



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 AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Broomfield & Alexander Limited
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GOFAL CYMRU T/A GOFAL

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REPORT OF THE TRUSTEES

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the year ending 31 March 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

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

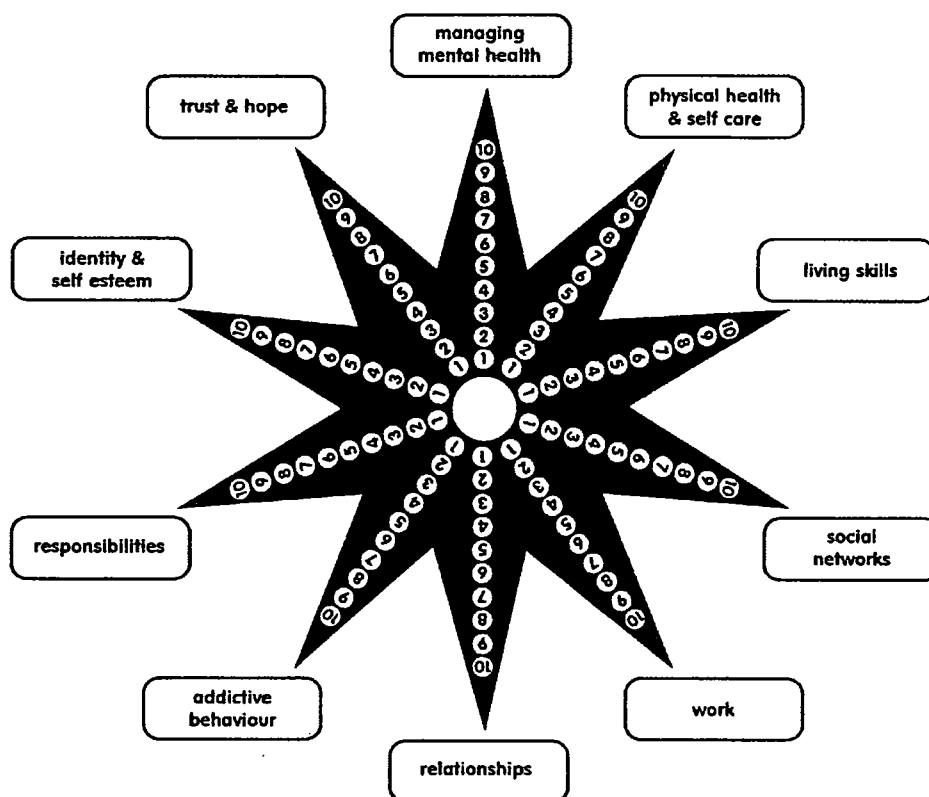
What we do

- 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

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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 mental health problems and promoting each person having a valued social role;
- **Meaning** – making sense of the individual experience of having a mental health problem so that it can be part of, but not the whole person and understanding through education, about the causes of mental health problems; 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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- 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.

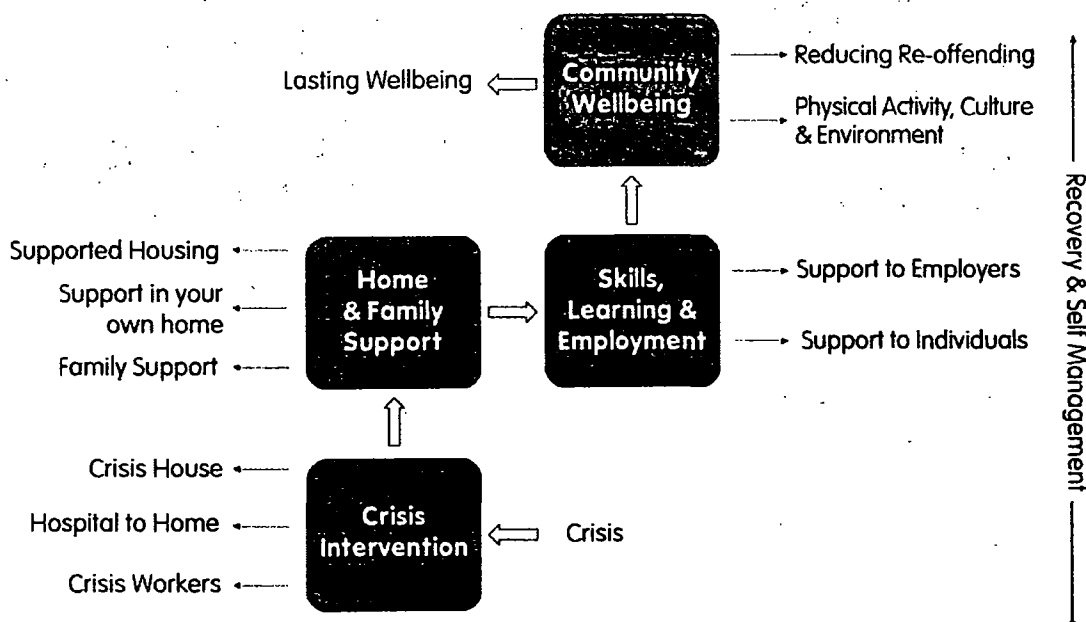
Public benefit - Ensuring our work delivers our objectives

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 15 South and South West Wales local authorities and five local health board areas working with 2,873 people during 2016/17.

The pathway model describes the core service areas provided by Gofal that support people's mental health and wellbeing that are intrinsically linked to our legal purpose and aims. It has four strategic areas:



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, providing support for daily living skills, domiciliary and personal care with offering advice and support to an individual's wider support network, which includes family and friends.

Skills, Learning and Employment

Meaningful occupation is viewed as 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 individuals to secure suitable supportive volunteering, vocational, educational, 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

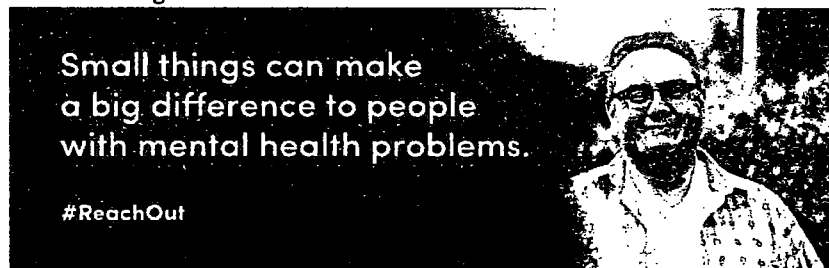
Gofal works to develop emotionally resilient and supportive communities in which individuals can express themselves. Our efforts are creative and responsive to need, supporting recovery through engagement in physical activity, the natural environment and the arts. We also work towards creating safer 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, and which we lead on the social marketing activities of the campaign. During 2016-17 we launched the Reach Out campaign, a series of videos and marketing materials featuring volunteers with lived experience of mental health problems and TV presenter Matt Johnson, in which they talked about how people reaching out to them and doing the small things can make a big difference to their experiences of poor mental health. The campaign reached a huge audience through its social media, television, cinema, radio and other advertising, surpassing funders' target and encouraged the public to reach out to the people they know.

Funding for a Time to Change Wales Young People's Programme (YPP) was confirmed in May 2016, and this year saw us lead on the preparations for a YPP social marketing burst, and support other strands in setting up and developing a programme which raises awareness of mental health amongst young people in schools, colleges and other organisations.



reach out
www.reachout.wales

We can make a difference
time to change
Wales
www.timechangewales.org.uk

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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. This year we continued to be an active member of the Wales Alliance for Mental Health, the lead third sector lobbying group for mental health in Wales. Our Chief Executive sits on the Mental Health National Partnership Board. We continued to co-ordinate and provide secretariat for the Cross Party Group on Mental Health and Cross Party Group on Eating Disorders. During 2016/17 our Public Affairs manager was seconded to the role of Interim Director of Cymorth Cymru the umbrella organisation for providers of housing, homelessness and supported housing in Wales.

