

Cynnal Cymru – Sustain Wales Company limited by guarantee

**Trustees' Report and Financial Statements for the year ended
31 March 2024**

**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 (resigned 16 October 2023)
R S Marks (resigned 30 April 2024)
R Billingham
K E Evans
N E Lloyd
E Morgan
H R Westhead
C P Moreton
N Sudarsan (appointed 24 July 2023)
Samuel Stensland (appointed 24 July 2023)
Daniel Tram (appointed 24 July 2023)
N Hagendyk (appointed 22 April 2024)
L Cordery-Bruce (appointed 1 May 2024)

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

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Trustees' Report (incorporating the Directors' Report) for the year ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2023 to 31 March 2024. 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 2023-24 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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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.

One trustee resigned in this period. Our vice-Chair Robert Firth resigned in October 2023 after completing a second term. Robert was integral to shaping the charity, leading strategy sessions for both Board and staff as well as providing mentoring support.

As part of our commitment to Equality, Diversity and Inclusion, and to help maximise the breadth of skills and experience of our Board we undertook a targeted recruitment round early on in 2023. We engaged Millrace Marketing to help with sharing our recruitment advert widely on social media. This was successful and we appointed 3 new trustees from an exceptionally strong and diverse field. We were delighted to appoint Daniel Tram, Samuel Stensland and Nirushan Sudarsan in July 2023 to bring new perspectives and experiences to our governance.

The Board also oversaw a review of our terms and conditions during this period leading to a strengthened sick pay policy and consolidation of some other procedures.

Achievements and performance

With the consequences of *unsustainable* development becoming increasingly apparent over the past year, from the hottest global temperatures on record to the economic and human costs of land and water degradation, Cynnal Cymru's mission to accelerate progress to sustainability remains vital. To respond effectively, and in ways that engender hope, resilience and practical action, we have expanded our team and our range of services.

Our purpose remains to provide '*advice, training and connections*' around our 3 interlocking work areas of (i) a low carbon economy, (ii) a thriving natural environment and (iii) a fair and just society.

During the year, we said goodbye to Bethan Harvey and Jason Shilcock from the training team, who both made outstanding contributions to developing our training offer, and welcomed Louise Cartwright as Training Manager and Chris Woodfield as Sustainability Trainer respectively. We were also welcomed Beli Evans as Communications and Marketing Officer, Karen Misbah as Living Wage Projects Coordinator, Phoebe Nicklin as Policy and Engagement Officer to support our work around the foundational economy and Camille Lovgreen as Sustainability Advisor.

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(i) Low Carbon Economy

We continued to support social enterprises to develop environment and carbon action plans during 2023-24 through the innovative Community Asset Loan Fund managed by Social Investment Cymru. Four CALF beneficiaries that worked with us received a percentage reduction on their loan repayment as a result of completing these plans.

Other collaborations to support business decarbonisation included participation on NatWest's SME Net Zero task force with the FSB, BiTC, the British Business Bank and ACCA; and a place on the Steering Group for the IEMA Green Career's Hub.

We continued our role as the official partner in Wales of the Carbon Literacy Project - a project aiming to give every citizen a day's worth of learning around the causes and consequences of climate change and the actions they can take to tackle it. As well as our popular 'open' course, we designed bespoke courses for organisations from all sectors, including businesses, universities, colleges and public bodies, as well as a customised e-learn for 4 local authorities.

To date we have trained more than 1,300 individuals from almost 300 organisations. A highlight this year was leading an ambitious project in partnership with Manchester Metropolitan University to roll out Carbon Literacy training to the staff of Wales's statutory environmental body, Natural Resources Wales after a successful pilot in 2022-23. This resulted in almost 800 people being certified as Carbon Literate, including members of the organisation's leadership team.

Finally, we were delighted to pilot and launch our own carbon accountancy service.

(ii) Fair and Just Society

The cost-of-living crisis faced by so many families in Wales has underpinned our resolve to ensure that fair work is recognized as an integral pillar of sustainability. As the Living Wage accreditation partner for Wales, we help employers understand the business benefits and the moral imperative behind paying staff the real Living Wage whilst providing practical, handholding support throughout the accreditation process.

In 2023-24 our work was supported by Welsh Government funding that allowed us to welcome a Living Wage Projects Coordinator to the team to work on complementary initiatives such as Living Wages Places, Hours and Pensions.

