

**Gwent Association of Voluntary Organisations**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 March 2021**

**WALTER HUNTER & CO LIMITED**  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

## **Financial Statements**

**Year ended 31 March 2021**

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# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

## **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2021**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

### **Foreword by the Chair and Chief Executive Officer**

Welcome to the GAVO Annual Accounts for 2020/2021. The financial year 2020/2021, because of the COVID pandemic, has been a challenging one and thanks must be given at the outset to all Volunteers who have been committed to helping their Communities, Statutory Partners for the support of GAVO and the Third Sector and all GAVO staff for their tireless efforts to support Organisations and people who make a positive difference.

Collaboration of the Third Sector with the Statutory Sector and Private Sector has been exemplary and has ensured that even through the terrible times of the pandemic, we have been able to adapt, change and work together in the most difficult of circumstances.

During the financial year, we have continued to work towards the Strategic Plan 2019-22 which has been created to ensure we are working to support the Mission Statement of the Organisation whilst ensuring GAVO is fully focused on working in line with the Wellbeing of Future Generations Act and Social Services and Wellbeing Act, both aimed at improving our communities and ways of life across Wales.

Working practices at GAVO have needed to change and will continue to change in line with demand to ensure maximum input to promote the Third Sector voice and to ensure the Sectors representation is at its strongest and most impactful. We are very fortunate that during the pandemic the Board did not furlough any staff which has been vital in our ability to provide key support to the Sector, meet our current strategic aims and help progress through to our next strategic plan which will cover 2022-2025.

During the pandemic, GAVO along with many others in the sector have been able to access numerous grants to support sustainability in the sector and also to support COVID recovery. The accounts detail evidence of the level of this support but for us as an Organisation, it's our responsibility to use funds justly, targeted and with future sustainability being the key focus. This thought process, coupled with our unrestricted funds will be key in the next strategic plan to ensure, as an Organisation, we focus on Sector recovery after COVID and plan for targeted investment to support the sector.

Influencing and engaging is still key to GAVO and the sector and it's vital we continue to build this influence across the (Third Sector Support Wales) network, a network made up 19 County Voluntary Councils (CVC's) across Wales and the Wales Council for Voluntary Action (WCVA) and keep the 4 pillars of the Third Sector which are Volunteering, Sustainable Funding, Governance and Support and Engagement and Influencing at the forefront of our working practice.

# **Gwent Association of Voluntary Organisations**

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## **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

Key changes in the Public Service structures are coming late 2021 with a move to the Gwent PSB with GAVO being a key partner but as these structures grow, GAVO will continue to work towards the local Wellbeing Agenda's with particular focus on our areas where we have a direct lead responsibility, with these being Blaenau Gwent's Age Friendly Communities, Caerphilly's Volunteering action area, Monmouthshire's Active Citizenship and Joint Lead on Newport's Right Skills intervention.

We hope that you will all reference this to our Annual Impact Report 2020/2021, which focuses on the breadth and reach of the Organisation, through inclusive approaches that are reflective of the Protected Characteristics defined in the Equality Act 2010.

Equality, Diversity and Inclusion is vital in our work and support and we continue to strive towards full inclusion of all protected characteristics within our communities fairly, reputably and with leadership. This is a challenging time and learning continues to be important and new ways of thinking which captures this learning will be a key focus for GAVO moving forward.

We would like to thank the Corporate Management Team, Corporate Staff, Core TSSW staff and Project staff across the whole of GAVO for their efforts this financial year.

We would also like to again thank all partners across the Statutory, Private and Third Sector for their continued support and involvement during 2020/2021 with an extended thanks to the GAVO Trustees, Local Committees and Volunteers for their efforts and valued contribution.

**Edward Watts MBE DL**  
**Chair**

**Stephen Tiley**  
**Chief Executive Officer**



# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

## **Reference and administrative details**

**Registered charity name** Gwent Association of Voluntary Organisations

**Charity registration number** 1113558

**Company registration number** 5590517

**Principal office and registered office** Ty Derwen  
Church Road  
Maindee  
Newport  
NP19 7EJ

## **The trustees**

Brigadier R Aitken CBE Her  
Majesty's Lord-Lieutenant of  
Gwent  
Mr E Watts MBE DL  
Mrs J Steven  
Mr L Clay (Resigned 25 March 2021)  
Ms C Davy  
Mr R M Dutt  
Mr C L Hawker  
Mr D Jones OBE  
Mr A Lewis  
Mrs S Smith (Resigned 1 July 2021)  
Mrs C Williams  
Mr J Williams MBE JP

**Auditor** Walter Hunter & Co Limited  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

**Bankers** NatWest Bank plc  
High Street  
Newport  
NP20 4SE

**Solicitors** Morgan, Denton & Jones  
Haywood House North  
Dumfries Place  
Cardiff  
CF10 3GA

# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

#### **Structure, governance and management**

##### ***Nature of the Governing Document and Constitution of the Charity***

The Charity is a Company Limited by Guarantee; company registration number 5590517. Registered charity number 1113558.

##### ***The methods adopted for the recruitment and appointment of new trustees***

Trustees are elected for three years with a third of the committee standing down each year, but eligible for re-election. The officers are elected for three years.

##### ***The policies and procedures adopted for the induction and training of trustees***

Annual training is arranged for all Trustees, covering all aspects of voluntary sector regulations.

##### ***The name of the Chief Executive Officer and other senior staff members to whom day to day management of the charity was delegated during the 2020/21 year by the charity trustees***

Chief Executive Officer

Deputy Chief Executive Officer

Stephen Tiley

Alison Palmer

Full details of all members of staff can be found on GAVO's website [www.gavowales.org.uk](http://www.gavowales.org.uk).

##### ***The organisational structure of the charity and how decisions are made***

The charity is managed by a Board of Trustees elected by the membership of voluntary organisations. Financial and Policy decisions are made by the Trustees, where appropriate following recommendations by the senior staff and the sub-committees i.e. personnel and finance as and when necessary. The Board meets at least four times per annum.