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
- **Newlink Wales**
A strategic partnership with Newlink Wales to deliver the Out of Work Peer Support ESF programme in Cardiff & Vale and Cwm Taff.

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 and Drugaid (Merthyr).

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In the last four years, Gofal has gone through a period of acquisition and organic growth and today the charity activity has a turnover of £6.6m. The Charity also has a fully owned trading subsidiary Gofal Enterprises Limited (GEL). GEL has also grown significantly recently through acquisition and now has two fully owned trading subsidiaries: a cleaning and maintenance company, Cardiff Cleaning Services Limited trading as "APP UK"; and PS Properties and Interiors, a design consultancy and fit out and renovation company.

At the latter end of 2016/17 Trustees and the Senior Leadership Team began a comprehensive strategic review. The review was driven by a wide range of internal and external factors. The main issue being the continued "race to the bottom" commissioning culture which is increasingly leading us to question whether we are able to deliver the kind of life changing services we aspire to and offer acceptable remuneration to front line staff which appropriately recognise their skill sets and demonstrate our appreciation of them. The review will be complete and reach conclusions about future direction, purpose, vision and strategy during 2017/18.

ACHIEVEMENTS AND PERFORMANCE:

Developing a shared future vision is the starting point for transformational change, and 2016/17 saw the start of a series of Trustee away days and staff briefings which will shape the future strategy and direction of Gofal for 2017/18 and beyond.

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 seven over-arching corporate objectives for 2016/17 and the next three years. Progress made against these objectives for this financial year was as follows:

Strategic Aims

- 1. Demonstrating our impact and developing our practice**
 - During 2016/17 we reviewed a number of quality frameworks and the Board have selected PQASSO and this is now at implementation stage.
- 2. Ensuring that people with direct experience of mental health problems have a voice and influence at every level of the organisation**
 - We have redesigned our talent and recruitment processes in order to ensure that we recruit staff based on values and personal experience.
- 3. Ending stigma and discrimination**
 - We have continued our involvement with the Time to Change Wales existing campaign and the Children and Young Person's campaign which started in September 2016
- 4. Influencing legislation, policy and practice**
 - As part of a wider strategic review we have reviewed our policy and influence priorities during this period which will be published during 2017/18.
- 5. Organisational growth**
 - In August 2016, Gofal established a partnership with Newlink Cymru and successfully bid for the ESF funded Out of Work Peer Support Programme. This was initially for a period of 2 years and for £1.5m. This has already been extended by a further two years and an additional amount of funding for a young people's programme of £300k.
 - We have had ongoing dialogue with a range of statutory partners re service modelling that is expected to translate into a pipeline of revenue during 2017/18

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6. Independence and financial strength

- In November 2016, GEL acquired a cleaning and maintenance company trading as "APP UK" with an annual turnover of £1.2m in 2015/16. This was to enable Gofal to diversify income through trading activity and establishing the scale required to deliver a profit to the Group through the existing cleaning business, PS Facilities Management. In April 2017, APP UK and PSFM were consolidated into one company and PSFM was rebranded and refocussed as PS Properties and Interiors.
- During 2016/17 we introduced a new zero based budgeting system. This was used to produce the full budget for 2017/18. This has already been further developed in 2017/18 to provide live access to financial data for budget holders and also to improve financial forecasting.

7. A workforce able to deliver

- In the last quarter of 2016/17 we began the implementation phase of the new HR system. This is continuing to be fully implemented in the early part of 2017/18 and will give live access to HR data for managers.
- All staff are now in the process of being trained on the new HR system in order to be able to access and update their own relevant individual HR data.
- In 2016/17 we made improvements to the existing payroll system and we implemented online payslips from July 2017 and new auto-enrolment features.

PLANS FOR FUTURE PERIODS

The primary aim for 2017/18 is to conclude the strategic review and refresh strategy accordingly. The following aims and next steps are contained within our current strategic plan and therefore may be subject to change.

Strategic Aim	Next Steps
Demonstrating our impact and developing our practice	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Continuing to grow our pathway of core services • Establishing a specialist mental health and wellbeing, training, consultancy and therapy arm

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Independence and financial strength	<ul style="list-style-type: none"> • Consider mergers with compatible organisations • 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	<ul style="list-style-type: none"> • 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 Board receives 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 20, shows the financial results for Gofal and those of its trading subsidiary; Gofal Enterprises Limited (GEL).

Income

Overall the group income has increased from £6.7m in 2015/16, to £7.3m in 2016/17, an increase of 9%. The main headlines for income include the following:

- Income from our trading subsidiary activity has significantly increased from £567k in 2016 to £690k in 2017. This income will increase substantially in the next financial year as Gofal Enterprises Limited acquired APP UK during November 2016 and the increase in turnover is only reflective of part of the financial year;
- Income from charitable activities has increased by £484k or by 8% since last financial year;
- Big Lottery income has increased by £167k, this is due to the commencement of the Children and Young People's programme and income for a new project DIAL which started in August 2016. The DIAL project supports people with dementia and their carers in coping with the condition. ESF income is a new source of income of £198k in this financial year and is in relation to the Out of Work Peer Support Programme which also commenced in August 2016.

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 £282k from Welsh Government including Section 180 funding, Section 64 funding re Journey's and Time to Change funding for phase 2, rental income (£1,279k) and local health boards (£474k). See note 4 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.

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Expenditure

Resources expended have increased from £6.7m in 2015/16 to £7.4m in 2016/17. Spending on direct charitable activities has increased by £421k and note 9 to the accounts illustrates a matrix of the main areas of expenditure for each of our service groups. Support costs account for 10% of total expenditure for the charity only and have reduced as anticipated from last year as a result of the merger. Alongside this, we invested £52k from designated reserves in IT development and furniture and maintenance activities across the group.

Net movement in funds

The net movement in total funds has resulted in a consolidated group deficit of £52.3k for the year after taxation. The net movement in total funds for Gofal, the Charity, was a surplus of £30.2k, which was including the net gain on investments of £30.6k.

The total funds balance of the charity as at the 31 March 2017 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 (GEL). Although GEL has made a loss across the group in the first year of the acquisition strategy, the business now has increased scale to help fulfil the ambition to deliver significant independent income to support the charity long term in its income diversification strategy.

During the year, GEL transferred its trading activity under PS Facilities Management to the newly acquired trading subsidiary, Cardiff Cleaning Services Limited trading as "APP UK". This has already drawn success with sales increasing due to improved operational management structures. APP UK has also appointed a Commercial Manager with significant experience in the sector, focussing on sales and marketing.

GEL has repositioned PS Facilities Management changing its name to PS Properties and Interiors to improve awareness of the offering. The company website has been relaunched helping to sustain a steady sales line for the current year. A senior appointment is expected within the business in September 2017 with the plans looking favourable.

GEL in partnership with Gofal has developed a business model and evidence base for the Wellness Centre. The business case is currently under review with two investors with plans to launch the business in autumn 2017.

Both investors (Finance Wales and WCVA) have restated their commitment to GEL in recent months, supporting the ongoing strategy development to ensure GEL delivers the financial stability for Gofal in the long term.

