

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

**Trustees' Report and Financial Statements for the year ended  
31 March 2022**



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

# **Cynnal Cymru – Sustain Wales**

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

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# **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 107 Cowbridge Road East  
Cardiff  
CF11 9AG

Trustees D McCrea. Chair  
R D M Firth. Vice Chair  
R Edge  
R S Marks  
R Billingham  
K E Evans  
N E Lloyd  
R Williams (resigned 27 July 2021)  
E Morgan (appointed 9 November 2021)  
H R Westhead (appointed 9 November 2021)  
C P Moreton (appointed 9 November 2021)

Secretary C F Sain-Ley-Berry

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

Independent Auditors Bevan Buckland LLP  
Ground Floor  
Cardigan House  
Swansea Enterprise Park  
Swansea  
SA7 9LA

# **Cynnal Cymru – Sustain Wales**

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

### **Trustees' Report (incorporating the Directors' Report) for the year ended 31 March 2022**

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2021 to 31 March 2022. 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 2019).

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 Director's Report) Regulations 2013 is not required.

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

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 2021/22 the charity has continued to operate independently with its own Board.

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.



## **Cynnal Cymru – Sustain Wales**

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In November 2021, we recruited three new Trustees to the Board. This followed Rachael Williams resignation for personal reasons and the need to strengthen the financial planning, business strategy and communications expertise on the Board to support the company through a period of growth.

We were delighted to appoint Chris Moreton (NHS Wales), Helen Westhead (Arup) and Edward Morgan (Castell Howell) to complement the existing Board members. In this year we also carried out a Trustee skills audit and started to explore how we can increase the diversity and experiences of the Board. This work will continue in the next financial year.

#### **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**

Despite the continuing uncertainties caused by Covid-19, Cynnal Cymru has built on its strong performance during 2020/21. Continuous improvement, optimism, collaboration and action are core values of Cynnal Cymru and it has used these to drive a principled approach to increasing turnover and creating a more resilient organisation, whilst keeping focused on creating positive impact towards a (i) low carbon economy, (ii) a thriving natural environment and a (iii) fair and just society.

In September 2021, we were grateful to receive an unrestricted grant of £10,000 from Garfield Weston to support with overhead costs. These included strategy development time; updating our CRM database; and the provision of IT equipment for current and new staff members following a move to our new offices in a Living Wage Building owned by one of our members, PhG Consulting.

A priority for this financial year was to develop the strategy work started in 2020/21, in particular, to communicate our services and promote the integrated way we work across our programme areas. To support with this, we hired Richard Nosworthy, formerly of WWF Cymru, to develop our narrative. This resulted in our mission being defined as the provision of *'advice, training and connections to turn sustainability aims into action'* and we are doing further work to bring our work to life through case studies and client journeys.

The increased demand for our training and advisory services enabled us to expand our team this year to include Fiona Humphreys (Administrative Officer), Karolina Rucinska (Sustainability Advisor) and Tom Kirton (Training and Communications Officer).

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

This year also saw us further strengthen our commitment to providing opportunities and work experience in sustainable development as we joined the Charity Works programme. Abi Hoare joined us as Development Officer from September 2021 via the programme. To date, Abi's focus has been to help review and strengthen our membership officer to ensure it provides value for members as well as fulfilling our charitable objectives.

We also joined the Cardiff Community Jobs Compact, an initiative of Cardiff Citizens aiming to ensure employment opportunities and fair jobs for people living in the Southern Arc of Cardiff.

Due to the interest in Nature Wise, our new eco-literacy course, we expanded our network of consultants to include Sara Wynne-Pari, a bilingual trainer who also works at Llais Y Goedwig, the voice of community woodlands in Wales.

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

With the focus in this financial year on CoP 26 and the publishing of Welsh Government's Net Zero Action Plan and Team Wales approach, we saw the demand for Carbon Literacy continue to grow. In 21/22, we trained 218 people in Carbon Literacy, taking the total number of people we have trained to over 600.

Our training clients represented organisations from across sectors including the National Lottery Community Fund, Friends of the Earth, Sinclair Group, Mindful Finance Institute, Public Health Wales and Transport for Wales. As the only Carbon Literacy Training Organisation (CLTO) in Wales, we took part in a CoP 26 Carbon Literacy Action Day with Sinclair Group which was the culmination of three sessions delivered for its Board of Directors.

