

# **Cynnal Cymru – Sustain Wales Company limited by guarantee**

**Trustees' Report and Financial Statements for the year ended  
31 March 2021**

**Company No. 04622047  
Charity No. 1158496**

**Cynnal Cymru – Sustain Wales**  
**(A company limited by guarantee)**

**Contents**

Reference and administrative details of the charity, its trustees and advisers ....3

Trustees’ report .....4-9

Independent auditor’s report ..... 10-14

Statement of financial activities ..... 15

Balance sheet ..... 16

Notes to the financial statements ..... 17-25

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

### **Reference and administrative details of the charity, its trustees and advisers Trustees' report**

Company registration number 04622047

Charity registration number 1158496

Registered office  
Baltic House  
Mount Stuart Square  
Cardiff  
CF10 5FH

Trustees  
D McCrea. Chair  
R D M Firth. Vice Chair  
D Osborn (resigned 14 January 2021)  
R Edge  
R S Marks  
R Billingham  
K E Evans  
N E Lloyd  
R Williams

Secretary C F Sain-Ley-Berry

Bankers  
Co-operative Bank Plc  
PO BOX 250  
Skelmersdale  
Lancashire  
WN8 6WT

Independent Auditors  
Bevan Buckland LLP  
Langdon House  
Langdon Road  
Swansea Waterfront  
St. Thomas  
Swansea  
SA1 8QY

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

### **Trustees' Report (incorporating the Directors' Report) for the year ended 31 March 2021**

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2020 to 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

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

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 December 2002. The company was registered under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association.

The company is constituted under a Memorandum of Association dated 19 December 2002 and is a registered charity number 1158496.

Cynnal Cymru became part of the Wales Council for Voluntary Action (WCVA) group structure on 1 April 2018 with WCVA becoming the sole legal member of Cynnal Cymru. Throughout 2020/21 the charity has continued to operate independently with its own Board. In Q2 of 2020/21 Cynnal Cymru and WCVA finalised a Memorandum of Understanding outlining how both organisations can work together for mutual benefit.

The objects of Cynnal Cymru-Sustain Wales (Cynnal Cymru) as a Charity are to promote sustainable development for the benefit of the public by:

- i. the preservation, conservation and the protection of the environment and the prudent use of resources;
- ii. the relief of poverty and the improvement of the conditions of life for those socially and economically disadvantaged;
- iii. the promotion of sustainable means of achieving economic growth and regeneration;
- iv. the advance of the education of the public in subjects relating to sustainable development; and
- v. any other charitable purposes.

Longstanding Trustee and former Chair, Derek Osborn, retired from the Board in January 2021, following almost seven years as a Director and Board Member. The

## **Cynnal Cymru – Sustain Wales (A company limited by guarantee)**

Trustees and staff team would like to record their gratitude to Derek for his continued commitment, expertise and guidance. In recognition of this, Derek was made an Honorary Lifetime Member of Cynnal Cymru on his retirement.

### **Method of appointment or election of Trustees**

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

### **Achievements and performance**

2020-2021 has been an incredibly difficult time for everyone, however we have been delighted by how much resilience, creativity and determination the staff team and our Board at Cynnal Cymru have shown over this year.

Whilst receiving only modest financial support in relation to the COVID-19 pandemic, we increased our turnover from 20/21 and put in place our strategy to ensure we continue to make a valuable contribution to creating a (i) low carbon economy, (ii) a fair and just society and (iii) a thriving natural environment.

A grant of £5,395 was received from the UK Government in the form of furlough pay for three staff members, two of whom were furloughed on a part-time basis. In addition, we would like to record our thanks to Moondance Foundation for a grant of £9,399 from its COVID-19 Relief Fund which helped to recoup costs incurred on time spent transferring our services to online formats.

At the start of the year, our staff team proved their agility and entrepreneurial spirit as they pivoted their focus to transferring our training services online and holding virtual coffee clubs with members. The latter ensured there was space for discussing sustainable development, whilst recognising the urgency, seriousness and limitations imposed by COVID-19.

As a result of the increasing need to be visible online, Sarah Morgan was employed in October 2020 to provide support with communications and marketing on a temporary basis. Bethan Harvey, previously our Administrative Officer, was promoted to Training and Accreditation Officer in recognition of her key role in our Living Wage work and her skills in teaching and course development.

We were also pleased to expand our network of consultants and worked with Luke Penny on the Low Carbon Economy and Mari Arthur on the Living Wage.

