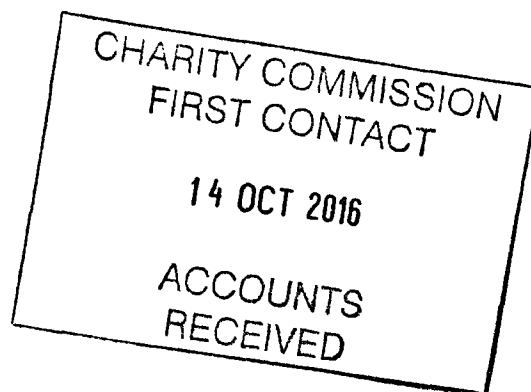


Company registration number: 02546880

Charity registration number: 1000889

**GOFAL CYMRU T/A GOFAL**  
(A company limited by guarantee  
and not having a share capital)

**REPORT OF THE TRUSTEES, STRATEGIC REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**



**Broomfield & Alexander Limited**  
Chartered Accountants & Statutory Auditors  
Waters Lane Chambers  
1-3 Waters Lane  
Newport  
NP20 1LA

# **GOFAL CYMRU T/A GOFAL**

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**GOFAL CYMRU T/A GOFAL  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

**REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

The trustees are pleased to present their annual directors' report together with the strategic report and consolidated financial statements of the group for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Our vision**

*Good mental health and wellbeing for all.*

**Our mission**

*To have a positive and lasting impact in all that we do by:*

- Working together to provide services that we can be proud of
- Ensuring that the voice of people using our services has a real and meaningful influence on our work
- Demonstrating outstanding practice in relation to staff mental health and wellbeing, learning and development
- Challenging the way we all think about, talk about and respond to mental health and wellbeing in all areas of our lives
- Using our profile, influence and voice to improve legislation, policy and practice
- Increasing the range and reach of our services through collaboration and targeted and sustainable business growth
- Spending our money where it will have the maximum impact

**Our aspirations**

We aspire to:

- Work with integrity and dignity
- Inspire and support people to exceed their expectations
- Develop a culture that is embracing and respectful of difference
- Communicate honestly and openly
- Be an organisation that is ambitious, creative and determined
- Create environments that are collaborative, supportive and empowering
- Be respected for our knowledge and expertise

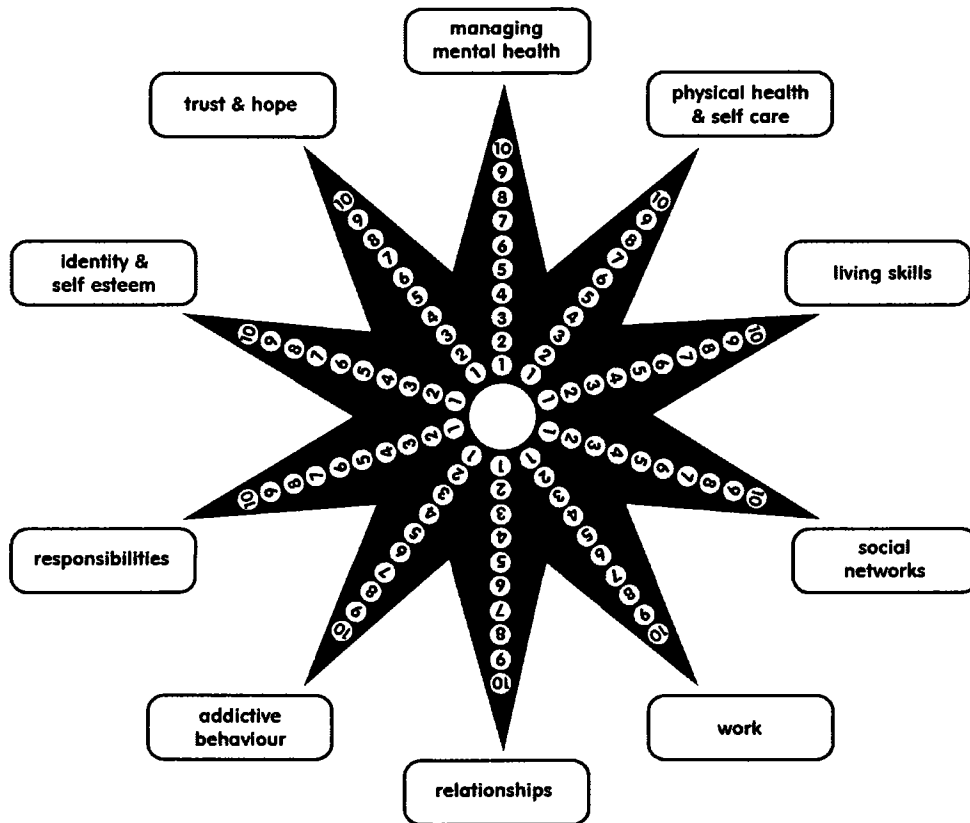
**What we do**

- We provide a range of services that support independence, health and wellbeing and promote recovery
- We lobby to improve mental health policy, practice and legislation
- We campaign to increase public understanding and awareness of mental health and wellbeing
- We continually evaluate and innovate in support of continued growth and development

**GOFAL CYMRU T/A GOFAL  
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**Wellbeing and recovery**

We believe that supporting personal recovery involves moving away from a focus on treating illness and towards promoting wellbeing. Through the delivery of support we will seek to give individuals:



- **Hope** – for the future and a meaningful life, based on the belief that people can get better, have periods of stability and comparative wellbeing;
- **Self identity** – developing a positive identity outside of being someone with a mental illness and promoting each person having a valued social role;
- **Meaning** – making sense of the individual experience of having a mental illness so that it can be part of, but not the whole person and understanding through education, about the causes of mental illness; and
- **Personal responsibility** – ensuring each person is responsible for their own well being, which includes seeking help and support from others, doing things that help to keep a person well, recognising when things are going wrong and managing this.

**Significant Activities**

**Our Objects**

The Charity was established to relieve the needs of people with mental health problems and other vulnerable or disadvantaged persons by:

- a) the provision of housing and other associated amenities designed or adapted to meet the disabilities and requirements of such persons;
- b) the provision of services which support the mental wellbeing of people experiencing, or at risk of experiencing mental ill-health; and

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REPORT OF THE TRUSTEES  
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- c) the provision of services which support the wellbeing of other vulnerable or disadvantaged persons.

**Our Aims**

Gofal exists to ensure that good mental health and wellbeing is experienced for all. We provide a range of services that support independence, health and wellbeing and promote recovery. We lobby to improve mental health policy, practice and legislation. We campaign to increase public understanding and awareness of mental health and wellbeing and we continually evaluate and innovate in support of continued growth and development.

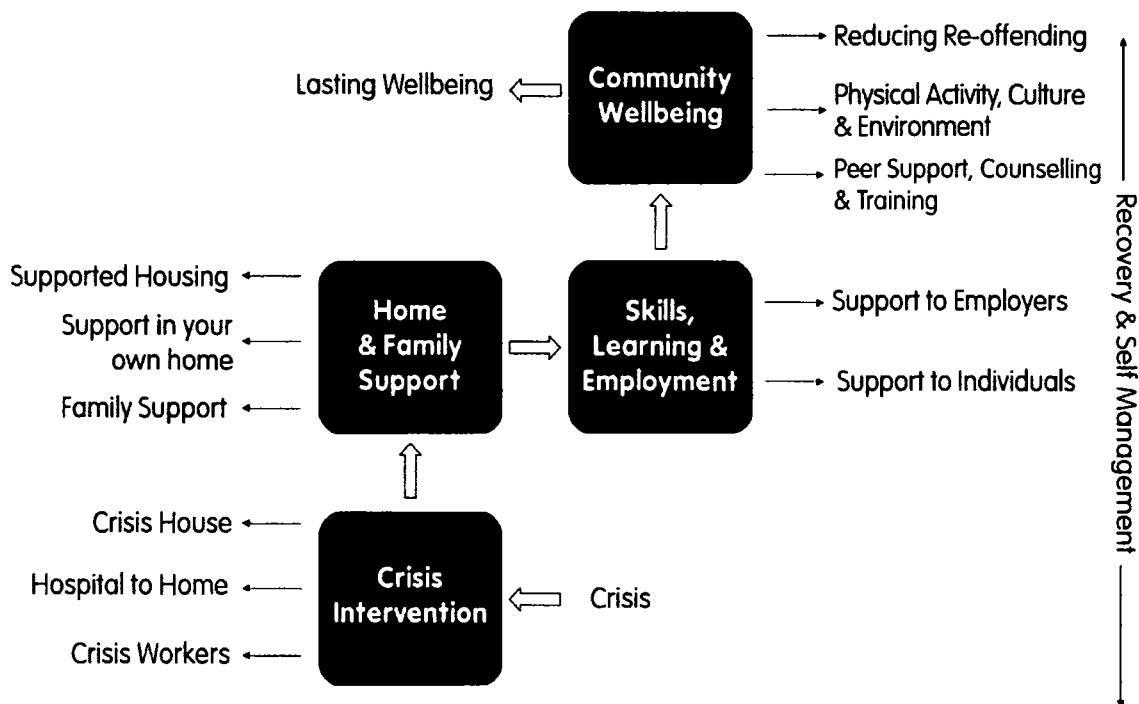
**Public benefit - Ensuring our work delivers our objectives**

We review our objectives and activities each year. This review looks at what we achieved and the outcome of our work in the previous 12 months. The review also helps us to ensure that we remain focused on our vision and mission and remain true to our aspirations. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

**Our services and pathway model**

Gofal now operates across 13 South and South West Wales local authorities and five local health board areas working with 2,666 people during 2015/16.

The pathway model (below) describes the core service areas provided by Gofal that support people's mental health and wellbeing and which are intrinsically linked to our legal purpose and aims.