The CEO has overall responsibility for the organisation. Senior Management Team meetings are held on a regular basis with the Deputy Chief Executive Officer and area managers to discuss management/organisational issues.

##### ***Membership of a wider network***

GAVO is affiliated to the Wales Council for Voluntary Action (WCVA) and is an active member of Third Sector Support Wales (TSSW).

##### ***Relationships between the charity and related parties, including its subsidiaries***

GAVO works closely with the Welsh Government, WCVA, Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Monmouthshire County Council and Newport City Council, the Aneurin Bevan University Health Board, Gwent Police and the Office of the Police and Crime Commissioner in Gwent.

Health and Social Care working relationships are ongoing with the Aneurin Bevan University Health Board and the Social Care departments of Local Authorities.

GAVO has no subsidiary undertakings.

##### ***The major risks to which the Charity is exposed and reviews and systems to mitigate risks***

As and when the funding for any particular project is due to end, GAVO will do everything in its power to seek a continuation of the funding if appropriate or an alternative. Failing this GAVO's redundancy procedure is activated to minimise loss to the Charity.

GAVO's Risk Register provides a mechanism and framework for the management of risk within the organisation across the portfolio of GAVO activity and to inform decision making moving forward.

# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 March 2021**

##### **Structure, governance and management *(continued)***

###### ***Relationships with other Groups, Charities and Individuals***

GAVO is a membership organisation. Membership is open to all relevant voluntary and community groups who operate in the area of benefit.

Number of member organisations as at 31 March 2021 420 (2020: 389).

##### **Objectives and activities**

###### ***A summary of the purposes of the charity as set out in its governing document***

GAVO's role as a County Voluntary Council is set out in Welsh Government's Third Sector Scheme 2014 as:

- Enabling other Third Sector organisations to grow and develop;
- Supporting individual volunteers and collective voluntary action;
- Promoting good and safe governance across the Third Sector;
- Supporting Public Service design and delivery;
- Providing voice and representation for the wider sector; and
- Sharing good practice and innovation.

In addition to this Core Framework, GAVO has significant experience in developing and delivering projects and programmes through collaborative approaches, which are a response to identified unmet community need.

##### **Vision and Mission Statement**

A vision statement is in place to ensure that GAVO shows what its purpose and existence is, with its mission clearly to set on how to achieve that vision. GAVO has a strong ethos and the resource to achieve both of these important factors of our being with the statements outlined in the points below:

- GAVO's vision is to help towards "A society where communities, individuals and organisations work together in a culture of equality, shared ownership, responsibility and support to build a sustainable future".
- GAVO's mission is "To support, facilitate and broker positive change in the Well-being of people and communities through collaborative approaches".

# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

**Objectives and activities *(continued)***

## **Values and USP**

The goodwill of the sector and key stakeholders is a vital element to GAVO's strategic direction and to ensure that this is appreciated and acknowledged by all, GAVO has implemented a work culture based on good values, which are listed as part of the strategic plan to remind all internal staff and external stakeholders the values recognised and adhered by the Organisation.

Our values statement is;

"GAVO help people and communities to achieve their aims and aspirations through inclusive approaches that are defined by Respect, Integrity and Transparency"

Our unique selling point can be defined as;

"GAVO has supported, facilitated and brokered positive change in people and communities across Gwent since 1927. Over 94 years, GAVO has developed a wealth of experience, competencies and connections. This pedigree informs approaches that ensures GAVO continues to be responsive and relevant to the existing and emerging needs of people and communities"

## **Impact**

GAVO's impact on the sector can be reviewed through the Impact Report 2019/2020. The impact of the sector is promoted and communicated through the Voluntary Voice publications.



# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Objectives and activities *(continued)*

*Summary of main aims, activities and achievement in relation to those purposes for the public benefit*

## Strategic Aim 1

GAVO will provide strong support to Voluntary, Community Organisations and Communities in line with the TSSW 4 pillars of working.

GAVO is proactively looking to address this key action area by carrying out the following key tasks:

- Across each region of the GAVO footprint, GAVO are working towards a standard service and robust Community Development support. GAVO is working ensuring staff are aware and responsive to the current regulations and responsive to changes in Governance, structures, legislation, funding, Community Asset Transfer and Business planning opportunities. Work in response of has ensured and is progressing to further strengthen GAVO's position to communicate and support the Sector effectively.
- Across each region of the GAVO footprint, GAVO has produced a standard Volunteering offer which is fully integrated with GAVO Best Practice, linked to the Volunteer Management Network. The offer is aligned to Welsh Governments Programme for Government which in turn, fully supports the Volunteer effort across GAVO's regions in Gwent.
- Across each region of the GAVO footprint, GAVO are working to ensure a standard Health and Social Care offer which is fully integrated with GAVO Best Practice, linked to the Aneurin Bevan University Health Board's outcomes and where required, Welsh Governments Programme for Government. The Health and Social Care pillar of the Third Sector is key to the progress of this aim and GAVO's approach is to ensure the Sector is fully integrated into the relevant legislation and Public Service arena.
- GAVO will look to develop a standard GAVO offer in respect of supported services, in particular Payroll, Information Technology, Marketing and Human Resources services. These offers will allow for additional support for the sector but will need to be support within the financial constraints of the Organisation and the organisations we are looking to support.
- GAVO will look to ensure that our physical locations support the GAVO objectives in supporting our Voluntary, Community Organisations and Communities. This monitoring of locations has supported the opening of outreach offices in all areas of GAVO support which allows for more clear accessibility to our communities.



# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

## Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

### Objectives and activities *(continued)*

#### Strategic Aim 2

GAVO will use the principles of partnership working and engagement to build connectivity, participation and empowerment to people in their communities

GAVO is proactively looking to address this key action area by carrying out the following key tasks:

- GAVO is in a position of support for the sector through implementing, reviewing and monitoring the effectiveness of a standardised outcomes focused structure within each region to ensure the views of the sector are able to be raised, addressed and communicated. GAVO is looking at the integration of the sector in many different and evolving formats to ensure the two-way communication from Public Services to the Sector and back is effective and that the sector is abreast of the evolving Regional Wellbeing Agenda's and their action areas.
- GAVO supports the direction of CVC Cymru initiatives and work requirements, ensuring proactive communication streams through GAVO and wider.
- GAVO supports the direction of Third Sector Support Wales initiatives and working requirements, ensuring proactive communication streams throughout GAVO and wider where required. GAVO continues its support for groups and volunteers alike through its communication streams but has increased its Social Media presence and representation through the use of multi-functioning meeting platforms.
- GAVO continues to promote and support Volunteering across regions, taking account of a standardised way of working and how this links to the current Volunteering structure and regional requirements. GAVO will look at a best practice way for working whilst integrating into relevant Well Being Action areas.
- GAVO is reviewing internal Governance structures and ensuring these are being adapted regularly to the changing climate. We continue to strive to be responsive to our Governance whilst ensuring our impact on the sector is at the maximum, with a best practice approach being implemented across the footprint and instilled to staff for the benefit of the sector.
- GAVO has strong links with partners but strives to improve on these with the desired outcome to improve collaboration opportunities, income generation and voice of the sector. Public Service Board partners, Voluntary Sector Representatives and the Private Sector links can be reviewed with a view of communicating and initiating an improved and proactive understanding of GAVO and the Sector.
- GAVO is embracing the use of new digital platforms, improving connectivity, scope and impact of GAVO and the Third Sector.

# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

**Objectives and activities *(continued)***

## **Strategic Aim 3**

GAVO will strive to strengthen the Third Sectors voice and influence at a National, Regional and Local level

- GAVO will strive to continually review and build on its own communication streams, ensuring information sharing across the whole organisation for relevant staff, incorporating Trustee's and their communications regarding the Organisation and the Third Sector. There has been working groups set up within GAVO with the remit of ensuring communication streams are reviewed and that GAVO incorporates them in line with evolving formats.
- GAVO will ensure to review and improve where possible, communication with all stakeholders to promote the work of the Sector but also ensuring that the work and scope of GAVO is deep in the mind-set of the partners in which we work with. These will include PSB members, External provision, member organisations and Communities across Gwent.
- GAVO will look to improve on external relationships with Local Members of Parliament and Assembly Members with a view to promote the Organisation, the Sector and its partners. This will be through the communication of the work of GAVO, the outcomes of GAVO and the work and impact of the Third Sector.
- GAVO will look to ensure that communication, linking both internal and external, is at the required standard to ensure the most effective two-way communication paths to improve knowledge and information sharing across GAVO, the Third Sector and wider partners.
- GAVO will continue to review and work with new technology, encompassing social media, advanced external communication opportunities and investing in the use of Microsoft 365 to improve visibility, communication and scope of the Organisation.
- GAVO will ensure the Trustees are communicated to effectively and with transparency with the workings of GAVO and that their roles and responsibilities in the promotion of GAVO ensure a positive impact on the Organisation and on the work of the Sector where possible.

# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

**Objectives and activities *(continued)***

## **Strategic Aim 4**

**GAVO will champion Third Sector understanding of the principles of legislation within Wales**

- GAVO will continue to ensure that the work and scope of the Organisation and the Sector is positively promoted and deeply imbed within the Health, Social Care and Wellbeing Agendas across each region, ensuring influence and engagement not only by GAVO but where relevant Communities and Community based organisations.
- GAVO will continue to ensure that as an Organisation, it is understanding and working with the agreed Social Services and Wellbeing legislation, ensuring that effective communication streams are in place for Community based Organisations to be communicated to effectively and kept abreast of changes as required.
- GAVO will ensure that training will be made available to upskill the Organisation and the Third Sector in order to ensure as a whole, all involved are in the best position to deal with changes in legislation across Wales and also to ensure the Organisation and the Sector is strong and thriving to deal with current and ever changing climate.
- GAVO will ensure that in line with legislation and changes in this legislation, we will support external partners in where possible, best practice can be worked towards across the GAVO footprint.
- GAVO will continue to ensure that the Third Sector has a voice and is interlinked into the Well being agenda's of our Public Service areas
- GAVO will continue its involvement and support with the Taking Wales Forward 2016-21 initiative and will support where possible, the Third Sectors input into its outcomes to deliver more and better jobs through a stronger, fairer economy, improving and supporting the reform public services to work towards a more connected and sustainable Wales.



# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

**Objectives and activities *(continued)***

## **Strategic Aim 5**

GAVO will continue to operate in a culture of collaboration as a pathway to its sustainability

- GAVO will look to generate additional income, identify gaps across Third Sector provision, improve relationships with a view of improving collaborative working across the Gwent footprint and ensure there is a clear methodology for staff and partners alike to be able to work raise ideas for the benefit of our communities.
- GAVO staff will value and ensure effective project support with all current opportunities, with a view of ensuring future sustainability of projects through collaborative thinking and working, foresight and planning.
- GAVO will continue with, but evaluate its method of managing, reporting and acknowledging risk management moving forward. There will be progression on the clear vision across the Organisation of embedding a departmental ethos of managing risk and working towards mitigating these risks for the good of the Organisation.
- GAVO will continue to explore the possibilities and benefits of incorporating trading arms into the organisation, not only for current services but for potential new opportunities for the purpose of future sustainability.
- GAVO will look to work collaboratively with partners and the Sector alike to ensure appropriate investments in the correct projects moving forward, with community impact at the forefront of GAVO thoughts.
- GAVO will ensure that there is a defined method of capturing ideas of staff around Income Generation and staff feel empowered to make decisions for GAVO benefit and for the Third Sector in agreeing and progressing potential Income Generation opportunities.
- GAVO will ensure that their relationships held at a high level and are progressed and that partnership working and collaboration is at the fore front of current projects, future opportunities, whether leading or ensuring we are a part of the thought process of other lead organisations.
- GAVO staff will work with a mind-set of ensuring Value For Money at the fore front of their thinking, removing inefficiencies where possible and liaising with relevant Management and staff to address new ways of working where required.

