

**The Garnsychan Partnership
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

The Garnsychan Partnership

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2021

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The Garnsychan Partnership

Company Limited by Guarantee

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

Year ended 31 March 2021

Structure, governance and management

Nature of governing document and constitution of the charity

The Charity was incorporated as a Company Limited by Guarantee on 8 March 2012; company registration number 7982321. Registered charity number 1147232. The governing documents are its Memorandum and Articles of Association.

The methods adopted for the recruitment and appointment of new trustees Garnsychan Partnership has a recruitment and selection policy in place for the appointment of new staff and trustees. At the close of this financial period, the full board consists of 9 members. New trustees are recruited from within Torfaen, by way of advertising available opportunities within the local community. The full board comprises a wide cross section of the community including local councillors, local business owners, retired people and community leaders. All trustees are required to declare any interests and must also sign up to our governing document. Trustees give their time free of charge and are also encouraged to be a member of at least one subcommittee within the organisation.

The policies and procedures adopted for the induction and training of trustees Garnsychan Partnership has "Working with Volunteers" policies in place. Within these policies there are clear guidelines on the induction and training of our volunteers and this includes trustees. Good practice is critical to all our relationships and all volunteers and trustees can expect the same level of support, respect and training that the staff receive. New trustees are required to undertake a full induction on all our procedures and policies and to fully understand their legal obligations to the charity.

The organisational structure of the charity and how decisions are made The charity has a Manager responsible for daily operations, decision making and staff management. The Executive Committee of trustees have decision making power with full responsibility of partnership decision making given over to the full board. All major plans and strategies are made by the full board. Local residents are also actively encouraged to join our steering groups where decisions are made on individual projects.

Relationships between the charity and related parties, including subsidiaries The Garnsychan Partnership owns 100% of the shares of Garnsychan Community Trading Limited, company number 4665934. The profits of this company are gift aided to the charity at the end of the financial year.

The major risks to which the charity is exposed and reviews and systems to mitigate those risks The charity is continually progressing to become financially sustainable and decrease grant dependency. This is a continuous challenge and funding in the form of grants has been required this year to support some areas of the charity. In an attempt to mitigate any risks, the charity attempts, each year, to diversify in order to increase income and funds.

Other than this, the charity is open to the usual financial risks affecting any organisation and the charity is continually taking steps to mitigate those risks as and when they are identified.

Relationships with other groups, charities and individuals

The charity has strong and supportive relationships with local schools, volunteer referral agencies, community groups and Torfaen County Borough Council. We collaboratively work alongside many other organisations across the whole of Torfaen to support each other's end goals that are for mutual benefits. The residents of Torfaen generously donate furniture each year to our Circulate reuse project, those items are then redistributed within the community, often to those residents most in need including people living in areas of high disadvantage, on low incomes and the homeless.

The Garnsychan Partnership

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

Year ended 31 March 2021

Objectives and activities

A summary of the objects of the charity as set out in its governing document

- Regenerating the County of Torfaen giving priority to the Abersychan Ward
- To assist the relief of poverty by helping to meet the needs of people on low income through the development of new and innovative social enterprises.
- To provide education, training, retraining, and work experience opportunities.
- The provision of recreational facilities with no discrimination between age, disability, social and economic factors.
- Protection or conservation of the environment.
- To encourage useful and innovative methods of recycling through social enterprises.
- To meet such other needs that is recognised within the community.
- To promote the benefit of the inhabitants of the electoral ward of Abersychan without distinction of sex, race, political, religious or other opinions.