The additional capacity helped us achieve our most successful year yet in terms of accreditations. More than 100 organisations were accredited including major employers such as Admiral, Urdd Gobaith Cymru and Cwm Taf Local Authority. This resulted in almost 4,850 pay rises for the lowest-paid workers in Wales to a rate independently calculated by the Resolution Foundation as adequate to meet the cost of living. 7 organisations, including Cynnal Cymru, also became Living Hours employers.

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The additional capacity made possible by an additional team member also created space for us to expand the reach and profile of the Living Wage Wales website and to launch a publicly-accessible dashboard showing monthly progress. We were able to collaborate more deeply with Welsh Government, our partners at UK level, the Living Wage Foundation and other stakeholders around the broader Fair Work agenda, including undertaking significant research around low pay in the retail sector.

(iii) Thriving Natural Environment

In terms of building confidence and agency to act on nature recovery, our Nabod Natur-Nature Wise eco-literacy course continued to build momentum. We are delighted that the course has now been adopted by Welsh Government as part of its internal training offer with more than 100 officials receiving training to date. More than 500 people were trained during the year from 207 organisations with almost 2,000 actions being pledged. These focused not only on practical conservation action but behaviours such as travel, consumption, purchasing patterns and advocacy, confirming the efficacy of the course's approach.

Funding from Moondance Foundation and GWR Community Fund allowed us to develop a Welsh language version of the course and to offer free training places to 115 community members as well as developing bilingual resources. We were also delighted to trial a Nature Wise Essentials workshops at the National Eisteddfod.

To increase reach and support others to cascade foundational ecosystem knowledge, we worked with One Voice Wales on a Biodiversity Basics course for community and town councillors and with WCVA and the network of Welsh Local Nature Partnerships to develop an eco-literacy e-learn for local authority staff. We are confident that these are essential contributions to helping Wales become a more eco-literate nation and contribute its part towards the global 30 x 30 nature recovery target. Continuing our work with Public Health Wales, the team also delivered a series of Healthy Environment Workshops to teams across the organisation to create action plans to address climate, waste and pollution.

(iv) Integrated sustainability and organisational development

In 2023-24 we undertook several large projects focused on broadening understanding and engagement with sustainability.

We undertook a research project on behalf of the National Infrastructure Commission for Wales to understand how best to engage communities around climate threats and integrate the rich insights that this can generate into decision-making.

We continued our work to support Welsh Government's work programme on the foundational economy, including delivering of a community of practice to projects working to develop a more sustainable food system. Learning was shared through a series of well-attended network meetings, site visits and development of a more policy-focused section of our website to demystify the concept of the foundational economy through learning

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resources and case studies. This included an online learning module around community wealth-building that we contributed to in this period.

A further project was to develop a toolkit in partnership with the Office of the Future Generations Commissioner and Business Wales to support the private sector to engage with the inter-connecting goals and ways of working of the Well-being of Future Generations (Wales) Act 2015. Drawing on experience of supporting organisations to embed sustainability across the supply chain, this focuses on enabling pragmatic, meaningful action in both strategic and operational spheres.

Our training offer in this area continued with delivery of a integrated sustainability training course to Food and Drink Manufacturers in Wales, in partnership with EcoStudio. as part of Welsh Government's Food Skills Cymru programme.

Most importantly we began development of our own integrated sustainability advice service, specifically focused on Welsh SMEs, to meet the demand for an affordable, accessible, tailored service. This was launched this year with a year-long project to design and implement a transformative sustainability strategy with the national park resort Bluestone Wales.

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

The charity returned a deficit in 2023-24 of £17,745.

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 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 4 months of projected operating costs of c £200,000. The deficit in 2023-24 and an expanded staff team makes this a challenging target, made more so by the current economic climate.

The charity starts the year with free reserves of £147,539.

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Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable 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

We look forward to continuing to champion efforts to accelerate progress towards sustainability in Wales in the year ahead through advice, training and providing connections. With more organisations embarking on rolling out essential climate- and eco-literacy training; the continuation of our work with Welsh Government on foundational economy and fair work, tailored advice services developed specifically for Welsh SMEs and a stronger membership offer, we remain focused on our mission and to making action on sustainability relevant, relatable and accessible to all.

Acknowledgements

The Trustees thank the staff team for their continued enthusiasm and dedication. Their efforts mean that our activities have extended further and made a real difference to our members and clients this past year.