This year also saw us host a work experience student through the GO Wales scheme. In line with our values and ensuring that sustainable development is inclusive, we hope that we will be able to offer more opportunities to people as we continue to strengthen our financial position.

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

### **(i) Low Carbon Economy**

Demand for Carbon Literacy training has continued to grow with over 50 organisations from across sectors and industries trained since March 2020, including, Clwstwr, FLEXIs, the Centre for African Entrepreneurship, TUC, National Lottery and 150 officers and elected representatives across 5 Gwent Public Service Boards.

*“I wanted to drop you a quick email to say thanks again for the Carbon Literacy course - I've just been appointed as Environmental Officer for my Union committee (USW UNISON) and I wouldn't have gone for it if I hadn't attended your course and learned what I did, it's really ignited a new passion in me!” (Course participant, 2020)*

In recognition of our depth of experience and expertise in designing and delivering quality Carbon Literacy training, this year saw Cynnal Cymru become the first Carbon Literacy Training Organisation (CLTO) in Wales. To support increased demand and facilitate rollout of our Carbon Literacy distance learning course, we also created an online-learning and resources platform.

Local authorities and public sector organisations remain key recipients of our training and, in addition to Carbon Literacy, we also worked with Denbighshire County Council to create ‘An Introduction to Climate Change e-learning course’.

We have also seen increased demand for our consultancy services, particularly around carbon accounting, environmental health checks and creating environmental management systems and action plans.

Our consultancy clients have included Public Health Wales, Valleys 2 Coast Housing and Bron Afon Housing Association. We have continued to support small social enterprises through the Social Business Wales framework.

We successfully bid for the contract to manage the Foundational Economy Community of Practice (CoP) on behalf of Welsh Government. This saw us managing and co-ordinating clusters of grant recipients across care, housing/construction, decarbonisation, procurement, training and skills and micro businesses. Over 96% (of fifty-two grant recipients) engaged with the CoP and we produced a resource library with case studies to ensure learning and progress is taken forward and to make the ‘foundational’ or ‘everyday’ economy more accessible. We will be continuing our work supporting development of the economy in Wales into the next financial year.

### **(ii) Fair and Just Society**

In our role as the real Living Wage accreditation body for Wales, we accredited 75 employers in 20/21 with 4476 workers uplifted to the real Living Wage as a result of this accreditation. In this role we provide support and guidance to employers in Wales, as well as working strategically with the Living Wage for Wales leadership

## **Cynnal Cymru – Sustain Wales (A company limited by guarantee)**

team, and with Citizens Cymru, Cardiff Council and Cardiff University (amongst others) to make Cardiff a real Living Wage City.

In recognition of the real Living Wage as a key element of the definition of Fair Work, we were delighted to receive a grant of £6500 from Welsh Government to create a real Living Wage for Wales website which will be launched in June 2021.

In pursuance of an inclusive and just transition to a low carbon economy, we also worked with the Electoral Reform Society and four Housing Associations in Blaenau Gwent to develop and deliver the first Climate Assembly in Wales. Building on our work with Housing Associations to establish the Carbon Literacy consortium (Carbon Literacy Cartrefi Cymru), the Climate Assembly was funded through Welsh Government's Optimised Retrofit Programme and the recommendations will be implemented and/or responded to by Housing Associations and by the Public Service Board.

### **(iii) Natural Environment**

Following the success of Carbon Literacy, we saw a need and an opportunity to create an 'eco-literacy' course to educate and inspire positive action about the natural environment.

We developed this course ('Nature Wise/Nabod Natur') in Q3 of 20/21. Nature Wise was piloted and refined during Q4 of 20/21 with Swansea Council as well as Mind Cymru staff and trustees and is due to be formally launched in June 2021.

In this year, we also oversaw the launch and first application round of £3m Local Places for Nature Challenge Fund on behalf of WCVA and completed the first phase of the Sylfaen project to support community-led environmental organisations.

### **Risk management**

Trustees routinely assess the risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The risk register and related procedures are periodically reviewed by The Board of Trustees to ensure they continue to meet the needs of the Charity, and ensure its good governance.

### **Financial review**

Financially 2020-21 saw an end-of-year surplus for the third time since becoming a self-funding charity. With a three-year strategy and more immediate priorities identified, we are confident that this positive trajectory will continue. The Board is

## **Cynnal Cymru – Sustain Wales (A company limited by guarantee)**

particularly grateful for WCVA's decision and support to reduce rental fees for this year.

