

REGISTERED COMPANY NUMBER: 02546880 (England and Wales)
REGISTERED CHARITY NUMBER: 1000889

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018
FOR**

GOFAL CYMRU T/A GOFAL

GOFAL CYMRU T/A GOFAL
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FOR THE YEAR ENDED 31 MARCH 2018

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GOFAL CYMRU T/A GOFAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

The trustees are pleased to present their annual directors' report together with the strategic report and consolidated financial statements of the group for the year ending 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

OBJECTIVES AND ACTIVITIES

Our vision

Good mental health and wellbeing for all.

Our mission

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

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

Our aspirations

We aspire to:

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

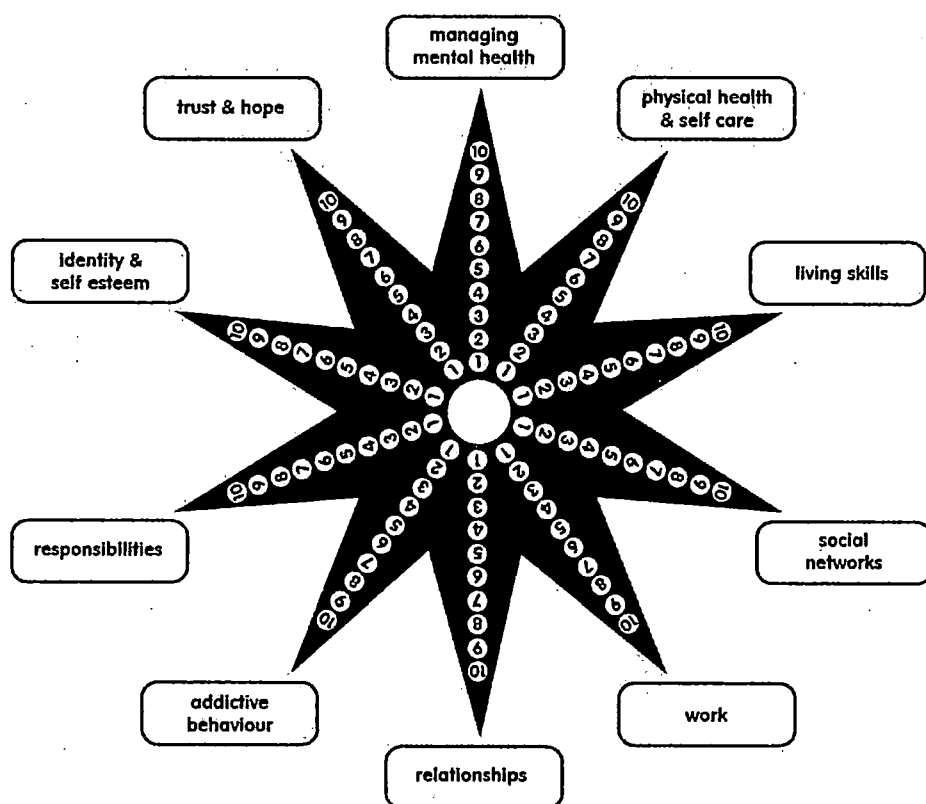
What we do

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

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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.

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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
- 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 an opportunity for all. We offer 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.

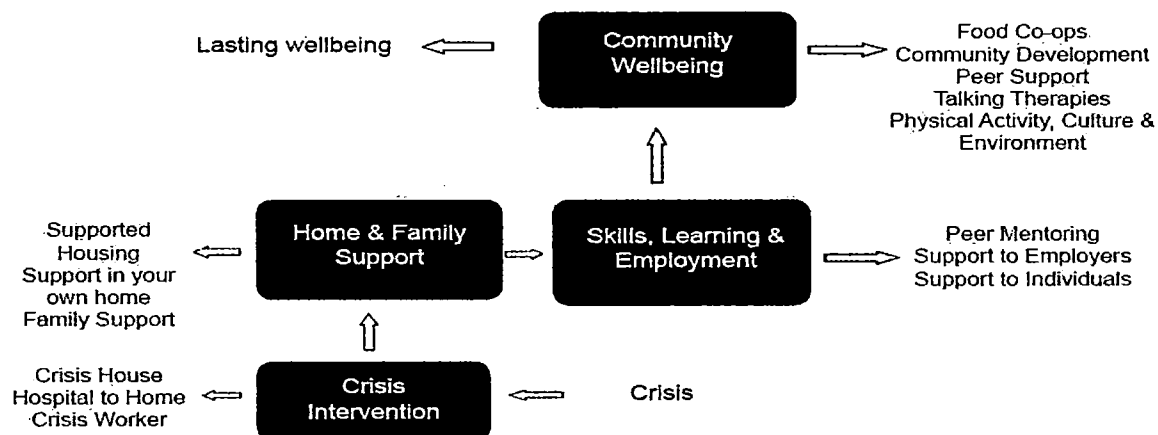
Public benefit - Ensuring our work delivers our objectives

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 11 South and South West Wales local authorities and four local health board areas working with over three thousand people during 2017/18.

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:



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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.

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

Community Wellbeing

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

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

Challenging Stigma and Discrimination

As part of the strategic review it was decided that the time was right to withdraw from Time to Change Wales and focus our resources into new areas of anti-stigma and discrimination work. Gofal officially left the campaign on 31/03/2018. We wish Mind Cymru and Hafal ever success as Time to Change Wales enters phase 3 of its funding cycle.

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. This continued throughout 2017/18.

As part of our strategic review we will reprioritise communications resources and take a more collaborative, supportive role with other organisations already very active in Policy and Public Affairs.

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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 and Newport.
- **Housing Associations**
United Welsh, Newydd, Rhondda Housing, Cynon Taff, Merthyr Tydfil, Linc and Coastal,
- **Health Boards**
Cwm Taff HB, Hywel Dda, Aneurin Bevan, 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, and the Heritage Lottery
- **Newlink Wales and Barod**
A strategic partnership with Newlink Wales and Barod 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, The Wales Alliance for Mental Health, The National Mental Health Partnership Board.
- **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, Swansea CVS, Barod (Merthyr), Glamorgan Voluntary Services , and C3CS.

STRATEGIC REPORT

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 £7.3m, an increase of £0.7m over the previous year. The Charity also has a fully owned trading subsidiary Gofal Enterprises Limited (GEL). GEL has also grown significantly recently, again through a combination of acquisition and organic growth, and operates two fully owned trading subsidiaries; a cleaning and maintenance company, Cardiff Cleaning Services Limited trading as "APP UK" and PS Properties and Interiors Limited; a design consultancy and fit out and renovation company. For the year ended 31 March 2018 Cardiff Cleaning Services Limited and PS Properties and Interiors Limited achieved Turnover figures of £1m and £0.3m respectively, and are projecting to improve significantly on these in the following twelve months.

The strategic review undertaken in 2016/17 resulted in a refreshed strategic direction focused on entering new areas of works, diversifying revenue streams and increasing commercial activity. Our work will focus on delivering services that support people to make lasting positive change in their lives; that are asset based, trauma informed and healing focused. We will develop research and development relationships in the UK and beyond that help to further evidence the benefit of psychosocial approaches to understanding and responding to emotional distress. We will be a proud member of a growing movement seeking a paradigm shift in the way mental health is understood and treated and in how Services are structured and delivered

Our new five year strategy will be launched during 2018/19 and will result in a refresh of the Charity brand to align how we look and feel, to the work we do and our future aspirations.

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Strategic Aims

1. Demonstrating our impact and developing our practice

- During 2017/18 we supported over three thousand people, of those people 89% reported feeling better able to self-manage their mental health, 83% reported improvements in addictive behaviour, 87% reported an increased sense of hope and aspiration for the future, 70% of those using our crisis house were able to avoid hospital admission and return home.

2. Ensuring that people with direct experience of mental health problems have a voice and influence at every level of the organisation

- The charity is governed by a Board with strong representation from people with direct personal experience including our Chair. Our peer mentoring service puts people with direct experience at the heart of our support delivery. We aim to ensure a safe and supportive work environment where staff feel comfortable talking about their own mental health.

3. Ending stigma and discrimination

- Everything we do seeks to break down the stigma associated with mental health. We have continued our involvement with the Time to Change Wales campaign and the Children and Young Person's campaign which started in September. Our Chief Executive has Chaired a sub group of the National Partnership Board exploring what more can be done in Wales to end mental health stigma and discrimination. Our new strategy will focus strongly on new areas of anti-stigma and discrimination work.

4. Organisational growth

- In partnership with Newlink, our ESF funded Out of Work Peer Support Programme has been a great success and has been extended for a further two years. We have also been successful in a bid to the WCVA Active Inclusion Fund, developing a project to help support people into work. Our bespoke Repatriation Project with Hywell Dda has now commenced offering a genuine alternative to statutory and private sector provision. The project is piloting a new approach to statutory and third sector integrated packages of support enabling people with long histories of institutional care to live independently in communities of their choice. The project has been supported by the Welsh Government Invest to Save scheme. Our first wellness centre, trading as Breathe is scheduled to open in September 2018. Breathe will operate on a commercial model and will offer a range of talking therapies, training and other wellbeing services, with paid for services funding free access to people unable to pay. All surplus profit will be invested in further developing our charitable activities.