## **Public Benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities aims and purposes and in planning future activities.

# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 March 2021**

##### **Financial review**

The Charity has a Finance Sub Committee, which meets monthly to review expenditure, income and to look at major items of expenditure or changes in funding. The Finance Sub Committee reports to the full Executive Committee which is responsible for making all policy decisions on financial matters.

GAVO will be working towards a new strategic plan covering 2021-2025 and GAVO finances moving forward will be a fundamental part of this document. Finance has been received for COVID recovery and for GAVO sustainability and utilisation of these Unrestricted Reserves will be targeted, focused and directed to support this recovery.

GAVO's sustainability is linked to this funding and will be utilised in line with the reserves policy in place.

##### ***Transactions and Financial position***

The financial statements are set out on pages 20 to 41. These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

The Statement of Financial Activities shown on page 20 to the accounts discloses net incoming resources for the year, before unrealised gains on revaluation of fixed assets, of £635,731 (2020: net incoming £48,938).

The total reserves at the year end stand at £927,768 (2020: £292,037).

##### **Reserves Policy**

GAVO's policy is to maintain unrestricted reserves of £650,000 to cover operational risk through the current year ending 31 March 2022.

During the year, the Trustees have decided to designate £210,000 of unrestricted funds as Covid19 Response funds. This is to enable GAVO to invest in developing services focusing on supporting the third sector to restart following the pandemic as legislation allows.

A full review of the reserves policy will be carried out during the year ending 31 March 2022.

##### **Pension Deficit Recovery Fund**

The charity has adopted best accounting practice to recognise the net present value of its agreed additional contributions to the Trustee to eliminate the deficit on the multi-employer pension scheme. Full details are disclosed in notes 20 and 21 to the accounts.

##### **Specific changes in fixed assets**

All movements in fixed assets are shown in note 17 to the accounts.



# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

## **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2021**

### **Plans for future periods**

In line with the organisation's Strategic Aims, GAVO will be maximising opportunities to deliver, influence and facilitate third sector engagement with the Welsh Government, Programme for Government, 'Taking Wales Forward 2016-21'. Covid 19 and the potential for change is continually monitored through GAVO's governance structures and will be a key addition to GAVO's need to continue to efficiently monitor expenditure and develop income generation approaches, which have a synergy with GAVO's Mission and Strategic Aims. The organisation will continue to ensure that exit strategies for projects include provision for redeployment or redundancy as defined in the GAVO Policy Framework.

### **Trustees' responsibilities statement**

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on .....10/12/2021..... and signed on behalf of the board of trustees by:



Mr E Watts MBE DL  
Trustee



Mr D Jones OBE  
Trustee

# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

## **Independent Auditor's Report to the Members of Gwent Association of Voluntary Organisations**

**Year ended 31 March 2021**

### **Opinion**

We have audited the financial statements of Gwent Association of Voluntary Organisations (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

## **Independent Auditor's Report to the Members of Gwent Association of Voluntary Organisations** *(continued)*

**Year ended 31 March 2021**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Gwent Association of Voluntary Organisations** *(continued)*

**Year ended 31 March 2021**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

By enquiring with senior management and those charged with governance all areas of risk identified were considered and any potential litigation or claim, if any, were noted.

- Ensuring by enquiry that there were no issues of non-compliance with laws and regulations relating to tax and compliance;
- By obtaining an understanding of the company's policies and procedures on compliance with laws and regulations, and with best accounting practice;
- Noting issues discussed with the Board and the Senior Management Team as this relates to risks faced by the company;
- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business and
- Considering the effect on risk to the company of the Covid-19 pandemic and the UK's departure from the EU. In particular to note whether any such issues would affect the company's ability to continue to operate.

Through these procedures, we did not become aware of actual or suspected non-compliance.



# **Gwent Association of Voluntary Organisations**

**Company Limited by Guarantee**

## **Independent Auditor's Report to the Members of Gwent Association of Voluntary Organisations** *(continued)*

**Year ended 31 March 2021**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

## Independent Auditor's Report to the Members of Gwent Association of Voluntary Organisations *(continued)*

Year ended 31 March 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Rhodes BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of  
Walter Hunter & Co Limited  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

10 December 2021

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

## Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2021

		2021			2020
	Note	Unrestricted funds £	Restricted funds £	Pension Deficit Recovery funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	407	4,649	—	5,056
Charitable activities	6	1,425,361	2,420,002	—	3,845,363
Other trading activities	7	7,675	4,360	—	12,035
Investment income	8	284	—	—	284
Other income	9	—	800	—	800
<b>Total income</b>		<u>1,433,727</u>	<u>2,429,811</u>	<u>—</u>	<u>3,863,538</u>
<b>Expenditure</b>					
Expenditure on charitable activities	10,11	810,705	2,429,811	(12,709)	3,227,807
<b>Total expenditure</b>		<u>810,705</u>	<u>2,429,811</u>	<u>(12,709)</u>	<u>3,227,807</u>
<b>Net income and net movement in funds</b>		<u>623,022</u>	<u>—</u>	<u>12,709</u>	<u>635,731</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		373,495	—	(81,458)	292,037
<b>Total funds carried forward</b>		<u>996,517</u>	<u>—</u>	<u>(68,749)</u>	<u>927,768</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 23 to 41 form part of these financial statements.