An explanation of the charity's main objectives for the year

The significant objectives of the Garnsychan Partnership for the financial year 2019/20 were:

- To increase the profile of existing projects to new stakeholders
- To complete our Peoples, Post Code Community Trust funded Employability Programme
- To maximise our social enterprise recycling & re-use opportunities across Torfaen

This aside, the Garnsychan Partnership also delivered and achieved the following aims:

- To provide relevant and valued social enterprise schemes and community-based projects that benefit all residents of the Abersychan Ward and wider Torfaen.
- To continue our provision of easily accessible and relevant training schemes for adults living within disadvantaged areas of Abersychan and wider Torfaen.
- To be a transparent, approachable, community-based charity.
- To assist with the economic, social and environmental regeneration of the area.
- To work in partnership with other community groups, local government and schools for mutual benefit
- To consult with our beneficiaries and partners to ensure the need for our work is there
- To promote volunteering and informed training opportunities to increase employability skills
- To provide access to projects that improve health and wellbeing.

The Garnsychan Partnership

Company Limited by Guarantee

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

Year ended 31 March 2021

Objectives and activities *(continued)*

An explanation of the charity's strategies for achieving its stated objectives

Strategies for achievement of the charity's objectives this year included:

- Working with key partners on a collaborative pilot project to identify and support those most in need with food, fuel and household items
- Developing a network of contacts and stakeholders throughout Torfaen to support delivery of our Employability programme and promote pathways to progression
- Increasing training opportunities throughout the Abersychan Ward for all residents-therefore assisting future employment prospects for those furthest from the labour market
- Ensuring excluded groups such as those with health problems and those living in the most deprived areas had access to our services
- Nurturing our existing partnership working agreements with other community groups and the local authority (Torfaen County Borough Council)
- Providing relevant and socially inclusive volunteering opportunities for residents where they can build confidence in a safe environment and begin to engage positively in their community
- Promoting our services by direct marketing to key beneficiaries
- Consistently monitoring and evaluating all project activity to ensure key outcomes are being met

Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives

SUPPORTING COMMUNITIES DURING CORONAVIRUS PANDEMIC

The COVID-19 crisis has created the perfect storm for many charities like the Garnsychan Partnership, with national lockdowns enforced we have been unable to deliver the diverse projects as set out within this financial year's organisation plan; however, we were quick to respond to community need and crisis within our communities and so adapted our services to meet front line emergency covid support for our residents affected by Covid-19.

Garnsychan Partnership created a Covid Wellbeing Hub. The hub delivered:

- A food parcel programme which also included a bespoke shopping service,
- Prescription collection and delivery service,
- A friendly wellbeing call package for namely for our more senior residents who live alone.
- Support for those accessing UC
- Advice and support for local people and small business with furlough
- Mental Health telephone and crisis intervention programme

Garnsychan have supported over 3000 people during the Covid-19 pandemic many of which were frightened, scared and unsure how to interpret the advice from the Government and uncertain how much the information on social media could be trusted. Residents who have had treatment delayed, are struggling to find out about their treatment options, people were struggling with isolation and anxiety while shielding at home and all need trusted information and advice. So, people turned to us. Garnsychan Partnership have never experienced anything like this before. We have seen a substantial increase in numbers of people contacting us for advice and support over these last 12 months, so much so the data we have collated really shows the need for and importance of our work here at Garnsychan Partnership and shows that more than ever, our Charity is and continues to be a vital service across Torfaen.

The unprecedented number of people turning to the Garnsychan Partnership means we can't dial down our support anytime soon. And when the world returns to normal our residents will still need us if not more. So, while we are in a serious situation, we will continue our key services and we will tough this out so we will still be here for our residents, now, next year and beyond.

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

Year ended 31 March 2021

Objectives and activities *(continued)*

DELIVER EFFICIENT AND EFFECTIVE WASTE AND RECYCLING SERVICES

It has been a difficult year for our flagship social enterprise project this financial year. Circulate were hit hard by the closure of project across many months of this year, in line with UK wide guideline for non-essential business to close their doors. Many of our staff were furloughed or redeployed to support wider organisational activities. However, despite project closure, the project continued to support those in crisis with access to furniture and whitegoods.

PROVIDE OPPORTUNITIES FOR PEOPLE TO IMPROVE THEIR HEALTH

We facilitated access to affordable fresh produce through the veg box and community roots enterprise to support people affected by Covid or indeed on low incomes with access to fresh produce to improve the health of the people in our communities. These were included in our food parcel packages.