5. Independence and financial strength

- Our trading subsidiaries within Gel are continuing to establish themselves in their respective markets. Whilst the subsidiaries trading figures demonstrate a challenging financial year, the priority remains to achieve greater scale over the next three years by a combination of acquisition and organic growth, and to generate sufficient profit to provide a surplus for the benefit of the Charity.
- Breathe, our first wellness centre, will open in September 2018, offering counselling and training to organisations and individuals.
- Our zero based budgeting and reforecasting system is now fully operational, allowing live access to financial data for all budget holders, and significantly strengthening our forecasting function.

6. A workforce able to deliver

- In line with our strategic review, a restructure of the executive team was commenced during the year ended 31 March 2018 and this continues in to the current financial year.
- Remote working is currently being rolled out across the organisation. Mobile working offers staff the opportunity to work in a more flexible, efficient and autonomous manner using technology to help people stay connected and work as effectively and efficiently as possible.
- We are continuing with the phased implementation of the new HR system, with payroll, recruitment and training modules being added by October 2018. The new system provides managers with live access to HR data.
- All staff have appropriate access to the new HR system in order to be able to access and update their own relevant individual HR data.

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Plans for Future Periods

The primary aim for 2018/19 is to conclude the strategic review and refresh strategy, reflecting our renewed primary purpose and values placing us at the heart of innovative, collaborative and compassionate approaches connected with wellbeing and mental health. We will develop the new strategy with representation from across the staff team, embed it internally and launch publicly in early 2019. 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 | Continue to develop outcome measurements and seek to have our work externally evaluated Invest in the continual improvement of our practice developing a portfolio of evidence based services Improvements to service key performance indicators and operational reporting |
| Ensuring that people with direct experience of mental health problems have a voice and influence at every level of the organisation | Recruit people with direct and indirect experience of mental health problems at all levels within Gofal Encourage people who work with us to share their experiences in order to inform and improve how we work Treat people who use our services as experts in their own lives and work in partnership with them at all times Provide meaningful opportunities for people who use our services to influence and improve what we do |
| Ending stigma and discrimination | Gofal has been a delivery partner of the TTCW campaign along with Hafal and Mind Cymru since 2012. This year the campaign concludes phase 2, having achieved significant positive shifts in public attitudes to mental health. Continue developing further specialist training and consultancy services. |
| Influencing legislation, policy and practice | Listen to the voices of the people who use our services and work hard across Ministerial portfolios to influence policy and practice for the better |
| Organisational growth | Continuing to grow our pathway of core services Establishing a specialist mental health and wellbeing, training, consultancy and therapy arm Consider mergers with compatible organisations |
| Independence and financial strength | Generating significant independent income from our commercial trading subsidiary Launching targeted fundraising campaigns Improvements to financial key performance indicators Improvement to live access to financial data for budget holders |
| A workforce able to deliver | Active recruitment of people with direct personal experience of mental health problems Develop plans that support further flexibility of our workforce to ensure we meet the needs of both people using our services and commissioners Improvements to live access to HR data for managers Improvements to access and update relevant individual HR data |

The Board receives regular reports on the progress, reviewing quarterly milestones against the strategic plan, which are then used to measure success and evaluate activity against the strategic aims.

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Financial Review

The Consolidated Statement of Financial Activities (SOFA) set out on page 19, shows the financial results for Gofal and those of its trading subsidiaries; Gofal Enterprises Limited (GEL), Cardiff Cleaning Services Ltd (APP UK) and PS Properties & Interiors Ltd (PSP). The individual Charity SOFA is set out on page 20.

Income

Overall the group income has increased from £7.3m in 2016/17, to £8.65m in 2017/18, an increase of 18%. The main headlines for income include the following:

- Income from our trading subsidiary activity has almost doubled from £609k in 2017 to £1.3m in 2018, and is forecast to increase further in the next financial year;
- Income from charitable activities has increased by £577k since last financial year;
- ESF income has increased by £455k and relates to the Out of Work Peer Support Programme which commenced in August 2016. This contract has now been extended to August 2020. Big Lottery income has increased by £93k, and is in respect of the Children and Young People's programme and the DIAL project which supports people with dementia and their carers.

Income from local authorities of £3.9m 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.

Other principal sources of funding include £281k from Welsh Government, (including Section 180 and Section 64 funding), rental income (£1.46m) and local health boards (£438k). See note 5 for a further analysis of income. Although no one service commissioner has excessive influence, trustees are aware that we are heavily reliant on the funding from these sources and the need to diversify income has continued to be a key driver in determining business development activity and investments from reserves over the last few financial years.

Expenditure

Resources expended have increased from £7.4m in 2016/17 to £8.9m in 2017/18. Spending on direct charitable activities has increased by £780k, and note 7 to the accounts illustrates a matrix of the main areas of expenditure for each of our service groups. The largest area of spend continues to be Supporting People which at £4.9m accounts for 66% of the total.

Net movement in funds

The net movement in total funds has resulted in a consolidated group deficit of £282k, which reflects a surplus in respect of the Charity of £6k and a deficit in respect of the trading group of £288k.

The total funds balance as at the 31 March 2018 was £1.19m. 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). Whilst GEL has been loss making across the group, this is the first full year of the acquisition strategy, and 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.

In a challenging year during which the company recruited a Managing Director with extensive experience in the sector, APP UK has enhanced its market position, focussed its branding and embedded robust operational management systems. It has reviewed and streamlined its core operating structure together with investing in staff development and training. All activity has been focussed on positioning the company for a stronger future.

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Financial Review (continued...)

PS Properties and Interiors made a key appointment into the role of Operations Director, attracting an individual with a wealth of experience within the industry. This has resulted in significant increase in the scale of our contracts together the complexity of works we are able to deliver. The business has enhanced its marketing and communication profile, specifically through social media and web developments. Interest in the company has continued to grow with high profile projects being won, with clients such as Coastal Housing, Flexicare Medical and PHS.

Both external investors (Finance Wales now the Development Bank of Wales and WCVA) have restated their commitment to GEL in recent months, supporting the ongoing strategy development to ensure GEL delivers 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
- 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 | 202,924 |
| Development opportunities | Three | Medium to Long Term | Reference to strategic plan | 100,000 |
| New funding sources | Three | Medium to Long Term | Reference to strategic plan | 100,000 |
| Total | | | Current determined level | 502,924 |

Note 20 to the financial statements provides the details of reserves currently held by the charity:

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General funds

The intention of the trustees is to maintain the level of general funds to a specific three tier calculation currently determined at £503k. Following refinance, the free reserves of £692k is currently £189k ahead of the determined level for the Charity. 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 20 to the accounts, Movement in Funds. Approximately £65k of non-capital expenditure has been expended from designated reserves during the year as follows:-

Business Development Reserve

A reserve was previously created to cover the costs of a Business Development role, and this has now been released in full. A further designation of £140k has been made to cover research and development of income-raising opportunities, independent of the Charity, to include Breathe and Gel.

Furniture and Maintenance Fund

£25k has been transferred to general funds to cover maintenance, redecoration and refurbishment of premises, and £75k reallocated to Office Relocation Reserve, leaving a balance of £104k.

IT Development Fund

A £75k fund was created three years ago to support network infrastructure improvements to be phased across three financial periods. The final £10k of this fund has now been released and an increased fund of £50k created to reflect anticipated system upgrades and the IT requirements associated with remote working.

Other designated fund balances are held as follows:

Freehold Property and Fixed Asset Reserve

This reserve of £284k reflects the equity retained in two freehold properties and tangible fixed assets following refinance, and replaces the previous property reserve.

Workforce Restructure and Development Reserve

Following on from the Strategic Review, this fund has been created to contribute towards the costs of the staff restructure and the onward training and development of the workforce.

Office Relocation Reserve

This fund of £75k recognises the anticipated costs arising from a strategic review of office space across the organisation generally, combined with the phased introduction of remote working.

Marketing Reserve

A fund of £45k has been created to contribute towards the costs of creating and resourcing a new marketing department within the organisation during the following financial year.

Restricted funds

The movements on restricted funds during the year are shown in note 20 to the accounts, Movement in Funds. Approximately £361k of non-capital expenditure has been expended from restricted funds during the year as follows:-

Big Lottery

£320k was received and spent during the year in relation to two projects funded by Big Lottery including £122k re DIAL, (this project supports people and their carers in coping with Dementia), and £198k 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).

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WCVA

£15k is held in restricted funds from the WCVA and carried forward in relation to supporting volunteering opportunities within Gofal.

Other Restricted Funds

In respect of other miscellaneous restricted funds; £52k is held as follows; £37k relating to the mental health crisis fund and £15k for service user related and small grants.