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

## Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	17	350,000	350,000
<b>Current assets</b>			
Debtors	18	330,894	336,035
Cash at bank and in hand		<u>1,186,960</u>	<u>273,594</u>
		1,517,854	609,629
<b>Creditors: amounts falling due within one year</b>	19	<u>871,337</u>	<u>586,134</u>
<b>Net current assets</b>		<u>646,517</u>	<u>23,495</u>
<b>Total assets less current liabilities</b>		<u>996,517</u>	<u>373,495</u>
<b>Provisions</b>			
Pensions and similar obligations	20	<u>68,749</u>	<u>81,458</u>
<b>Net assets</b>		<u>927,768</u>	<u>292,037</u>
<b>Funds of the charity</b>			
Pension Deficit Recovery funds		<u>(68,749)</u>	<u>(81,458)</u>
Unrestricted funds		<u>996,517</u>	<u>373,495</u>
<b>Total charity funds</b>	22	<u>927,768</u>	<u>292,037</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 10/12/2021, and are signed on behalf of the board by:

  
Mr E Watts MBE DL  
Trustee

  
Mr D Jones OBE  
Trustee

The notes on pages 23 to 41 form part of these financial statements.

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2021

	Note	2021 £	2020 £
Cash generated from operations	24	912,282	120,827
Interest received		284	753
Net cash from operating activities		<u>912,566</u>	<u>121,580</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible assets		800	—
Net cash from investing activities		<u>800</u>	<u>—</u>
Net increase in cash and cash equivalents		913,366	121,580
Cash and cash equivalents at beginning of year		273,594	152,014
Cash and cash equivalents at end of year		<u>1,186,960</u>	<u>273,594</u>

The notes on pages 23 to 41 form part of these financial statements.



# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2021**

#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Ty Derwen, Church Road, Maindee, Newport, NP19 7EJ.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Since the middle of March 2020, the Covid-19 pandemic has seriously affected the UK generally. As a charity we have taken all necessary steps to combat the effects of the virus and to ensure that the charity is able to continue to operate.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2021**

#### **3. Accounting policies *(continued)***

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Unrestricted pension deficit recovery fund relates to the net present value of the liabilities payable, at present, as a result of the multi-employer pension deficit in which the charity participates.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds other than described above.

##### **Incoming resources**

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2021

#### 3. Accounting policies *(continued)*

##### Resources expended *(continued)*

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

A decrease in the carrying amount of an asset as a result of revaluation is shown within other recognised gains and losses on the statement of financial activities.

Items of less than £1,000 are not capitalised by the charity.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 4% per annum Straight line
Motor vehicles	- 25% per annum Straight line

##### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset.

##### Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.



# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

#### 3. Accounting policies *(continued)*

##### Financial instruments *(continued)*

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Pension schemes

The employees of the charity are members of one of two pension schemes as follows:

###### *NOW Pensions Defined Contribution Scheme*

This is a defined contribution plan. Contributions are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

###### *Pensions Trust Multi-Employer Defined Benefit Scheme*

The charity participates in the Pension Trust scheme which is a multi-employer scheme providing benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.



# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

#### 4. Limited by guarantee

The charity is incorporated under the Companies Act 2006 and is limited by guarantee, each member having to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst they are still a member or within one year thereafter.

Number of member organisations as at 31 March 2021 is 420 (2020: 389).

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
Public & Community Council donations	407	4,569	4,976
Dial-a-Ride donations	—	80	80
	<u>407</u>	<u>4,649</u>	<u>5,056</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Public & Community Council donations	315	5,615	5,930
Dial-a-Ride donations	—	2,600	2,600
	<u>315</u>	<u>8,215</u>	<u>8,530</u>

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Welsh Government	—	1,476,551	1,476,551
WCVA	498,684	49,155	547,839
Local Authority Councils	74,347	290,748	365,095
Local Health Boards	—	449,852	449,852
Comic Relief	—	8,306	8,306
Other grants	(1,885)	39,026	37,141
Administration fees	240,512	—	240,512
Exceptional income from charitable activities	613,703	106,364	720,067
	<u>1,425,361</u>	<u>2,420,002</u>	<u>3,845,363</u>

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

#### 6. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Welsh Government	—	1,368,579	1,368,579
WCVA	435,041	233,786	668,827
Local Authority Councils	37,418	274,787	312,205
Local Health Boards	—	211,419	211,419
Comic Relief	—	216,858	216,858
Other grants	3,922	68,492	72,414
Administration fees	230,427	—	230,427
Exceptional income from charitable activities	—	—	—
	<u>706,808</u>	<u>2,373,921</u>	<u>3,080,729</u>

Exceptional income from charitable activities relates to Covid19 grants provided by WCVA and Comic Relief to enable the charity to support the third sector following the Covid19 pandemic.

#### 7. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Rental income	7,087	—	7,087
Other sundry income	588	4,360	4,948
	<u>7,675</u>	<u>4,360</u>	<u>12,035</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Rental income	11,835	1,600	13,435
Other sundry income	—	2,399	2,399
	<u>11,835</u>	<u>3,999</u>	<u>15,834</u>

#### 8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>284</u>	<u>284</u>	<u>753</u>	<u>753</u>

#### 9. Other income

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Gains on disposal of tangible fixed assets	<u>800</u>	<u>800</u>	<u>—</u>	<u>—</u>

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

## 10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Core activities	575,768	—	—	575,768
Regional Covid19 Support	35,583	—	—	35,583
Communities For Work	—	1,148,764	—	1,148,764
Children & Families	—	174,838	—	174,838
Care Projects	—	233,772	—	233,772
Transport	—	1,862	—	1,862
Grants to Voluntary Organisations	—	493,482	—	493,482
Volunteering	—	—	—	—
Support costs	199,354	377,093	(12,709)	563,738
	<u>810,705</u>	<u>2,429,811</u>	<u>(12,709)</u>	<u>3,227,807</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Core activities	509,054	—	—	509,054
Regional Covid19 Support	—	—	—	—
Communities For Work	—	1,150,816	—	1,150,816
Children & Families	—	192,425	—	192,425
Care Projects	—	172,151	—	172,151
Transport	—	4,683	—	4,683
Grants to Voluntary Organisations	—	296,170	—	296,170
Volunteering	—	177,150	—	177,150
Support costs	177,827	393,990	(17,358)	554,459
	<u>686,881</u>	<u>2,387,385</u>	<u>(17,358)</u>	<u>3,056,908</u>



# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

## 11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Core activities	575,768	—	183,490	759,258	663,262
Pension Deficit	—	—	(12,709)	(12,709)	(17,358)
Recovery	—	—	—	—	—
Regional Covid19	—	—	—	—	—
Support	35,583	—	6,718	42,301	—
Communities For Work	1,148,764	—	271,910	1,420,674	1,389,533
Children & Families	174,838	—	29,261	204,099	229,081
Care Projects	228,772	5,000	53,137	286,909	238,074
Transport	1,862	—	5,389	7,251	17,172
GAVO Voluntary Action	—	—	—	—	—
Centre	—	—	—	—	15,260
Grants to Voluntary	—	493,482	17,396	510,878	309,850
Organisations	—	—	—	—	205,050
Volunteering	—	—	—	—	—
Governance costs	—	—	9,146	9,146	6,984
	<u>2,165,587</u>	<u>498,482</u>	<u>563,738</u>	<u>3,227,807</u>	<u>3,056,908</u>

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

## 12. Analysis of support costs

	Core activities £	Community Development £	Communities For Work £	Children & Families £	Care Projects £	Transport Organisations £	Grants to Voluntary Organisations £	Pension Deficit Recovery Fund £	Total 2021 £	Total 2020 £
Premises	29,654	-	30,225	10,449	5,406	4,000	-	-	79,734	103,664
Communications and IT	20,099	2,463	26,928	4,859	6,111	628	-	-	61,088	36,718
General office	63,639	269	49,132	945	8,294	-	45	-	122,324	114,502
Finance costs	4,253	-	-	-	-	-	-	-	4,253	3,719
Governance costs	39,803	-	5,240	-	-	361	-	(12,709)	32,695	(1,015)
Insurance	5,869	-	4,500	-	-	-	-	-	10,369	8,247
Subscriptions	796	-	-	108	-	400	-	-	1,304	321
Training	3,338	753	3,945	-	8,397	-	-	-	16,433	27,879
Depreciation	-	-	-	-	-	-	-	-	-	20,375
Management charges	25,185	3,233	151,940	12,900	24,929	-	17,351	-	235,538	229,049
Loss on revaluation of tangible fixed assets	-	-	-	-	-	-	-	-	-	11,000
	<u>192,636</u>	<u>6,718</u>	<u>271,910</u>	<u>29,261</u>	<u>53,137</u>	<u>5,389</u>	<u>17,396</u>	<u>(12,709)</u>	<u>563,738</u>	<u>554,459</u>

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

Year ended 31 March 2021

#### 13. Analysis of grants

	2021 £	2020 £
<b>Grants to institutions</b>		
Caerphilly Health, Social Care & Wellbeing Grants	5,900	24,901
Caerphilly Care Grants	9,178	—
GWIRVOL Youth Led Grants	22,320	28,410
Health & Social Care Facilitators Grants	5,000	—
Lightsource Grants	13,593	34,789
Comic Relief Community Fund Grants	8,306	208,070
Comic Relief Covid 19 Grants	106,364	—
Intergrated Care Fund Small Grants	226,965	—
Vountary Services Emergency Fund Grants	100,856	—
Community Animators Grants	—	1,727
	<u>498,482</u>	<u>297,897</u>
Total grants	<u>498,482</u>	<u>297,897</u>

#### 14. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	—	20,375
Gains on disposal of tangible fixed assets	(800)	—
Fees payable for the audit of the financial statements	<u>9,600</u>	<u>6,984</u>

#### 15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	1,693,258	1,644,596
Social security costs	162,254	154,535
Employer contributions to pension plans	98,433	95,867
	<u>1,953,945</u>	<u>1,894,998</u>

The average head count of employees during the year was 75 (2020: 74). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of administrative staff	8	6
Number of staff employed on charitable activities	56	57
	<u>64</u>	<u>63</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).



# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2021

#### 16. Trustee remuneration and expenses

During the year remuneration totalling £11,556 (2020: £nil) was paid to one trustee who acted as interim finance officer. The Board agreed the temporary appointment and the remuneration paid. The trustee resigned from the Board on 1 July 2021 and was subsequently appointed to the permanent post of finance officer.

Expenses totalling £45 (2020: £574, paid to four trustees) was reimbursed to one trustees during the year in relation to travelling expenses.

Other than the above, no trustees or any persons connected with them have received any remuneration or expenses, either in the current year or in the prior year.

Funds belonging to the charity have been used for the purchase of insurance to protect the charity from loss arising from neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part. The indemnity insurance is included as part of the overall charity insurance premium and therefore is an unidentifiable cost.

#### 17. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	464,000	68,240	<b>532,240</b>
Disposals	—	(43,000)	<b>(43,000)</b>
<b>At 31 March 2021</b>	<b>464,000</b>	<b>25,240</b>	<b>489,240</b>
<b>Depreciation</b>			
At 1 April 2020	114,000	68,240	<b>182,240</b>
Disposals	—	(43,000)	<b>(43,000)</b>
<b>At 31 March 2021</b>	<b>114,000</b>	<b>25,240</b>	<b>139,240</b>
<b>Carrying amount</b>			
At 31 March 2021	350,000	—	<b>350,000</b>
At 31 March 2020	350,000	—	<b>350,000</b>

#### Tangible fixed assets held at valuation

The charity revalued their freehold head office property on 31 March 2020. The valuation was undertaken by C Jones MRICS of Savills (UK) Limited, Chartered Surveyors. On an existing use basis the fair value of the property was £350,000. The Board consider the carrying value as at 31 March 2021 to be unchanged.

