

Cynnal Cymru – Sustain Wales Company limited by guarantee

**Trustees' Report and Financial Statements for the year ended
31 March 2023**

**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
Sbarc/Spark
Maindy Road
Cardiff
CF24 4HQ

Trustees
D McCrea. Chair
R D M Firth. Vice Chair
R Edge (resigned 05.09.22)
R S Marks
R Billingham
K E Evans
N E Lloyd
E Morgan
H R Westhead
C P Moreton
N Hagendyk (trustee mentee, joined 16.02.23)

Secretary C F Sain-Ley-Berry

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

Independent Auditors
Bevan Buckland LLP
Chartered Accounts
And Statutory Auditors
Ground Floor
Cardigan House
Swansea Enterprise Park
Swansea
SA7 9LA

Cynnal Cymru – Sustain Wales

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Trustees' Report (incorporating the Directors' Report) for the year ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2022 to 31 March 2023. 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 2022/23 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.

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During this year one trustee's second term of office came to an end. Robert Edge, our former Treasurer subsequently resigned in September 2022, after providing invaluable financial oversight of the organisation for six years. We thank Robert for his commitment and wise counsel over this period.

As part of our commitment to Equality, Diversity and Inclusion, (EDI) and to help maximise the breadth of skills and experience of our Board, we joined Chwarae Teg's Step to Non Exec programme through which we were delighted to recruit Nicky Hagendyk as a trustee mentee in January 2023. Further trustee recruitment is planned for the first quarter of 23-24, with a particular commitment to further diversifying the skills and make-up of trustees who oversee Cynnal Cymru's mission and delivery.

The Board also oversaw a number of initiatives this year to strengthen EDI within the organisation including a commitment to report against our objectives and progress through our website. Staff participated in a three-month Agile Nation 2 Business Programme with Chwarae Teg, with a specific focus on improving recruitment, progression and retention of an agile and diverse workforce. We appointed a senior staff member as the EDI lead for the organisation and joined initiatives including the inaugural Race Report, Business in the Community's Race at Work Charter and the Zero Racism Wales pledge.

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

The environmental, economic, and social shocks of the past few years have made Cynnal Cymru's services more relevant than ever. The increased demand for *'advice, training and connections to turn sustainability aims into action'* has led to increased turnover and expansion of the staff team to fulfil three broad programme areas around (i) a low carbon economy, (ii) a thriving natural environment and (iii) a fair and just society.

The bilingual training team expanded as former part-time consultant Sara Wynne Pari became a full-time employee; Bethan Harvey returned from maternity leave; and Sylvia Davies joined as a new Sustainability Trainer. The Living Wage team grew with recruitment of Harry Thompson as our first dedicated Policy and Programme Lead for Fair Work and Economy, and we continued the employment of Abi Hoare as Membership and Development Officer after the completion of her initial Charity Works placement.

We did however bid farewell to Sarah Hopkins, Director, for a period of maternity leave and to Principal Consultant Rhodri Thomas, a stalwart of Cynnal Cymru for more than 14 years. We wish him every success in his new role.

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(i) Low Carbon Economy

Our continued work on decarbonisation and climate change underpins all our work areas.

In terms of consultancy, this year we have helped organisations from public bodies to start-ups to navigate their way through sustainability strategies, Energy Management Systems and carbon monitoring and reporting processes. We continued to provide services to social enterprises through the Social Business Wales framework with five organisations supported this year. 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 on creating and implementing an environmental action plan, which will result in a percentage reduction on the loan repayment. In the reporting period we have advised three social enterprises under this scheme.

This wealth of insights gained through this work are actively shared with our membership and beyond. This year we were delighted to join the Steering Group for IEMA's Green Careers Hub and continued to sit on an SME Net Zero task force alongside the FSB, BiTC, the British Business Bank and the Association of Chartered Certified Accountants.

In our role as the official Welsh partner of the Carbon Literacy Project, we trained a further 242 individuals this year taking the total of carbon literate citizens that we have trained to 827. Training clients represented organisations from across industry sectors including manufacturing, the creative sector, education and hospitality, highlighting the breadth of its appeal. There was also increased interest from the public sector enabling the delivery of bespoke courses across town and community councils, local authorities and health bodies. We were particularly excited to work with Manchester Metropolitan University on designing and delivering tailored training to staff at Natural Resources Wales as part of a trial towards potential organisation-wide roll-out.

(ii) Fair and Just Society

It has been another positive year for the Living Wage movement and our impact on helping raise the living standards of the lowest paid people in Wales has increased significantly.

