> | <u>(10,395)</u> |
| | 10,771 | (3,950) | (47,674) | (40,853) |
| TOTAL FUNDS | <u><u>11,950,546</u></u> | <u><u>(11,312,931)</u></u> | <u><u>(417,987)</u></u> | <u><u>219,628</u></u> |

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds (i.e. for the prior year ended 31 March 2019)

| | At 1/4/18 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/19 £ |
|----------------------------------|-------------------|-------------------------------|---------------------------------|-------------------|
| Unrestricted Funds | | | | |
| General fund | 14,611,888 | 2,048,336 | 273,455 | 16,933,679 |
| Revaluation of property fund | (121,933) | (4,700) | - | (126,633) |
| Revaluation of investments fund | <u>1,661,661</u> | <u>166,169</u> | <u>-</u> | <u>1,827,830</u> |
| | 16,151,616 | 2,209,805 | 273,455 | 18,634,876 |
| Restricted Funds | | | | |
| John and Rhys James Fund | 7,662 | - | - | 7,662 |
| John and Ceridwen Medal | 5,240 | - | - | 5,240 |
| Buildings and Equipment Fund | <u>2,202,561</u> | <u>-</u> | <u>(271,029)</u> | <u>1,931,532</u> |
| | 2,215,463 | - | (271,029) | 1,944,434 |
| Endowment funds | | | | |
| County Cup Fund | 135,907 | 4,210 | (1,022) | 139,095 |
| Corwen Home Fund | 4,643 | 279 | (243) | 4,679 |
| Art and Craft Fund | 3,100 | 186 | (162) | 3,124 |
| Glesni Evans Fund | 4,900 | 45 | (36) | 4,909 |
| Olwen Griffiths Fund | 10,536 | 1,207 | (374) | 11,369 |
| Ethleen Thomas Fund | 1,543 | 129 | (53) | 1,619 |
| Olwen Phillips / Pam Weaver Fund | 3,818 | 322 | (20) | 4,120 |
| Sim Davies Fund | 15,015 | 753 | (17) | 15,751 |
| Rhian Criddle Fund | 2,003 | - | - | 2,003 |
| Sharon Bonds Fund | 1,073 | (154) | 150 | 1,069 |
| Pendyrus Fund | 16,475 | 381 | (281) | 16,575 |
| Dr D Davies Fund | <u>64,191</u> | <u>734</u> | <u>(368)</u> | <u>64,557</u> |
| | 263,204 | 8,092 | (2,426) | 268,870 |
| TOTAL FUNDS | <u>18,630,283</u> | <u>2,217,897</u> | <u>-</u> | <u>20,848,180</u> |

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds (i.e. for the prior year ended 31 March 2019), included in the above are as follows:

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|--------------------------------------|--------------------------|----------------------------|-----------------------|-------------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 11,333,764 | (9,280,514) | (4,914) | 2,048,336 |
| Revaluation of investments fund | - | - | 166,169 | 166,169 |
| Revaluation of property fund | - | (4,700) | - | (4,700) |
| | <u>11,333,764</u> | <u>(9,285,214)</u> | <u>161,255</u> | <u>2,209,805</u> |
| Restricted funds | | | | |
| John and Rhys James Fund | 13,200 | (13,200) | - | - |
| John and Ceridwen Medal | 600 | (600) | - | - |
| Sports Projects | 173,025 | (173,025) | - | - |
| Arts Council of Wales Youth Theatre | 17,959 | (17,959) | - | - |
| Second Language Project | 132,820 | (132,820) | - | - |
| Local Councils / Institutions Grants | 256,768 | (256,768) | - | - |
| Welsh Government | 944,991 | (944,991) | - | - |
| Welsh Books Council | 30,950 | (30,950) | - | - |
| | <u>1,570,313</u> | <u>(1,570,313)</u> | <u>-</u> | <u>-</u> |
| Endowment funds | | | | |
| County Cup Fund | 5,013 | (3,991) | 3,188 | 4,210 |
| Corwen Home Fund | 243 | - | 36 | 279 |
| Art and Craft Fund | 162 | - | 24 | 186 |
| Glesni Evans Fund | 185 | (150) | 10 | 45 |
| Olwen Griffiths Fund | 375 | - | 832 | 1,207 |
| Ethleen Thomas Fund | 52 | - | 77 | 129 |
| Olwen Phillips / Pam Weaver Fund | 170 | (150) | 302 | 322 |
| Sim Davies Fund | 518 | (500) | 735 | 753 |
| Sharon Bonds Fund | 1 | (150) | (5) | (154) |
| Pendyrus Fund | 681 | (400) | 100 | 381 |
| Dr D Davies Fund | 2,968 | (2,600) | 366 | 734 |
| | <u>10,368</u> | <u>(7,941)</u> | <u>5,665</u> | <u>8,092</u> |
| TOTAL FUNDS | <u><u>12,914,445</u></u> | <u><u>(10,863,468)</u></u> | <u><u>166,920</u></u> | <u><u>2,217,897</u></u> |