PROVIDING PRACTICAL SUPPORT TO THOSE MOST IN NEED

The charity works with Torfaen County Borough Council in mitigating welfare reform, the scheme identifies those residents living in crisis and or extreme poverty across Torfaen. Individuals receive support in the form of stocked emergency household furniture and whitegoods as well as signposting to further support to help prevent a crisis situation in the future.

Achievements and performance

Garnsychan Partnership were awarded Torfaen's Community Hero's Award for **Outstanding Service to The Community During the Covid-19 Pandemic**.

We are pleased to also announce that we are officially recognised as a 'Disability Confident Committed' organisation.

Fundraising

The charity relies on grant aid from the donors identified in the accounts, whose support is valued. There have been no other fundraising activities.

Investment performance achieved against investment objectives set

Investment income disclosed in the accounts is interest received on the charity's bank accounts and the Gift Aid payment due from Garnsychan Community Trading Limited as disclosed in the accounts.

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

Year ended 31 March 2021

Achievements and performance *(continued)*

Factors relevant to the achievement of the charity's objectives:

Staff

All employees of the charity play a key role in the successful delivery of the partnerships aims and objectives. They are encouraged to undertake regular and informative training sessions to build confidence and work skills. The Trustees of the Partnership are keen to recognise the value of the whole workforce and encourage open discussion and idea sharing as standard.

Community

Consultation with beneficiaries and the larger public is crucial to the success of all projects. It is our policy to only offer projects and schemes that are needed and valued by residents for them to become self-sustaining, frequently used and in turn, value for money. Residents are much more likely to support a project if they are sure their involvement and opinion is valued. We have worked towards this objective this year by improving our online presence through utilising social media and video community consultation meetings leading up to funding applications. Garnsychan Partnership's website is regularly updated to inform all beneficiaries of the work that we carry out and social media particularly has proved to be an extremely effective vehicle for gathering feedback from the larger community. The partnership also has separate and defined steering groups and sub committees to ensure that all aspects of our business are covered.

Following on from our successful winter nomination scheme that we ran in the previous year, Garnsychan Partnership was successful in delivering winter support packages through the means of winter food hampers for those most in need over 30 families were supported. Furthermore, we ran a nominate a person scheme; a person would be nominated anonymously to receive a wellbeing hamper consisting of all the necessities for Christmas lunch and other luxuries over Christmas whether it be the person or family have had a tough year due to health or financial strain or simply for their work within the community. 135 nominations were submitted of people sharing remarkable worthy stories of which 40 families received their surprise hamper Christmas eve.

Garnsychan Partnership continues to deliver a homeless scheme this year, over 50 homeless bags were packed and distributed help those homeless, Donations were given to a number of support organisations and to those on the streets within Torfaen and wider Gwent.

Volunteers

The Garnsychan Partnership and its projects rely heavily on the support of volunteers from our community to maintain service delivery. Include covid generosity and joined up services. Despite covid, we have continued to work and support local volunteers with volunteers and access to health and wellbeing initiatives. Our volunteers have been key to helping us with packing and distribution of our emergency food parcels and community buddy scheme.

Financial review

Policies on reserves

The unrestricted reserves represent the free reserves of the charity. The trustees aim to ensure that the free reserves cover twelve months of operating expenditure.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The principal funding sources for the charity are currently by way of grant and contract income from a number of agencies. Full analysis is shown in note 6 to the accounts.

All sources of funding were expended to meet the charity's objectives of furthering community regeneration in the Garnsychan ward.

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

Year ended 31 March 2021

Financial review *(continued)*

Financial Review

The Statement of Financial Activities show net incoming resources for the year of a revenue nature of £93,829 (2020: outgoing £15,141).

The reserves of the charity at the year end were £174,861 (2020: £81,032) of which £134,201 (2020: £46,295) were restricted and £40,660 (2020: £34,737) were unrestricted.