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 £239k at the beginning of the financial year. There were no new deposits or withdrawals made during the year, and the closing market value was £241k, reflecting an unrealised gain on investments of £2k. 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 £6k 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. Gofal Enterprises Limited has one wholly owned trading subsidiary, Cardiff Cleaning Services Limited (company number 06136290), and is the controlling party of PS Properties and Interiors Limited (company number 10114253).

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 31st March 2016, all the assets and liabilities were transferred to Gofal and Esgyn was wound down during that 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. During this review the Board consider:

- 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 | Annual budget setting process and robust financial planning and monitoring processes Disciplined tender writing processes Strong external relationships / partnerships Improved key performance measure reporting following implementation of new systems Refocus of strategy and underlying business model towards a more balanced mix of earned and contracted revenue. |
| 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 | Strong active Trustees with cross sector experience Governance framework and competencies Governance and leadership culture-Thinking Environment Restructure of executive team in response to new strategy – leading to the future Review of current governance including Gofal Enterprise Ltd in progress to ensure fit for purpose and future |
| 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 | Appointment of new role – Strategic Marketing and Communications Director Strategic review of brand, values underway, rebrand launch anticipated April 2019 |

GOFAL CYMRU T/A GOFAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

Risk management

| | |
|--|--|
| <p>A workforce to deliver; we are unable to recruit and retain the workforce we need to deliver on behalf of service users and commissioners</p> | <p>Restructure and strengthening of executive team and central office function</p> <p>Introduction of Compassionate Leadership, ACE & Trauma informed leadership and development programmes</p> <p>Use of appraisal and supervision to identify development roles for staff members</p> <p>Improved HR information, intranet development and key performance indicators</p> <p>Greater autonomy and responsibility with introduction of mobile working across the organisation</p> <p>Embedding Thinking Environment principles across Gofal</p> |
| <p>Independent Revenue generation through trading; risk that the trading subsidiary does not deliver the levels of independent income contained in the business plan</p> | <p>Strong GEL Board with extensive commercial experience</p> <p>Recruitment of new executive team</p> <p>Review of performance against five year business plan</p> <p>Annual budget setting process and robust financial planning and monitoring processes</p> <p>Investment appetite – social and commercial</p> <p>Development of clear and streamlined performance reporting frameworks to/from the trading subsidiary</p> <p>Breathe opening in September 2018 with plans for significant growth and geographical duplication</p> |
| <p>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</p> | <p>Qualified and experienced finance team</p> <p>Quarterly management reporting to Board</p> <p>Cyclical programme of cost efficiency reviews in place</p> <p>Reserve and investment policies in place</p> <p>Annual budget setting process</p> <p>Continuing to invest in core systems for HR, payroll and finance will drive further cost control and efficiency savings</p> |

Related parties

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

GOFAL CYMRU T/A GOFAL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity number
1000889

Registered company number
02546880

Board of Trustees

| | | |
|----------------------|---|--|
| Stewart Greenwell | - | Stood down as Interim Chair 20/09/17 |
| Debbie Green | - | Resigned as Treasurer 20/09/17, Appointed as Vice Chair 20/09/17 |
| David Davies | - | Appointed as Chair 20/09/17 |
| Huw Davies | - | Appointed as Treasurer 20/09/17 |
| Stewart Davison | | |
| Neil Hapgood | | |
| Christopher Loughran | | |

Company Secretary
Ewan Hilton

Key Management Personnel

Ewan Hilton – Chief Executive Officer
Jon Dix – Director of Finance (Appointed 01/02/18)
Janet Lane – Director of Finance (left role 29/09/17)
Jane Bressington – Interim Director of OD and HR (left role 31/03/18)
Louise Evans – Director of Services
Richard Bundy – Interim Director of Business Development
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

Auditors

Bevan Buckland, Langdon House, Langdon Road, SA1 Waterfront, Swansea, SA1 8QY

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 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and parent charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the Group's and parent 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.

AUDITORS

The auditors, Bevan & Buckland, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19/9/18 and signed on its behalf by:


DAVID DAVIES - CHAIR

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

Opinion

We have audited the financial statements of Gofal Cymru Group (and the 'parent charitable company') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Parent Charitable Company Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Group annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan & Buckland
Chartered Accountants
And Statutory Auditors
Langdon House
Langdon Road
SA1 Swansea Waterfront
Swansea
SA1 8QY

Date:6/11/2018.....

GOFAL CYMRU T/A GOFAL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the income & expenditure account)
FOR THE YEAR ENDED 31 MARCH 2018

| | | Unrestricted funds | Designated | Restricted funds | 2018 Total funds | 2017 Total funds (restated) |
|---|-------|-----------------------|----------------|---------------------|---------------------|-----------------------------------|
| | Notes | £ | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and legacies | 2 | 13,447 | - | 62,028 | 75,474 | 28,194 |
| Charitable activities | 5 | | | | | |
| Support for mental health and wellbeing | | 6,875,546 | - | 325,182 | 7,200,728 | 6,592,063 |
| Other trading activities | 3 | 1,367,466 | - | - | 1,367,466 | 708,283 |
| Investment income | 4 | <u>6,386</u> | <u>-</u> | <u>-</u> | <u>6,386</u> | <u>14,724</u> |
| Total | | 8,262,845 | - | 387,210 | 8,650,055 | 7,343,264 |
| EXPENDITURE ON | | | | | | |
| Raising funds | 6 | 2,149 | - | - | 2,149 | 12,136 |
| Charitable activities | 7 | | | | | |
| Support for mental health and wellbeing | | 7,032,431 | - | 361,845 | 7,394,276 | 6,614,076 |
| Trading company costs | | <u>1,533,415</u> | <u>-</u> | <u>-</u> | <u>1,533,415</u> | <u>799,931</u> |
| Total | | 8,567,995 | - | 361,845 | 8,929,840 | 7,426,143 |
| Net gains/(losses) on investments | | (2,121) | - | - | (2,121) | 30,585 |
| Taxation | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,037</u> |
| NET INCOME/(EXPENDITURE) | | (307,271) | - | 25,365 | (281,906) | (43,257) |
| Transfers between funds | 20 | <u>(65,383)</u> | <u>65,383</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | (372,654) | 65,383 | 25,365 | (281,906) | (43,257) |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward (restated) | | <u>680,494</u> | <u>747,503</u> | <u>47,567</u> | <u>1,475,564</u> | <u>1,518,821</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>307,840</u> | <u>812,886</u> | <u>72,932</u> | <u>1,193,659</u> | <u>1,475,564</u> |

The consolidated statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended are derived from continuing activities.

GOFAL CYMRU T/A GOFAL

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the income & expenditure account)
FOR THE YEAR ENDED 31 MARCH 2018**

| | Notes | Unrestricted funds £ | Designated £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|---|-------|-------------------------|-----------------|-----------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and legacies | 2 | 13,447 | - | 62,028 | 75,474 | 28,194 |
| Charitable activities | 5 | | | | | |
| Support for mental health and wellbeing | | 6,875,546 | - | 325,182 | 7,200,728 | 6,592,063 |
| Other trading activities | 3 | 36,109 | - | - | 36,109 | 17,799 |
| Investment income | 4 | <u>6,386</u> | <u>-</u> | <u>-</u> | <u>6,386</u> | <u>14,724</u> |
| Total | | 6,931,488 | - | 387,210 | 7,318,698 | 6,652,780 |
| EXPENDITURE ON | | | | | | |
| Raising funds | 6 | 2,149 | - | - | 2,149 | 12,136 |
| Charitable activities | 7 | | | | | |
| Support for mental health and wellbeing | | <u>6,946,941</u> | <u>-</u> | <u>361,845</u> | <u>7,308,786</u> | <u>6,640,951</u> |
| Total | | 6,949,090 | - | 361,845 | 7,310,935 | 6,653,087 |
| Net gains/(losses) on investments | | <u>(2,121)</u> | <u>-</u> | <u>-</u> | <u>(2,121)</u> | <u>30,585</u> |
| NET INCOME/(EXPENDITURE) | | (19,723) | - | 25,365 | 5,642 | 30,278 |
| Transfers between funds | 20 | <u>(65,383)</u> | <u>65,383</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | (85,106) | 65,383 | 25,365 | 5,642 | 30,278 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | <u>777,127</u> | <u>747,503</u> | <u>47,567</u> | <u>1,572,197</u> | <u>1,541,920</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>692,021</u> | <u>812,886</u> | <u>72,932</u> | <u>1,577,840</u> | <u>1,572,197</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended are derived from continuing activities.