During this year, we saw increased interest in Carbon Literacy training from the public sector and our training has resulted in the staff and/or cabinet members of several local authorities becoming Carbon Literate. These include Newport City Council, Blaenau Gwent County Borough Council and Merthyr Tydfil County Borough Council.

As an extension of this work, we also supported the ambition of public sector bodies to cascade Carbon Literacy into the community, for example through delivering Carbon Literacy to community councillors in Monmouthshire.

A key aspect of our Carbon Literacy work is to advise on the co-creation of tailored Carbon Literacy courses for different industries and learner groups. In this respect, we were delighted to secure work with FOR Cardiff to co-produce a FOR Cardiff Carbon Literacy course for the Business Improvement District during 22/23.

To expand our Carbon Literacy offer, we also developed a Train the Trainer and Carbon Literacy for community groups course. In 22/23, we will work with a consortium of housing associations to finalise and support delivery of Carbon Literacy for housing tenants as part of the second round of Optimised Retrofit work in Wales.

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

During the year we have seen an increased demand for our climate and environmental consultancy services and worked on defining and communicating where we can add value for our clients. Our work has included carbon foot-printing for Melin Homes, environmental management workshops for Valleys to Coast Housing and guidance to Grasshopper Communications on setting up a carbon monitoring and reporting process and Energy Management System.

We continue to provide services to social enterprises through the Social Business Wales framework. We are also working on an exciting project with Social Investment Cymru (part of our parent company WCVA) to advise beneficiaries of the Community Asset Loan Fund with creating and implementing an environmental action plan which will result in a percentage reduction on the loan repayment.

Finally, throughout this year we have become more involved in finding solutions to support SMEs with decarbonisation. This has seen us collaborate with Natwest and the University of South Wales to deliver a workshop and follow up report on actions that SMEs can take towards Net Zero. We were also delighted to be invited to sit on an SME Net Zero task force with the FSB, BiTC, the British Business Bank and ACCA.

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

This year has been very positive for the Living Wage movement in Wales. We have accredited 123 organisations from across sectors (a 64 percent increase on 20/21), with over 3000 workers uplifted to the Living Wage as a result of these accreditations.

Significant milestones have included the accreditation of Bridgend County Borough Council, the second Local Authority in Wales; the accreditation of two Living Wage Buildings in Cardiff and the creation of the second Living Wage Place in Mid & West Wales, the launch of which will be in June 2022.

Following a grant from Welsh Government in 20/21, we launched the Living Wage for Wales website in June 2021 and we are seeing positive growth in engagement.

We were also delighted to secure a £30,000 grant from Welsh Government to hire and recruit a Living Wage Programme Officer from April 2022. This is a significant commitment from Welsh Government and recognition that the real Living Wage is a key element of Fair Work in Wales.

As part of the grant agreement, we worked with Welsh Government to define our key focus areas for the next financial year to support the Fair Work agenda. These include working strategically with partners on ensuring accreditations in social and health care, the food system (agriculture to hospitality), the public sector and construction.

We have also continued our work started in 20/21 to ensure an inclusive and just transition to net zero for everyone in Wales. Following the Blaenau Gwent Climate Assembly recommendations, we produced a report on the Climate Assembly and continue to support Blaenau Gwent Council with communications to the Assembly and sharing responses to the recommendations and next steps.

## **Cynnal Cymru – Sustain Wales**

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We were also delighted to be asked to sit on the Sustainability First 'Sustainable Futures' Engagement Panel; speak at an event on tackling the unequal impacts of climate change and be part of a Cardiff University led evidence panel tasked with providing recommendations to Welsh Government on mainstreaming equality in the just transition.

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

Our work to support a thriving natural environment continued this year with completion of the Sylfaen capacity-building project to support community-led environmental organisations and an award of a further £50,000 grant from the Coop Foundation to expand our eco-literacy training provision.

The Nature Wise Network project will allow us to train two former Sylfaen partners as Nabod Natur – Nature Wise providers and together we will deliver 150 eco-literacy training places by October 2022. We are delighted that Welsh Government has also commissioned Nature Wise courses for its staff this year, including two bespoke sessions linked to nature and transport.