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund. The trustees also consider the financial performance by the charity during the year to have been satisfactory.

Financial performance of the charity's subsidiary undertakings

Garnsychan Community Trading Limited, company number 4665934, has had another successful year managing the social enterprise projects of the charity. The results of the subsidiary, for the year ended 31st March 2021, are disclosed in note 18 to the accounts.

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 objectives and in planning future activities.

Plans for future periods

Garnsychan Partnership fully expects to continue its service provision and seek to expand projects over the next year. We intend to develop larger scale community projects in order to respond to community needs, support the social, economic and environmental needs of our local communities.

Health and Wellbeing projects will continue along with new services to support those most in need in our community. In addition, we will look to expand our employability programme to support more local residents into progression pathways towards economic activity. We will continue to review our funding and marketing strategy to increase awareness of our projects and services.

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.

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

Year ended 31 March 2021

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.

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 15 December 2021 and signed on behalf of the board of trustees by:

Mr J E Funnell
Trustee

Cllr G Davies
Trustee

The Garnsychan Partnership

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Garnsychan Partnership

Year ended 31 March 2021

Opinion

We have audited the financial statements of The Garnsychan Partnership (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 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.

The Garnsychan Partnership

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Garnsychan Partnership (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.

The Garnsychan Partnership

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Garnsychan Partnership (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 making enquiries with 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 charity's policies and procedures on compliance with laws and regulations, and with best accounting practice
- Noting issues discussed with the trustees and management as this relates to risks faced by the charity
- 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
- 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 charity's ability to continue to operate.

The Garnsychan Partnership

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Garnsychan Partnership (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.

The Garnsychan Partnership

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Independent Auditor's Report to the Members of The Garnsychan Partnership *(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.

Mr Jonathan Rhodes BSc (Hons) 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

15 December 2021

The Garnsychan Partnership

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 £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	—	6,896	6,896	3,037
Charitable activities	6	75,290	56,731	132,021	105,891
Other trading activities	7	351	—	351	15,291
Investment income	8	—	51,697	51,697	33,564
Other income	9	26,463	35,000	61,463	—
Total income		<u>102,104</u>	<u>150,324</u>	<u>252,428</u>	<u>157,783</u>
Expenditure					
Expenditure on charitable activities	10,11	96,661	61,938	158,599	172,924
Total expenditure		<u>96,661</u>	<u>61,938</u>	<u>158,599</u>	<u>172,924</u>
Net income/(expenditure)		<u>5,443</u>	<u>88,386</u>	<u>93,829</u>	<u>(15,141)</u>
Transfers between funds		480	(480)	—	—
Net movement in funds		<u>5,923</u>	<u>87,906</u>	<u>93,829</u>	<u>(15,141)</u>
Reconciliation of funds					
Total funds brought forward		34,737	46,295	81,032	96,173
Total funds carried forward		<u>40,660</u>	<u>134,201</u>	<u>174,861</u>	<u>81,032</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 16 to 30 form part of these financial statements.

The Garnsychan Partnership

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Statement of Financial Position

31 March 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible fixed assets	17		44,138	1,016
Investments	18		1	1
			<u>44,139</u>	<u>1,017</u>
Current assets				
Debtors	19	81,858		68,212
Cash at bank and in hand		63,838		27,773
		<u>145,696</u>		<u>95,985</u>
Creditors: amounts falling due within one year	20	<u>14,974</u>		<u>15,970</u>
Net current assets			<u>130,722</u>	<u>80,015</u>
Total assets less current liabilities			<u>174,861</u>	<u>81,032</u>
Net assets			<u>174,861</u>	<u>81,032</u>
Funds of the charity				
Restricted funds			134,201	46,295
Unrestricted funds			40,660	34,737
Total charity funds	22		<u>174,861</u>	<u>81,032</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 15 December 2021, and are signed on behalf of the board by:

Mr J E Funnell
Trustee

Cllr G Davies
Trustee

The notes on pages 16 to 30 form part of these financial statements.