**Crisis Intervention**

Our work is both preventative and responsive to potential and actual periods of personal crisis. We provide a range of services working closely with partners, providing a less stigmatising alternative for people who would otherwise be admitted to hospital. We also work to prevent repeat housing and homelessness crisis occurrences through our work on hospital wards and in homelessness departments.

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**Home and Family Support**

We shape our services to be flexible and responsive to an individual's or family need in order for them to live independently. We deliver support in a variety of accommodation types, from twenty-four hour staffed housing projects to supporting people in their own homes. We believe that having a safe, secure place to live is fundamental in supporting good mental health and wellbeing. Our home and family support services focus on helping to people to manage their own accommodation and to live fulfilled lives in communities of their own choice. We are also able to offer domiciliary and personal care services when required.

**Skills, Learning and Employment**

Meaningful occupation is a key component in regaining and maintaining positive mental wellbeing. Gofal supports individuals to build confidence and self-esteem and develop new and existing skills. Gofal assists people to secure suitable supportive volunteering, vocational, educational and training and employment opportunities.

In addition, we strive to reduce discrimination in the work place relating to mental health and wellbeing. We provide bespoke training to employers, enhancing standards of employment practice for all.

**Community Wellbeing**

Gofal works to develop emotionally resilient and supportive communities in which individuals can express themselves. Our efforts are creative and responsive to need, supporting recovery through engagement in physical activity, the natural environment and the arts. We also work towards creating safer communities, which are open to rehabilitation and passionate about engagement. We are increasing access to talking therapies, peer support groups and specialist training services across Wales to help build stronger and more resilient communities.

The four strategic areas of the pathway model are underpinned by Gofal's approach to service delivery and the use of the Recovery STAR. The Recovery STAR facilitates an individual to plan for the future.

**Challenging Stigma and Discrimination**

In 2012, in collaboration with Mind Cymru and Hafal we launched Time to Change Wales, Wales' first high profile mental health anti stigma and discrimination campaign, we are now well into the second phase of the campaign albeit on a reduced funding programme backed by Welsh Government and the Big Lottery Fund. During 2015-16, Time to Change Wales, in partnership with the Football Association of Wales Trust, launched the 'We Wear the Same Shirt campaign', which is both a unique pilot football programme designed specifically for people with lived experience of mental health at four clubs across Wales, and a public campaign to combat the stigma that surrounds mental health. We also continued to develop the plans for the Children and Young Person campaign, the funding for which was approved in May 2016.



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We also provide training for employers including mental health first aid and other bespoke packages.

**Policy and Influence**

We lobby nationally and locally to improve mental health legislation, policy and practice.

**Relationship between the charity and other organisations**

Gofal has existing established contractual and partnership relationships with the following organisations:

- **Local Authorities**  
Rhondda Cynon Taff, Vale of Glamorgan, Torfaen, Blaenau Gwent, Caerphilly, Cardiff, Swansea, Merthyr Tydfil, Neath/Port Talbot, Bridgend, Newport, Pembrokeshire and Ceredigion
- **Housing Associations**  
United Welsh, Pontypridd & District, Newydd, Rhondda, Cynon Taff, Merthyr Tydfil, Linc, Coastal, Family, Taff, Cardiff Community, and Cadwyn
- **Health Boards**  
Abertawe Bro-Morgannwg UHB, Cwm Taff HB and Cardiff and Vale UHB
- **Welsh Government**  
Through the provision of Section 180 and Section 64 grant funding
- **Trusts**  
The Big Lottery Fund and Lloyds Foundation for England and Wales; the Vicars Relief Fund, Henry Smith Foundation and Wales Council for Voluntary Action, People's Health Trust (Smile project)
- **Time to Change Wales**  
A partnership with Mind Cymru and Hafal delivering a national anti-stigma campaign
- **Swansea University**  
A research partner in eating disorder research project

Established relationships are also maintained with the following bodies:

- **Strategic Forums**  
Local Authority and Health Board Strategic Mental Health Joint Planning Forums, Supporting People and Homelessness Forums across our areas of operation (with representation at area and national levels) and Cardiff & Vale Mental Health Development Forum
- **Voluntary Sector Organisations**  
Cymorth Cymru, Shelter Cymru, TPAS Cymru; Bridgend Association of Voluntary Organisations, Interlink, Mental Health Action Cymru, Wales Alliance for Mental Health, West Wales Alliance for Mental Health, Torfaen Voluntary Alliance, GAVO, Voluntary Action Merthyr Tydfil, Neath Port Talbot CVS and Swansea CVS

**STRATEGIC REPORT**

During the last two financial years, we have undergone perhaps the most significant change in the history of Gofal when Esgyn, a South West Wales charity providing services similar to Gofal, along with a small amount of 'non-mental health' social care services, became a wholly owned subsidiary of Gofal on 12<sup>th</sup> September 2014 and formally merged with Gofal on 31<sup>st</sup> March 2016 (note 25 explains further). The merger has increased the size and reach of the group considerably and enabled us to enter the wider social care sector.

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**Achievements and Performance:**

2015/16 has been a year of consolidation, after the acquisition of Esgyn as a trading subsidiary and then formal merger into Gofal, planning for the future and managing change. The current strategic plan for 2011/14 was extended to cover the financial year 2015/16 while a full governance review was undertaken to ensure that our governance structures were fit for purpose for the size and complexity of the group. Progress made against the agreed extended objectives for this financial year was as follows:-

**Objective 1**

**To demonstrate the lasting positive difference that our services support people to make in their lives**

- The independent evaluation of services is not complete and is now timetabled for 2016/17.
- Following the merger, we have reviewed the requirements for the role of occupational therapy within the organisation, and will be making recommendations on how to take this forward during 2016/17.
- Had several successful external valuations of services from supporting people teams and ensured that any resulting action plans were fully implemented.
- Good practice in terms of service policy, procedure and practice within Gofal has been applied and rolled out across the Group.

**Objective 2**

**To demonstrate outstanding practice in relation to staff mental health and wellbeing, learning and development**

- We have begun implementation of the Thinking Environment – at Board and Senior Leadership level with plans to move towards whole organisation Thinking Environment in the next twelve months.
- Continued to grow our core training offer to the Group.
- Continued to offer internal development opportunities and implemented succession planning framework
- Achieved positive increases in our annual staff survey – 84% response rate with significant increases in scores on environment (+16%), mental health (+8%) and recognition (+7%) from previous years.

**Objective 3**

**To use our profile, influence and voice to improve the lives of people living with or at risk of experiencing mental health problems**

- Following the “what three things” exercise with service users which provided the framework for all policy and influence work in 2015/16 including a ‘key priorities’ document for the Cross Party Group on Eating Disorders, a national assembly elections manifesto of service user and carer’s key priorities; developed with the Mental Health Foundation; and the development of a performance measures model that include service user experiences, dignity and respect, service user outcomes, clinical and recovery outcomes, waiting times and practitioner skills that is currently being discussed with mental health strategy leads in the health service and Welsh Government.
- We also launched our fourth annual report about people’s experiences of primary mental health services in Wales and we will be continuing to influence how the findings and recommendations from the report can be used to improve services.

**Objective 4**

**To increase the range and reach of our services through targeted sustainable business growth**

- We have restructured our senior operational teams to accommodate growth and to ensure leadership to deliver high quality services both now and in future.



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- We appointed a new Director of Services.
- We have a new supported housing scheme opened in Gwent comprising high quality supported accommodation for eight people.
- We successfully tendered for mental health supported accommodation and floating support services in the Vale of Glamorgan with services commencing in April 2016.
- We successfully retendered and refocussed our Section 180 projects across South Wales ensuring they operated in line with Housing Act Wales and the early intervention and prevention agenda.

**Objective 5**

**To demonstrate that financial resources are targeted to where they will have the maximum impact**

- We developed an ambitious acquisition strategy for our trading subsidiary; Gofal Enterprises Limited.
- Managing the first consolidated budget for the group although separate management accounts had to be maintained during the financial year for the charity and the subsidiary company
- Implementation phase of merger of IT and telecom systems at the beginning of the year
- Continuing with value for money reviews of key suppliers across the Group

During 2015/16 we have undertaken a full governance review to ensure that our governance structures are fit for purpose for the size and complexity of the current group and into the future. This has resulted in the re-shaping of our governance structure and we have also appointed a new interim Chair.

**Plans for Future Periods**

In response to the challenges and opportunities that the external environment presents; what people using our services have told us is important to them; and in light of the increasing demand for specialist and whole population mental health services, treatment and support we have set the following seven over-arching corporate objectives for the next four years:

<b>Strategic Aim</b>	<b>Next Steps</b>
Demonstrating our impact and developing our practice	Continue to develop outcome measurements and seek to have our work externally evaluated Invest in the continual improvement of our practice developing a portfolio of evidence based services Improvements to service key performance indicators and operational reporting
Ensuring that people with direct experience of mental health problems have a voice and influence at every level of the organisation	Recruit people with direct and indirect experience of mental health problems at all levels within Gofal Encourage people who work with us to share their experiences in order to inform and improve how we work Treat people who use our services as experts in their own lives and work in partnership with them at all times Provide meaningful opportunities for people who use our services to influence and improve what we do
Ending stigma and discrimination	Continue involvement with the Time to Change Wales existing campaign and the Children and Young Person's campaign starting in September 2016 Continue developing further specialist training and consultancy services
Influencing legislation, policy and practice	Listen to the voices of the people who use our services and work hard across Ministerial portfolios to influence policy and practice for the better
Organisational growth	Continuing to grow our pathway of core services Seek to diversify income through other charitable and trading

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	activity and actively explore collaborations and partnerships.
Independence and financial strength	Generating significant independent income from our commercial trading subsidiary Launching targeted fundraising campaigns Improvements to financial key performance indicators Improvement to live access to financial data for budget holders
A workforce able to deliver	Active recruitment of people with direct personal experience of mental health problems Develop plans that support further flexibility of our workforce to ensure we meet the needs of both people using our services and commissioners Improvements to live access to HR data for managers Improvements to access and update relevant individual HR data

The new group strategic plan will be released in more detail during 2016-17 but detailed workplans are already in place from April 2016 to progress the workstreams sitting underneath each of these objectives. The Board will receive regular reports on the progress against quarterly milestones against the strategic plan which will be used to measure success and evaluate activity against the strategic aims.