Cynnal Cymru has drawn down £20,000 of a loan provided by WCVA. During this financial year, Cynnal Cymru repaid the second instalment of £5,000 with a total of £10,000 now outstanding.

The financial results of the year are included on pages 15 and 16.

We aim to build up our reserves, consistent with the Charity's overall financial position and the need to maintain and develop charitable activities.

### **Reserves**

The reserves policy has been developed to ensure that Cynnal Cymru can manage during a period of unforeseen difficulty, with the target level of reserves identified at £75,000. Cynnal Cymru's current level of free reserves is £46,230 and therefore the charity plans to build up its reserves via planned operating surpluses over the next 3 years.

This past year has been the most exceptional year, with a full year of unforeseen difficulty due to the Covid pandemic. The Trustees wish to formally congratulate and thank the staff team on an exceptional year's performance: Our activities have extended further and made a real difference to our members and clients, and our financial position has also improved.

### **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Wales Council for Voluntary Action has confirmed its intention to support the company for a period of at least 12 months from the date of signing these accounts. The Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### **Future developments**

The coming year will see further development of our online training and resources, including the roll out of Nature Wise, the real Living Wage for Wales website and an 'Introduction to Climate Change' course.

Following a review of our membership offer, we will continue to work with new and existing members to build their networks and support collaboration across policy areas. We hope to hire additional permanent staff to better service our members and provide on-going support with marketing, communications and training delivery.

We have been considering how we communicate the advisory and consultancy services we offer, from carbon accounting to support with integrated sustainability reporting. This will be communicated more widely in Q2 21/22. Building on our work with housing associations, we will also be looking to support other sectors with decarbonisation and ensuring a just transition to net zero. We are in discussions with various partners about reaching more SMEs and are hopeful that we will do more work in the financial sector and the Wales based film and screen industry.



# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

### **Trustees' responsibilities statement**

The Trustees (who are also Directors of Cynnal Cymru 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 Trustees to prepare financial statements for each financial year. Under company law Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 charitable company will continue in operation.

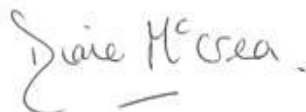
Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply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

### **Disclosure of information to auditor**

Each of the persons who are Trustees, at the time when this Trustees' report is approved, has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees, on 27 July 2021 and signed on their behalf by:



Diane McCrea, Chair of Trustee Board

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **Independent auditor's report**

#### **Independent auditor's report to the members of Cynnal Cymru – Sustain Wales**

##### **Opinion**

We have audited the financial statements of Cynnal Cymru – Sustain Wales (the “charitable company”) for the year ended 31 March 2021 which comprise, the Statement of Financial Activity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **Independent auditor's report**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **Independent auditor's report**

#### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors 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:

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **Independent auditor's report**

#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the Charitable company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Charitable company, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

#### **Audit response to risks identified**

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **Independent auditor's report**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

### **Use of our report**

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



Alison Vickers (Senior Statutory Auditor)  
for and on behalf of Bevan Buckland LLP  
Chartered Accountants  
And Statutory Auditors  
Langdon House  
Langdon Road  
SA1 Swansea Waterfront  
Swansea  
SA1 8QY

Date: ....27<sup>th</sup> July 2021.....

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### Statement of financial activities for the year ended 31 March 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations & Legacies	3	12,899	-	12,899	24,293
Other Income	4	5,395	-	5,395	-
Charitable activities	5	250,224	24,197	274,421	198,989
<b>Total income</b>		<b>268,518</b>	<b>24,197</b>	<b>292,715</b>	<b>223,382</b>
<b>Expenditure on:</b>					
Charitable activities	6	16,665	-	16,665	7,020
Other expenditure		223,258	24,197	247,455	209,192
<b>Total expenditure</b>	7	<b>239,923</b>	<b>24,197</b>	<b>264,120</b>	<b>216,212</b>
<b>Net income/(expenditure) before recognised gains and losses</b>		<b>28,595</b>	<b>-</b>	<b>28,595</b>	<b>7,070</b>
<b>Net movement in funds</b>		<b>28,595</b>	<b>-</b>	<b>28,595</b>	<b>7,070</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		17,635	-	17,635	10,565
<b>Total funds carried forward</b>		<b>46,230</b>	<b>-</b>	<b>46,230</b>	<b>17,635</b>

The notes on pages 17 to 25 form part of these financial statements.