Cwmni Urdd Gobaith Cymru

**Notes to the Financial Statements - continued
for the year ended 31 March 2020**

21. MOVEMENT IN FUNDS - continued

Purpose of restricted funds

The endowment funds represent contributions and bequests where the contributor has noted that the money should be retained as capital. The income has been used in accordance with the terms of the endowments and included in the Statement of Financial Activities.

| | |
|--|---|
| Buildings & equipment fund | This fund represents capital grants received towards charity premises and equipment. Each year, the grants are released to the general fund, by way of a transfer, in equal annual instalments according to the rate of depreciation where appropriate. This fund was transferred to General Unrestricted funds at 31st March 2020 as it was considered that restrictions no longer apply in respect of these reserves. |
| John & Ceridwen Hughes Medal | A gift was received to be used to create and present a special annual award for the outstanding work in the youth work sector. |
| Sports Projects | These projects have been financed by Sport Wales and the Welsh Government. The money has been used to purchase equipment and appoint sports officers, including staging Gemau Cymru annually. |
| John & Rhys James Fund | An annual gift is received from the Pantyfedwen Trust and allocated to County Committees and to the Surrounding Areas to promote local Urdd Eisteddfodau. |
| Cymraeg Pob Dydd Project | A project which extends the use of Welsh as a second language outside the classroom in English-medium schools. |
| Youth Officers | Various projects which focus on informal learning/extracurricular interests outside school hours, to ensure the social use of Welsh. |
| Youth Theatre | The company offers opportunities to the youth of Wales, between 14 and 20 years of age, to perform in a musical production, partly funded by the Arts Council of Wales. |
| Local Councils/Institutions Grants Welsh Government | Support in funding core regional work and joint projects with other institutions. The main grant in supporting the core work of the Urdd, to enable us to fulfil targets in strategic areas promoting Welsh to children and young people. |
| Capital Fund | This represents grant funding for capital projects which remain under restriction as at the balance sheet date. |

22. CAPITAL COMMITMENTS

| | 2020 | 2019 |
|---|----------------|---------------|
| | £ | £ |
| Contracted but not provided for in the financial statements | <u>416,127</u> | <u>45,000</u> |

At the year end, a total of £416,127 had been contracted to be spent on capital works and repairs (2019: £45,000).

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020, nor for the preceding year.

Cwmni Urdd Gobaith Cymru

Notes to the Financial Statements - continued
for the year ended 31 March 2020

24. FINANCIAL INSTRUMENTS

The carrying value of the financial assets and liabilities include:

| | 2020 | 2019 |
|---|-----------|-----------|
| | £ | £ |
| Financial assets that are debt instruments measured at amortised cost | | |
| Fixed asset investments | 3,084,596 | 3,154,067 |
| Trade debtors | 427,970 | 768,305 |
| Other debtors | 70,520 | 103,063 |
| Short term investments | 896,943 | 875,410 |
| Cash at bank | 2,079,944 | 2,548,519 |
| | | |
| Financial assets that are debt instruments measured at amortised cost | | |
| Overdrafts and bank loans | - | (6) |
| Other loans | (74,588) | (120,775) |
| Trade creditors | (177,904) | (293,723) |
| Other creditors | (131,253) | (42,823) |
| Deferred income | (439,236) | (287,163) |
| Accrued expenses | (193,228) | (223,496) |
| Payments in advance | (220,517) | (351,038) |

25. NON-ADJUSTING POST BALANCE SHEET EVENTS

There has been no significant impact on the charity's assets and liabilities as a result of the Covid-19 pandemic.