#### **Financial Review**

The Consolidated Statement of Financial Activities (SOFA) set out on page 19, shows the financial results for Gofal and those of its trading subsidiaries; Gofal Enterprises Limited and Esgyn.

#### **Income**

Overall the group income has increased from £6.3m in 2014/15, to £6.7m in 2015/16, an increase of 6%. The main headlines for income include the following:

- Income from our trading subsidiary activity has significantly increased from £258k in 2015 to £567k in 2016;
- Income from charitable activities has increased by £447k or by 8% since last financial year;
- Income from rents has substantially increased this financial year due to the historic Esgyn portfolio of properties transferring across to Gofal;
- Big Lottery income and income from Welsh Government has reduced by £105k and £140k respectively, mainly due to the reduction in funding for phase 2 of the Time to Change Wales programme which will have a corresponding decrease in expenditure

Income from local authorities remains our greatest source of income across the group and includes income from Supporting People, social services contracts and housing advice services via contracts with local authorities. Income for these services is received directly from 11 out of the 13 local authority areas in which we currently operate.

Other principal sources of funding include £286k from Welsh Government including Section 180 funding, Section 64 funding re Journey's and Time to Change funding for phase 2, rental income (£1,351k) and local health boards (£471k). See note 2 for a further analysis of income. Although no one service commissioner has excessive influence, trustees are aware that we are heavily reliant on the funding from these sources and the need to diversify income has continued to be a key driver in determining business development activity and investments from reserves over the last few financial years.

#### **Expenditure**

Resources expended have increased from £6.1m in 2014/15 to £6.7m in 2015/16. Spending on direct charitable activities has increased by £416.8k and note 8 to the accounts illustrates a matrix of the main

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areas of expenditure for each of our service groups. Support costs account for 12% of total expenditure for the group but support costs in Esgyn included £38k of indirect recharges which would in future be re-classified to other cost headings. Support costs will also reduce in future as a result of the completion of the merger process.

Alongside this, we invested £46.5k from designated reserves in IT development, equipment and furniture and merger activities across the group.

**Net movement in funds**

The net movement in total funds has resulted in a consolidated group deficit of £55k for the year. The net movement in total funds for Gofal, the Charity, was a surplus of £162k, which was including the impact of the transfer of Esgyn's assets and liabilities of £121k on the consolidated income. The net movement in funds was also impacted by the net loss on investments of £5.7k.

The total funds balance as at the 31 March 2016 was £1.5m. There are no funds in deficit during or at the year end.

**Trading subsidiary**

Gofal has one wholly owned trading subsidiary, Gofal Enterprises Limited trading as PS Facilities Management which is a cleaning, grounds maintenance and estates management company working across the South Wales area. This was the fifth year of trading for the company and this year they made a profit of £21k. During the year, Gofal Enterprises Limited further developed its acquisition strategy and identified a number of compatible businesses to join the group in order to deliver on the group social business trading objectives.

**Reserves policy**

The trustees of Gofal recognise that the charity serves many beneficiaries with an ongoing need and as such the organisation's reserve policy has been set with the long term viability of the charity as a crucial factor and within the context of increasing political uncertainty and the short term nature of funding contracts.

With this in mind, the principles that the trustees have determined for holding reserves are:-

- to ensure that any immediate cash flow difficulties from a major funding source can be covered on a short term basis
- to ensure that operations can continue and the organisation can meet its contractual commitments despite the lack of security with funding sources
- to ensure that the organisation is making best use of available resources and remains flexible enough to take advantage of development opportunities
- to ensure that the organisation is able to seek new and independent sources of funding

**Total funds**

Trustees have determined that the total of fixed assets, designated reserves and general reserves should not fall below the total outstanding commitments of the organisation. The total commitments figure is reviewed on an annual basis as part of the reserve level review.

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**General funds**

Trustees have also stated that the level of free reserves is determined using three distinct tiers, each of equal importance, in recognition of the basic principles set above:

<b>Reserve principal</b>	<b>Level</b>	<b>Appropriate investment</b>	<b>Calculated by:</b>	<b>Determined level : £</b>
Cash flow difficulties	One	Cash / Liquid Assets	10-20% of largest single funding source	120,000
Funding uncertainties	Two	Medium to Long Term	Project specific costs factored individually with a security weighting and risk assessment re loss of business / replacement with new source of funding	370,858
Development opportunities	Three	Medium to Long Term	Reference to strategic plan	150,000
New funding sources	Three	Medium to Long Term	Reference to strategic plan	100,000
<b>Total</b>			<b>Current determined level</b>	<b>740,858</b>

Note 18 to the financial statements provides the details of reserves currently held by the charity:

**General funds**

The intention of the trustees is to maintain the level of general funds to a specific three tier calculation currently determined at £741k. Due to merger activity, the free reserves of £650k (including designated funds) is currently £91k behind determined levels. The three year financial strategy being developed alongside the new strategic plan will look to bring reserves into line within each of the companies in the group.

**Designated funds**

The movement on the designated funds during the year are shown in note 18 to the accounts, Analysis of Funds. Approximately £46.5k of non-capital expenditure has been expended from designated reserves during the year as follows:-

***Property and Capital Reserves***

£264k is held as a Gofal reserve relating to the purchase and development of office premises in Cardiff and £6k has been released to cover associated depreciation charges as per accounting policy during the year. £176k is held relating to Esgyn property in respect of Beaufort House.

***Furniture and Maintenance Fund***

£18k has been transferred to general funds to cover maintenance, redecoration and refurbishment of premises decreasing this reserve to £199k by the end of the financial year. Part of this reserve will be spent in 2016/17 and the remaining fund is a long term designation.

***IT Development Fund***

A £75k fund was created two years ago to support network infrastructure improvements to be phased across three financial years. £18k has been released in this financial year. The improvements will be applicable across the new group companies. £21k remains in this reserve to carry forward to next year.

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***Merger Reserve***

A £80k reserve was created in 2013/14 in both Gofal and Esgyn's accounts. During this financial year £3.5k was spent on merger related activities. £41k remains in the combined merger reserves to carry forward to support merger activities in 2016/17.

Other designated fund balances are held as follows:

***Research Impact Fund***

This fund of £30k is held for investment in research into the long term impact of our services. This has also been held in light of the merger and is to be re-evaluated as part of the new strategic plan. It is likely to be expended over the next two financial years.

***Social Enterprise and Independent Income Fund***

This fund of £74k has been held in light of the merger and is to be re-evaluated as part of the new strategic plan. This is also likely to be expended over the next two financial years.

***Restricted funds***

The movement on restricted funds during the year are shown in note 18 to the accounts, Analysis of Funds. Approximately £80k of non-capital expenditure has been expended from restricted funds during the year as follows:-

***Big Lottery***

£60k was received and spent during the year in relation to two projects funded by Big Lottery including £28k re GreengAge, a project aiming to reduce social isolation amongst older people and promoting wellbeing through participation in horticultural activities and £33k re the Time to Change social media campaign also funded by Welsh Government.

***Henry Smith Foundation***

£6k is held in restricted funds to fund future development of a specific project focussing on addressing eating disorders in Wales in collaboration with Beat UK (a leading national eating disorder charity).

***WCVA***

£9k is held in restricted funds from the WCVA and carried forward in relation to supporting volunteering opportunities within Gofal.

***Other Restricted Funds***

£19,636 was received and spent during the year from GAVO.

***Investment Performance Review***

The trustees have reviewed the charity's overall financial position and considered its financial commitments when reviewing the amount of funds to be made available for short, medium and long term investment. Gofal follows a conservative investment policy.

The objectives are to achieve a balanced return between income and capital, adopting a medium risk approach and complying with the Trustee Investment Acts.

Investments were brought forward with a market value of £335k at the beginning of the financial year. £87k of new investment was made during the year and £84k disposals made at carrying value, at the year end the remaining portfolio was valued at £333k, with an unrealised loss on investments of £6k. The portfolio is managed by Brewin Dolphin on behalf of Gofal trustees. Note 13 to the financial statements provides the details of the investments held by Gofal.

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The balance of group reserves is held in a combination of current and interest bearing accounts and treasury market deposits with Lloyds Bank plc. All treasury balances are reviewed on a daily basis to ensure the balances are held in the highest possible interest bearing account and the amounts of interest maximised.

Investment income and bank interest totalled £11k for the year.

**Future Financial Performance**

The operational budget for the next financial year was initially a breakeven budget however this was prior to the success of several new project income streams starting which will have a positive impact on the budget reforecasts for the charity's income and expenditure account for 2016/17. The other major impact on the group's financial position will be the potential acquisition within the charity's trading subsidiary; Gofal Enterprises Limited. This may impact on turnover and costs within the trading subsidiary and reduce the investment portfolio within Gofal to support the potential investment. This would then also increase the external debt finance of the trading subsidiary, but is expected to bring in future positive cash flows and profit, which could then be gift aided to the charity in full or in part.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Gofal Cymru, trading as Gofal, is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association (last amended 21 August 2015). Members of the Board of Trustees are also directors of the charity for the purposes of company law. The trustees who served during the year under review are listed on page 15.

**Organisational structure**

The Board of Trustees has overall responsibility for the strategic leadership, governance and appropriate management control of Gofal. The Board meets a minimum of eight times a year. The board occasionally delegates tasks to sub-groups of the Board but does not delegate any responsibilities. The Board is made up of trustees as voting members and attended by relevant Gofal staff.

Terms of reference are approved by the Board and reviewed annually.

Day to day leadership and management of Gofal is delegated by the board to the Chief Executive Officer and Senior Leadership Team.