We accredited 123 new organisations during 2022-23, taking the total number of accredited Living Wage employers across Wales to over 500 for the first time. These new employers covered 27,344 employees, with the number being 'uplifted' – or given a pay rise - to the Real Living Wage increasing by 60% from the previous financial year.

Living Wage Wales has increased its digital presence, and now has both an Instagram and a LinkedIn page which have already resulted in new audiences and business leads for accreditations.

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Whilst there have been no new local authority accreditations this year, a significant amount of 'pipeline' work has been undertaken, with the Living Wage Programme Officer providing direct support to key stakeholders within local authorities. This has led to commitments from Carmarthenshire and Powys to become Living Wage Employers, allowing Mid and West Wales to be officially recognised as a Living Wage Region. Rhondda Cynon Taf and Swansea are also on the road towards accreditation. We have recently begun work with the Cardiff Capital Region to help them target the ten local authorities in the region to become accredited.

We have also accredited our first two 'Living Hours' employers in Wales, and we are increasing our capacity to work directly on outreach to businesses for this initiative, and others, that will help guarantee workers a fairer deal.

We were delighted to receive confirmation from the Welsh Government of expanded funding for 2023-24 that will allow recruitment of a further team member and ambitious targets to help Wales continue on its Fair Work journey.

As part of our work towards a fair and just society, we again contributed to national discussions around the Just Transition to Net Zero this year drawing on learning from previous participation in an Evidence Panel to the Welsh Government and from our coordination of a Roundtable on Net Zero Skills on behalf of the Open University

(iii) Natural Environment

Through our eco-literacy course Nabod Natur - Nature Wise we have continued to work towards supporting a thriving natural environment.

During 2022-23, a further 178 people were trained who collectively pledged almost 400 nature-recovery actions. This included 52 civil servants as well as staff and volunteers from other organisations across the public, private and third sectors.

We were delighted that our efforts to help make Wales an eco-literate nation were supported by two funders this year. Grant funding of £9,500 secured through the GWR Community Fund allowed us to develop and deliver an urban-focused course to community groups and volunteers in the South Wales catchment area, engaging more than 100 people and allowing an online bilingual calendar of seasonal actions to be developed. £12,000 was also received from the Moondance Foundation to develop a Welsh language version of the course to expand the audiences able to benefit from this training. This will be rolled out during 2023-24.

We have followed with interest the developments around a potential National Nature Service (NNS) for Wales. With a grant from WCVA we prepared a scoping report exploring how Nabod Natur - Nature Wise could act as a first rung of the ladder towards the skills, jobs and volunteering opportunities that a NNS could support. This has now been included within the business plan for an NNS demonstrator site that has been submitted to Welsh Government. We await what we hope will be a positive outcome.

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(iv) Integrated sustainability work

Although we are frequently approached by organisations with an interest in one particular aspect of sustainability, a fundamental pillar of our approach is to help relate this to the broader and inter-connected sustainability agenda.

Examples this year included advice to Motion Manor, Chepstow Town Council, Sinclair and Capital Coated Steel, amongst others, on integrated sustainability strategies and policies.

We also continued work for the Office of the Future Generations Commissioner to provide a resource that will help more organisations in the private sector understand and relate to the inter-connected goals and ways of working of the Well-being of Future Generations (Wales) Act 2015.

We were delighted that our Welsh Government contract to facilitate a community of practice around the foundational economy continued throughout 2022-23 with regular meetings and events bringing together different stakeholders across foundational sectors of food, social care, housing and skills. We collaborated with Cardiff University to co-host 3 roundtables on the roll-out of universal free school meal provision for primary school children in Wales from September 2022, subsequently sharing key lessons through related events and a series of blogs. Our website was also developed to host a dedicated section on foundational economy resources where relevant policy, research, reports and case studies can be found and shared.

The organisation has grown again this year, with a team of 13 dedicated and committed staff. Investments have been made in training and a new CRM system and the organization has found a new home at Sbarc/Spark – the social science innovation centre of Cardiff University.

As we grew as an organization over this year we recognised the need to diversify our skills and experience and also to consolidate our recent growth through a considered review of our staff structures, policies and procedures.

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 regularly reviewed by The Board of Trustees to ensure they continue to meet the needs of the Charity and ensure its good governance.

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Financial review

Financially, 2022-23 saw the largest end of year surplus since becoming a self-funding charity. We have also been able to repay the fourth and final instalment of a £20,000 loan provided by WCVA.

The financial results of the year are included on pages 16 and 17.

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

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 three months of operating costs or approximately £140,000. This year that figure has been exceeded with free reserves of £165,639. In the light of this the Board will review this policy and ensure it is amended to reflect the larger organisation that Cynnal Cymru has become both financially and in terms of staff employed.