Other notable commissions this year included work to develop and test a Health Environment workshop and action plan for Public Health Wales and environmental consultancy for Bron Afon Housing Association in partnership with the Welsh consultancy Afallen. Finally, in partnership with WCVA, we acted as a scheme manager for the Local Places for Nature Challenge Fund, supporting 15 projects worth c.£2.8 million to enhance or restore natural capital assets.

#### **(iv) Integrated sustainability work**

Our history and holistic approach to Sustainable Development makes us uniquely positioned to develop training and services which span areas of ESG action and reporting, as well as support to embed areas such as decarbonisation into other policy areas such as the Foundational Economy.

Examples of this work include advice to Glamorgan Cricket Club on updating its integrated sustainability strategy and working with Ecostudio to design and deliver an integrated sustainability training course for Welsh Food and Drink Manufacturers in Wales. The pilot phase was commissioned by Welsh Government via Lantra, one of the leading awarding bodies for land-based industries in the UK and Ireland, as part of the Food Skills Cymru programme. Seventeen companies were trained and supported to develop integrated sustainability strategies and reporting mechanisms. In 22/23 we will support a further 40 companies under this programme.

We also successfully tendered and delivered work for the Office of the Future Generations Commissioner with the overall aim to increase private sector engagement with the Wellbeing of Future Generations (Wales) Act 2015. This work will be continued throughout 22/23 in collaboration with Business Wales, the Commissioner's Office and the private sector in Wales.

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Between 1 July 2020 and 31 July 2021, Cynnal Cymru delivered a Welsh Government contract to support a Community of Practice for organisations receiving funding from the Foundational Economy Challenge Fund (CoP). Its aim was to share learning and innovation, build relationships and encourage collaboration. Over this time, 44 CoP meetings, workshops and events were held with over 96% of funded FECF projects engaged with the CoP and 50 instances of stakeholders external to the CoP attending meetings as speakers or participants, from 15 organisations including other local authorities, WLGA and the NHS.

We were delighted to secure further funding from Welsh Government to continue to facilitate the CoP from July 2021.

This phase of the CoP centered on facilitating shared learning, collaboration and cross-policy awareness and action in the areas of social care, food and future skills with a focus on housing retrofit. A highlight of the year was the co-ordination of a Wales Climate Week event on the essential role of the Foundational Economy in Wales in supporting decarbonization attended by the Minister for the Economy, Vaughan Gething MS. In Q4 of this year we were also asked to design and co-ordinate a roundtable on learning from Scotland, overcoming challenges and securing collaboration across policy areas with regards to the rollout of Free School Meals. The roundtable will be held in May 2022.

### **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, 2021-22 saw the largest end of year surplus 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.

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

The financial results of the year are included on pages 17 and 18.

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. This year that figure has been exceeded with free reserves of £81,378. In the light of this the Board will review this policy and ensure it is amended to reflect the

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larger organisation that Cynnal Cymru has become both financially and in terms of staff employed.

This past year has been another 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**

In the coming year we will work to further develop integrated training and consultancy. For example, a joint climate and nature course which will look at the relationship between the two and support learners to communicate this and take action on both issues in parallel. We also hope to build on our work with the food and drink sector to provide integrated sustainability training to other sectors, for example Higher Education.

We will continue our work to promote Carbon Literacy and Nature Wise, co-develop bespoke industry/sector courses and forums to enable action, collaboration and shared learning between industry consortiums. Ensuring inclusivity in the climate and nature agendas will remain a priority for us and we will explore how we can make our foundation level training more accessible, for example, through free open learning platforms and in different formats and languages.

In the next year, we will work on showing greater transparency on Living Wage progress in Wales through the creation of a public dashboard. We will also work with Welsh Government to explain how the Living Wage forms the foundation of Fair Work in Wales.

Following further work on our membership offer, we will continue to work with new and existing members to build their networks and support collaboration across policy areas. We will hire additional permanent staff to lead on communications and to support training delivery.

As the organisation grows, we will be working hard on ensuring the systems and processes of the organisation are robust to manage increased risks. This will include implementation of a new CRM system, creation of a staff development framework and review of staff terms and conditions to ensure our employment offer remains competitive.