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### Balance sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Current assets:</b>			
Debtors	12	91,119	40,743
Cash at bank and in hand		68,225	107,161
<b>Total current assets</b>		<b>159,344</b>	<b>147,904</b>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	13	(103,114)	(115,269)
<b>Net current assets or liabilities</b>		<b>56,230</b>	<b>32,635</b>
 Total assets less current liabilities		 <b>56,230</b>	 <b>32,635</b>
Creditors: Amounts falling due after more than one year	14	(10,000)	(15,000)
<b>Net assets or liabilities</b>		<b>46,230</b>	<b>17,635</b>
<b>The funds of the charity</b>			
Unrestricted funds	15	46,230	17,635
<b>Total funds</b>		<b>46,230</b>	<b>17,635</b>

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

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 27<sup>th</sup> July 2021 and signed on its behalf by:



D McCrea, Chair

The notes on page 17 to 25 form part of these financial statements.



# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **Notes to the financial statements for the year ended 31 March 2021**

#### **1 General Information**

Cynnal Cymru-Sustain Wales is a company limited by guarantee and registered charity incorporated in the United Kingdom. The address of the registered office is Baltic House, Mount Stuart Square, Cardiff, CF10 5FH.

The object of the charity is to promote sustainable development for the benefit of the public.

The financial statements are prepared in sterling, which is the functional currency of the group, and rounded to the nearest £1.

#### **2 Accounting Policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cynnal Cymru - Sustain Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### **2.2 Company Status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

##### **2.3 Going Concern**

The trustees have considered Cynnal Cymru's expected performance for the next 12 months. Based on this review, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. The parent company, Wales Council for Voluntary Action, has confirmed its continued support to Cynnal Cymru. The trustees have assessed the ability of the parent company to provide support and concluded that it is appropriate to rely on this support in assessing appropriateness of adopting the going concern basis.

##### **2.4 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Membership income is recognised upon receipt and not treated as a prepayment. This is because there is no refund mechanism if a member cancels their subscription.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

## **2.5 Expenditure**

Expenditure is recognised once there a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **2.6 Donated Goods or Services**

Goods, facilities and services donated to the charity are recognised as income when the criteria for their recognition is met. Services which are provided to the charity will have a corresponding expenditure to the donated service received.

### **2.7 Interest Receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

### **2.8 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

For additions that are integral to the buildings, a cumulative charge of depreciation is made in the year of acquisition so as to match the additions estimate useful life to the building to which they relate.

Computers and office equipment are not capitalised but are expensed through the statement of financial activities. All other assets costing £1,000 or less are not capitalised.

### **2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. prepayments are valued at the amount prepaid net of any trade discounts due.

### **2.10 Cash at Bank and in hand**

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

### **2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material. the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### 2.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

#### 3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	31 March 2021 £	31 March 2020 £
Donations	12,899	-	12,899	24,293

#### 4 Other Income

	Unrestricted funds £	Restricted funds £	31 March 2021 £	31 March 2020 £
Job Retention Scheme	5,395	-	5,395	-

#### 5 Income from charitable activities

	Unrestricted funds £	Restricted funds £	31 March 2021 Total £	31 March 2020 Total £
Training and consultancy	152,516	24,197	176,713	87,545
Chinese Summer School	-	-	-	732
Partnership projects	83,779	-	83,779	57,571
Awards	67	-	67	21,048
Events	162	-	162	16,125
Membership	13,700	-	13,700	15,446
Other operating income	-	-	-	522
	<b>250,224</b>	<b>24,197</b>	<b>274,421</b>	<b>198,989</b>

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### 6 Support costs

	Training and consultancy	31 March 2021 Total	31 March 2020 Total
	£	£	£
Legal and professional	-	-	200
Premises	3,667	3,667	582
General office	6,760	6,760	4,808
Bank charges	165	165	45
Governance costs	6,000	6,000	-
	<b>16,592</b>	<b>16,592</b>	<b>5,635</b>
Other support costs	73	73	1,385
	<b>16,665</b>	<b>16,665</b>	<b>7,020</b>

Support services have been provided by the parent company, Wales Council for Voluntary Action, for £9,000 (2020 £Nil).

### 7 Analysis of expenditure by expenditure type

	Unrestricted funds	Restricted funds	31 March 2021	31 March 2020
	£	£	£	£
Training and consultancy	16,665	-	16,665	7,020
Other expenditure	223,258	24,197	247,455	209,192
	<b>239,923</b>	<b>24,197</b>	<b>264,120</b>	<b>216,212</b>

### 8 Net income/(expenditure)

During the year, no Trustees received any remuneration (2020 - £Nil).

During the year, no Trustees received any benefits in kind (2020 - £Nil).