With the notable exception of trustees, the charity does not significantly rely on the services of unpaid volunteers or donations from the general public.

On 30 April 2010, Gofal set up a wholly owned subsidiary for the purpose of trading. The board of Gofal Enterprises Limited, company number 7240073 reports to the board of Gofal.

On 12 September 2014, Esgyn became a wholly owned subsidiary of Gofal. Esgyn is also a registered charity, number 506076 and a company limited by guarantee, number 1296339. The board of Esgyn reports to the board of Gofal. As of 31<sup>st</sup> March 2016, all the assets and liabilities were transferred to Gofal. It is intended that Esgyn will be wound down in the new financial year.

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**Senior Leadership Team – Key Management Personnel**

The senior leadership team is responsible for the day to day running of Gofal under authority delegated to it by the Board of Trustees. The senior leadership team participates at Board discussions about strategic direction supported by financial forecasts. It proposes the annual operating budget to the Board of Trustees for approval and monitors financial performance accordingly. The members of the senior leadership team are listed on page 15. The Board is responsible for the setting, review and monitoring of the senior leadership team. The Board ensures that salaries reflect the knowledge, skills and behaviours required for performance of the individuals in post. Salaries are benchmarked against the voluntary sector and local job markets.

**Recruitment, induction and training of Trustees**

New trustees join at the invitation of the board and are chosen with a view to ensuring that the board contains an appropriate balance of skill, knowledge and experience relevant to the governance requirements of the organisation. Trustee vacancies are advertised as necessary. A sub-group of the Board of Trustees meet annually to review the composition of the Board and to act on any up-coming vacancies. New Trustee members are invited to spend time with members of the Senior Leadership team and to visit services in different areas to learn more about Gofal. Additional training and updates are offered on a regular basis and presentations about services are a standard feature on the Board agenda.

**Risk management**

The risk management framework sets out the process that we use to identify and manage the principle risks and uncertainties facing the charity and it's trading subsidiary. The Board reviews the strategic risk on an annual basis and last reviewed the risks in July 2016. During this review the Board considered:

- The most significant strategic risks to which Gofal is exposed
- The potential likelihood and impact of those risks occurring
- Absolute risks for each area of risk with no controls
- Existing internal controls and adjusted risk levels
- Mitigating actions and additional internal controls to reduce each risk to a level that the Board considers to be acceptable

<b>Risk Area</b>	<b>Mitigation</b>
External environment	Annual budget setting process and robust financial planning and monitoring processes Continued pursuit of diversified income streams/other income sources Disciplined tender writing processes Strong external relationships / partnerships Improved key performance measure reporting Focussed business development growth strategy
Group governance and strategic leadership	Governance framework and competencies Governance and leadership culture-Thinking Environment Recent governance review Strong active Trustees with cross sector experience
Brand, culture, value and stakeholder experience	Marketing, communications and public affairs team in place Internal quality controls, compliance reporting, staff wellbeing and culture checks Staff engagement and wellbeing measures reported to Board Regular external stakeholder review, analysis and action plan

**GOFAL CYMRU T/A GOFAL  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

	Development of group marketing, communications and brand strategy
Workforce	<p>Regular review of recruitment processes and strategy</p> <p>Annual staff surveys to identify levels of engagement and action plan (Best companies and Gofal wellbeing survey)</p> <p>Regular team meetings and briefings to update team members</p> <p>Use of appraisal and supervision to identify development roles for staff members</p> <p>Improved HR information and key performance indicators</p> <p>Embedding Thinking Environment principles across Gofal</p>
Income Generation	<p>GEL trading strategy approved and subject to continual review</p> <p>Annual budget setting process and robust financial planning and monitoring processes</p> <p>Investment appetite – social and commercial</p> <p>Development of clear and streamlined performance reporting frameworks to/from the trading subsidiary</p>
Cost control and efficiencies	<p>Qualified and experienced finance team</p> <p>Quarterly management reporting to Board</p> <p>Cyclical programme of cost efficiency reviews in place</p> <p>Reserve and investment policies in place</p> <p>Annual budget setting process</p> <p>Continuing to invest in core systems for HR, payroll and finance will drive further cost control and efficiency savings</p>

**Related parties**

See notes 23, 24 and 25 of the financial statements for details of related party transactions. Trustees are required to complete a conflict of interest/related parties disclosure form on an annual basis.



**GOFAL CYMRU T/A GOFAL  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered charity number**

1000889

**Registered company number**

02546880

**Board of Trustees**

Simon Reed	-	Resigned 13/10/15
Deborah Green	-	Treasurer
Cynthia Alleyne	-	Interim Chair
Patrick McLoughlin	-	Resigned 13/10/15
Stewart Davison		
Stewart Greenwell		
Sian Goodson		
Tracy Elliot		
Neil Hapgood		
Terence Brenig-Jones	-	Appointed 9/12/15
David Davies	-	Appointed 2/9/15
Huw Davies	-	Appointed 9/12/15
Christopher Loughran	-	Appointed 2/9/15

**Company Secretary**

Ewan Hilton

**Key Management Personnel**

Ewan Hilton – Chief Executive Officer  
Greg Thomas- Director of Services (2014/15)  
Janet Lane – Director of Finance  
Yasmin Mottahedin – Director of OD and HR  
Louise Evans – Director of Services  
Matthew Cole – Director of Business Development

**Principal and Registered Office**

Second Floor, 2 Derwen House, Bridgend, CF31 1BN

**Solicitors**

David Prosser & Co Solicitors, 3 Court Road, Bridgend, CF31 1BL  
Geldards LLP, Dumfries House, Dumfries Place, Cardiff, CF10 3ZF

**Auditors**

Broomfield & Alexander Limited, Chartered Accountants & Statutory Auditors, Waters Lane Chambers, 1-3 Waters Lane, Newport, NP20 1LA

**Bankers**

Lloyds Bank plc, 18 Wyndham Street, Bridgend, CF31 1EQ

**Investment Manager**

Brewin Dolphin Ltd, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT

**GOFAL CYMRU T/A GOFAL  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

**Statement of Trustees' Responsibilities**

The trustees (who are also directors of Gofal Cymru, trading as Gofal, for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

A resolution will be proposed at the Annual General Meeting that Broomfield & Alexander be re-appointed as auditors to the charity for the forthcoming year.

Signed on behalf of the Board of Trustees



**Cynthia Alleyne**  
Chair

Date 24/9/16

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF GOFAL CYMRU T/A GOFAL**

We have audited the financial statements of Gofal Cymru for the year ended 31 March 2016 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out [on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF GOFAL CYMRU T/A GOFAL**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the group 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.



**Sarah Case FCA DChA**  
Senior Statutory Auditor  
For and on behalf of  
**Broomfield & Alexander Limited**  
Chartered Accountants and Statutory Auditors  
Waters Lane Chambers  
1 – 3 Waters Lane  
Newport  
NP20 1LA

Date 7/9/16

**GOFAL CYMRU T/A GOFAL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating the income and expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
<b>Income and endowments from:</b>					
Donations and legacies	2	12,908	-	12,908	21,467
Charitable activities	3	6,027,782	80,209	6,107,991	5,660,923
Other trading activities	4	567,397	-	567,397	257,993
Investments	5	10,959	-	10,959	16,110
Other	6	-	-	-	339,320
<b>Total income and endowments</b>		<b>6,619,046</b>	<b>80,209</b>	<b>6,699,255</b>	<b>6,295,813</b>
<b>Expenditure on:</b>					
Raising funds	7	12,204	-	12,204	21,088
Charitable activities	8	6,121,819	80,219	6,202,038	5,785,238
Trading company costs	8/24	534,165	-	534,165	294,617
<b>Total expenditure</b>		<b>6,668,188</b>	<b>80,219</b>	<b>6,748,407</b>	<b>6,100,943</b>
<i>Net gains/(losses) on investments</i>	13	<i>(5,714)</i>	<i>-</i>	<i>(5,714)</i>	<i>29,583</i>
<b>Net movement in funds</b>		<b>(54,856)</b>	<b>(10)</b>	<b>(54,866)</b>	<b>224,453</b>
<b>Reconciliation of Funds</b>					
Total funds brought forward	18	1,558,404	15,283	1,573,687	1,349,234
<b>Total funds carried forward</b>	17,18	<b>1,503,548</b>	<b>15,273</b>	<b>1,518,821</b>	<b>1,573,687</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing operations.

The notes on pages 24 - 47 form part of the financial statements

**GOFAL CYMRU T/A GOFAL**  
**STATEMENT OF FINANCIAL ACTIVITIES - CHARITY ONLY**  
**(Incorporating the income and expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
<b>Income and endowments from:</b>					
Donations and legacies	2	12,788	-	12,788	21,452
Charitable activities	3	3,971,386	80,209	4,051,595	4,403,751
Investments	5	10,855	-	10,855	16,080
Other income	6	326,097	-	326,097	61,789
<b>Total income and endowments</b>		<b>4,321,126</b>	<b>80,209</b>	<b>4,401,335</b>	<b>4,503,072</b>
<b>Expenditure on:</b>					
Raising funds	7	12,204	-	12,204	21,088
Charitable activities	8	4,140,972	80,219	4,221,191	4,479,667
<b>Total expenditure</b>		<b>4,153,176</b>	<b>80,219</b>	<b>4,233,395</b>	<b>4,500,755</b>
<i>Net gains/(losses) on investments</i>	13	<b>(5,714)</b>	-	<b>(5,714)</b>	29,405
<b>Net movement in funds</b>		<b>162,236</b>	<b>(10)</b>	<b>162,226</b>	31,722
<b>Reconciliation of Funds</b>					
Total funds brought forward	18	<b>1,364,411</b>	<b>15,283</b>	<b>1,379,694</b>	1,347,972
<b>Total funds carried forward</b>	17,18	<b>1,526,647</b>	<b>15,273</b>	<b>1,541,920</b>	1,379,694

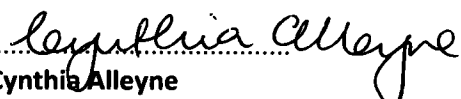
The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing operations.