The Garnsychan Partnership

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 55 Stanley Road, Garndiffaith, Pontypool, Torfaen, NP4 7LH.

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.

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

Going concern

The charity is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

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.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

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.

Fund accounting

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

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.

Any proposed transfer between funds would be considered on the particular circumstances.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

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 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.

- 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

It is the policy of the charity not to capitalise assets costing less than £1,000.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

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:

Plant and machinery	-	20% per annum straight line
Fixtures and fittings	-	20% per annum straight line
Motor vehicles	-	25% per annum straight line
Equipment	-	33% per annum straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

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.

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.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

Defined contribution plans

Contributions to defined contribution plans 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.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

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 members as at 31 March 2021 is 9 (2020: 9).

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	<u>—</u>	<u>6,896</u>	<u>6,896</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	<u>2,987</u>	<u>50</u>	<u>3,037</u>

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Torfaen County Borough Council	71,704	12,417	84,121
Postcode Neighbourhood Trust	—	19,615	19,615
Co-Operative Community Fund	2,086	181	2,267
FCC Waste Service (UK)	—	—	—
Community Foundation in Wales	—	7,000	7,000
Bron Afon Housing Association	1,500	500	2,000
The Big Lottery Fund	—	7,518	7,518
Groundwork	—	500	500
Torfaen Voluntary Alliance	—	400	400
Moondance Foundation	—	8,600	8,600
	<u>75,290</u>	<u>56,731</u>	<u>132,021</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Torfaen County Borough Council	63,520	31,429	94,949
Postcode Neighbourhood Trust	—	—	—
Co-Operative Community Fund	—	—	—
FCC Waste Service (UK)	—	9,592	9,592
Community Foundation in Wales	—	—	—
Bron Afon Housing Association	1,350	—	1,350
The Big Lottery Fund	—	—	—
Groundwork	—	—	—
Torfaen Voluntary Alliance	—	—	—
Moondance Foundation	—	—	—
	<u>64,870</u>	<u>41,021</u>	<u>105,891</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Veg Box Sales	336	336	681	681
Lunch Club Sales	—	—	12,232	12,232
Rental Income	15	15	2,110	2,110
Sundry Income	—	—	268	268
	<u>351</u>	<u>351</u>	<u>15,291</u>	<u>15,291</u>

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

8. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Gift Aid payment from trading subsidiary	—	51,697	51,697
Bank interest receivable	—	—	—
	<u>—</u>	<u>51,697</u>	<u>51,697</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Gift Aid payment from trading subsidiary	—	33,552	33,552
Bank interest receivable	12	—	12
	<u>12</u>	<u>33,552</u>	<u>33,564</u>

9. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
HMRC Job Retention Scheme Grant	6,463	—	6,463
Covid-19 Small Business Rates Relief Grants	20,000	35,000	55,000
	<u>26,463</u>	<u>35,000</u>	<u>61,463</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
HMRC Job Retention Scheme Grant	—	—	—
Covid-19 Small Business Rates Relief Grants	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>

The Garnsychan Partnership

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 £	Total Funds 2021 £
Core Activities	76,821	–	76,821
Covid 19 Response	–	2,900	2,900
Neighbourhood Trust	–	13,265	13,265
Growing the Veg Box	1,051	–	1,051
Reuse New Inn	–	–	–
Circulate	–	27,774	27,774
Wales Council Voluntary Alliance - Active Inclusion	–	500	500
STEPS	–	–	–
Winter Wonder	–	–	–
Support costs	18,789	17,499	36,288
	<u>96,661</u>	<u>61,938</u>	<u>158,599</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Core Activities	74,772	–	74,772
Covid 19 Response	–	1,089	1,089
Neighbourhood Trust	–	–	–
Growing the Veg Box	207	510	717
Reuse New Inn	–	17,651	17,651
Circulate	–	27,453	27,453
Wales Council Voluntary Alliance - Active Inclusion	–	–	–
STEPS	–	10,639	10,639
Winter Wonder	–	60	60
Support costs	25,249	15,294	40,543
	<u>100,228</u>	<u>72,696</u>	<u>172,924</u>