GOFAL CYMRU T/A GOFAL
CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2018

| | Notes | Unrestricted funds £ | Designated £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds (restated) £ |
|--|-------|-------------------------|-----------------|-----------------------|--------------------------|--|
| FIXED ASSETS | | | | | | |
| Intangible assets | 14 | 241,322 | - | - | 241,322 | 331,821 |
| Tangible assets | 15 | 388 | 812,886 | - | 813,274 | 853,069 |
| Investments | 16 | <u>241,597</u> | <u>-</u> | <u>-</u> | <u>241,597</u> | <u>238,719</u> |
| | | 483,307 | 812,886 | - | 1,296,193 | 1,423,609 |
| CURRENT ASSETS | | | | | | |
| Debtors | 17 | 1,177,765 | - | - | 1,177,765 | 1,061,472 |
| Cash at bank and in hand | | <u>459,112</u> | <u>-</u> | <u>72,932</u> | <u>532,044</u> | <u>436,383</u> |
| | | 1,636,877 | - | 72,932 | 1,709,810 | 1,497,855 |
| CREDITORS | | | | | | |
| Amounts falling due within one year | 18 | (1,574,098) | - | - | (1,574,098) | (899,642) |
| | | <u>62,779</u> | <u>-</u> | <u>72,932</u> | <u>135,711</u> | <u>598,213</u> |
| NET CURRENT ASSETS | | | | | | |
| | | <u>62,779</u> | <u>-</u> | <u>72,932</u> | <u>135,711</u> | <u>598,213</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | | |
| | | 546,086 | 812,886 | 72,932 | 1,431,904 | 1,682,443 |
| CREDITORS | | | | | | |
| Amounts falling due after more than one year | 19 | (238,246) | - | - | (238,246) | (544,878) |
| Provisions for liabilities | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,382)</u> |
| | | <u>307,840</u> | <u>812,886</u> | <u>72,932</u> | <u>1,193,658</u> | <u>1,475,564</u> |
| NET ASSETS | | | | | | |
| | | <u>307,840</u> | <u>812,886</u> | <u>72,932</u> | <u>1,193,658</u> | <u>1,475,564</u> |
| FUNDS | | | | | | |
| Unrestricted funds (restated) | 20 | | | | 307,840 | 680,494 |
| Designated funds | | | | | 812,886 | 747,503 |
| Restricted funds | | | | | <u>72,932</u> | <u>47,567</u> |
| TOTAL FUNDS | | | | | | |
| | | | | | <u>1,193,658</u> | <u>1,475,564</u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 19/9/18 and were signed on its behalf by:



 Trustee
 DAVID DAVIES - CHAIR

GOFAL CYMRU T/A GOFAL

**CHARITY BALANCE SHEET
AT 31 MARCH 2018**

| | Notes | Unrestricted funds £ | Designated £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|--|-------|----------------------------|-----------------|--------------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | | |
| Tangible assets | 15 | - | 808,772 | - | 808,772 | 843,010 |
| Investments | 16 | <u>241,597</u> | <u>-</u> | <u>-</u> | <u>241,597</u> | <u>238,719</u> |
| | | 241,597 | 808,772 | - | 1,050,369 | 1,081,729 |
| CURRENT ASSETS | | | | | | |
| Debtors | 17 | 1,194,110 | - | - | 1,194,110 | 1,043,091 |
| Cash at bank and in hand | | <u>434,652</u> | <u>4,113</u> | <u>72,932</u> | <u>511,697</u> | <u>373,316</u> |
| | | 1,628,762 | 4,113 | 72,932 | 1,705,808 | 1,416,408 |
| CREDITORS | | | | | | |
| Amounts falling due within one year | 18 | <u>(1,178,336)</u> | <u>-</u> | <u>-</u> | <u>(1,178,336)</u> | <u>(652,787)</u> |
| NET CURRENT ASSETS | | <u>450,426</u> | <u>4,113</u> | <u>72,932</u> | <u>527,471</u> | <u>763,621</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 692,022 | 812,886 | 72,932 | 1,577,840 | 1,845,350 |
| CREDITORS | | | | | | |
| Amounts falling due after more than one year | 19 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(273,152)</u> |
| NET ASSETS | | <u>692,022</u> | <u>812,886</u> | <u>72,932</u> | <u>1,577,840</u> | <u>1,572,198</u> |
| FUNDS | 20 | | | | | |
| Unrestricted funds | | | | | 692,022 | 777,128 |
| Designated funds | | | | | 812,886 | 747,503 |
| Restricted funds | | | | | <u>72,932</u> | <u>47,567</u> |
| TOTAL FUNDS | | | | | <u>1,577,840</u> | <u>1,572,198</u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 19/9/18 and were signed on its behalf by:


Trustee
DAVID DAVIES - CHAIR

GOFAL CYMRU T/A GOFAL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

| | | 2018 £ | RESTATED 2017 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities: | Notes | | |
| Cash generated from operations | 1 | <u>91,988</u> | <u>(113,439)</u> |
| Net cash provided by (used in) operating activities | | <u>91,988</u> | <u>(113,439)</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (43,170) | (109,654) |
| Purchase of fixed asset investments | | (34,921) | (352,957) |
| Sale of fixed asset investments | | 29,922 | 147,971 |
| Dividends, Interest and rents from investments | | <u>6,386</u> | <u>14,724</u> |
| Net cash provided by (used in) investing activities | | <u>(41,783)</u> | <u>(299,916)</u> |
| Cash flows from financing activities: | | | |
| Repayments of borrowings (net of interest paid) | | (4,548) | (59,464) |
| Cash inflows from new borrowing | | <u>50,000</u> | <u>250,015</u> |
| Net cash provided by (used in) financing activities | | <u>45,452</u> | <u>190,551</u> |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the reporting period | | 95,657 | (222,806) |
| Cash and cash equivalents at the beginning of the reporting period | 2 | <u>436,386</u> | <u>659,189</u> |
| Cash and cash equivalents at the end of the reporting period | 2 | <u><u>532,044</u></u> | <u><u>436,383</u></u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

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

| | 2018 £ | RESTATED 2017 £ |
|---|----------------|-----------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (281,906) | (43,257) |
| Adjustments for: | | |
| Losses/(gain) on investments | 2,121 | (30,585) |
| Depreciation charges | 75,037 | 74,250 |
| Amortisation charges | 27,999 | 27,500 |
| Dividends, Interest and rents from investments | (6,386) | (14,724) |
| Losses/(gain) on sale of fixed assets | 7,926 | 5,513 |
| Increase in debtors | (116,293) | (334,435) |
| Increase in creditors | <u>383,491</u> | <u>202,331</u> |
| Net cash provided by (used in) operating activities | <u>91,988</u> | <u>(113,439)</u> |

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Cash in hand | <u>532,044</u> | <u>436,383</u> |
| Total cash and cash equivalents | <u>532,044</u> | <u>436,383</u> |

GOFAL CYMRU T/A GOFAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Legal form

Gofal Cymru T/A Gofal is a private charitable 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 preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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 2018. 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 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

All income is recognised in the Statement of Financial Activities once the charity is legally entitled to the funds after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised upon receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of any amount. Income tax recoverable in relation to donations received under the Gift Aid scheme or deeds of covenant are 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.

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 discount and net of VAT.

GOFAL CYMRU T/A GOFAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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 trustee's report.

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 attributable to each activity. These costs have been allocated to expenditure on charitable activities

Governance costs include items such as external audit and legal costs relating to the governance of the charity, as well as costs associated with the charity's strategic management. These costs have been allocated to expenditure on charitable activities

Grants payable to individual service users are recognised at the time of the grant being provided.

Employee benefits

The cost of 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.

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 basis:

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold & Leasehold Property – 2% on cost

Project furniture & fittings – 20% on cost

Office equipment – 33% on cost

Plant & machinery – 20% on cost

PC equipment – 25% on cost

GOFAL CYMRU T/A GOFAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

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 purpose only.

Of the subsidiaries, PS Properties and Interiors Ltd, Cardiff Cleaning Services Ltd and Gofal Enterprises Ltd, had no corporation tax charges for the period.

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. Transactions costs are expensed as incurred.

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

Cash & 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 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds which the trustees have deemed as allocated for a specific purpose.

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

The amount of funds held in each of these funds categories can be found further on in the notes to the consolidated financial statements.

GOFAL CYMRU T/A GOFAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and judgements

In application of the 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.

Critical accounting estimates and judgements are listed below:

Useful economic lives of tangible assets

The annual depreciation charges for tangibles assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See following notes for the useful economic lives for each class of assets.

Amounts recoverable on trade debtors

During the year and at the balance sheet date the trustees quantify the amounts recoverable on each trade debtor balance and provide for any amounts deemed as irrecoverable. The amount provided for may differ from actual amounts written off once the debts go bad.

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

GOFAL CYMRU T/A GOFAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

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

Derecognition of financial liabilities

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

Debtors

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

Creditors and provisions

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

Legacies

Legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company.