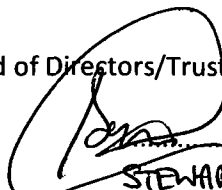
The notes on pages 24 - 47 form part of the financial statements

**GOFAL CYMRU T/A GOFAL  
CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2016**

		2016		2015	
	Note	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		853,178		900,428
Investments	13		332,840		335,423
			<u>1,186,018</u>		<u>1,235,851</u>
<b>Current assets:</b>					
Debtors	14	727,037		599,854	
Cash at bank and in hand		<u>649,766</u>		<u>765,378</u>	
		<u>1,376,803</u>		<u>1,365,232</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	15	<u>(750,645)</u>		<u>(714,613)</u>	
Net current assets			<u>626,158</u>		<u>650,619</u>
<b>Total assets less current liabilities</b>			<u>1,812,176</u>		<u>1,886,470</u>
Creditors: Amounts falling due after more than one year	16		<u>(293,355)</u>		<u>(312,783)</u>
<b>Net assets</b>			<u><u>1,518,821</u></u>		<u><u>1,573,687</u></u>
<b>The funds of the charity:</b>					
Restricted income funds	18		15,273		15,283
Unrestricted income funds					
Designated funds	18		804,969		851,472
General funds	18		<u>698,579</u>		<u>706,932</u>
<b>Total charity funds</b>	17		<u><u>1,518,821</u></u>		<u><u>1,573,687</u></u>

These financial statements were approved by the Board of Directors/Trustees on 07/09/16

  
Cynthia Alleyne  
Chair


  
STEWART GREENWELL  
Trustee

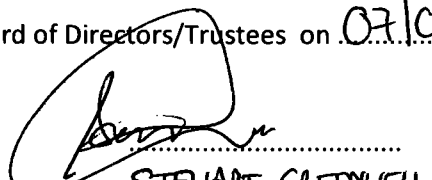
The notes on pages 24 - 47 form part of the financial statements

**GOFAL CYMRU T/A GOFAL  
CHARITY BALANCE SHEET  
AS AT 31 MARCH 2016**

		2016	2015
	Note	£	£
<b>Fixed assets:</b>			
Tangible assets	12	848,794	377,423
Investments	13	<u>332,840</u>	<u>332,313</u>
		<b>1,181,634</b>	<b>709,736</b>
<b>Current assets:</b>			
Debtors	14	592,371	506,832
Cash at bank and in hand		<u>621,813</u>	<u>533,313</u>
		<b>1,214,184</b>	<b>1,040,145</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	15	<u>(560,543)</u>	<u>(370,187)</u>
Net current assets		<u><b>653,641</b></u>	<u><b>669,958</b></u>
<b>Total assets less current liabilities</b>		<b>1,835,275</b>	<b>1,379,694</b>
Creditors: Amounts falling due after more than one year	16	<b>(293,355)</b>	-
<b>Net assets</b>		<u><b>1,541,920</b></u>	<u><b>1,379,694</b></u>
<b>The funds of the charity:</b>			
Restricted income funds	18	15,273	15,283
Unrestricted income funds			
Designated funds	18	804,969	649,831
General funds	18	<u>721,678</u>	<u>714,580</u>
<b>Total charity funds</b>	17	<u><b>1,541,920</b></u>	<u><b>1,379,694</b></u>

These financial statements were approved by the Board of Directors/Trustees on 07/09/16

  
Cynthia Alleyne  
Chair

  
STEWART GREENWELL  
Trustee

The notes on pages 24 - 47 form part of the financial statements



**GOFAL CYMRU T/A GOFAL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Net cash provided by/(used in) operating activities	26	<u>(60,850)</u>	<u>197,018</u>
<b><i>Cash flows from investing activities:</i></b>			
Dividends, interest and rents from investments		10,959	16,110
Purchase of property plant and equipment		(37,519)	(580,493)
Proceeds from sale of investments		84,537	206,975
Purchase of investments		(87,668)	(8,984)
<b>Net cash used in investing activities</b>		<u>(29,691)</u>	<u>(366,392)</u>
<b><i>Cash flows from financing activities:</i></b>			
Repayments of borrowing		(25,071)	-
Cash inflows from new borrowing		-	337,840
<b>Net cash provided by (used in) financing activities</b>		<u>(25,071)</u>	<u>337,840</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(115,612)</b>	<b>168,466</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>765,378</b>	<b>596,912</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<u><b>649,766</b></u>	<u><b>765,378</b></u>

The notes on pages 24 - 47 form part of the financial statements

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the group's financial statements.

**Basis of Preparation**

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

Gofal Cymru T/A Gofal 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 note(s).

**Basis of consolidation**

The consolidated financial statements for the group incorporate the financial statements of the charity and its subsidiary undertakings, all of which are prepared to 31 March 2016. The results of the subsidiary undertakings are consolidated on a line by line basis within the consolidated Statement of Financial Activities.

**Rounding**

Figures contained in the financial statements have been rounded to the nearest pound.

**Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required

**Transition to FRS 102**

The opening fund balances at the date of transition were not required to be restated in making the transition to FRS 102. The transition date was 1 April 2014.

**Presentation of the accounts on a going concern basis**

The group reported a net outflow of £54,866 for the year. This group has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the group is a going concern and there are no material uncertainties about the group's ability to continue as a going concern.

**Income**

Income is included in the Statement of Financial Activities when the group becomes entitled to the resources, it is probable they will receive the resources and the monetary value can be measured with sufficient reliability.

Donations are included in full in the Statement of Financial Activities when received.

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

Grants for immediate expenditure are accounted for when they become receivable. Grants received for specific purposes are treated as restricted funds. Grants restricted to future periods are deferred and recognised in these periods.

Rental, recharge and trading income is recognised in the period to which the service is provided. Any rents received in advance are deferred and recognised in future periods.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank. Interest from investments is recognised in the period to which it relates.

**Expenditure**

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function is based on staff time attributable to each activity.

Governance costs include items such as external audit and legal costs relating to the governance of the group, as well as costs associated with the group's strategic management.

**Taxation**

As a registered charity, Gofal Cymru T/A Gofal is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Gofal Enterprises Ltd T/A PS Facilities Management was not liable to Corporation Tax during the year.

**Fixed Assets and depreciation**

Tangible assets that are subject to grant aid are valued at cost less accumulated depreciation. Both capital costs and, where applicable, appropriate capital grants, are written off in the year in which the expenditure is incurred and the matching grant received.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold & leasehold property	- 2% on cost
Project Furniture & Fittings	- 20% on cost
Office Equipment	- 33% on cost
Plant and Machinery	- 20% on cost
PC equipment	- 25% on cost

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

Assets of the charity with a value less than £100 will be capitalised and depreciated in full in the year of acquisition; assets of the trading subsidiary with a value of less than £250 will be capitalised and depreciated in full in the year of acquisition. The gain or loss arising on the disposal of an asset is determined between the sale proceeds and the carrying value of the asset, credited or charged to the income and expenditure account.

**Investments**

Investments are stated at fair value at the balance sheet date. The Statement of Financial Activities includes net gains and losses arising on revaluation and disposals throughout the period.

**Debtors**

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

**Cash at Bank and in Hand**

Cash at bank and cash 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.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial Instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the groups' statement of financial activities when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic Financial Assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**Other Financial Assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Financial Liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic Financial Liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Operating Leases**

The group classifies the lease of a photocopier and premises as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

**Liabilities**

Liabilities are recognised in the Statement of Financial Activities as they become payable.

**Pensions**

The group operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the group. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

**Funds**

*General funds* are unrestricted funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for another purpose. The funds financing the activities of the organisation are deemed to be general funds.

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

*Designated funds* comprise unrestricted funds that have been allocated for specific purposes by the trustees.

*Restricted funds* are funds to be used in accordance with specific restrictions imposed by donors.

The funds held in each of these three categories are disclosed in note 18 to the accounts.

**2. INCOME FROM DONATIONS**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Group</b>				
Donations	12,908	-	12,908	21,467
	<u>12,908</u>	<u>-</u>	<u>12,908</u>	<u>21,467</u>
<b>Charity</b>				
Donations	12,788	-	12,788	21,452
	<u>12,788</u>	<u>-</u>	<u>12,788</u>	<u>21,452</u>

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. INCOME FROM CHARITABLE ACTIVITIES**

<b>Group</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Rents	1,351,147	-	1,351,147	994,500
Health boards	470,793	-	470,793	468,935
Sundries	37,876	163	38,039	57,115
Welsh Government	285,881	-	285,881	425,652
Jobcentre Plus	-	-	-	11,420
Trusts	3,592	-	3,592	107,347
Local authorities	3,867,360	-	3,867,360	3,402,577
SPPD Central	-	-	-	7,342
Big Lottery Fund	-	60,410	60,410	165,405
GAVO	-	19,636	19,636	1,090
Individual Personal Contracts	11,133	-	11,133	8,386
Henry Smith Foundation	-	-	-	9,221
WCVA	-	-	-	1,933
	<b>6,027,782</b>	<b>80,209</b>	<b>6,107,991</b>	<b>5,660,923</b>

**Charity**

Rents	654,865	-	654,865	576,516
Health boards	465,710	-	465,710	467,574
Sundries	37,876	163	38,039	57,115
Welsh Government	285,881	-	285,881	425,652
Jobcentre Plus	-	-	-	11,420
Trusts	3,592	-	3,592	107,347
Local authorities	2,523,462	-	2,523,462	2,580,478
Big Lottery Fund	-	60,410	60,410	165,405
GAVO	-	19,636	19,636	1,090
Henry Smith Foundation	-	-	-	9,221
WCVA	-	-	-	1,933
	<b>3,971,386</b>	<b>80,209</b>	<b>4,051,595</b>	<b>4,403,751</b>