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

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- 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.

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:

Reserve principal	Level	Appropriate investment	Calculated by:	Determined level : £
Cash flow difficulties	One	Cash / Liquid Assets	10-20% of largest single funding source	100,000
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	202,940
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
Total			Current determined level	552,940

Note 21 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 £553k. Due to merger activity, the free reserves of £415k are currently £138k behind determined levels. The three year financial strategy alongside the new strategic plan looks 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 21 to the accounts, Analysis of Funds. Approximately £52k of non-capital expenditure has been expended from designated reserves during the year as follows:-

Property and Capital Reserves

£258k 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 historic Esgyn property in respect of Beaufort House.

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Furniture and Maintenance Fund

£35k has been transferred to general funds to cover maintenance, redecoration and refurbishment of premises but an additional transfer in of £40k has increased this reserve to £204k by the end of the financial year. Part of this reserve will be spent in 2017/18 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 initially. £11k has been released in this financial year. The improvements are applicable across the new group companies. £10k remains in this reserve to carry forward to the first quarter of next year.

Other designated fund balances are held as follows:

Merger Reserve

The remainder of this reserve was released back to general reserve at the end of the financial year.

Research Impact Fund

This fund has been re-evaluated as part of the new strategic plan and has been released back to the general reserve at the end of the financial year.

Social Enterprise and Independent Income Fund

This fund has been re-evaluated as part of the new strategic plan and has been released back to the general reserve at the end of the financial year.

Restricted funds

The movement on restricted funds during the year are shown in note 21 to the accounts, Analysis of Funds. Approximately £260k of non-capital expenditure has been expended from restricted funds during the year as follows:-

Big Lottery

£227k was received and spent during the year in relation to two projects funded by Big Lottery including £73k re DIAL; this project supports people and their carers in coping with Dementia; £154k re various Time to Change social media campaigns 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

£1.5k was received and spent during the year from Welsh Government and £31k from sundry grants. £32k is held as follows; £15k relating to mental health crisis fund and £17k for service user related grants.

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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 £323k at the beginning of the financial year. £33k of new investment was made during the year and £148k disposals made at carrying value, at the year end the remaining portfolio was valued at £239k, with an unrealised gain on investments of £31k. The portfolio is managed by Brewin Dolphin on behalf of Gofal trustees. Note 16 to the financial statements provides the details of the investments held by Gofal.

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 £15k for the year.

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 March 2016, all the assets and liabilities were transferred to Gofal and Esgyn was wound down during this 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 its trading subsidiary. The Board reviews the strategic risk on an annual basis in December but last reviewed these risks at the July 2017 Board meeting. 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

Risk	Mitigation
External environment and competition; continued public sector cuts, welfare reform specifically Local Housing Allowance, threats to supporting people funding, increasingly competitive tendering environment	<ul style="list-style-type: none"> • 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 following implementation of new systems • Focussed business development growth strategy
Group governance and strategic leadership; governance and leadership practice and behaviour become unfit for purpose and not robust enough to successfully lead a growing, increasingly diverse group of charities/companies	<ul style="list-style-type: none"> • Strong active Trustees with cross sector experience • Governance framework and competencies • Governance and leadership culture-Thinking Environment • Following Governance review in 2015/16; Board considering purpose, vision and mission currently • Task & Finish group established to look at group senior leadership team requirements for the future

**GOFAL CYMRU T/A GOFAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

Brand, reputation, culture, values & stakeholder experience; we need to maintain a strong cultural identity, with lived values and consistent high quality as the organisation grows and to demonstrate the impact of our work	<ul style="list-style-type: none"> • Marketing and communications 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 • Development of group marketing, communications and brand strategy linked to business model changes
A workforce to deliver; we are unable to recruit and retain the workforce we need to deliver on behalf of service users and commissioners	<ul style="list-style-type: none"> • Regular review of recruitment processes and strategy • Annual staff surveys to identify levels of engagement and action plan (Best companies and Gofal wellbeing survey) • Regular team meetings and briefings to update team members • Use of appraisal and supervision to identify development roles for staff members • Improved HR information, intranet development and key performance indicators • Embedding Thinking Environment principles across Gofal
Independent Revenue generation through trading; risk that the trading subsidiary does not deliver the levels of independent income contained in the business plan	<ul style="list-style-type: none"> • Strong GEL Board – commercially experienced • Working with experienced commercial advisors • Clear strategy for growth through acquisition • Annual budget setting process and robust financial planning and monitoring processes • Investment appetite – social and commercial • Development of clear and streamlined performance reporting frameworks to/from the trading subsidiary
Income, cost control and efficiencies; the changing nature of contracting, potential rent loss, failure to achieve effective ways of working will lead to increased costs	<ul style="list-style-type: none"> • Qualified and experienced finance team • Quarterly management reporting to Board • Cyclical programme of cost efficiency reviews in place • Reserve and investment policies in place • Annual budget setting process • Continuing to invest in core systems for HR, payroll and finance will drive further cost control and efficiency savings

Related parties

See note 27 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.

Equal opportunities

Gofal is committed to equal opportunities for disabled people in recruitment and employment and aims to create an environment which enables all people to work effectively as part of the Gofal community. This is in line with the organisation's Equality and Diversity Policy and Code of Conduct which set out the commitments, behavioural expectations and responsibilities of members of the organisation.

**GOFAL CYMRU T/A GOFAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

Staff engagement

To encourage a work environment of open communication, Gofal engages in a number of ways with its staff. We hold quarterly staff briefing sessions in each regional office and senior leaders, local management, Board members and all staff are encouraged to attend. These are used to provide information, for wider consultation on strategic issues affecting the charity and to report on performance and other factors that may impact on Gofal. We also support regular local team meetings and functional task groups. In the last quarter of 2016/17 we were in the testing phase of introducing a new staff intranet which was introduced in April 2017. We also have a recognition agreement with Unison and they are involved in any relevant consultation processes and union representatives are often invited to participate in Board discussions on issues impacting on their members. Gofal also undertakes regular staff engagement and wellbeing surveys that inform our employee engagement work.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity number

1000889

Registered company number

02546880

Board of Trustees

Stewart Greenwell	-	Chair (re-appointed to Gofal Board 27/07/2016 and Interim Chair 09/01/17)
Deborah Green	-	Treasurer
Cynthia Alleyne	-	Resigned 09/01/17
Stewart Davison		
Sian Goodson	-	Resigned 07/12/16
Tracy Elliot	-	Resigned 25/01/16
Neil Hapgood		
Terence Brenig-Jones	-	Resigned 25/01/17
David Davies	-	Interim Vice-Chair
Huw Davies		
Christopher Loughran		

Company Secretary

Ewan Hilton

Key Management Personnel

Ewan Hilton – Chief Executive Officer
Janet Lane – Director of Finance
Jane Bressington – Interim Director of OD and HR (01/01/2017)
Louise Evans – Director of Services
Richard Bundy – Interim Director of Business Development (01/01/2017)
Matthew Cole – Managing Director - GEL

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

**GOFAL CYMRU T/A GOFAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

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 2017**

Statement of Trustees' Responsibilities

The (who are also directors of Gofal Cymru, trading as Gofal for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 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 accounting 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 maintaining proper accounting records which 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:

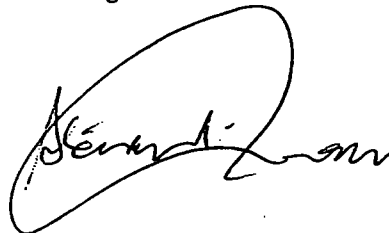
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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



Steward Greenwell
Interim Chair

Date 29/10/17.