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2021

#### 17. Tangible fixed assets *(continued)*

In respect of tangible fixed assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
<b>At 31 March 2021</b>	
Aggregate cost	1,180,961
Aggregate depreciation	(661,322)
<b>Carrying value</b>	<b>519,639</b>
<b>At 31 March 2020</b>	
Aggregate cost	1,180,961
Aggregate depreciation	(661,332)
<b>Carrying value</b>	<b>519,629</b>

#### 18. Debtors

	2021 £	2020 £
Trade debtors	317,492	328,116
Prepayments and accrued income	10,313	—
Other debtors	3,089	7,919
	<b>330,894</b>	<b>336,035</b>

#### 19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	54,403	71,511
Accruals and deferred income	38,627	25,992
Social security and other taxes	41,664	39,039
Grants received in advance	736,643	449,592
	<b>871,337</b>	<b>586,134</b>

#### 20. Provisions

	Pensions and similar obligations £
At 1 April 2020	81,458
Net effect of Income and Expenditure adjustments (note 21)	(12,709)
<b>At 31 March 2021</b>	<b>68,749</b>

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

#### 21. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £98,433 (2020: £95,867).

##### The Pensions Trust Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

##### Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum (Payable monthly and increasing by 3% pa on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

##### Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (Payable monthly and increasing by 3% pa on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (Payable monthly and increasing by 3% pa on 1st April)



# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2021

#### 21. Pensions and other post retirement benefits *(continued)*

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

##### *GAVO Position*

##### *Present Values of Provisions*

	31 March 2021	31 March 2020	31 March 2019
	£	£	£
Present value of provision	68,749	81,458	98,816

##### *Reconciliation of Opening & Closing Provisions*

	2021 £	2020 £
Provision as the start of the period	81,458	98,816
Unwinding of the discount factor (interest expense)	1,831	1,250
Deficit contribution paid	(16,891)	(16,399)
Remeasurements - impact of any change in assumptions	2,351	(2,209)
Provision at end of period	<u>68,749</u>	<u>81,458</u>

##### *Income and Expenditure Impact*

	2021 £	2020 £
Interest expense	1,831	1,250
Remeasurements - impact of any change in assumptions	2,351	(2,209)
Costs recognised in income and expenditure account	<u>(16,891)</u>	<u>(16,399)</u>
	<u>(12,709)</u>	<u>(17,358)</u>

##### *Assumptions*

	31 March 2021	31 March 2020	31 March 2019
	%	%	%
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

## 22. Analysis of charitable funds

### Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General unrestricted fund	94,568	1,433,727	(810,705)	(210,000)	507,590
Fixed Asset Fund - GAVO Head Office	278,927	—	—	—	278,927
Designated Fund - Covid19 Response	—	—	—	210,000	210,000
	<u>373,495</u>	<u>1,433,727</u>	<u>(810,705)</u>	<u>—</u>	<u>996,517</u>
	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General unrestricted fund	35,478	719,711	(660,621)	—	94,568
Fixed Asset Fund - GAVO Head Office	305,187	—	(26,260)	—	278,927
Designated Fund - Covid19 Response	—	—	—	—	—
	<u>340,665</u>	<u>719,711</u>	<u>(686,881)</u>	<u>—</u>	<u>373,495</u>

During the year, the Trustees have decided to designate £210,000 of unrestricted funds as Covid19 Response funds. This is to enable GAVO to invest in developing services focusing on supporting the third sector to restart following the pandemic as legislation allows.

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 22. Analysis of charitable funds *(continued)*

#### Restricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Development Projects & Development Officers Posts	-	-	-	-	-
Communities First	-	1,420,674	(1,420,674)	-	-
Children & Families	-	204,099	(204,099)	-	-
Care Projects	-	286,909	(286,909)	-	-
Transport	-	7,251	(7,251)	-	-
Grants to Voluntary Organisations	-	510,878	(510,878)	-	-
Volunteering	-	-	-	-	-
	-	<u>2,429,811</u>	<u>(2,429,811)</u>	-	-
	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Development Projects & Development Officers Posts	-	33,414	(33,414)	-	-
Communities First	-	1,389,533	(1,389,533)	-	-
Children & Families	-	229,081	(229,081)	-	-
Care Projects	-	238,074	(238,074)	-	-
Transport	1,250	15,922	(17,172)	-	-
Grants to Voluntary Organisations	-	275,061	(275,061)	-	-
Volunteering	-	205,050	(205,050)	-	-
	<u>1,250</u>	<u>2,386,135</u>	<u>(2,387,385)</u>	-	-



# **Gwent Association of Voluntary Organisations**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2021**

#### **22. Analysis of charitable funds *(continued)***

##### ***Development Projects and Development Officer Posts***

The GAVO Development team have, during 2020/21 supported a number of groups across the GAVO footprint with advice and guidance and where possible, supporting the strategic structure of our public services.

##### ***Communities 4 Work***

GAVO is the Lead Delivery Body for Communities 4 Work and Communities 4 Work + in Blaenau Gwent. The programme is designed to remove barriers and aid the furthest from the labour market back to work and is one of the top performing programmes in Wales.

##### ***Children and Families***

The Families First team in Newport now take the lead on the GAVO Children and Families Forum. The Parent Participation Officer supports parent groups across Newport. In Caerphilly, children and families are supported through the Little Voices and Tiny Talkers projects, aimed at helping the development of speech and language throughout the borough and ensuring effective links with Flying Start and Families First.

##### ***Health, Social Care & Wellbeing Projects***

GAVO employs Health and Social Care Facilitators funded by the Aneurin Bevan University Health Board to support the third sector to play an active role in the planning and delivery of health and social care services. The Education Programme for Patients Cymru, funded by Health, provides a range of award winning self-management health and well-being courses and workshops for people living with a health conditions or for those who care for someone with a health condition. The Monmouthshire Carers Project provides information and support to more than 1,000 carers.

##### ***Transport***

The Dial a Ride Service in Blaenau Gwent helps with isolation issues by transporting hundreds of residents within the area to various luncheon clubs and community centres in order to partake in various group activities. The service is run through our Development Manager, with transport carried out by Volunteers.