During the year, no Trustees received any reimbursement of expenses (2020 - £Nil)

### 9 Auditor's remuneration

The Auditor's remuneration, paid by the Parent Company, amounts to an audit fee of £3,500 (2020 - £3,500).

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### 10 Staff costs

The average number of persons employed by the company during the year was as follows:

31 March 2021	31 March 2020
No.	No.
6	6

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £36,168 (2020: £35,366).

### 11 Comparatives for the Statement of Financial Activities

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>Income from:</b>				
Donations & Legacies	3	24,293	-	24,293
Charitable activities	4	186,633	12,356	198,989
<b>Total income</b>		<b>210,926</b>	<b>12,356</b>	<b>223,382</b>
<b>Expenditure on:</b>				
Charitable activities	5	7,020	-	7,020
Other expenditure		196,836	12,356	209,192
<b>Total expenditure</b>	6	<b>203,856</b>	<b>12,356</b>	<b>216,212</b>
<b>Net income/(expenditure) before recognised gains and losses</b>		<b>7,070</b>	<b>-</b>	<b>7,070</b>
<b>Net movement in funds</b>		<b>7,070</b>	<b>-</b>	<b>7,070</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		10,565	-	10,565
<b>Total funds carried forward</b>		<b>17,635</b>	<b>-</b>	<b>17,635</b>

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### 12 Debtors

	Unrestricted funds £	Restricted funds £	31 March 2021 £	31 March 2020 £
Trade debtors	82,419	-	82,419	35,407
Prepayments and accrued income	8,700	-	8,700	5,336
	<b>91,119</b>	<b>-</b>	<b>91,119</b>	<b>40,743</b>

### 13 Creditors: Amounts falling due within one year

	Unrestricted funds £	Restricted funds £	31 March 2021 £	31 March 2020 £
Trade creditors	15,291	-	15,291	6,937
Other taxation and social security	33,677	-	33,677	12,044
Other creditors	-	2,900	2,900	-
Accruals and deferred income	33,399	17,847	51,246	96,288
	<b>82,367</b>	<b>20,747</b>	<b>103,114</b>	<b>115,269</b>

### 14 Creditors: Amounts falling due after more than one year

	31 March 2021 £	31 March 2020 £
Amount owed to related parties	<b>10,000</b>	15,000

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

### 15 Statement of funds

Summary of funds - current year

	Balance at 31 March 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	17,635	287,320	(258,725)	46,230

Summary of funds – prior year

	Unaudited Balance at 31 March 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
General funds	10,565	223,282	(216,212)	17,635

### 16 Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Current assets	159,344	-	159,344
Creditors due within one year	(85,267)	(17,847)	(103,114)
Creditors due in more than one year	(10,000)	-	(10,000)
	64,077	(17,847)	46,230

Analysis of net assets between funds – prior year

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Current assets	135,904	12,000	147,904
Creditors due within one year	(76,124)	(39,145)	(115,269)
Creditors due in more than one year	(15,000)	-	(15,000)
	44,780	(27,145)	17,635



# **Cynnal Cymru – Sustain Wales**

## **(A company limited by guarantee)**

Company no. 04622047/ Charity no. 1158496

### **17 Related party transactions**

Cynnal Cymru-Sustain Wales owed an amount of £10,000 to its parent company, Wales Council for Voluntary Action, at 31 March 2021 (2020: £15,000). This is an interest-free loan and is shown within long-term liabilities. There is also a liability of £5,000 owed to the parent company within current liabilities. The Wales Council for Voluntary Action provided benefit in kind to Cynnal Cymru-Sustain Wales for the external audit of £3,500 (2020: £22,743, which consisted of the external audit fee £3,500, financial services £8,777 and office rental £10,466). In the statutory accounts for 31 March 2020 these amounts were included within Note 7 “Other expenditure”.

The Charity has taken advantage of the exemption conferred by paragraph 33 of FRS 102 and has not disclosed transactions with other companies which are part of the Wales Council for Voluntary Action group.

### **18 Controlling party**

The ultimate parent company is Wales Council for Voluntary Action (WCVA) by virtue of being the only member of Cynnal Cymru-Sustain Wales. WCVA is a company limited by guarantee (registered number: 00425299) and registered charity (charity number: 218093) incorporated in the United Kingdom. The address of the registered office is Baltic House, Mount Stuart Square, Cardiff, CF10 5FH. The object of WCVA is to provide information, training and advice to support volunteering, governance, funding and safeguarding; and promote and support the third sector's contribution to major policy areas.