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

We have audited the financial statements of Gofal Cymru T/A Gofal for the year ended 31 March 2017 which comprise the Group and Parent 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 trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees 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 17, 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 section 151 of the Charities Act 2011 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 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 2017 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

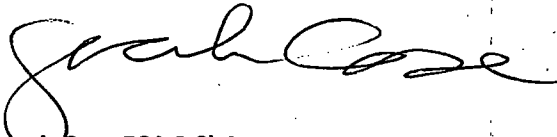
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report 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 Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records; or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



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 20-9-17

Broomfield & Alexander Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GOFAL CYMRU T/A GOFAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income and endowments from:					
Donations and legacies	3	28,194	-	28,194	12,908
Charitable activities	4	6,332,476	259,587	6,592,063	6,107,991
Other trading activities	5	708,283	-	708,283	567,397
Investments	6	14,724	-	14,724	10,959
Total income and endowments		7,083,677	259,587	7,343,264	6,699,255
Expenditure on:					
Raising funds	8	12,136	-	12,136	12,204
Charitable activities	9	6,363,319	259,810	6,623,129	6,202,038
Trading company costs	9,28	799,931	-	799,931	534,165
Total expenditure		7,175,386	259,810	7,435,196	6,748,407
<i>Net gains/(losses) on investments</i>	16	30,585	-	30,585	(5,714)
<i>Taxation</i>	28	9,037	-	9,037	-
Net income/(expenditure)		(52,087)	(223)	(52,310)	(54,866)
Transfers between funds	21	(32,517)	32,517	-	-
Net movement in funds	10	(84,604)	32,294	(52,310)	(54,866)
Reconciliation of Funds					
Total funds brought forward	21	1,503,548	15,273	1,518,821	1,573,687
Total funds carried forward	21,22	1,418,944	47,567	1,466,511	1,518,821

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 25 - 54 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 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income and endowments from:					
Donations and legacies	3	28,194	-	28,194	12,788
Charitable activities	4	6,332,476	259,587	6,592,063	4,051,595
Other trading activities	5	17,799	-	17,799	-
Investments	6	14,724	-	14,724	10,855
Other income	7	-	-	-	326,097
Total income and endowments		6,393,193	259,587	6,652,780	4,401,335
Expenditure on:					
Raising funds	8	12,136	-	12,136	12,204
Charitable activities	9	6,381,141	259,810	6,640,951	4,221,191
Total expenditure		6,393,277	259,810	6,653,087	4,233,395
<i>Net gains/(losses) on investments</i>	16	<u>30,585</u>	<u>-</u>	<u>30,585</u>	<u>(5,714)</u>
Net income/(expenditure)		30,501	(223)	30,278	162,226
Transfers between funds	21	<u>(32,517)</u>	<u>32,517</u>	<u>-</u>	<u>-</u>
Net movement in funds	10	(2,016)	32,294	30,278	162,226
Reconciliation of Funds					
Total funds brought forward	21	<u>1,526,647</u>	<u>15,273</u>	<u>1,541,920</u>	<u>1,379,694</u>
Total funds carried forward	21,22	<u>1,524,631</u>	<u>47,567</u>	<u>1,572,198</u>	<u>1,541,920</u>

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 25 - 54 form part of the financial statements

**GOFAL CYMRU T/A GOFAL
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017**

		2017	2016
	Note	£	£
Fixed assets:			
Intangible assets	14	2,500	-
Tangible assets	15	853,069	853,178
Investments	16	558,988	323,417
		<u>1,414,557</u>	<u>1,176,595</u>
Current assets:			
Debtors	18	1,061,472	727,037
Cash at bank and in hand		436,384	659,189
		<u>1,497,856</u>	<u>1,386,226</u>
Liabilities:			
Creditors: Amounts falling due within one year	19	<u>(899,642)</u>	<u>(750,645)</u>
Net current assets		<u>598,214</u>	<u>635,581</u>
Total assets less current liabilities		<u>2,012,771</u>	<u>1,812,176</u>
Creditors: Amounts falling due after more than one year	20	(544,878)	(293,355)
Provision for liabilities	28	(1,382)	-
Net assets		<u>1,466,511</u>	<u>1,518,821</u>
The funds of the charity:			
Restricted income funds	21	47,567	15,273
Unrestricted income funds			
Designated funds	21	747,503	804,969
General funds	21	671,441	698,579
Total charity funds	22	<u>1,466,511</u>	<u>1,518,821</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2017, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 20/09/17 and signed on its behalf.


Stewart Greenwell
Interim Chair


Deborah Green
Trustee

The notes on pages 25 - 54 form part of the financial statements

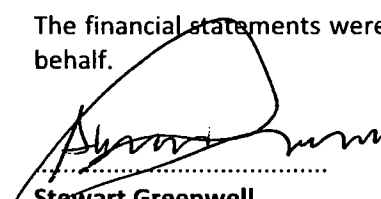
**GOFAL CYMRU T/A GOFAL
CHARITY BALANCE SHEET
AS AT 31 MARCH 2017**

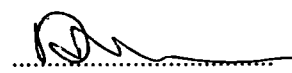
		2017	2016
	Note	£	£
Fixed assets:			
Tangible assets	15	843,010	848,794
Investments	16	238,719	323,417
		<u>1,081,729</u>	<u>1,172,211</u>
Current assets:			
Debtors	18	1,043,092	592,371
Cash at bank and in hand		373,316	631,236
		<u>1,416,408</u>	<u>1,223,607</u>
Liabilities:			
Creditors: Amounts falling due within one year	19	<u>(652,787)</u>	<u>(560,543)</u>
Net current assets		<u>763,621</u>	<u>663,064</u>
Total assets less current liabilities		<u>1,845,350</u>	<u>1,835,275</u>
Creditors: Amounts falling due after more than one year	20	<u>(273,152)</u>	<u>(293,355)</u>
Net assets		<u>1,572,198</u>	<u>1,541,920</u>
The funds of the charity:			
Restricted income funds	21	47,567	15,273
Unrestricted income funds			
Designated funds	21	747,503	804,969
General funds	21	777,128	721,678
Total charity funds	22	<u>1,572,198</u>	<u>1,541,920</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2017, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 20/09/17 and signed on its behalf.


Stewart Greenwell
Interim Chair


Deborah Green
Trustee

The notes on pages 25 - 54 form part of the financial statements

**GOFAL CYMRU T/A GOFAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Net cash used in operating activities	29	<u>(113,439)</u>	<u>(60,849)</u>
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		14,724	10,959
Purchase of property plant and equipment & intangibles		(109,654)	(37,519)
Proceeds from sale of investments		147,971	84,537
Purchase of investments		<u>(352,957)</u>	<u>(78,245)</u>
Net cash used in investing activities		<u>(299,916)</u>	<u>(20,268)</u>
<i>Cash flows from financing activities:</i>			
Repayments of borrowing		(59,465)	(25,072)
Cash inflows from new borrowing		250,015	-
Net cash provided by (used in) financing activities		<u>190,550</u>	<u>(25,072)</u>
Change in cash and cash equivalents in the reporting period		(222,805)	(106,189)
Cash and cash equivalents at the beginning of the reporting period		659,189	765,378
Cash and cash equivalents at the end of the reporting period	29	<u>436,384</u>	<u>659,189</u>

The notes on pages 25 - 54 form part of the financial statements

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES

Legal form

Gofal Cymru T/A Gofal is a private company, limited by guarantee, incorporated in England and Wales. The registered office is 2nd Floor Derwen House, 2 Court Road, Bridgend, CF31 1BN.