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
Group	£	£	£	£
Marketing sales	30	-	30	(325)
Gofal Enterprises Limited	<u>567,367</u>	<u>-</u>	<u>567,367</u>	<u>258,318</u>
	<u>567,397</u>	<u>-</u>	<u>567,397</u>	<u>257,993</u>

**5. INCOME FROM INVESTMENTS**

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
Group	£	£	£	£
Common Investment Funds	10,214	-	10,214	14,419
Bank interest	<u>745</u>	<u>-</u>	<u>745</u>	<u>1,691</u>
	<u>10,959</u>	<u>-</u>	<u>10,959</u>	<u>16,110</u>

**Charity**

Common Investment Funds	10,214	-	10,214	14,419
Bank interest	<u>641</u>	<u>-</u>	<u>641</u>	<u>1,661</u>
	<u>10,855</u>	<u>-</u>	<u>10,855</u>	<u>16,080</u>



**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. INCOME FROM OTHER SOURCES**

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
Group	£	£	£	£
Other income	-	-	-	28
Gain on acquisition of Esgyn	-	-	-	339,292
	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,320</u>
<b>Charity</b>				
Gain on acquisition of Esgyn	121,137	-	121,137	-
Recharges to Esgyn	192,828	-	192,828	52,656
Trading company recharges	12,132	-	12,132	9,133
	<u>326,097</u>	<u>-</u>	<u>326,097</u>	<u>61,789</u>

**7. EXPENDITURE ON RAISING FUNDS**

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
Group	£	£	£	£
Fundraising costs	12,204	-	12,204	21,088
	<u>12,204</u>	<u>-</u>	<u>12,204</u>	<u>21,088</u>
<b>Charity</b>				
Fundraising costs	12,204	-	12,204	21,088
	<u>12,204</u>	<u>-</u>	<u>12,204</u>	<u>21,088</u>

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. EXPENDITURE ON CHARITABLE ACTIVITIES**

Group	Support costs £	Supporting people services £	H.S.A. & S180 £	Other projects* £	Governance costs £	Total 2016 £	Total 2015 £
Salaries	662,595	2,393,406	985,497	258,891	-	4,300,389	4,056,968
Travel	8,750	134,853	38,908	15,215	1,109	198,835	192,053
Housing association costs	-	721,541	5,810	-	-	727,351	515,324
Rent and utility costs	18,688	152,860	28,608	14,550	1,724	216,430	306,706
Accountancy and audit	-	-	-	-	18,953	18,953	16,467
Telecommunications and IT costs	10,856	119,310	40,739	21,472	-	192,377	154,121
Planned maintenance and repairs	1,260	17,275	467	3,295	-	22,297	24,106
Advertising and recruitment	8,654	13,505	4,724	24,229	-	51,112	170,183
Consultancy costs	9,302	7,763	2,469	10,413	-	29,947	54,029
Insurance	13,185	38,863	15,540	5,746	520	73,854	46,136
Other costs	100,241	228,119	40,354	13,465	518	382,697	270,233
	<u>833,531</u>	<u>3,827,495</u>	<u>1,163,116</u>	<u>367,276</u>	<u>22,824</u>	<u>6,214,242</u>	<u>5,806,326</u>
Trading company costs						534,165	294,617
<b>Total group costs</b>						<u><b>6,748,407</b></u>	<u><b>6,100,943</b></u>

By fund type	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Raising funds	12,204	-	12,204	21,088
Charitable activities	<u>6,121,819</u>	<u>80,219</u>	<u>6,202,038</u>	<u>5,785,238</u>
	<u>6,134,023</u>	<u>80,219</u>	<u>6,214,242</u>	<u>5,806,326</u>
Trading company costs			534,165	294,617
<b>Total group costs</b>			<u><b>6,748,407</b></u>	<u><b>6,100,943</b></u>

\*other projects includes Out of Hours, Crisis, GEL and Training & Employment Services.

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

Charity	Support costs £	Supporting people services £	H.S.A. & S180 £	Other projects* £	Governance costs £	Total 2016 £	Total 2015 £
Salaries	476,959	1,965,035	349,860	256,206	-	3,048,060	3,167,175
Travel	5,123	109,687	21,969	14,796	1,109	152,684	164,302
Housing association costs	-	274,199	-	-	-	274,199	250,278
Rent and utility costs	17,532	113,773	18,963	14,442	1,724	166,434	272,916
Accountancy and audit	-	-	-	-	8,699	8,699	13,163
Telecommunications and IT costs	8,409	100,121	20,831	21,259	-	150,620	130,341
Planned maintenance and repairs	621	15,356	15	3,292	-	19,284	22,405
Advertising and recruitment	6,690	10,124	955	24,186	-	41,955	159,776
Consultancy costs	9,188	6,397	521	10,391	-	26,497	47,642
Insurance	6,230	31,592	6,098	5,639	520	50,079	28,392
Other costs	43,060	213,711	24,297	13,298	518	294,884	244,365
<b>Total charity costs</b>	<b>573,812</b>	<b>2,839,995</b>	<b>443,509</b>	<b>363,509</b>	<b>12,570</b>	<b>4,233,395</b>	<b>4,500,755</b>

By fund type	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Raising funds	12,204	-	12,204	21,088
Charitable activities	4,140,972	80,219	4,221,191	4,479,667
<b>Total charity costs</b>	<b>4,153,176</b>	<b>80,219</b>	<b>4,233,395</b>	<b>4,500,755</b>

\*other projects includes Out of Hours, Crisis, GEL and Training & Employment Services.

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. NET INCOME / (EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Charity 2016 £</b>	<b>Charity 2015 £</b>
Auditors remuneration – audit	<b>7,455</b>	11,303	<b>6,630</b>	8,550
Auditors remuneration – other services	<b>5,940</b>	4,369	<b>5,940</b>	3,818
Depreciation – owned assets	<b>84,034</b>	77,690	<b>56,731</b>	59,824
Operating leases – equipment	<b>19,725</b>	19,644	<b>19,725</b>	19,644
Operating leases – property	<b>75,464</b>	75,464	<b>75,464</b>	75,464

**GOFAL CYMRU T/A GOFAL**  
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**10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Charity 2016</b>	<b>Charity 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,685,692</b>	3,554,886	<b>2,584,508</b>	2,610,088
Agency costs	<b>206,660</b>	137,933	<b>93,797</b>	94,005
Social security costs	<b>288,862</b>	288,620	<b>219,505</b>	224,018
Pension costs	<b>198,940</b>	182,074	<b>140,249</b>	137,048
	<b><u>4,380,154</u></b>	<u>4,163,513</u>	<b><u>3,038,059</u></b>	<u>3,065,159</u>

As the group take on new contracts, agency staff are employed until new employees are hired.

**Charity and Group**

The number of employees whose emoluments amounted to over £60,000 for the year and to whom retirement benefits are accruing under a defined benefit scheme was:

	<b>2016 No</b>	<b>2015 No</b>
£60,000 - £70,000	<b><u>1</u></b>	<u>-</u>

The amount of employers pension contributions paid in respect of the above employee for the year was as follows:

	<b>2016 £</b>	<b>2015 £</b>
Total contributions	<b><u>4,225</u></b>	<u>-</u>

The trustees neither received nor waived any emoluments during the current or prior year.

**Charity**

During the year 4 trustees (2015: 2) received reimbursement of travelling expenses of £438 (2015: £1,296).

**Key Management Personnel**

The total amount of employee benefits received by the charity's key management personnel for their services to the charity totalled £174,399 (2015: £116,266).

**Group**

During the year 5 trustees (2015: 6) received reimbursement of travelling expenses of £540 (2015: £2,279).

**Key Management Personnel**

The total amount of employee benefits received by the group's key management personnel for their services to the charity totalled £290,665 (2015: £262,751).

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. STAFF NUMBERS**

The average monthly number of staff employed during the year was:

	<b>Group 2016 No</b>	<b>Group 2015 No</b>	<b>Charity 2016 No</b>	<b>Charity 2015 No</b>
Head office	<b>19</b>	21	<b>14</b>	14
Projects	<b>218</b>	217	<b>130</b>	119
	<b><u>237</u></b>	<u>238</u>	<b><u>144</u></b>	<u>133</u>

**12. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold property £</b>	<b>Leasehold property</b>	<b>Office equipment £</b>	<b>Project fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2015	<b>299,913</b>	<b>490,000</b>	<b>236,855</b>	<b>179,035</b>	<b>1,205,803</b>
Additions	-	-	<b>9,842</b>	<b>27,677</b>	<b>37,519</b>
Disposals	-	-	<b>(6,997)</b>	<b>(34,440)</b>	<b>(41,437)</b>
At 31 March 2016	<b><u>299,913</u></b>	<b><u>490,000</u></b>	<b><u>239,700</u></b>	<b><u>172,272</u></b>	<b><u>1,201,885</u></b>
<b>Depreciation</b>					
At 1 April 2015	<b>29,991</b>	-	<b>147,200</b>	<b>128,184</b>	<b>305,375</b>
Charge for the year	<b>5,998</b>	<b>10,000</b>	<b>35,550</b>	<b>32,486</b>	<b>84,034</b>
Disposals	-	-	<b>(13,722)</b>	<b>(26,980)</b>	<b>(40,702)</b>
At 31 March 2016	<b><u>35,989</u></b>	<b><u>10,000</u></b>	<b><u>169,028</u></b>	<b><u>133,690</u></b>	<b><u>348,707</u></b>
<b>Net Book Value</b>					
At 31 March 2016	<b><u>263,924</u></b>	<b><u>480,000</u></b>	<b><u>70,672</u></b>	<b><u>38,582</u></b>	<b><u>853,178</u></b>
At 31 March 2015	<u>269,922</u>	<u>490,000</u>	<u>89,655</u>	<u>50,851</u>	<u>900,428</u>