The Garnsychan Partnership

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	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Core Activities	76,821	7,898	84,719	89,844
Covid 19 Response	2,900	2,286	5,186	1,173
Neighbourhood Trust	13,265	3,500	16,765	—
Growing the Veg Box	1,051	5,311	6,362	5,434
Reuse New Inn	—	—	—	18,875
Circulate	27,774	11,713	39,487	40,069
Circulate Capital Project	—	—	—	1,370
Wales Council Voluntary Alliance - Active Inclusion	500	—	500	—
STEPS	—	—	—	10,639
Winter Wonder	—	—	—	60
Governance costs	—	5,580	5,580	5,460
	<u>122,311</u>	<u>36,288</u>	<u>158,599</u>	<u>172,924</u>

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

12. Analysis of support costs

	Core Activities	Growing the Veg Box	Circulate	Covid 19 Response	Neighbourhood Trust	Total 2021	Total 2020
	£	£	£	£	£	£	£
Staff costs	239	—	—	—	—	239	276
Premises	2,391	4,224	6,277	943	2,400	16,235	17,760
Communications and IT	1,457	398	1,697	327	300	4,179	4,651
General office	1,730	—	1,924	1,016	300	4,970	5,610
Finance costs	158	—	—	—	—	158	300
Governance costs	6,669	—	110	—	—	6,779	6,464
Insurance	435	689	689	—	500	2,313	2,321
Depreciation	39	—	1,016	—	—	1,055	2,381
Subscriptions	360	—	—	—	—	360	780
	<u>13,478</u>	<u>5,311</u>	<u>11,713</u>	<u>2,286</u>	<u>3,500</u>	<u>36,288</u>	<u>40,543</u>

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

13. Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

14. Net income/(expenditure)

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	1,055	2,381
Fees paid to the auditor (Incl. VAT):		
For the audit of the financial statements	5,580	5,460
For non-audit services	1,198	824

15. Staff costs

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

	2021	2020
	£	£
Wages and salaries	77,111	63,371
Social security costs	3,663	4,034
Employer contributions to pension plans	9,312	8,765
	<u>90,086</u>	<u>76,170</u>

The average head count of employees during the year was 8 (2020: 7). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of management staff	1	1
Number of staff engaged on charitable activities	2	1
	<u>3</u>	<u>2</u>

Of the head count of 8, 6 employees were recharged to Garnsychan Community Trading Limited.

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

16. Trustee remuneration and expenses

Neither the trustees or any persons connected with them have received any remuneration, either in the current or preceding year.

Neither the trustees or any persons connected with them have been reimbursed expenses, either in the current or preceding year.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

17. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2020	18,416	49,213	21,820	33,661	123,110
Additions	—	—	42,774	1,403	44,177
At 31 March 2021	18,416	49,213	64,594	35,064	167,287
Depreciation					
At 1 April 2020	18,013	49,213	21,820	33,048	122,094
Charge for the year	403	—	—	652	1,055
At 31 March 2021	18,416	49,213	21,820	33,700	123,149
Carrying amount					
At 31 March 2021	—	—	42,774	1,364	44,138
At 31 March 2020	403	—	—	613	1,016

18. Investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 and 31 March 2021	1
Impairment	
At 1 April 2020 and 31 March 2021	—
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

All investments shown above are held at valuation.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Investments *(continued)*

The charity holds 100% of the issued share capital of Garnsychan Community Trading Limited a company incorporated in England & Wales. Garnsychan Community Trading Limited manages the social and enterprise projects of the charity, which fulfils an an objective of the charity.

The investment is shown at cost.