Basis of preparation

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

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 2017. The results of the subsidiary undertakings are consolidated on a line by line basis within the consolidated Statement of Financial Activities.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Capital grants are released to the Statement of Financial Activities in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund.

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

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 charity; this is normally upon notification of the interest paid or payable by the bank.

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs was as a percentage of total staff time 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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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.

The subsidiaries, PS Properties and Interiors Limited and Gofal Enterprises Limited, had no corporation tax charges for the period. Cardiff Cleaning Services Limited was liable to corporation tax during the period.

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Goodwill – 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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

Assets of the charity with a value more than £100 will be capitalised and depreciated in full in the year of acquisition; assets of the trading subsidiary with a value of more 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

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Investments in subsidiary undertakings are valued at cost less provision for impairment.

Cash and cash equivalent

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

Financial instruments

The charity 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 charity's balance sheet when the charity 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities.

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled

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.

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

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.

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 21 to the accounts.

Pensions

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. INCOME FROM DONATIONS

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
Group	£	£	£	£
Donations	28,194	-	28,194	12,908
	<u>28,194</u>	<u>-</u>	<u>28,194</u>	<u>12,908</u>
Charity				
Donations	28,194	-	28,194	12,708
	<u>28,194</u>	<u>-</u>	<u>28,194</u>	<u>12,708</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. INCOME FROM CHARITABLE ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Rents	1,278,965	-	1,278,965	1,351,147
Health boards	474,370	-	474,370	470,793
Sundries	26,697	-	26,697	38,039
Welsh Government	280,418	1,500	281,918	285,881
Jobcentre Plus	36,819	-	36,819	-
Trusts	7,388	-	7,388	3,592
Local authorities	4,025,687	-	4,025,687	3,867,360
Big Lottery Fund	-	227,277	227,277	60,410
GAVO	-	18	18	19,636
Individual Personal Contracts	3,976	-	3,976	11,133
ESF funding	198,156	-	198,156	-
Small grants	-	30,792	30,792	-
	<u>6,332,476</u>	<u>259,587</u>	<u>6,592,063</u>	<u>6,107,991</u>
Charity				
Rents	1,278,965	-	1,278,965	654,865
Health boards	474,370	-	474,370	465,710
Sundries	26,697	-	26,697	38,039
Welsh Government	280,418	1,500	281,918	285,881
Jobcentre Plus	36,819	-	36,819	-
Trusts	7,388	-	7,388	3,592
Local authorities	4,025,687	-	4,025,687	2,523,462
Big Lottery Fund	-	227,277	227,277	60,410
GAVO	-	18	18	19,636
Individual personal contracts	3,976	-	3,976	-
ESF funding	198,156	-	198,156	-
Small grants	-	30,792	30,792	-
	<u>6,332,476</u>	<u>259,587</u>	<u>6,592,063</u>	<u>4,051,595</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Marketing sales	17,799	-	17,799	30
Trading subsidiaries	690,484	-	690,484	567,367
	<u>708,283</u>	<u>-</u>	<u>708,283</u>	<u>567,397</u>
Charity				
Marketing sales	17,799	-	17,799	-
	<u>17,799</u>	<u>-</u>	<u>17,799</u>	<u>-</u>

6. INCOME FROM INVESTMENTS

Group	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Common Investment Funds	13,784	-	13,784	10,214
Bank interest	940	-	940	745
	<u>14,724</u>	<u>-</u>	<u>14,724</u>	<u>10,959</u>
Charity				
Common Investment Funds	13,784	-	13,784	10,214
Bank interest	940	-	940	641
	<u>14,724</u>	<u>-</u>	<u>14,724</u>	<u>10,855</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Charity				
Gain on acquisition of Esgyn	-	-	-	121,137
Recharges to Esgyn	-	-	-	192,828
Trading company recharges	-	-	-	12,132
	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,097</u>

8. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Group & Charity				
Fundraising costs	<u>12,136</u>	<u>-</u>	<u>12,136</u>	<u>12,204</u>
	<u>12,136</u>	<u>-</u>	<u>12,136</u>	<u>12,204</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Support costs	Supporting people services	H.S.A. & S180	Other projects*	Employment services	Total 2017	Total 2016
	£	£	£	£	£	£	£
Salaries	481,791	3,046,959	349,427	616,119	193,110	4,687,406	4,300,389
Travel	17,342	134,305	21,339	32,576	8,509	214,071	198,835
Housing association costs	-	663,139	-	715	-	663,854	727,351
Rent and utility costs	48,335	246,240	18,756	17,184	2,080	332,595	216,430
Accountancy and audit	954	4,835	1,256	3,242	106	10,393	18,953
Telecommunications and IT costs	19,300	153,728	20,593	20,539	10,509	224,669	192,377
Planned maintenance and repairs	578	37,058	117	890	20	38,663	22,297
Advertising and recruitment	91,652	46,746	7,139	7,874	4,766	158,177	51,112
Consultancy costs	1,616	15,857	1,775	641	262	20,151	29,947
Insurance	-	43,208	6,409	7,154	1,665	58,436	73,854
Other costs	26,132	111,280	6,946	11,636	70,856	226,850	382,697
	<u>687,700</u>	<u>4,503,355</u>	<u>433,757</u>	<u>718,570</u>	<u>291,883</u>	<u>6,635,265</u>	<u>6,214,242</u>
Trading company costs						799,931	534,165
Total group costs						<u>7,435,196</u>	<u>6,748,407</u>

By fund type	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Raising funds	12,136	-	12,136	12,204
Charitable activities	<u>6,363,319</u>	<u>259,810</u>	<u>6,623,129</u>	<u>6,202,038</u>
	<u>6,375,455</u>	<u>259,810</u>	<u>6,635,265</u>	<u>6,214,242</u>
Trading company costs			799,931	534,165
Total group costs			<u>7,435,196</u>	<u>6,748,407</u>

*other projects includes Out of Hours, Crisis and trading subsidiaries.

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Charity	Support costs	Supporting people services	H.S.A. & S180	Other projects*	Employment services	Total 2017	Total 2016
	£	£	£	£	£	£	£
Salaries	499,613	3,046,959	349,427	616,119	193,110	4,705,228	3,048,060
Travel	17,342	134,305	21,339	32,576	8,509	214,071	152,684
Housing association costs	-	663,139	-	715	-	663,854	274,199
Rent and utility costs	48,335	246,240	18,756	17,184	2,080	332,595	166,434
Accountancy and audit	954	4,835	1,256	3,242	106	10,393	8,699
Telecommunications and IT costs	19,300	153,728	20,593	20,539	10,509	224,669	150,620
Planned maintenance and repairs	578	37,058	117	890	20	38,663	19,284
Advertising and recruitment	91,652	46,746	7,139	7,874	4,766	158,177	41,955
Consultancy costs	1,616	15,857	1,775	641	262	20,151	26,497
Insurance	-	43,208	6,409	7,154	1,665	58,436	50,079
Other costs	26,132	111,280	6,946	11,636	70,856	226,850	294,884
Total charity costs	705,522	4,503,355	433,757	718,570	291,883	6,653,087	4,233,395

By fund type	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Raising funds	12,136	-	12,136	12,204
Charitable activities	6,381,141	259,810	6,640,951	4,221,191
Total charity costs	6,393,277	259,810	6,653,087	4,233,395

*other projects includes Out of Hours, Crisis and trading subsidiaries.