Going concern

After making appropriate enquiries and reviewing the financial accounts, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. 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 consolidate recent growth whilst maintaining the positive trajectories of demand for both our training and consultancy offers. Two new posts focused on communications and business development and on engagement and facilitation will support existing projects and identify new collaborations.

We will take advantage of emerging technologies through investing in specialised carbon foot printing software to support organisations ready to develop data-based decarbonisation targets whilst continuing to offer tailored accessible support to all those wanting to start or develop their sustainability journey. We have welcomed the return to face to face teaching but will continue to develop our online and remote training offers also. Finally, with the opportunities now available at our new home in Sbarc-Spark, we look forward to returning to a full programme of networking events in the coming year and to increasing our membership base.

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

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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.

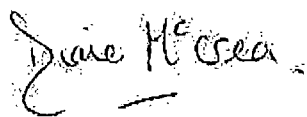
Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply 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 26 July 2023 and signed on their behalf by:



Signed on behalf of the board of trustees
Chair of Trustee Board, Diane McCrea MBE

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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 2023 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 2023 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.

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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) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.

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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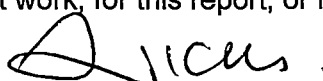
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Independent auditor's report

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]. 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: 26/7/2023

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Statement of financial activities for the year ended 31 March 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations & Legacies	3	3,500	-	3,500	3,500
Other Income	4	-	-	-	1,668
Charitable activities	5	378,781	85,513	464,294	316,872
Total income		382,281	85,513	467,794	322,040
Expenditure on:					
Charitable activities	6	30,602	-	30,602	20,308
Other expenditure		279,418	73,868	353,286	266,584
Total expenditure	7	310,020	73,868	383,888	286,892
Net income/(expenditure) before recognised gains and losses		72,261	11,645	83,906	35,148
Net movement in funds		72,261	11,645	83,906	35,148
Reconciliation of funds:					
Total funds brought forward		81,378	-	81,378	46,230
Total funds carried forward		153,639	11,645	165,284	81,378

The notes on pages 18 to 27 form part of these financial statements.

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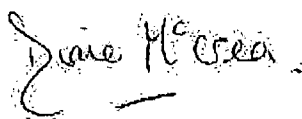
Balance sheet as at 31 March 2023

	Note	2023 £	2022 £
Current assets:			
Debtors	12	83,377	57,959
Cash at bank and in hand		187,764	130,709
Total current assets		271,141	188,668
Liabilities:			
Creditors: amounts falling due within one year	13	(105,857)	(102,290)
Net current assets or liabilities		165,284	86,378
 Total assets less current liabilities		 165,284	 86,378
 Creditors: Amounts falling due after more than one year	14	 -	 (5,000)
Net assets or liabilities		165,284	81,378
The funds of the charity			
Unrestricted funds	15	153,639	81,378
Restricted funds	15	11,645	-
Total funds		165,284	81,378

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 26 July 2023 and signed on its behalf by:



Signed on behalf of the board of trustees
Chair of Trustee Board, Diane McCrea MBE

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The notes on page 18 to 27 form part of these financial statements.

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Notes to the financial statements for the year ended 31 March 2023

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 Sbarc/Spark, Maindy Road, Cardiff, CF24 4HQ.

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

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2.4 Income cont.

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.

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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.

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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.

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 2023 £	31 March 2022 £
Donations	3,500	-	3,500	3,500

4 Other Income

	Unrestricted funds £	Restricted funds £	31 March 2023 £	31 March 2022 £
Job Retention Scheme	-	-	-	1,668

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

5 Income from charitable activities

	Unrestricted funds £	Restricted funds £	31 March 2023 Total £	31 March 2022 Total £
Training and consultancy	226,647	30,801	257,448	138,458
Partnership projects	121,885	4,142	126,027	157,037
Membership	17,957	-	17,957	11,088
Living Wage project	10,000	50,570	60,570	10,289
Other operating income	2,292	-	2,292	-
	378,781	85,513	464,294	316,872

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5 Income from charitable activities cont.

Work has been provided to the parent company, Wales Council for Voluntary Action, for £7,983 (2022 £14,649).

6 Support costs

	Training and consultancy	31 March 2023	31 March 2022
	£	Total £	Total £
Premises	6,953	6,953	5,515
General office	11,177	11,177	7,672
Bank charges	168	168	86
Governance costs	6,000	6,000	6,000
	24,298	24,298	19,273
Other support costs	6,304	6,304	1,035
	30,602	30,602	20,308

Support services have been provided by the parent company, Wales Council for Voluntary Action, for £6,180 (2022 £8,000).