# **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.

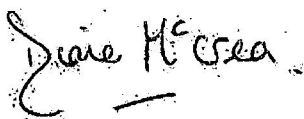
Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply 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 23/11/2022 and signed on their behalf by: D McCrea, Chair



# **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 2022 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 2022 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**

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 the events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the 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.



# **Cynnal Cymru – Sustain Wales**

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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; 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in the Trustees' Annual Report.

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### **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.

#### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

#### **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.

## **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.

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### **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  
Ground Floor          Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA7 9LA

Date: .....23 November 2022.....

**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 2022**

		<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Income from:</b>					
Donations & Legacies	3	3,500	-	3,500	12,899
Other Income	4	1,668	-	1,668	5,395
Charitable activities	5	248,468	68,404	316,872	274,421
<b>Total income</b>		<b>253,636</b>	<b>68,404</b>	<b>322,040</b>	<b>292,715</b>
<b>Expenditure on:</b>					
Charitable activities	6	20,308	-	20,308	16,665
Other expenditure		198,180	68,404	266,584	247,455
<b>Total expenditure</b>	7	<b>218,488</b>	<b>68,404</b>	<b>286,892</b>	<b>264,120</b>
<b>Net income/(expenditure) before recognised gains and losses</b>		<b>35,148</b>	<b>-</b>	<b>35,148</b>	<b>28,595</b>
<b>Net movement in funds</b>		<b>35,148</b>	<b>-</b>	<b>35,148</b>	<b>28,595</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		46,230	-	46,230	17,635
<b>Total funds carried forward</b>		<b>81,378</b>	<b>-</b>	<b>81,378</b>	<b>46,230</b>

The notes on pages 19 to 27 form part of these financial statements.

# Cynnal Cymru – Sustain Wales

(A company limited by guarantee)

Company no. 04622047/ Charity no. 1158496

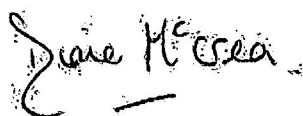
## Balance sheet as at 31 March 2022

	Note	2022 £	2021 £
<b>Current assets:</b>			
Debtors	12	57,959	91,119
Cash at bank and in hand		130,709	68,225
<b>Total current assets</b>		<b>188,668</b>	<b>159,344</b>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	13	(102,290)	(103,114)
<b>Net current assets or liabilities</b>		<b>86,378</b>	<b>56,230</b>
 Total assets less current liabilities		 <b>86,378</b>	 <b>56,230</b>
Creditors: Amounts falling due after more than one year	14	(5,000)	(10,000)
<b>Net assets or liabilities</b>		<b>81,378</b>	<b>46,230</b>
<b>The funds of the charity</b>			
Unrestricted funds	15	81,378	46,230
<b>Total funds</b>		<b>81,378</b>	<b>46,230</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 23/11/22 and signed on its behalf by:



D McCrea, Chair

The notes on page 19 to 27 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 2022**

#### **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 107 Cowbridge Road East, Cardiff, CF11 9AG.

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 2019) - (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.

##### **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.

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

# **Cynnal Cymru – Sustain Wales**

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

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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**

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### **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.

### **2.12 Financial instruments**

# Cynnal Cymru – Sustain Wales

## (A company limited by guarantee)

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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.

Restricted funds can be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### 3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	31 March 2022 £	31 March 2021 £
Donations	3,500	-	3,500	12,899

### 4 Other Income

	Unrestricted funds £	Restricted funds £	31 March 2022 £	31 March 2021 £
Job Retention Scheme	1,668	-	1,668	5,395

There are no unfulfilled conditions attached to the above grants received.

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

Company no. 04622047/ Charity no. 1158496

## 5 Income from charitable activities

	Unrestricted funds	Restricted funds	31 March 2022 Total	31 March 2021 Total
	£	£	£	£
Training and consultancy	123,510	14,948	138,458	176,713
Partnership projects	113,870	43,167	157,037	83,779
Awards	-	-	-	67
Events	-	-	-	162
Membership	11,088	-	11,088	13,700
Living Wage project	-	10,289	10,289	-
	<b>248,468</b>	<b>68,404</b>	<b>316,872</b>	<b>274,421</b>

## 6 Support costs

	Training and consultancy	31 March 2022 Total	31 March 2021 Total
	£	£	£
Premises	5,515	5,515	3,667
General office	7,672	7,672	6,760
Bank charges	86	86	165
Governance costs	6,000	6,000	6,000
	<b>19,273</b>	<b>19,273</b>	<b>16,592</b>
Other support costs	1,035	1,035	73
	<b>20,308</b>	<b>20,308</b>	<b>16,665</b>

Support services have been provided by the parent company, Wales Council for Voluntary Action, for £8,000 (2021 £9,000).