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Auditors remuneration – audit	13,025	7,455	8,500	6,630
Auditors remuneration – other services	3,250	5,940	2,250	5,940
Depreciation – owned assets	74,250	84,034	70,024	56,731
Operating leases – equipment	40,526	19,725	12,633	19,725
Operating leases – property	70,654	75,464	70,654	75,464

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£	£	£	£
Wages and salaries	4,677,752	3,685,692	3,839,192	2,584,508
Agency costs	498,684	206,660	355,552	93,797
Social security costs	301,095	288,862	301,095	219,505
Pension costs	218,363	198,940	210,219	140,249
	<u>5,695,894</u>	<u>4,380,154</u>	<u>4,706,058</u>	<u>3,038,059</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:

	2017	2016
	No	No
£60,000 - £70,000	<u>1</u>	<u>1</u>

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

	2017	2016
	£	£
Total contributions	<u>7,951</u>	<u>4,225</u>

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

Group

During the year 3 trustees (2015: 5) received reimbursement of travelling expenses of £546 (2016: £540).

Key Management Personnel

The total amount of employee benefits received by the group's key management personnel for their services to the charity totalled £429,386 (2016: £290,665).

Charity

During the year 3 trustees (2016: 4) received reimbursement of travelling expenses of £546 (2016: £438).

Key Management Personnel

The total amount of employee benefits received by the charity's key management personnel for their services to the charity totalled £318,267 (2016: £174,399).

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. STAFF NUMBERS

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

	Group 2017 No	Group 2016 No	Charity 2017 No	Charity 2016 No
Head office	24	19	24	14
Projects	293	218	191	130
	<u>317</u>	<u>237</u>	<u>215</u>	<u>144</u>

13. BANK LOAN INTEREST

	Group 2017 No	Group 2016 No	Charity 2017 No	Charity 2016 No
Bank loan interest	24,506	11,500	12,116	11,500
	<u>24,506</u>	<u>11,500</u>	<u>12,116</u>	<u>11,500</u>

14. INTANGIBLE FIXED ASSETS

Group	£
Cost	
Additions	30,000
At 31 March 2017	<u>30,000</u>
Amortisation	
Charge	27,500
At 31 March 2017	<u>27,500</u>
Carrying amount at 31 March 2017	<u>2,500</u>
Carrying amount at 31 March 2016	<u>-</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Leasehold property	Office equipment £	Project fixtures and fittings £	Total £
Cost					
At 1 April 2016	299,913	490,000	239,700	172,272	1,201,885
Additions	-	-	26,305	53,349	79,654
Disposals	-	-	(63,199)	(3,276)	(66,475)
At 31 March 2017	<u>299,913</u>	<u>490,000</u>	<u>202,806</u>	<u>222,345</u>	<u>1,215,064</u>
Depreciation					
At 1 April 2016	35,989	10,000	169,028	133,690	348,707
Charge for the year	5,998	10,000	46,238	12,014	74,250
Disposals	-	-	(57,687)	(3,275)	(60,962)
At 31 March 2017	<u>41,987</u>	<u>20,000</u>	<u>157,579</u>	<u>142,429</u>	<u>361,995</u>
Net Book Value					
At 31 March 2017	<u>257,926</u>	<u>470,000</u>	<u>45,227</u>	<u>79,916</u>	<u>853,069</u>
At 31 March 2016	<u>263,924</u>	<u>480,000</u>	<u>70,672</u>	<u>38,582</u>	<u>853,178</u>

Charity	Freehold property £	Leasehold property £	Office equipment £	Project fixtures and fittings £	Total £
Cost					
At 1 April 2016	299,913	480,000	218,486	159,189	1,157,588
Additions	-	-	10,892	53,349	64,241
Disposals	-	-	(49,415)	(3,276)	(52,691)
At 31 March 2017	<u>299,913</u>	<u>480,000</u>	<u>179,963</u>	<u>209,262</u>	<u>1,169,138</u>
Depreciation					
At 1 April 2016	35,989	-	152,197	120,608	308,794
Charge for the year	5,998	10,000	42,012	12,014	70,024
Disposals	-	-	(49,415)	(3,275)	(52,690)
At 31 March 2017	<u>41,987</u>	<u>10,000</u>	<u>144,794</u>	<u>129,347</u>	<u>326,128</u>
Net Book Value					
At 31 March 2017	<u>257,926</u>	<u>470,000</u>	<u>35,169</u>	<u>79,915</u>	<u>843,010</u>
At 31 March 2016	<u>263,924</u>	<u>480,000</u>	<u>66,289</u>	<u>38,581</u>	<u>848,794</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. INVESTMENTS

Group	Listed investments £	Investment in group undertakings £	Total 2017 £
Carrying value (market value) at beginning of year	323,417	-	323,417
Add additions to investment at cost	32,688	320,269	352,957
Less disposals at carrying value	(147,971)	-	(147,971)
Net gain on revaluation	30,585	-	30,585
Carrying value (market value) at year end	<u>238,719</u>	<u>320,269</u>	<u>558,988</u>

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

Charity	£
Carrying value (market value) at beginning of year	323,417
Add additions to investment at cost	32,688
Less disposals at carrying value	(147,971)
Net gain on revaluation	30,585
Carrying value (market value) at year end	<u>238,719</u>

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

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. FINANCIAL INSTRUMENTS

Group	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	962,572	636,925
Measured at fair value through profit and loss	<u>558,988</u>	<u>323,417</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>608,428</u>	<u>556,535</u>
 Charity		
Carrying amount of financial assets		
Debt instruments measured at amortised cost	754,848	442,471
Measured at fair value through profit and loss	<u>238,719</u>	<u>323,417</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>383,592</u>	<u>392,931</u>

18. DEBTORS

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Trade debtors	929,133	604,908	747,726	442,471
Amounts owed by group undertakings	-	-	189,344	59,788
Other debtors	33,440	32,017	7,123	-
Prepayments and accrued income	98,899	90,112	98,899	90,112
	<u>1,061,472</u>	<u>727,037</u>	<u>1,043,092</u>	<u>592,371</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Bank loans and overdrafts	32,003	19,414	20,942	19,414
Trade creditors	326,441	311,671	287,595	275,077
Other creditors	202,590	149,074	27,661	22,064
Accruals	47,394	76,376	47,394	76,376
Grants repayments and deferred income	188,582	99,554	188,582	99,554
Taxation and social security	102,632	94,556	80,613	68,058
	<u>899,642</u>	<u>750,645</u>	<u>652,787</u>	<u>560,543</u>

Contained in grant repayments and deferred income above is grant income received in advance of the period to which it relates.

Group and Charity

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Balance brought forward	42,724	61,827	42,724	61,827
Income received	4,683,776	6,088,888	4,683,776	4,032,492
income released	(4,567,838)	(6,107,991)	(4,567,838)	(4,051,595)
Balance carried forward	<u>158,662</u>	<u>42,724</u>	<u>158,662</u>	<u>42,724</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£	£	£	£
1-2 years	21,013	20,197	21,013	20,197
2-5 years	68,236	65,590	68,236	65,590
Over 5 years	455,629	207,568	183,903	207,568
	<u>544,878</u>	<u>293,355</u>	<u>273,152</u>	<u>293,355</u>

The company's bankers - Lloyds 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 2017 totalled £294,094, the value of the property on which the loan is being secured totalled £500,000. The loans regarding this property will be repaid during the year ended 2028 and 2029.