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.

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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 22 July 2024 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 2024 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 2024 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.

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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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: 22 July 2024

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Statement of financial activities for the year ended 31 March 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations	3	5,516	-	5,516	3,500
Charitable activities	4	408,887	157,693	566,580	464,294
Total income		414,403	157,693	572,096	467,794
Expenditure on:					
Support Costs	5	47,274	-	47,274	30,602
Charitable activities		373,229	169,338	542,567	353,286
Total expenditure	6	420,503	169,338	589,841	383,888
Net (expenditure)/income before recognised gains and losses		(6,100)	(11,645)	(17,745)	83,906
Net movement in funds		(6,100)	(11,645)	(17,745)	83,906
Reconciliation of funds:					
Total funds brought forward		153,639	11,645	165,284	81,378
Total funds carried forward		147,539	-	147,539	165,284

The notes on pages 19 to 28 form part of these financial statements.

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Balance sheet as at 31 March 2024

	Note	2024 £	2023 £
Current assets:			
Debtors	11	180,515	83,377
Cash at bank and in hand		133,130	187,764
Total current assets		313,645	271,141
Liabilities:			
Creditors: amounts falling due within one year	12	(166,106)	(105,857)
Net current assets		147,539	165,284
Total assets less current liabilities		147,539	165,284
Net assets		147,539	165,284
The funds of the charity			
Unrestricted funds	14	147,539	153,639
Restricted funds	14	-	11,645
Total funds		147,539	165,284

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 22nd July 2024 and signed on its behalf by:



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

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

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Statement of Cash Flows for the ended 31 March 2024

	Notes	2024	2023
Cash flows from operating activities		£	£
Cash generated from operations	1	(54,634)	57,056
Net cash used in operating activities		(54,634)	57,056
Change in cash and cash equivalents in the reporting period		(54,634)	57,056
Cash and cash equivalents at the beginning of the reporting period		187,764	130,709
Cash and cash equivalents at the end of the reporting period		133,130	187,764
1 Cash generated from operations		£	£
(Deficit)/Surplus for the year		(17,745)	83,906
Adjustments for:		(97,138)	(25,418)
(Increase) in debtor			
Increase/(decrease) in creditors		60,249	(1,432)
Cash generated from operations		(54,634)	57,056

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Notes to the financial statements for the year ended 31 March 2024

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)), with the exception of Charity SORP 19.7, where the charity is acting as an agent and hold the bank account and corresponding liability in its financial statements, and 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.

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2.4 Income cont.

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.

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

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.

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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 2024	31 March 2023
	£	£	£	£
Donations	5,516	-	5,516	3,500

4 Income from charitable activities

	Unrestricted funds	Restricted funds	31 March 2024 Total	31 March 2023 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

Work has been provided to the parent company, Wales Council for Voluntary Action, for £18,300 (2023 £7,983).

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

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5 Support costs

	Training and consultancy	31 March 2024	31 March 2023
	£	Total £	Total £
Premises	6,790	6,790	6,953
General office	29,260	29,260	11,177
Bank charges	429	429	168
Governance costs	6,030	6,030	6,000
Miscellaneous	2,115	2,115	-
	44,624	44,624	24,298
Other support costs	2,650	2,650	6,304
	47,274	47,274	30,602

Support services have been provided by the parent company, Wales Council for Voluntary Action, for £6,120 (2023 £6,180).

6 Analysis of expenditure by expenditure type

	Unrestricted funds	Restricted funds	31 March 2024	31 March 2023
	£	£	£	£
Training and consultancy	47,274	-	47,274	30,602
Other charitable expenditure	373,229	169,338	542,567	353,286
	420,503	169,338	589,841	383,888

7 Net income/(expenditure)

During the year, no Trustees received any remuneration (2023 - £Nil).

During the year, no Trustees received any benefits in kind (2023 - £Nil).

During the year, no Trustees received any reimbursement of expenses (2023 - £Nil)

8 Auditor's remuneration

The Auditor's remuneration, paid by the Parent Company, amounts to an audit fee of £4,500 (2023 - £3,500).

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9 Staff costs

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

	31 March 2024	31 March 2023
	No.	No.
	16	12
Employment costs	31 March 2024	31 March 2023
	£	£
Wages and salaries	382,770	255,076
Social security costs	24,866	18,216
Other pension costs	18,438	13,359
	426,074	286,651

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 £56,280 (2023: £54,613).