##### ***Grants to Voluntary Organisations***

Service Level Agreement with Aneurin Bevan University Health Board for the distribution of Health and Social Care grants to the Third Sector primarily in the Caerphilly area. GAVO also provides grants to support new initiatives to Third Sector Organisations from the Intermediate Care Fund across each of the GAVO regions. GAVO has also received the Voluntary Sector Emergency Fund grants via Welsh Government through WCVA and Comic Relief with a purpose of supporting groups through the Covid pandemic.

A detailed analysis of the individual projects that are included within the above activities of the charity are shown in the Appendix to the accounts.

# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

## 22. Analysis of charitable funds *(continued)*

### Endowment funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Pension Deficit Recovery Fund	(81,458)	—	12,709	—	(68,749)

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Pension Deficit Recovery Fund	(98,816)	—	17,358	—	(81,458)

## 23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Pension Deficit Recovery Funds £	Total Funds 2021 £
Tangible fixed assets	350,000	—	—	350,000
Current assets	781,211	736,643	—	1,517,854
Creditors less than 1 year	(134,694)	(736,643)	—	(871,337)
Provisions	—	—	(68,749)	(68,749)
<b>Net assets</b>	<b>996,517</b>	<b>—</b>	<b>(68,749)</b>	<b>927,768</b>

	Unrestricted Funds £	Restricted Funds £	Pension Deficit Recovery Funds £	Total Funds 2020 £
Tangible fixed assets	350,000	—	—	350,000
Current assets	160,037	449,592	—	609,629
Creditors less than 1 year	(136,542)	(449,592)	—	(586,134)
Provisions	—	—	(81,458)	(81,458)
<b>Net assets</b>	<b>373,495</b>	<b>—</b>	<b>(81,458)</b>	<b>292,037</b>

# Gwent Association of Voluntary Organisations

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

Year ended 31 March 2021

#### 24. Cash generated from operations

	2021	2020
	£	£
Net income	635,731	48,938
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	–	20,375
Other interest receivable and similar income	(284)	(753)
Gains on disposal of tangible fixed assets	(800)	–
Accrued expenses/(income)	12,635	(7,376)
Loss on revaluation of tangible fixed assets	–	11,000
<i>Changes in:</i>		
Trade and other debtors	5,141	(143,361)
Trade and other creditors	272,568	209,362
Provisions and employee benefits	(12,709)	(17,358)
	<u>912,282</u>	<u>120,827</u>

#### 25. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	<u>273,594</u>	<u>913,366</u>	<u>1,186,960</u>

#### 26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	49,334	3,670
Later than 1 year and not later than 5 years	43,788	62,502
	<u>93,122</u>	<u>66,172</u>

#### 27. Limitation of auditors liability

By way of a board resolution the company has agreed to enter into a limited liability agreement with its auditors whereby their exposure to legal claims is limited to £50,000 per claim.

#### 28. Related parties

No transactions with related parties were undertaken such as are required to be disclosed under FRS102 other than those already disclosed in note 16 to the accounts.



# Gwent Association of Voluntary Organisations

Company Limited by Guarantee

## Appendix to the Financial Statements

Year ended 31 March 2021

	Balance at 1 April 2020 £	Incoming resources £	Outgoing resources £	Transfer to Unrestricted Reserves £	Balance at 31 March 2021 £
COMMUNITIES 4 WORK PLUS (EMPLOYABILITY)	-	763,927	(763,927)	-	-
COMMUNITIES 4 WORK P1	-	406,636	(406,636)	-	-
COMMUNITIES 4 WORK P3	-	178,725	(178,725)	-	-
COMMUNITY ANIMATOR PROJECT	-	20,639	(20,639)	-	-
COMMUNITIES ADDITIONAL	-	50,747	(50,747)	-	-
<b>COMMUNITIES FIRST &amp; COMMUNITIES 4 WORK</b>	-	<b>1,420,674</b>	<b>(1,420,674)</b>	-	-
FAMILIES FIRST NEWPORT	-	24,909	(24,909)	-	-
LITTLE VOICES	-	161,319	(161,319)	-	-
FOOD POVERTY	-	17,871	(17,871)	-	-
<b>CHILDREN &amp; FAMILIES</b>	-	<b>204,099</b>	<b>(204,099)</b>	-	-
MENTAL HEALTH SUPPORT PROJECT	-	25,924	(25,924)	-	-
DEPARTMENT FOR WORK & PENSIONS	-	660	(660)	-	-
COMPASSIONATE COMMUNITIES TRAINING	-	17,850	(17,850)	-	-
HEALTH & SOCIAL CARE FACILITATORS	-	145,844	(145,844)	-	-
EXPERT PATIENT PROGRAMME	-	62,895	(62,895)	-	-
CARERS MONMOUTH	-	33,736	(33,736)	-	-
<b>CARE PROJECTS</b>	-	<b>286,909</b>	<b>(286,909)</b>	-	-
COMMUNITY TRANSPORT PROJECT	-	788	(788)	-	-
DIAL A RIDE B/GWENT	-	6,463	(6,463)	-	-
<b>TRANSPORT PROJECTS</b>	-	<b>7,251</b>	<b>(7,251)</b>	-	-
CAERPHILLY CARE GRANTS	-	17,178	(17,178)	-	-
CAERPHILLY HSC & WELLBEING	-	5,900	(5,900)	-	-
COMIC RELIEF	-	8,306	(8,306)	-	-
COMICS RELIEF COVID19 GRANTS	-	106,364	(106,364)	-	-
GWIRVOL YOUTH LED GRANT - PAN GWENT	-	22,365	(22,365)	-	-
ICF	-	226,965	(226,965)	-	-
LIGHTSOURCE	-	14,944	(14,944)	-	-
VOLUNTARY SECTOR EMERGENCY FUND	-	108,856	(108,856)	-	-
<b>GRANTS TO VOLUNTARY ORGANISATIONS</b>	-	<b>510,878</b>	<b>(510,878)</b>	-	-
	-	<b>2,429,811</b>	<b>(2,429,811)</b>	-	-