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

**2. DONATIONS AND LEGACIES
Group & Charity**

| | 2018 | 2017 |
|-----------|---------------|---------------|
| | £ | £ |
| Legacies | 20,000 | - |
| Donations | <u>55,474</u> | <u>28,214</u> |
| | <u>75,474</u> | <u>28,214</u> |

**3. OTHER TRADING ACTIVITIES
Group**

| | 2018 | 2017 |
|----------------------|------------------|----------------|
| | £ | £ |
| Training courses | 19,620 | 17,799 |
| Trading subsidiaries | 1,331,357 | 690,484 |
| Commercial rent | <u>16,489</u> | <u>-</u> |
| | <u>1,367,466</u> | <u>708,283</u> |

Charity

| | 2018 | 2017 |
|------------------|---------------|---------------|
| | £ | £ |
| Training courses | 19,620 | 17,799 |
| Commercial rent | <u>16,489</u> | <u>-</u> |
| | <u>36,109</u> | <u>17,799</u> |

**4. INVESTMENT INCOME
Group & Charity**

| | 2018 | 2017 |
|-------------------------------|--------------|---------------|
| | £ | £ |
| Common Investment Funds | 5,581 | - |
| Deposit account interest | 805 | 13,784 |
| Interest receivable - trading | <u>-</u> | <u>940</u> |
| | <u>6,386</u> | <u>14,724</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

5. INCOME FROM CHARITABLE ACTIVITIES

Group & Charity

| | Activity | 2018 £ | 2017 £ |
|-------------------------------|---|-------------------|-------------------|
| Rent | Support for mental health and wellbeing | 1,461,803 | 1,278,965 |
| Health boards | Support for mental health and wellbeing | 437,993 | 474,370 |
| Sundries | Support for mental health and wellbeing | 26,038 | 26,697 |
| Welsh Government | Support for mental health and wellbeing | 280,518 | 281,917 |
| Jobcentre Plus | Support for mental health and wellbeing | 12,273 | 36,819 |
| Trusts | Support for mental health and wellbeing | 5,520 | 7,388 |
| Local authorities | Support for mental health and wellbeing | 3,935,225 | 4,025,687 |
| Big Lottery | Support for mental health and wellbeing | 320,018 | 227,277 |
| ESF Funding | Support for mental health and wellbeing | 653,280 | 198,156 |
| Small grants | Support for mental health and wellbeing | - | 30,791 |
| Individual personal contracts | Support for mental health and wellbeing | 62,896 | 3,976 |
| WCVA | Support for mental health and wellbeing | 5,164 | - |
| | | <u>7,200,728</u> | <u>6,592,043</u> |

6. RAISING FUNDS

Group & Charity

| | 2018 £ | 2017 £ |
|----------------------|-------------------|-------------------|
| Portfolio management | 2,149 | - |
| Other | <u>-</u> | <u>12,136</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

7. CHARITABLE ACTIVITIES COSTS

Group

| | Direct costs | Grant funding of activities (See note 8) | Support costs (below) | Totals |
|---|------------------|---|-----------------------------|------------------|
| | £ | £ | £ | £ |
| Support for mental health and wellbeing | <u>6,577,218</u> | <u>42,412</u> | <u>774,646</u> | <u>7,394,276</u> |

| | Support costs £ | Supporting People £ | HSA & S180 £ | Other Projects £ | Employment services £ | 2018 £ | RESTATED 2017 £ |
|--|-----------------------|---------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------|
| Salaries | 577,062 | 3,181,304 | 364,510 | 526,919 | 310,159 | 4,959,954 | 4,664,038 |
| Travel | 7,288 | 127,708 | 18,528 | 32,506 | 17,632 | 203,662 | 214,071 |
| Housing association costs | - | 784,535 | - | 179 | - | 784,714 | 663,854 |
| Rent & Utilities | 7,494 | 254,970 | 13,212 | 20,261 | 1,512 | 297,449 | 332,595 |
| Govern- ance costs | 117 | 4,917 | 1,055 | 2,139 | - | 8,228 | 10,393 |
| Telecomm- unications & IT | 8,093 | 171,484 | 18,241 | 30,588 | 12,943 | 241,349 | 224,669 |
| Planned maint- enance & repairs | 70 | 43,444 | 475 | 1,133 | 137 | 45,259 | 38,663 |
| Advertising & recruitment | 10,552 | 62,469 | 5,579 | 138,279 | 7,444 | 224,323 | 158,177 |
| Consult- ancy costs | 36,883 | 8,002 | 1,287 | 752 | 83 | 47,007 | 20,151 |
| Insurance | 11,655 | 58,135 | 6,637 | 3,095 | 555 | 80,077 | 58,436 |
| Other costs | <u>115,432</u> | <u>159,848</u> | <u>4,642</u> | <u>18,250</u> | <u>204,082</u> | <u>502,254</u> | <u>229,028</u> |
| Total | <u>774,646</u> | <u>4,856,816</u> | <u>434,166</u> | <u>774,101</u> | <u>554,547</u> | <u>7,394,276</u> | <u>6,614,075</u> |
| Trading company costs | - | - | - | - | - | 1,533,415 | 799,931 |
| Total | <u>774,646</u> | <u>4,856,816</u> | <u>434,166</u> | <u>774,101</u> | <u>554,547</u> | <u>8,927,691</u> | <u>7,414,006</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

7. CHARITABLE ACTIVITIES COSTS - continued

Charity

| | Direct costs | Grant funding of activities (See note 8) | Support costs (below) | Totals |
|---|------------------|---|--------------------------|------------------|
| | £ | £ | £ | £ |
| Support for mental health and wellbeing | <u>6,577,218</u> | <u>42,412</u> | <u>689,156</u> | <u>7,308,786</u> |

| | Support costs | Supporting People | HSA & S180 | Other Projects | Employment services | 2018 | 2017 |
|-------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Salaries | 517,071 | 3,181,304 | 364,510 | 526,919 | 310,159 | 4,899,963 | 4,705,228 |
| Travel | 7,288 | 127,708 | 18,528 | 32,506 | 17,632 | 203,661 | 214,071 |
| Housing association costs | - | 784,535 | - | 179 | - | 784,714 | 663,854 |
| Rent & Utilities | 7,494 | 254,970 | 13,212 | 20,261 | 1,512 | 297,449 | 332,595 |
| Governance costs | 117 | 4,917 | 1,055 | 2,139 | - | 8,228 | 10,393 |
| Telecommunications & IT | 8,093 | 171,484 | 18,241 | 30,588 | 12,943 | 241,349 | 224,669 |
| Planned maintenance & repairs | 70 | 43,444 | 475 | 1,133 | 137 | 45,259 | 38,663 |
| Advertising & recruitment | 10,552 | 62,469 | 5,579 | 138,279 | 7,444 | 224,323 | 158,177 |
| Consultancy costs | 36,883 | 8,002 | 1,287 | 752 | 83 | 47,006 | 20,151 |
| Insurance | 11,655 | 58,135 | 6,637 | 3,095 | 555 | 80,078 | 58,436 |
| Other costs | <u>89,933</u> | <u>159,848</u> | <u>4,642</u> | <u>18,250</u> | <u>204,082</u> | <u>476,755</u> | <u>214,714</u> |
| Total | <u>689,156</u> | <u>4,856,816</u> | <u>434,166</u> | <u>774,101</u> | <u>554,547</u> | <u>7,308,786</u> | <u>6,640,951</u> |

8. GRANTS PAYABLE

Group & Charity

| | 2018 | 2017 |
|---|---------------|----------|
| | £ | £ |
| Service user grants paid to individuals | <u>42,412</u> | <u>-</u> |

9. SUPPORT COSTS

| | Support costs |
|---------|----------------|
| | £ |
| Group | <u>774,646</u> |
| Charity | <u>689,156</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | Group | | Charity | |
|--|----------------|---------------|----------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Auditors remuneration – audit | 11,650 | 13,025 | 7,150 | 8,500 |
| Auditors remuneration – other services | 2,600 | 3,250 | 2,600 | 2,250 |
| Depreciation - owned assets | 75,037 | 74,250 | 71,449 | 70,024 |
| Amortisation | 27,999 | 27,500 | 2,500 | 27,500 |
| Operating leases - equipment | 39,793 | 40,526 | 20,593 | 12,633 |
| Operating leases - property | <u>106,193</u> | <u>70,654</u> | <u>106,193</u> | <u>70,654</u> |

11. TRUSTEES' REMUNERATION AND BENEFITS

Group & Charity

Trustees' remuneration

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

During the year 2 Trustees (2017: 3) received reimbursement of travelling expenses of £256 (2017: £546), this excludes total travel expenses waived of £812.

12. STAFF COSTS, COSTS OF KEY MANAGEMENT PERSONNEL & STAFF NUMBERS

| | Group | | Charity | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Wages & Salaries | 4,938,192 | 4,677,752 | 3,995,080 | 3,839,192 |
| Agency costs | 671,284 | 498,684 | 380,500 | 355,552 |
| Social security costs | 313,030 | 301,095 | 306,150 | 301,095 |
| Pension costs | <u>236,583</u> | <u>218,363</u> | <u>218,233</u> | <u>210,219</u> |
| | <u>6,159,088</u> | <u>5,695,894</u> | <u>4,899,962</u> | <u>4,706,058</u> |

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

Included in the above wages costs are redundancy costs of £64,133.