Also included within the group creditors figure above is £209,226 secured on the group companies assets. Funding was provided by Finance Wales and Social Invest Cymru during the 2017 financial year, the loans will be repaid over a five year period.

The remaining balances relate to intercompany loans. Interest is charged at 1.25% and loans are repayable within 3 and 5 years.

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

21. ANALYSIS OF FUNDS

Group	Balance at 1. April 2016 £	Income £	Expenditure £	Gains on investments £	Transfers £	Balance as at 31 March 2017 £
Unrestricted						
General funds	698,579	7,043,681	(7,114,354)	30,585	12,950	671,441
	<u>698,579</u>	<u>7,043,681</u>	<u>(7,114,354)</u>	<u>30,585</u>	<u>12,950</u>	<u>671,441</u>
Designated funds						
Property reserve	263,923	-	(5,998)	-	-	257,925
Furniture and maintenance fund	198,770	39,996	(35,000)	-	-	203,766
IT development fund	20,997	-	(10,997)	-	-	10,000
Research impact fund	30,000	-	-	-	(30,000)	-
Social enterprise and independent income	74,168	-	-	-	(74,168)	-
Merger fund – Gofal	41,299	-	-	-	(41,299)	-
Innovation, research & development fund	-	-	-	-	70,000	70,000
Business development reserve	-	-	-	-	30,000	30,000
Capital spend	175,812	-	-	-	-	175,812
Total designated funds	<u>804,969</u>	<u>39,996</u>	<u>(51,995)</u>	<u>-</u>	<u>(45,467)</u>	<u>747,503</u>
Total unrestricted & designated funds	<u>1,503,548</u>	<u>7,083,677</u>	<u>(7,166,349)</u>	<u>30,585</u>	<u>(32,517)</u>	<u>1,418,944</u>
Restricted funds						
Big Lottery Fund	-	227,277	(227,277)	-	-	-
The Henry Smith Charity	5,782	-	-	-	-	5,782
WCVA	9,491	-	-	-	-	9,491
Welsh Government	-	1,500	(1,500)	-	-	-
GAVO	-	18	(18)	-	-	-
Sundries	-	30,792	(31,015)	-	32,517	32,294
Total restricted funds	<u>15,273</u>	<u>259,587</u>	<u>(259,810)</u>	<u>-</u>	<u>32,517</u>	<u>47,567</u>
Total funds	<u>1,518,821</u>	<u>7,343,264</u>	<u>(7,426,159)</u>	<u>30,585</u>	<u>-</u>	<u>1,466,511</u>

Designated funds: are as detailed on pages 10 and 11 of the Trustees Report.

Restricted funds: are as detailed on page 11 of the Trustees Report.

Transfers: these relate to movements in designated funds during the year.

GOFAL CYMRU T/A GOFAL
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21. ANALYSIS OF FUNDS (continued)

Charity	Balance at 1 April 2016 £	Income £	Expenditure £	Gains on investments £	Transfers £	Balance as at 31 March 2017 £
Unrestricted						
General funds	721,678	6,353,197	(6,341,282)	30,585	12,950	777,128
	<u>721,678</u>	<u>6,353,197</u>	<u>(6,341,282)</u>	<u>30,585</u>	<u>12,950</u>	<u>777,128</u>
Designated funds						
Property reserve	263,923	-	(5,998)	-	-	257,925
Furniture and maintenance fund	198,770	39,996	(35,000)	-	-	203,766
IT development fund	20,997	-	(10,997)	-	-	10,000
Research impact fund	30,000	-	-	-	(30,000)	-
Social Enterprise and independent income	74,168	-	-	-	(74,168)	-
Merger fund	41,299	-	-	-	(41,299)	-
Innovation, research & development fund	-	-	-	-	70,000	70,000
Business development reserve	-	-	-	-	30,000	30,000
Capital spend	175,812	-	-	-	-	175,812
Total designated funds	<u>804,969</u>	<u>39,996</u>	<u>(51,995)</u>	<u>-</u>	<u>(45,467)</u>	<u>747,503</u>
Total unrestricted & designated funds	<u>1,526,647</u>	<u>6,393,193</u>	<u>(6,393,277)</u>	<u>30,585</u>	<u>32,517</u>	<u>1,524,631</u>
Restricted funds						
Big Lottery Fund	-	227,277	(227,277)	-	-	-
The Henry Smith Charity	5,782	-	-	-	-	5,782
WCVA	9,491	-	-	-	-	9,491
Welsh Government	-	1,500	(1,500)	-	-	-
GAVO	-	18	(18)	-	-	-
Sundries	-	30,792	(31,015)	-	32,517	32,294
Total restricted funds	<u>15,273</u>	<u>259,587</u>	<u>(259,810)</u>	<u>-</u>	<u>32,517</u>	<u>47,567</u>
Total funds	<u>1,541,920</u>	<u>6,652,780</u>	<u>(6,653,087)</u>	<u>30,585</u>	<u>-</u>	<u>1,572,198</u>

Designated funds: are as detailed on pages 10 and 11 of the Trustees Report.

Restricted funds: are as detailed on page 11 of the Trustees Report.

Transfers: these relate to movements in designated funds during the year.

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF FUNDS (continued)

Previous year

Group	Balance at 1 April 2015 £	Income £	Expenditure £	Losses on investments £	Transfers £	Balance as at 31 March 2016 £
Unrestricted						
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>
Designated funds						
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
Total designated funds	<u>851,472</u>	<u>-</u>	<u>(46,503)</u>	<u>-</u>	<u>-</u>	<u>804,969</u>
Total unrestricted & designated funds	<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>
Restricted funds						
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)	-	-	-
Total restricted funds	<u>15,283</u>	<u>80,209</u>	<u>(80,219)</u>	<u>-</u>	<u>-</u>	<u>15,273</u>
Total funds	<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>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

21. ANALYSIS OF FUNDS (continued)

Previous year

	Balance at 1 April 2015	Income	Expenditure	Losses on investments	Transfers	Balance as at 31 March 2016
Charity	£	£	£	£	£	£
Unrestricted						
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>
Designated funds						
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
Total designated funds	<u>649,831</u>	<u>-</u>	<u>(46,503)</u>	<u>-</u>	<u>201,641</u>	<u>804,969</u>
Total unrestricted & designated funds	<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>
Restricted funds						
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)	-	-	-
Total restricted funds	<u>15,283</u>	<u>80,209</u>	<u>(80,219)</u>	<u>-</u>	<u>-</u>	<u>15,273</u>
Total funds	<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>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Property, goodwill & investments £	Current assets £	Current liabilities £	Liabilities due > 1 year £	Total 2017 £
Unrestricted funds					
General funds	1,156,632	960,711	(899,642)	(546,260)	671,441
Designated funds	257,925	489,578	-	-	747,503
Restricted	-	47,567	-	-	47,567
	<u>1,414,557</u>	<u>1,497,856</u>	<u>(899,642)</u>	<u>(546,260)</u>	<u>1,466,511</u>

Charity

Unrestricted funds					
General funds	823,804	879,263	(652,787)	(273,152)	777,128
Designated funds	257,925	489,578	-	-	747,503
Restricted	-	47,567	-	-	47,567
	<u>1,081,729</u>	<u>1,416,408</u>	<u>(652,787)</u>	<u>(273,152)</u>	<u>1,572,198</u>