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. TANGIBLE FIXED ASSETS –(continued)**

<b>Charity</b>	<b>Freehold property £</b>	<b>Leasehold property £</b>	<b>Office equipment £</b>	<b>Project fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2015	299,913	-	210,463	158,458	668,834
Transfer from Esgyn	-	480,000	11,194	9,610	500,804
Additions	-	-	3,826	23,512	27,338
Disposals	-	-	(6,997)	(32,391)	(39,388)
At 31 March 2016	<u>299,913</u>	<u>480,000</u>	<u>218,486</u>	<u>159,189</u>	<u>1,157,588</u>
<b>Depreciation</b>					
At 1 April 2015	29,991	-	138,319	123,101	291,411
Charge for the year	5,998	-	27,600	23,133	56,731
Disposals	-	-	(13,722)	(25,626)	(39,348)
At 31 March 2016	<u>35,989</u>	<u>-</u>	<u>152,197</u>	<u>120,608</u>	<u>308,794</u>
<b>Net Book Value</b>					
At 31 March 2016	<u>263,924</u>	<u>480,000</u>	<u>66,289</u>	<u>38,581</u>	<u>848,794</u>
At 31 March 2015	<u>269,922</u>	<u>-</u>	<u>72,144</u>	<u>35,357</u>	<u>377,423</u>

**GOFAL CYMRU T/A GOFAL  
NOTES TO THE FINANCIAL STATEMENTS  
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**13. INVESTMENTS**

**Investment in common investment funds for charities**

<b>Group</b>	<b>£</b>
Carrying value (market value) at beginning of year	335,423
Add additions to investment at cost	87,668
Less disposals at carrying value	(84,537)
Net loss on revaluation	(5,714)
Carrying value (market value) at year end	<u>332,840</u>

The above relate to investments listed on a recognised stock exchange which are managed by Brewin Dolphin and Old Mutual Wealth.

<b>Charity</b>	<b>£</b>
Carrying value (market value) at beginning of year	332,313
Add additions to investment at cost	87,668
Less disposals at carrying value	(81,427)
Net gain/(loss) on revaluation	(5,714)
Carrying value (market value) at year end	<u>332,840</u>

The above relate to investments listed on a recognised stock exchange which are managed by Brewin Dolphin.



**GOFAL CYMRU T/A GOFAL**  
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**14. DEBTORS**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Charity 2016 £</b>	<b>Charity 2015 £</b>
Trade debtors	<b>604,908</b>	515,321	<b>442,471</b>	347,344
Amounts owed by group undertakings	-	-	<b>59,788</b>	105,435
Other debtors	<b>32,017</b>	15,775	-	-
Prepayments and accrued income	<b>90,112</b>	68,758	<b>90,112</b>	54,053
	<b><u>727,037</u></b>	<u>599,854</u>	<b><u>592,371</u></b>	<u>506,832</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Charity 2016 £</b>	<b>Charity 2015 £</b>
Bank loans and overdrafts	<b>19,414</b>	25,057	<b>19,414</b>	-
Trade creditors	<b>311,671</b>	233,683	<b>275,077</b>	53,513
Other creditors	<b>149,074</b>	77,515	<b>22,064</b>	18,836
Accruals	<b>76,376</b>	77,578	<b>76,376</b>	32,050
Grants repayments and deferred income	<b>99,554</b>	207,936	<b>99,554</b>	207,936
Taxation and social security	<b>94,556</b>	92,844	<b>68,058</b>	57,852
	<b><u>750,645</u></b>	<u>714,613</u>	<b><u>560,543</u></b>	<u>370,187</u>

Contained in grant repayments and deferred income above is grant income received in advance of the period to which it relates. Also contained in the balance above is rent received in relation to future periods.

**Group and Charity**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Charity 2016 £</b>	<b>Charity 2015 £</b>
Balance brought forward	<b>61,827</b>	348,034	<b>61,827</b>	241,602
Income received	<b>6,088,888</b>	5,374,716	<b>4,032,492</b>	4,223,976
income released	<b>(6,107,991)</b>	(5,660,923)	<b>(4,051,595)</b>	(4,403,751)
Balance carried forward	<b><u>42,724</u></b>	<u>61,827</u>	<b><u>42,724</u></b>	<u>61,827</u>

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b> <b>2016</b> <b>£</b>	<b>Group</b> <b>2015</b> <b>£</b>	<b>Charity</b> <b>2016</b> <b>£</b>	<b>Charity</b> <b>2015</b> <b>£</b>
1-2 years	<b>20,197</b>	19,415	<b>20,197</b>	-
2-5 years	<b>65,590</b>	41,210	<b>65,590</b>	-
Over 5 years	<b>207,568</b>	252,158	<b>207,568</b>	-
	<b><u>293,355</u></b>	<b><u>312,783</u></b>	<b><u>293,355</u></b>	<b><u>-</u></b>

The group's bank, Lloyds Bank, has a first legal charge over the leasehold property Beaufort House, Beaufort Road, dated 4 October 2013.

The outstanding balance on the loan as at 31 March 2016 totalled £312,769, the value of the property on which the loan is being secured totalled £500,000.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>Group</b>	<b>Fixed assets and investments</b> <b>£</b>	<b>Current assets</b> <b>£</b>	<b>Current liabilities</b> <b>£</b>	<b>Liabilities due &gt; 1 year</b> <b>£</b>	<b>Total 2016</b> <b>£</b>
Unrestricted funds					
General funds	<b>746,283</b>	<b>996,296</b>	<b>(750,645)</b>	<b>(293,355)</b>	<b>698,579</b>
Designated funds	<b>439,735</b>	<b>365,234</b>	-	-	<b>804,969</b>
Restricted	-	<b>15,273</b>	-	-	<b>15,273</b>
	<b><u>1,186,018</u></b>	<b><u>1,376,803</u></b>	<b><u>(750,645)</u></b>	<b><u>(293,355)</u></b>	<b><u>1,518,821</u></b>
<b>Charity</b>					
Unrestricted funds					
General funds	<b>741,899</b>	<b>833,677</b>	<b>(560,543)</b>	<b>(293,355)</b>	<b>721,678</b>
Designated funds	<b>439,735</b>	<b>365,234</b>	-	-	<b>804,969</b>
Restricted	-	<b>15,273</b>	-	-	<b>15,273</b>
	<b><u>1,181,634</u></b>	<b><u>1,214,184</u></b>	<b><u>(560,543)</u></b>	<b><u>(293,355)</u></b>	<b><u>1,541,920</u></b>

**GOFAL CYMRU T/A GOFAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. ANALYSIS OF FUNDS**

<b>Group</b>	<b>Balance at 1 April 2015 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Losses on investments £</b>	<b>Transfers £</b>	<b>Balance as at 31 March 2016 £</b>
<b>Unrestricted</b>						
General funds	706,932	6,619,046	(6,621,685)	(5,714)	-	698,579
	<u>706,932</u>	<u>6,619,046</u>	<u>(6,621,685)</u>	<u>(5,714)</u>	<u>-</u>	<u>698,579</u>
<b>Designated funds</b>						
Property reserve	269,921	-	(5,998)	-	-	263,923
Furniture and maintenance fund	216,774	-	(18,004)	-	-	198,770
IT development fund	40,000	-	(19,003)	-	-	20,997
Research impact fund	30,000	-	-	-	-	30,000
Social enterprise and independent income	74,168	-	-	-	-	74,168
Merger fund – Gofal	18,968	-	(3,498)	-	25,829	41,299
Merger fund – Esgyn	25,829	-	-	-	(25,829)	-
Capital spend - Esgyn	175,812	-	-	-	-	175,812
<b>Total designated funds</b>	<u>851,472</u>	<u>-</u>	<u>(46,503)</u>	<u>-</u>	<u>-</u>	<u>804,969</u>
<b>Total unrestricted &amp; designated funds</b>	<u>1,558,404</u>	<u>6,619,046</u>	<u>(6,668,188)</u>	<u>(5,714)</u>	<u>-</u>	<u>1,503,548</u>
<b>Restricted funds</b>						
Big Lottery Fund	-	60,410	(60,410)	-	-	-
Henry Smith Foundation	5,792	-	(10)	-	-	5,782
WCVA	9,491	-	-	-	-	9,491
GAVO	-	19,636	(19,636)	-	-	-
Sundries	-	163	(163)	-	-	-
<b>Total restricted funds</b>	<u>15,283</u>	<u>80,209</u>	<u>(80,219)</u>	<u>-</u>	<u>-</u>	<u>15,273</u>
<b>Total funds</b>	<u>1,573,687</u>	<u>6,699,255</u>	<u>(6,748,407)</u>	<u>(5,714)</u>	<u>-</u>	<u>1,518,821</u>

**Designated funds:** are as detailed on pages 9 and 10 of the Trustees Report.

**Restricted funds:** are as detailed on page 10 of the Trustees Report.

**Transfers:** these relate to the acquisition of Esgyn and the amounts contained in designated reserves on the date of acquisition.