## 7 Analysis of expenditure by expenditure type

	Unrestricted funds	Restricted funds	31 March 2022	31 March 2021
	£	£	£	£
Training and consultancy	20,308	-	20,308	16,665
Other expenditure	198,180	68,404	266,584	247,455
	<b>218,488</b>	<b>68,404</b>	<b>286,892</b>	<b>264,120</b>

**Cynnal Cymru – Sustain Wales**  
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**8 Net income/(expenditure)**

During the year, no Trustees received any remuneration (2021 - £Nil).

During the year, no Trustees received any benefits in kind (2021 - £Nil).

During the year, no Trustees received any reimbursement of expenses (2021 - £Nil)

**9 Auditor's remuneration**

The Auditor's remuneration, paid by the Parent Company, amounts to an audit fee of £3,500 (2021 - £3,500).

**10 Staff costs**

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

<b>31 March 2022</b>	<b>31 March 2021</b>
<b>No.</b>	<b>No.</b>
<b>7</b>	<b>6</b>

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 £40,301 (2021: £36,168).

**Cynnal Cymru – Sustain Wales**  
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**11 Comparatives for the Statement of Financial Activities**

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

**12 Debtors**

	Unrestricted funds £	Restricted funds £	31 March 2022 £	31 March 2021 £
Trade debtors	40,151	-	40,151	82,419
Prepayments and accrued income	17,808	-	17,808	8,700
	<b>57,959</b>	<b>-</b>	<b>57,959</b>	<b>91,119</b>

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

	Unrestricted funds £	Restricted funds £	31 March 2022 £	31 March 2021 £
Trade creditors	6,314	-	6,314	15,291
Other taxation and social security	28,052	-	28,052	33,677
Other creditors	-	17,907	17,907	2,900
Accruals and deferred income	15,943	34,074	50,017	51,246
	<b>50,309</b>	<b>51,981</b>	<b>102,290</b>	<b>103,114</b>

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

	31 March 2022 £	31 March 2021 £
Amount owed to related parties	<b>5,000</b>	<b>10,000</b>

**15 Statement of funds**

Summary of funds - current year

	Balance at 31 March 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
General funds	46,230	253,636	(218,488)	81,378
Restricted funds	-	68,404	(68,404)	-
<b>TOTAL FUNDS</b>	<b>46,230</b>	<b>322,040</b>	<b>(286,892)</b>	<b>81,378</b>

**Cynnal Cymru – Sustain Wales**  
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**15 Statement of funds (Continued)**

Summary of funds – prior year

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

**16 Analysis of net assets between funds**

Analysis of net assets between funds - current year

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Current assets	136,687	51,981	188,668
Creditors due within one year	(50,309)	(51,981)	(102,290)
Creditors due in more than one year	(5,000)	-	(5,000)
	<b>81,378</b>	<b>-</b>	<b>81,378</b>

Analysis of net assets between funds – prior year

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Current assets	141,497	17,847	159,344
Creditors due within one year	(85,267)	(17,847)	(103,114)
Creditors due in more than one year	(10,000)	-	(10,000)
	<b>46,230</b>		<b>46,230</b>

# **Cynnal Cymru – Sustain Wales**

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### **17 Related party transactions**

Cynnal Cymru-Sustain Wales owed an amount of £5,000 to its parent company, Wales Council for Voluntary Action, at 31 March 2022 (2021: £10,000). This is an interest-free loan and is shown within long-term liabilities. There is also a liability of £1,800 owed to the parent company within current liabilities. The Wales Council for Voluntary Action provided benefits in kind to Cynnal Cymru-Sustain Wales for the external audit of £3,500 (2021: £3,500).

The Charity has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party 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 One Canal Parade, Dumballs Road, Cardiff, CF10 5BF. 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.