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

12. STAFF COSTS, COSTS OF KEY MANAGEMENT PERSONNEL & STAFF NUMBERS - continued

GROUP & CHARITY

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2018 | 2017 |
|-------------------|----------|----------|
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | <u>1</u> | <u>-</u> |

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

| | 2018 £ | 2017 £ |
|-------------------------|--------------|--------------|
| Employers Contributions | <u>9,015</u> | <u>7,951</u> |

Key management personnel - GROUP

The total amount of employee benefits received by the Charity's key management personnel for services to the Charity totalled £444,549 (2017: £429,386).

Key management personnel - CHARITY

The total amount of employee benefits received by the Charity's key management personnel for services to the Charity totalled £325,876 (2017: £318,267).

The average monthly number of employees during the year was as follows:

| | Group | | Charity | |
|-------------|--------------|------------|----------------|------------|
| | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| Head office | 24 | 24 | 23 | 24 |
| Projects | <u>285</u> | <u>293</u> | <u>195</u> | <u>191</u> |
| | <u>309</u> | <u>317</u> | <u>218</u> | <u>215</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – GROUP (RESTATED)

| | Unrestricted funds £ | Designated £ | Restricted funds £ | RESTATED Total funds £ |
|---|------------------------------|------------------------------|-----------------------------|--------------------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and legacies | 28,194 | - | - | 28,194 |
| Charitable activities | | | | |
| Support for mental health and wellbeing | 6,292,480 | 39,996 | 259,587 | 6,592,063 |
| Other trading activities | 708,283 | - | - | 708,283 |
| Investment income | <u>14,724</u> | <u>-</u> | <u>-</u> | <u>14,724</u> |
| Total | 7,043,681 | 39,996 | 259,587 | 7,343,264 |
| EXPENDITURE ON | | | | |
| Raising funds | 12,136 | - | - | 12,136 |
| Charitable activities | | | | |
| Support for mental health and wellbeing | 6,302,271 | 51,995 | 259,810 | 6,614,075 |
| Trading company costs | <u>799,931</u> | <u>-</u> | <u>-</u> | <u>799,931</u> |
| Total | 7,114,338 | 51,995 | 259,810 | 7,426,142 |
| Net gains/(losses) on investments | 30,585 | - | - | 30,585 |
| Taxation | <u>9,037</u> | <u>-</u> | <u>-</u> | <u>9,037</u> |
| NET INCOME/(EXPENDITURE) | (31,035) | (11,999) | (223) | (43,257) |
| Transfers between funds | <u>12,950</u> | <u>(45,467)</u> | <u>32,517</u> | <u>-</u> |
| Net movement in funds | (18,085) | (57,466) | 32,294 | (43,257) |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | <u>698,579</u> | <u>804,969</u> | <u>15,273</u> | <u>1,518,821</u> |
| TOTAL FUNDS CARRIED FORWARD (restated) | <u><u>680,494</u></u> | <u><u>747,503</u></u> | <u><u>47,567</u></u> | <u><u>1,475,564</u></u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - CHARITY

| | Unrestricted funds £ | Designated £ | Restricted funds £ | Total funds £ |
|--|----------------------------|-----------------------|--------------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and legacies | 28,194 | - | - | 28,194 |
| Charitable activities | | | | |
| Support for mental health and wellbeing | 6,292,480 | 39,996 | 259,587 | 6,592,063 |
| Other trading activities | 17,799 | - | - | 17,799 |
| Investment income | <u>14,724</u> | <u>-</u> | <u>-</u> | <u>14,724</u> |
| Total | 6,353,197 | 39,996 | 259,587 | 6,652,780 |
| EXPENDITURE ON | | | | |
| Raising funds | 12,136 | - | - | 12,136 |
| Charitable activities | | | | |
| Support for mental health and wellbeing | <u>6,329,146</u> | <u>51,995</u> | <u>259,810</u> | <u>6,640,951</u> |
| Total | 6,341,282 | 51,995 | 259,810 | 6,653,087 |
| Net gains/(losses) on investments | <u>30,585</u> | <u>-</u> | <u>-</u> | <u>30,585</u> |
| NET INCOME/(EXPENDITURE) | 42,500 | (11,999) | (223) | 30,278 |
| Transfers between funds | <u>12,950</u> | <u>(45,467)</u> | <u>32,517</u> | <u>-</u> |
| Net movement in funds | 55,450 | (57,466) | 32,294 | 30,278 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | <u>721,678</u> | <u>804,969</u> | <u>15,273</u> | <u>1,541,920</u> |
| TOTAL FUNDS CARRIED FORWARD | <u><u>777,127</u></u> | <u><u>747,503</u></u> | <u><u>47,567</u></u> | <u><u>1,572,198</u></u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

14. INTANGIBLE FIXED ASSETS

| | |
|-----------------------------|-----------------|
| Group | Goodwill £ |
| COST | |
| At 1 April 2017 | 300,000 |
| Prior year adjustment | <u>343,635</u> |
| At 1 April 2017 (restated) | 643,635 |
| Impairment | <u>(62,500)</u> |
| At 31 March 2018 | <u>581,135</u> |
| AMORTISATION | |
| At 1 April 2017 | 297,500 |
| Prior year adjustment | <u>14,314</u> |
| At 1 April 2017 (restated) | 311,814 |
| Charge for year | <u>27,999</u> |
| At 31 March 2018 | <u>339,813</u> |
| NET BOOK VALUE | |
| At 31 March 2018 | <u>241,322</u> |
| At 31 March 2017 (restated) | <u>331,821</u> |

**15. TANGIBLE FIXED ASSETS
GROUP**

| | Freehold property £ | Long leasehold £ | Office equipment £ | Project fixtures and fittings £ | Totals £ |
|------------------------|---------------------------|------------------------|--------------------------|--|------------------|
| COST | | | | | |
| At 1 April 2017 | 299,913 | 490,000 | 202,806 | 222,345 | 1,215,064 |
| Additions | - | - | 2,512 | 40,658 | 43,170 |
| Disposals | <u>-</u> | <u>-</u> | <u>(5,898)</u> | <u>(19,475)</u> | <u>(25,373)</u> |
| At 31 March 2018 | <u>299,913</u> | <u>490,000</u> | <u>199,420</u> | <u>243,528</u> | <u>1,232,861</u> |
| DEPRECIATION | | | | | |
| At 1 April 2017 | 41,987 | 20,000 | 157,579 | 142,429 | 361,995 |
| Charge for year | 5,998 | 9,796 | 15,602 | 43,641 | 75,037 |
| Eliminated on disposal | <u>-</u> | <u>-</u> | <u>(3,930)</u> | <u>(13,517)</u> | <u>(17,447)</u> |
| At 31 March 2018 | <u>47,985</u> | <u>29,796</u> | <u>169,251</u> | <u>172,553</u> | <u>419,585</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2018 | <u>251,928</u> | <u>460,204</u> | <u>30,169</u> | <u>70,974</u> | <u>813,276</u> |
| At 31 March 2017 | <u>257,926</u> | <u>470,000</u> | <u>45,227</u> | <u>79,915</u> | <u>853,069</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

**15. TANGIBLE FIXED ASSETS – Continued
CHARITY**

| | Freehold property £ | Long leasehold £ | Office equipment £ | Project fixtures and fittings £ | Totals £ |
|------------------------|---------------------------|------------------------|--------------------------|--|------------------|
| COST | | | | | |
| At 1 April 2017 | 299,913 | 490,000 | 179,963 | 209,262 | 1,179,138 |
| Additions | - | - | 2,512 | 40,658 | 43,170 |
| Disposals | - | - | - | (19,475) | (19,475) |
| At 31 March 2018 | <u>299,913</u> | <u>490,000</u> | <u>182,475</u> | <u>230,445</u> | <u>1,202,833</u> |
| DEPRECIATION | | | | | |
| At 1 April 2017 | 41,987 | 20,000 | 144,794 | 129,347 | 336,128 |
| Charge for year | 5,998 | 9,796 | 12,014 | 43,641 | 71,449 |
| Eliminated on disposal | - | - | - | (13,517) | (13,517) |
| At 31 March 2018 | <u>47,985</u> | <u>29,796</u> | <u>156,808</u> | <u>159,471</u> | <u>394,060</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2018 | <u>251,928</u> | <u>460,204</u> | <u>25,667</u> | <u>70,974</u> | <u>808,773</u> |
| At 31 March 2017 | <u>257,926</u> | <u>470,000</u> | <u>35,169</u> | <u>79,915</u> | <u>843,010</u> |

**16. FIXED ASSET INVESTMENTS
GROUP & CHARITY**

| | Listed investments £ |
|-----------------------|----------------------------|
| MARKET VALUE | |
| At 1 April 2017 | 238,719 |
| Additions | 34,921 |
| Disposals | (29,922) |
| Revaluations | (2,121) |
| At 31 March 2018 | <u>241,597</u> |
| NET BOOK VALUE | |
| At 31 March 2018 | <u>241,597</u> |
| At 31 March 2017 | <u>238,719</u> |

There were no investment assets outside the UK.