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**18. ANALYSIS OF FUNDS (continued)**

Charity	Balance at 1 April 2015 £	Income £	Expenditure £	Losses on investments £	Transfers £	Balance as at 31 March 2016 £
<b>Unrestricted</b>						
General funds	714,580	4,321,126	(4,106,673)	(5,714)	(201,641)	721,678
	<u>714,580</u>	<u>4,321,126</u>	<u>(4,106,673)</u>	<u>(5,714)</u>	<u>(201,641)</u>	<u>721,678</u>
<b>Designated funds</b>						
Property reserve	269,921	-	(5,998)	-	-	263,923
Furniture and maintenance fund	216,774	-	(18,004)	-	-	198,770
IT development fund	40,000	-	(19,003)	-	-	20,997
Research impact fund	30,000	-	-	-	-	30,000
Social Enterprise and independent income	74,168	-	-	-	-	74,168
Merger fund – Gofal	18,968	-	(3,498)	-	25,829	41,299
Capital spend - Esgyn	-	-	-	-	175,812	175,812
<b>Total designated funds</b>	<u>649,831</u>	<u>-</u>	<u>(46,503)</u>	<u>-</u>	<u>201,641</u>	<u>804,969</u>
<b>Total unrestricted &amp; designated funds</b>	<u>1,364,411</u>	<u>4,321,126</u>	<u>(4,153,176)</u>	<u>(5,714)</u>	<u>-</u>	<u>1,526,647</u>
<b>Restricted funds</b>						
Big Lottery Fund	-	60,410	(60,410)	-	-	-
Henry Smith Foundation	5,792	-	(10)	-	-	5,782
WCVA	9,491	-	-	-	-	9,491
GAVO	-	19,636	(19,636)	-	-	-
Sundries	-	163	(163)	-	-	-
<b>Total restricted funds</b>	<u>15,283</u>	<u>80,209</u>	<u>(80,219)</u>	<u>-</u>	<u>-</u>	<u>15,273</u>
<b>Total funds</b>	<u>1,379,694</u>	<u>4,401,335</u>	<u>(4,233,395)</u>	<u>(5,714)</u>	<u>-</u>	<u>1,541,920</u>

**Designated funds:** are as detailed on pages 9 and 10 of the Trustees Report.

**Restricted funds:** are as detailed on page 10 of the Trustees Report.

**Transfers:** these relate to the acquisition of Esgyn and the amounts contained in designated reserves on the date of acquisition.

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**19. OPERATING LEASES**

	<b>Group</b>		<b>Charity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><i>Land and buildings:</i></b>				
Under 1 year	<b>47,326</b>	75,464	<b>47,326</b>	70,964
Between 2-5 years	<b>44,805</b>	87,631	<b>44,805</b>	69,631
More than 5 years	<b>220,500</b>	225,000	<b>220,500</b>	-
<b><i>Other:</i></b>				
Under 1 year	<b>19,653</b>	19,725	<b>19,653</b>	14,759
Between 2-5 years	<b>32,250</b>	50,474	<b>32,250</b>	36,755
More than 5 years	<b>119</b>	1,548	<b>119</b>	-
	<b><u>364,653</u></b>	<b><u>459,842</u></b>	<b><u>364,653</u></b>	<b><u>192,109</u></b>

**20. PENSIONS**

The group operates a group Personal Pension Scheme.

**Group**

The cost of contributions made in the year by the group to the scheme amounted to £198,940 (2015: £182,074). At the year end, there were outstanding contributions of £22,337 (2015: £21,050).

**Charity**

The cost of contributions made in the year by the charity to the scheme amounted to £140,249 (2015: £137,048). At the year end, there were outstanding contributions of £20,781 (2015: £13,688).

**21. INDEMNITY INSURANCE**

The group has taken out charity and charity trustee indemnity insurance at a cost of £1,536 (2015: £1,536)

**22. CONTROL**

The charity is controlled by the Board of Trustees.

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**23. RELATED PARTY TRANSACTIONS**

As at 31 March 2016 the charity's wholly owned trading subsidiary Gofal Enterprises Limited owed the charity £59,788 in relation to a loan issued by the charity.

The loan is repayable over a term of three years. Loan interest is charged on the principal amount on a monthly basis at a rate of interest 1% above Bank Base Rate of Interest as set by the Bank of England. The interest will vary in line with the changes in the Bank Base Rate. The amount recoverable in more than 12 months is £59,788.

There were no sales or purchase transactions between the two entities during the year. Recharges of £12,132 were paid to the charity during the year.

As at 31 March 2016 the assets and liabilities of the charity's subsidiary Esgyn were transferred to the charity- see note 25.

There were no sales or purchase transactions between the two entities during the year. Recharges of £192,828 were paid to the charity during the year.

**24. SUBSIDIARY**

The charity controls Gofal Enterprises Limited, its wholly owned subsidiary company. The company is registered in England and Wales, company number 07240073. The financial statements have been consolidated on a line-by-line basis in the Statement of Financial Activities. A summary of the results of Gofal Enterprises Limited is shown below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Turnover	<b>567,367</b>	258,318
Administration and other expenses	<b>(534,165)</b>	(294,617)
Recharges	<b>(12,132)</b>	(9,133)
<b>Net (loss)/profit</b>	<b><u>21,070</u></b>	<b><u>(45,432)</u></b>
<b>The aggregate of the assets, liabilities and funds were:</b>		
Fixed assets	<b>4,383</b>	4,325
Current assets	<b>222,408</b>	42,371
Creditors due within one year	<b>(190,102)</b>	(45,348)
Net assets less current liabilities	<b>36,689</b>	1,348
Creditors due after one year	<b>(59,788)</b>	(45,518)
<b>Reserves</b>	<b><u>(23,099)</u></b>	<b><u>(44,170)</u></b>

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**25. ACQUISITIONS**

Esgyn became a wholly owned subsidiary of Gofal Cymru T/A Gofal on 12th September 2014, a company registered in England and Wales, company number 1296339, charity number 506076. On 31st March 2016 the charity acquired Esgyn. The assets and liabilities were transferred to the charity at the date of acquisition and the net assets of £121,137 recognised as other income in the Statement of Financial Activities. The acquisition follows the accounting treatment prescribed under FRS 102 section 19.

The financial statements have been consolidated on a line by line basis in the Statement of Financial Activities up until the date of acquisition. A summary of the results of Esgyn is shown below:

	2016 £	2015 £
Turnover	2,056,650	1,256,920
Administration and other expenses	(1,980,848)	(1,305,571)
Recharges	(192,828)	(52,656)
Gain on investments	-	178
Transferred to Gofal T/A Gofal Cymru	(121,137)	-
<b>Net profit/(loss)</b>	<b>(238,163)</b>	<b>(101,129)</b>

**The aggregate of the assets, liabilities and funds were:**

Fixed assets	-	518,680
Investments	-	3,110
Current assets	-	388,152
Creditors due within one year	-	(358,995)
Net assets less current liabilities	-	550,947
Creditors due after one year	-	(312,784)
<b>Capital and reserves</b>	<b>-</b>	<b>238,163</b>

The amounts recognised for each class of assets and liabilities at acquisition were as follows:

Fixed assets	500,804
Cash at bank and in hand	368,186
Debtors	91,143
Creditors due in one year	(525,579)
Creditors due in more than one year	(313,417)
<b>Net assets transferred to Gofal Cymru T/A Gofal</b>	<b>(121,137)</b>

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**26. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
<b>Net income/(expenditure) for the reporting period</b>	<b>(54,866)</b>	<b>224,453</b>
<i>Adjustments for:</i>		
Depreciation charges	<b>84,034</b>	77,690
(Gains)/losses on investments	<b>5,714</b>	(29,583)
Dividends, interest and rents from investments	<b>(10,959)</b>	(16,110)
Profit on the sale of fixed assets	<b>735</b>	1,548
Increase in debtors	<b>(127,183)</b>	(141,861)
Increase in creditors	<b>41,675</b>	80,881
<b>Net cash provided by/(used in) operating activities</b>	<b><u>(60,850)</u></b>	<b><u>197,018</u></b>

**Analysis of Cash and Cash Equivalents**

Cash in hand	<b><u>649,766</u></b>	<b><u>765,378</u></b>
<b>Total Cash and Cash Equivalents</b>	<b><u>649,766</u></b>	<b><u>765,378</u></b>

**27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED**

	Unrestricted funds £	Restricted funds £	Total funds 2015 £
<b>Income and endowments from:</b>			
Donations and legacies	21,467	-	21,467
Charitable activities	5,239,238	421,685	5,660,923
Other trading activities	257,993	-	257,993
Investments	16,110	-	16,110
Other	339,320	-	339,320
<b>Total income and endowments</b>	<b><u>5,874,128</u></b>	<b><u>421,685</u></b>	<b><u>6,295,813</u></b>
<b>Expenditure on:</b>			
Raising funds	21,088	-	21,088
Charitable activities	5,345,213	440,025	5,785,238
Trading company costs	294,617	-	294,617
<b>Total expenditure</b>	<b><u>5,660,918</u></b>	<b><u>440,025</u></b>	<b><u>6,100,943</u></b>
<i>Net gains on investments</i>	<u>29,583</u>	<u>-</u>	<u>29,583</u>
<b>Net movement in funds</b>	<b>242,793</b>	<b>(18,340)</b>	<b>224,453</b>
<b>Reconciliation of Funds</b>			
Total funds brought forward	<u>1,315,611</u>	<u>33,623</u>	<u>1,349,234</u>
<b>Total funds carried forward</b>	<b><u>1,558,404</u></b>	<b><u>15,283</u></b>	<b><u>1,573,687</u></b>



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**27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - CHARITY**

	Unrestricted funds £	Restricted funds £	Total funds 2015 £
<b>Income and endowments from:</b>			
Donations and legacies	21,452	-	21,452
Charitable activities	3,989,408	414,343	4,403,751
Investments	16,080	-	16,080
Other income	61,789	-	61,789
<b><i>Total income and endowments</i></b>	<u>4,088,729</u>	<u>414,343</u>	<u>4,503,072</u>
<b>Expenditure on:</b>			
Raising funds	21,088		21,088
Charitable activities	4,046,984	432,683	4,479,667
<b><i>Total expenditure</i></b>	<u>4,068,072</u>	<u>432,683</u>	<u>4,500,755</u>
<i>Net gains on investments</i>	29,405	-	29,405
<b><i>Net movement in funds</i></b>	<u>50,062</u>	<u>(18,340)</u>	<u>31,722</u>
<b>Reconciliation of Funds</b>			
Total funds brought forward	1,314,349	33,623	1,347,972
<b><i>Total funds carried forward</i></b>	<u>1,364,411</u>	<u>15,283</u>	<u>1,379,694</u>