Relevant financial information regarding Garnsychan Community Trading Limited is as follows:

	2021 £	2020 £
Income	81,028	80,158
Cost of sales	(57,566)	(40,387)
Gross profit	23,462	39,771
Administrative expenses	(8,514)	(7,922)
Other operating income	36,749	1,703
Operating profit	51,697	33,552
Gift Aid payment to Garnsychan Partnership	(51,697)	(33,552)
Result for the year	<u>-</u>	<u>-</u>
Net current assets as at 31 March 2021 and 31 March 2020	1	1

19. Debtors

	2021 £	2020 £
Trade debtors	6,653	19,016
Amounts owed by group undertakings	72,106	45,270
Prepayments and accrued income	3,099	3,926
	<u>81,858</u>	<u>68,212</u>

20. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,873	814
Accruals and deferred income	11,902	14,960
Pension creditor	199	196
	<u>14,974</u>	<u>15,970</u>

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 £9,312 (2020: £8,765).

The Garnsychan Partnership

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	<u>34,737</u>	<u>102,104</u>	<u>(96,661)</u>	<u>480</u>	<u>40,660</u>

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General Unrestricted Fund	<u>51,805</u>	<u>83,160</u>	<u>(100,228)</u>	<u>—</u>	<u>34,737</u>

The Garnsychan Partnership

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 £
Growing the Veg Box	—	—	—	—	—
Circulate	45,559	33,904	(36,343)	—	43,120
Circulate Capital	—	45,271	(2,497)	—	42,774
The People's Postcode Trust - STEPS	—	—	—	—	—
Covid 19 Response	256	50,201	(5,833)	—	44,624
Reuse New Inn	—	—	—	—	—
Christmas Hampers Environment	—	500	(500)	—	—
Wales/Neighbourhood Trust	—	19,615	(16,765)	—	2,850
Period Poverty	—	833	—	—	833
Winter Wonder	480	—	—	(480)	—
	<u>46,295</u>	<u>150,324</u>	<u>(61,938)</u>	<u>(480)</u>	<u>134,201</u>

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Growing the Veg Box	510	—	(510)	—	—
Circulate	30,696	54,319	(40,069)	—	44,946
Circulate Capital	1,983	—	(1,370)	—	613
The People's Postcode Trust - STEPS	10,639	—	(10,639)	—	—
Covid 19 Response	—	1,429	(1,173)	—	256
Reuse New Inn	—	18,875	(18,875)	—	—
Christmas Hampers Environment	—	—	—	—	—
Wales/Neighbourhood Trust	—	—	—	—	—
Period Poverty	—	—	—	—	—
Winter Wonder	540	—	(60)	—	480
	<u>44,368</u>	<u>74,623</u>	<u>(72,696)</u>	<u>—</u>	<u>46,295</u>

Circulate - a re-use and recycling enterprise not only to drive forward a clean and green Torfaen but a project to alleviate material poverty of the poorest and most disadvantage members of our community.

Neighbourhood Trust Trust - Providing a vital prescription and emergency food parcel delivery service to those affected by Coronavirus in our community.

Covid19 Response - An essential wellbeing hub delivering multiple front line services to support those most affected by Coronavirus in our ward.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,364	42,774	44,138
Investments	1	–	1
Current assets	43,673	102,023	145,696
Creditors less than 1 year	(4,378)	(10,596)	(14,974)
Net assets	<u>40,660</u>	<u>134,201</u>	<u>174,861</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	–	1,016	1,016
Investments	1	–	1
Current assets	42,775	53,210	95,985
Creditors less than 1 year	(8,039)	(7,931)	(15,970)
Net assets	<u>34,737</u>	<u>46,295</u>	<u>81,032</u>

24. Related parties

The charity holds 100% of the issued share capital of Garnsychan Community Trading Limited a company incorporated in England & Wales, company number 4665934. At the year end that company owed Garnsychan Partnership £72,106 (2020: £45,270) which includes the Gift Aid payment for the year of £51,697 (2020: £33,522), see note 18 to the accounts.