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

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

17. DEBTORS:

| | Group | | Charity | |
|--|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 927,036 | 929,133 | 687,617 | 747,726 |
| Prepayments & accrued income | 222,084 | 98,899 | 222,084 | 98,899 |
| Other debtors | <u>28,646</u> | <u>33,440</u> | <u>7,123</u> | <u>7,123</u> |
| | <u>1,177,765</u> | <u>1,061,472</u> | <u>916,823</u> | <u>853,748</u> |
| Amounts falling due in more than one year: | | | | |
| Amounts owed by group undertakings | - | - | 277,287 | 189,344 |
| | <u>1,177,765</u> | <u>1,061,472</u> | <u>1,194,110</u> | <u>1,043,091</u> |

The loans due to intergroup companies currently have no fixed repayment date and no interest has been accrued during the year (2017 no interest accrued).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Charity | |
|---|------------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 303,567 | 32,003 | 273,869 | 20,942 |
| Trade creditors | 302,012 | 326,441 | 172,992 | 287,595 |
| Amounts owed to group undertakings | - | - | 6,416 | - |
| Taxation and social security | 111,753 | 102,632 | 80,536 | 80,613 |
| Accrued expenses, grants in advance & deferred income | 611,652 | 235,976 | 611,652 | 235,976 |
| Other creditors | <u>245,114</u> | <u>202,590</u> | <u>32,871</u> | <u>27,661</u> |
| | <u>1,574,098</u> | <u>899,642</u> | <u>1,178,336</u> | <u>652,787</u> |

Contained in grant repayments and deferred income above is grant income received in advance of the period to which it relates, details of the movement in the year are listed below:

| | Group | | Charity | |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Brought forward balance | 42,724 | 42,724 | 158,662 | 42,724 |
| Grant income received | 7,619,996 | 6,768,718 | 7,619,996 | 6,768,718 |
| Grant income released | <u>(7,381,800)</u> | <u>(6,652,780)</u> | <u>(7,381,800)</u> | <u>(6,652,780)</u> |
| | <u>396,858</u> | <u>158,662</u> | <u>396,858</u> | <u>158,662</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

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

| | Group | | Charity | |
|-----------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Bank loans | - | 273,152 | - | 273,152 |
| Other creditors | <u>238,246</u> | <u>271,726</u> | <u>-</u> | <u>-</u> |
| | <u>238,246</u> | <u>544,878</u> | <u>-</u> | <u>273,152</u> |

The company's bankers - Lloyds has a first legal charge over the leasehold property Beaufort House, Beaufort Road dated 4/10/13.

The outstanding balance on the loan as at 31 March 2018 totalled £273,780, the value of the property on which the loan is being secured totalled £490,000. The loans regarding this property were due to be repaid during the year ended 2028 and 2029, however the Charity has renegotiated its loan balances and repaid these loans post year end via the drawdown of an additional consolidated loan of £536,000 with Barclays.

Also included within other creditors above is £238,246 secured on the group companies assets.

Funding was provided by Finance Wales and Social Invest Cymru, the loans will be repaid over a five year period.

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

20. MOVEMENT IN FUNDS - GROUP

| | At 1.4.17 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.18 £ |
|--|-------------------------|----------------------------------|------------------------------------|-------------------------|
| Unrestricted funds | | | | |
| General fund – (restated) | 680,494 | (307,271) | (65,383) | 307,840 |
| Freehold property & fixed asset reserve | - | - | 284,120 | 284,120 |
| Property Reserve | 257,925 | - | (257,925) | - |
| Furniture and maintenance fund | 203,766 | - | (100,000) | 103,766 |
| IT development fund | 10,000 | - | 40,000 | 50,000 |
| Capital spend | 175,812 | - | (175,812) | - |
| Business development fund | 100,000 | - | 40,000 | 140,000 |
| Workforce restructure, training and development reserve | - | - | 115,000 | 115,000 |
| Office relocation reserve | - | - | 75,000 | 75,000 |
| Marketing reserve | - | - | 45,000 | 45,000 |
| | <u>1,427,997</u> | <u>(307,271)</u> | <u>-</u> | <u>1,120,726</u> |
| Restricted funds | | | | |
| Big Lottery | - | - | - | - |
| Henry Smith Foundation | 5,782 | - | - | 5,782 |
| WCVA | 9,491 | 5,164 | - | 14,655 |
| Other small funds | <u>32,294</u> | <u>20,201</u> | <u>-</u> | <u>52,495</u> |
| | <u>47,567</u> | <u>25,365</u> | <u>-</u> | <u>72,932</u> |
| TOTAL FUNDS | <u><u>1,475,564</u></u> | <u><u>(281,906)</u></u> | <u><u>-</u></u> | <u><u>1,193,658</u></u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 8,262,845 | (8,567,995) | (2,121) | (307,271) |
| Restricted funds | | | | |
| Big Lottery | 320,018 | (320,018) | - | - |
| Henry Smith Foundation | - | - | - | - |
| WCVA | 5,164 | - | - | 5,164 |
| Other small funds | <u>62,028</u> | <u>(41,827)</u> | <u>-</u> | <u>20,201</u> |
| | <u>387,210</u> | <u>(361,845)</u> | <u>-</u> | <u>25,365</u> |
| TOTAL FUNDS | <u><u>8,650,055</u></u> | <u><u>(8,929,840)</u></u> | <u><u>(2,121)</u></u> | <u><u>(281,906)</u></u> |

A description of the funds held and the transfers between funds can be found within the Trustees Report.

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

20. MOVEMENT IN FUNDS - CHARITY

| | At 1.4.17 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.18 £ |
|--|-------------------------|----------------------------------|------------------------------------|-------------------------|
| Unrestricted funds | | | | |
| General fund | 777,127 | (19,723) | (65,383) | 692,021 |
| Freehold property & fixed asset reserve | - | - | 284,120 | 284,120 |
| Property Reserve | 257,925 | - | (257,925) | - |
| Furniture and maintenance fund | 203,766 | - | (100,000) | 103,766 |
| IT development fund | 10,000 | - | 40,000 | 50,000 |
| Capital spend | 175,812 | - | (175,812) | - |
| Business development fund | 100,000 | - | 40,000 | 140,000 |
| Workforce restructure, training and development reserve | - | - | 115,000 | 115,000 |
| Office relocation reserve | - | - | 75,000 | 75,000 |
| Marketing reserve | - | - | 45,000 | 45,000 |
| | <u>1,524,630</u> | <u>(19,723)</u> | <u>-</u> | <u>1,504,907</u> |
| Restricted funds | | | | |
| Big Lottery | - | - | - | - |
| Henry Smith Foundation | 5,782 | - | - | 5,782 |
| WCVA | 9,491 | 5,164 | - | 14,655 |
| Other small funds | <u>32,294</u> | <u>20,201</u> | <u>-</u> | <u>52,495</u> |
| | <u>47,567</u> | <u>25,365</u> | <u>-</u> | <u>72,932</u> |
| TOTAL FUNDS | <u><u>1,572,197</u></u> | <u><u>5,642</u></u> | <u><u>-</u></u> | <u><u>1,577,839</u></u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 6,931,488 | (6,949,090) | (2,121) | (19,723) |
| Restricted funds | | | | |
| Big Lottery | 320,018 | (320,018) | - | - |
| Henry Smith Foundation | - | - | - | - |
| WCVA | 5,164 | - | - | 5,164 |
| Other small funds | <u>62,028</u> | <u>(41,827)</u> | <u>-</u> | <u>20,201</u> |
| | <u>387,210</u> | <u>(361,845)</u> | <u>-</u> | <u>25,365</u> |
| TOTAL FUNDS | <u><u>7,318,698</u></u> | <u><u>(7,310,935)</u></u> | <u><u>(2,121)</u></u> | <u><u>5,642</u></u> |

A description of the funds held and the transfers between funds can be found within the Trustees Report.