Previous year

Group	Fixed assets and investments £	Current assets £	Current liabilities £	Liabilities due > 1 year £	Total 2016 £
Unrestricted funds					
General funds	746,283	996,296	(750,645)	(293,355)	698,579
Designated funds	439,735	365,234	-	-	804,969
Restricted	-	15,273	-	-	15,273
	<u>1,186,018</u>	<u>1,376,803</u>	<u>(750,645)</u>	<u>(293,355)</u>	<u>1,518,821</u>

Charity

Unrestricted funds					
General funds	741,899	833,677	(560,543)	(293,355)	721,678
Designated funds	439,735	365,234	-	-	804,969
Restricted	-	15,273	-	-	15,273
	<u>1,181,634</u>	<u>1,214,184</u>	<u>(560,543)</u>	<u>(293,355)</u>	<u>1,541,920</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

23. OPERATING LEASES

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
<i>Land and buildings:</i>				
Under 1 year	70,654	47,326	70,654	47,326
Between 2-5 years	67,627	44,805	67,627	44,805
More than 5 years	216,000	220,500	216,000	220,500
<i>Other:</i>				
Under 1 year	40,526	19,653	12,633	19,653
Between 2-5 years	11,759	32,250	11,759	32,250
More than 5 years	-	119	-	119
	406,566	364,653	378,673	364,653

24. 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 £218,363 (2016: £198,940). At the year end, there were outstanding contributions of £24,739 (2016: £22,337).

Charity

The cost of contributions made in the year by the charity to the scheme amounted to £210,219 (2016: £140,249). At the year end, there were outstanding contributions of £24,739 (2016: £20,781).

25. INDEMNITY INSURANCE

The group has taken out charity and charity trustee indemnity insurance at a cost of £1,536 (2016: £1,536)

26. CONTROL

The charity is controlled by the Board of Trustees.

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

27. RELATED PARTY TRANSACTIONS

The charity incurred the following transactions with group companies during the year:

	Gofal Enterprises Ltd £	Cardiff Cleaning Services Ltd £	PS Properties and Interiors Ltd £
Purchases	-	1,225	43,814
Recharges	17,173	-	10,044
Amounts owed to Gofal	131,271	-	61,980
Amounts owed by Gofal	<u>2,682</u>	<u>1,225</u>	<u>-</u>

Included in the figures above is a loan due from Gofal Enterprises Ltd of which £125,000 was outstanding at the year end. Loan interest is charged on the principal amount on a monthly basis at a rate of 1.25% above the bank base rate of interest as set out by the Bank of England. The interest will vary in line with the changes in the base rate. The amount recoverable in more than 12 months is £70,010.

Included in the figures above is a loan due from PS Properties and Interiors Limited of which £61,980 was outstanding at the year end. The loan amount is due in one year. Loan interest is charged on the principal amount on a monthly basis at a rate of 1.25% above the bank base rate of interest as set out by the Bank of England. The interest will vary in line with the changes in the base rate.

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

28. SUBSIDIARIES

Gofal Enterprises Limited

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

	2017	2016
	£	£
Turnover	3	567,367
Sales to group companies	21,761	-
Administration and other expenses	(15,367)	(534,165)
Intercompany recharges	(17,173)	(12,132)
Net (loss)/profit	<u>(10,776)</u>	<u>21,070</u>
The aggregate of the assets, liabilities and funds were:		
Fixed assets	-	4,383
Current assets	427,407	222,408
Creditors due within one year	(119,546)	(190,102)
Net assets less current liabilities	307,861	36,689
Creditors due after one year	(341,736)	(59,788)
Reserves	<u>(33,875)</u>	<u>(23,099)</u>

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

28. SUBSIDIARIES (continued)

PS Properties and Interiors Limited

PS Properties and Interiors Limited is a wholly owned subsidiary of Gofal Enterprises, a company registered in Wales, whose company number is 10114253, incorporated on 9th April 2017. The financial statements have been consolidated on a line by line basis in the Statement of Financial Activities. A summary of the results is shown below:

	2017 £
Turnover	290,822
Sales to group companies	46,844
Administration and other expenses	(347,415)
Intercompany recharges	(10,044)
Net (loss)/profit	(19,793)
The aggregate of the assets, liabilities and funds were:	
Fixed assets	2,783
Current assets	77,320
Creditors due within one year	(99,896)
Net assets less current liabilities	(19,793)
Creditors due after one year	-
Reserves	(19,793)

**GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

28. SUBSIDIARIES (continued)

Cardiff Cleaning Services Limited

Cardiff Cleaning Services Limited is a wholly owned subsidiary of Gofal Enterprises, a company registered in Wales, whose company number is 06136290. The company purchased 100% of the share capital of the company on 31 October 2016. On the acquisition date the company had negative reserves totalling £23,366. The financial statements have been consolidated on a line by line basis in the Statement of Financial activities from the date the share capital was purchased. A summary of the results is shown below:

	2017
	£
Turnover	399,659
Sales to group companies	1,225
Expenditure	(413,783)
Purchases from group companies	(24,790)
Taxation	9,037
Net (loss)/profit	<u>(28,652)</u>

The aggregate of the assets, liabilities and funds were:

Intangible assets	2,500
Fixed assets	7,275
Current assets	156,688
Creditors due within one year	(217,099)
Net assets less current liabilities	(50,636)
Deferred tax	(1,382)
Capital and Reserves	<u>(52,018)</u>

GOFAL CYMRU T/A GOFAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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

	2017 £	2016 £
Net expenditure for the reporting period	(52,310)	(54,866)
<i>Adjustments for:</i>		
Depreciation charges	74,250	84,035
Amortisation charges	27,500	-
(Gains)/ losses on investments	(30,585)	5,714
Dividends, interest and rents from investments	(14,724)	(10,959)
Loss on the sale of fixed assets	5,513	735
Increase in debtors	(334,435)	(127,183)
Increase in creditors	211,352	41,675
Net cash provided by/(used in) operating activities	(113,439)	(60,849)

Analysis of Cash and Cash Equivalents

Cash in hand	436,384	659,189
Total Cash and Cash Equivalents	436,384	659,189

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

	Unrestricted funds £	Restricted funds £	Total funds 2016 £
Income and endowments from:			
Donations and legacies	12,908	-	12,908
Charitable activities	6,027,782	80,209	6,107,991
Other trading activities	567,397	-	567,397
Investments	10,959	-	10,959
Other	-	-	-
Total income and endowments	6,619,046	80,209	6,699,255
Expenditure on:			
Raising funds	12,204	-	12,204
Charitable activities	6,121,819	80,219	6,202,038
Trading company costs	534,165	-	534,165
Total expenditure	6,668,188	80,219	6,748,407
Net gains/(losses) on investments	(5,714)	-	(5,714)
Net movement in funds	(54,856)	(10)	(54,866)
Reconciliation of Funds			
Total funds brought forward	1,558,404	15,283	1,573,687
Total funds carried forward	1,503,548	15,273	1,518,821

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

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2016 £
Income and endowments from:			
Donations and legacies	12,788	-	12,788
Charitable activities	3,971,386	80,209	4,051,595
Investments	10,855	-	10,855
Other income	326,097	-	326,097
Total income and endowments	4,321,126	80,209	4,401,335
Expenditure on:			
Raising funds	12,204	-	12,204
Charitable activities	4,140,972	80,219	4,221,191
Total expenditure	4,153,176	80,219	4,233,395
Net gains/(losses) on investments	(5,714)	-	(5,714)
Net movement in funds	162,236	(10)	162,226
Reconciliation of Funds			
Total funds brought forward	1,364,411	15,283	1,379,694
Total funds carried forward	1,526,647	15,273	1,541,920