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10 Comparatives for the Statement of Financial Activities

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income from:				
Donations & Legacies	3	3,500	-	3,500
Charitable activities	5	378,781	85,514	464,295
Total income		382,281	85,514	467,795
Expenditure on:				
Charitable activities	6	30,602	-	30,602
Other expenditure		279,418	73,868	353,287
Total expenditure	7	310,020	73,868	383,889
Net income/(expenditure) before recognised gains and losses		72,261	11,645	83,906
Net movement in funds		72,261	11,645	83,906
Reconciliation of funds:				
Total funds brought forward		81,378	-	81,378
Total funds carried forward		153,639	11,645	165,284

11 Debtors

	Unrestricted funds £	Restricted funds £	31 March 2024 £	31 March 2023 £
Trade debtors	134,534	-	134,534	56,467
Prepayments and accrued income	45,981	-	45,981	26,910
	180,515	-	180,515	83,377

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12 Creditors: Amounts falling due within one year

	Unrestricted funds	Restricted funds	31 March 2024	31 March 2023
	£	£	£	£
Trade creditors	43,852	-	43,852	9,672
Other taxation and social security	30,736	-	30,736	32,476
Other creditors	2,667	22,724	25,391	23,059
Accruals and deferred income	51,960	14,167	66,127	40,650
	129,215	36,891	166,106	102,290

Included within the bank balance is a fund balance relating to Carbon Literacy Cartrefi Cymru (CLCC) of £22,724 (2023 £23,059) with a corresponding entry included in deferred income, this balance relates to a fund that Cynnal Cymru hold whilst being part of a consortium.

13 Statement of funds

Summary of funds - current year

	Balance at 31 March 2023	Net movement in funds	Transfers between funds	Balance at 31 March 2024
	£	£	£	£
General funds	153,639	(6,100)	-	147,539
Restricted funds	11,645	(11,645)	-	-
TOTAL FUNDS	165,284	(17,745)	-	147,539

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14 Statement of funds cont.

Summary of funds – prior 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

Restricted funds	31 March 2023 £	Income £	Expenditure £	31 March 2024 £
Welsh Government Living Wage	-	77,141	77,141	-
Moondance Foundation – Living Wage	4,569	-	4,569	-
Moondance Foundation – ECO Training	7,076	-	7,076	-
WCVA – National Nature Service	-	-	-	-
Welsh Government – FE Capability Networks	-	80,552	80,552	-
	11,645	157,693	169,338	-

Welsh Government Living Wage - This was a Welsh Government grant for 2023-24 for £76,000. Rather than issue a new grant offer Welsh Government instead merged it with our previous grant from 2022-23. This grant was to cover continued employment of our Living Wage Programme Officer, a contribution towards communications and policy work and a new 0.8 FTE Living Wage Champions Officer to focus on related initiatives such as Living Wage Pensions and Living Wage Places.

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Moondance Foundation – This relates to a £24,000 donation which was received from Moondance Foundation in 2022/23 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 2024. This donation focused on strengthening our work in the mid and west Wales area. For Living Wage, this focused on key events to coordinate a Living Wage Place in mid and West Wales. For eco-literacy the donation supported creation of a Welsh language version of the Nature Wise course, running Nature Wise training sessions including one at the National Eisteddfod and creating resources.

Welsh Government FE Capability Networks - This was a Welsh Government grant for 2023-24 to continue our work around the foundational economy. The grant was to cover a new full-time Policy & Engagement Officer, time of other existing staff plus project costs relating to running a community of practice and other policy work around the foundational economy.

15 Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Current assets	276,754	36,891	313,645
Creditors due within one year	(129,215)	(36,891)	(166,106)
	147,539	-	147,539

16 Analysis of net assets between funds cont.

Analysis of net assets between funds – prior year

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Current assets	213,482	57,659	271,141
Creditors due within one year	(59,843)	(46,014)	(105,857)
	153,639	11,645	165,284

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17 Related party transactions

The Wales Council for Voluntary Action provided benefits in kind to Cynnal Cymru-Sustain Wales for the external audit of £4,500 (2023: £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 2024	31 March 2023
	£	£
Expiring within 1 year	4,416	5,211
Expiring within 2-5 years	-	-
Expiring after 5 years	-	-