7 Analysis of expenditure by expenditure type

	Unrestricted funds	Restricted funds	31 March 2023	31 March 2022
	£	£	£	£
Training and consultancy	30,602	-	30,602	20,308
Other expenditure	279,418	73,868	353,286	266,584
	310,020	73,868	383,888	286,892

8 Net income/(expenditure)

During the year, no Trustees received any remuneration (2022 - £Nil).

During the year, no Trustees received any benefits in kind (2022 - £Nil).

During the year, no Trustees received any reimbursement of expenses (2022 - £Nil)

9 Auditor's remuneration

The Auditor's remuneration, paid by the Parent Company, amounts to an audit fee of £3,500 (2022 - £3,500).

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10 Staff costs

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

31 March 2023	31 March 2022
No.	No.
12	7

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 £54,613 (2022: £40,301).

11 Comparatives for the Statement of Financial Activities

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:				
Donations & Legacies	3	3,500	-	3,500
Other Income	4	1,668	-	1,668
Charitable activities	5	248,468	68,404	316,872
Total income		253,636	68,404	322,040
Expenditure on:				
Charitable activities	6	20,308	-	20,308
Other expenditure		198,180	68,404	266,584
Total expenditure	7	218,488	68,404	286,892
Net income/(expenditure) before recognised gains and losses		35,148	-	35,148
Net movement in funds		35,148	-	35,148
Reconciliation of funds:				
Total funds brought forward		46,230	-	46,230
Total funds carried forward		81,378	-	81,378

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12 Debtors

	Unrestricted funds	Restricted funds	31 March 2023	31 March 2022
	£	£	£	£
Trade debtors	56,467	-	56,467	40,151
Prepayments and accrued income	26,910	-	26,910	17,808
	83,377	-	83,377	57,959

13 Creditors: Amounts falling due within one year

	Unrestricted funds	Restricted funds	31 March 2023	31 March 2022
	£	£	£	£
Trade creditors	9,672	-	9,672	6,314
Other taxation and social security	32,476	-	32,476	28,052
Other creditors	-	23,059	23,059	17,907
Accruals and deferred income	17,695	22,955	40,650	50,017
	59,843	46,014	105,857	102,290

14 Creditors: Amounts falling due after more than one year

	31 March 2023	31 March 2022
	£	£
Amount owed to related parties	-	5,000

15 Statement of funds

Summary of funds - current year

	Balance at 31 March 2022	Net movement in funds	Transfers between funds	Balance at 31 March 2023
	£	£	£	£
General funds	81,378	72,261	-	153,639
Restricted funds	-	11,645	-	11,645
TOTAL FUNDS	81,378	83,906	-	165,284

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15 Statement of funds cont.

Summary of funds – prior year

	Balance at 31 March 2021 £	Net movement in funds £	Transfers between funds £	Balance at 31 March 2022 £
General funds	46,230	35,148	-	81,378

Restricted funds	31 March 2022 £	Income £	Expenditure £	31 March 2023 £
Great Western Railway	-	9,438	9,438	-
Welsh Government Living Wage	-	26,570	26,570	-
Moondance Foundation – Living Wage	-	12,000	7,431	4,569
Moondance Foundation – ECO Training	-	12,000	4,924	7,076
Co-op Foundation Naturewise	-	21,363	21,363	-
WCVA – National Nature Service	-	4,142	4,142	-
	-	85,513	73,868	11,645

Moondance Foundation – This relates to a £24,000 donation which was received from Moondance Foundation in response to a request to support 2 workstreams around the Living Wage and our Nature Wise eco-literacy training. A programme of activities was agreed up to 20 September 2023.

16 Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Current assets	213,482	57,659	271,141
Creditors due within one year	(59,843)	(57,659)	(117,502)
	153,639	-	153,639

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16 Analysis of net assets between funds cont.

Analysis of net assets between funds – prior 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)
	<u>81,378</u>	<u>-</u>	<u>81,378</u>

17 Related party transactions

Cynnal Cymru-Sustain Wales had settled the remaining loan with its parent company, Wales Council for Voluntary Action, at 31 March 2023 (2022: £5,000). This was an interest-free loan and was shown within long-term liabilities. The Wales Council for Voluntary Action provided benefits in kind to Cynnal Cymru-Sustain Wales for the external audit of £3,500 (2022: £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.

19 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following annual payments in respect of land and buildings:

	Land & Buildings	
	31 March 2023	31 March 2022
	£	£
Expiring within 1 year	5,211	-
Expiring within 2-5 years	-	-
Expiring after 5 years	-	-