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – Group (RESTATED)

| | At 1.4.16 £ | Net movement in funds £ | Transfers between funds £ | RESTATED At 31.3.17 £ |
|---|------------------|----------------------------------|------------------------------------|-----------------------------|
| Unrestricted Funds | | | | |
| General fund - RESTATED | 698,579 | (31,035) | 12,950 | 680,494 |
| Property Reserve | 263,923 | 4,996 | - | 257,925 |
| Furniture and maintenance fund | 198,770 | (5,998) | - | 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 Cymru | 41,299 | - | (41,299) | - |
| Capital spend | 175,812 | - | - | 175,812 |
| Innovation, research and development fund | - | - | 70,000 | 70,000 |
| Business development fund | - | - | 30,000 | 30,000 |
| | <u>1,503,548</u> | <u>(43,034)</u> | <u>(32,517)</u> | <u>1,427,997</u> |
| Restricted Funds | | | | |
| Henry Smith Foundation | 5,782 | - | - | 5,782 |
| WCVA | 9,491 | - | - | 9,491 |
| Other small funds | - | (224) | 32,517 | 32,293 |
| | <u>15,273</u> | <u>(224)</u> | <u>32,517</u> | <u>47,566</u> |
| TOTAL FUNDS | <u>1,518,821</u> | <u>(43,257)</u> | <u>-</u> | <u>1,475,564</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|--------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 7,043,681 | (7,105,301) | 30,585 | (31,035) |
| Furniture and maintenance fund | 39,996 | (35,000) | - | 4,996 |
| Property Reserve | - | (5,998) | - | (5,998) |
| IT development fund | - | (10,997) | - | (10,997) |
| | <u>7,083,677</u> | <u>(7,157,296)</u> | <u>30,585</u> | <u>(43,034)</u> |
| Restricted funds | | | | |
| Big Lottery | 227,277 | (227,277) | - | - |
| GAVO | 18 | (18) | - | - |
| Welsh Government | 1,500 | (1,500) | - | - |
| Other small funds | 30,791 | (31,015) | - | (224) |
| | <u>259,586</u> | <u>(259,810)</u> | <u>-</u> | <u>(224)</u> |
| TOTAL FUNDS | <u>7,343,264</u> | <u>(7,417,105)</u> | <u>30,585</u> | <u>(43,257)</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – Charity

| | At 1.4.16 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.17 £ |
|---|------------------|----------------------------------|------------------------------------|------------------|
| Unrestricted Funds | | | | |
| General fund | 721,678 | 42,500 | 12,950 | 777,128 |
| Property Reserve | 263,923 | (5,998) | - | 257,925 |
| Furniture and maintenance fund | 198,770 | 4,996 | - | 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 Cymru | 41,299 | - | (41,299) | - |
| Capital spend | 175,812 | - | - | 175,812 |
| Innovation, research and development fund | - | - | 70,000 | 70,000 |
| Business development fund | - | - | 30,000 | 30,000 |
| | <u>1,526,647</u> | <u>30,501</u> | <u>(32,517)</u> | <u>1,524,630</u> |
| Restricted Funds | | | | |
| Henry Smith Foundation | 5,782 | - | - | 5,782 |
| WCVA | 9,491 | - | - | 9,491 |
| Other small funds | - | (224) | 32,517 | 32,294 |
| | <u>15,273</u> | <u>(224)</u> | <u>32,517</u> | <u>47,567</u> |
| TOTAL FUNDS | <u>1,541,920</u> | <u>30,277</u> | <u>-</u> | <u>1,572,197</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|--------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 6,353,199 | (6,341,284) | 30,585 | 42,500 |
| Furniture and maintenance fund | 39,996 | (35,000) | - | 4,996 |
| Property Reserve | - | (5,998) | - | (5,998) |
| IT development fund | - | (10,997) | - | (10,997) |
| | <u>6,393,195</u> | <u>(6,393,279)</u> | <u>30,585</u> | <u>30,501</u> |
| Restricted funds | | | | |
| Big Lottery | 227,277 | (227,277) | - | - |
| GAVO | 18 | (18) | - | - |
| Welsh Government | 1,500 | (1,500) | - | - |
| Other small funds | 30,791 | (31,015) | - | (224) |
| | <u>259,586</u> | <u>(259,810)</u> | <u>-</u> | <u>(224)</u> |
| TOTAL FUNDS | <u>6,652,781</u> | <u>(6,653,089)</u> | <u>30,585</u> | <u>30,277</u> |

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

21. OPERATING LEASES

| | Group | | Charity | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| <i>Land & Buildings:</i> | | | | |
| Under 1 year | 56,868 | 70,654 | 56,868 | 70,654 |
| Between 2-5 years | 58,625 | 67,627 | 58,625 | 67,627 |
| More than 5 years | 216,000 | 216,000 | 216,000 | 216,000 |
| <i>Other:</i> | | | | |
| Under 1 year | 28,520 | 40,526 | 9,320 | 12,633 |
| Between 2-5 years | 50,159 | 11,759 | 11,671 | 11,759 |
| More than 5 years | - | - | - | - |
| | <u>410,172</u> | <u>406,566</u> | <u>352,484</u> | <u>378,673</u> |

22. PENSIONS

Group

The cost of contributions made in the year by the group to the scheme amounted to £236,583 (2017: £218,363). At the year end, there were outstanding contributions of £29,041 (2017: £24,739).

Charity

The cost of contributions made in the year by the group to the scheme amounted to £218,233 (2017: £210,219). At the year end, there were outstanding contributions of £29,041 (2017: £24,739).

23. ULTIMATE CONTROLLING PARTY

The Group and Charity are ultimately controlled by the Trustees of the Charity as listed in the Trustees report.

24. RELATED PARTY TRANSACTIONS

| | Gofal Enterprises Ltd £ | Cardiff Cleaning Cleaning £ | PS Properties & Interiors Ltd £ |
|--|----------------------------------|--------------------------------------|--|
| Purchases | - | 30,991 | |
| Recharges to subsidiaries for staff time | 71,694 | - | 19,289 |
| Amounts owed to Gofal Cymru | 210,388 | - | 66,899 |
| Amounts owed by Gofal Cymru | <u>-</u> | <u>6,416</u> | <u>-</u> |

Included in the figures above are loans due from Gofal Enterprises Ltd of £125,000 and due from PS Properties & Interiors Ltd of £61,899 which were still outstanding at the year end. The loans due to intergroup companies currently have no fixed repayment date and no interest has been accrued during the year (2017 no interest accrued).

During the year the Charity rented properties from Coastal Housing for provision of care services and PS Properties & Interiors Ltd provided refurbishment services to several Coastal Housing properties. During the year PS Properties & Interiors Ltd also provided refurbishment services to Kin & Ilk Pontcanna Ltd properties. All transactions took place at arm's length.

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

25. SUBSIDIARIES

Gofal Enterpries Ltd

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

| | 2018 £ | 2017 £ |
|----------------------------|-------------------------|------------------------|
| Turnover | 561 | 3 |
| Sales to Group companies | 50,018 | 21,761 |
| Admin & other expenses | (88,594) | (15,367) |
| Impairment of investment | (152,669) | - |
| Intercompany recharges | <u>(70,899)</u> | <u>(17,173)</u> |
| Net (loss) / profit | <u><u>(261,583)</u></u> | <u><u>(10,776)</u></u> |

The aggregate of the assets, liabilities and funds below:

| | | |
|-----------------------------|------------------|------------------|
| Fixed assets | - | - |
| Current assets | 250,978 | 427,407 |
| Creditors due within 1 year | (308,190) | (119,546) |
| Creditors due after 1 year | <u>(238,246)</u> | <u>(341,736)</u> |

| | | |
|-----------------|-------------------------|------------------------|
| Reserves | <u><u>(295,458)</u></u> | <u><u>(33,875)</u></u> |
|-----------------|-------------------------|------------------------|

PS Properties & Interiors Ltd

The Charity controls PS Properties & Interiors Ltd, its wholly owned subsidiary. The company is registered in England and Wales, company number 10114253. All surpluses made are gifted to the Charity. The financial statements have been consolidated on a line by line basis in the Statement of Financial Activities. A summary of the results are shown below:

| | 2018 £ | 2017 £ |
|----------------------------|------------------------|------------------------|
| Turnover | 327,745 | 290,822 |
| Sales to Group companies | - | 46,844 |
| Admin & other expenses | (318,217) | (347,415) |
| Intercompany recharges | <u>(41,761)</u> | <u>(10,044)</u> |
| Net (loss) / profit | <u><u>(32,233)</u></u> | <u><u>(19,793)</u></u> |

The aggregate of the assets, liabilities and funds below:

| | | |
|-----------------------------|-----------|----------|
| Fixed assets | - | 2,783 |
| Current assets | 115,144 | 77,320 |
| Creditors due within 1 year | (167,170) | (99,896) |
| Creditors due after 1 year | <u>-</u> | <u>-</u> |

| | | |
|-----------------|------------------------|------------------------|
| Reserves | <u><u>(52,026)</u></u> | <u><u>(19,793)</u></u> |
|-----------------|------------------------|------------------------|

GOFAL CYMRU T/A GOFAL

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

25. SUBSIDIARIES

Cardiff Cleaning Services Ltd

The Charity controls Cardiff Cleaning Services Ltd, its wholly owned subsidiary. The company is registered in England and Wales, company number 06136290. All surpluses made are gifted to the Charity. The financial statements have been consolidated on a line by line basis in the Statement of Financial Activities. A summary of the results are shown below:

| | 2018 | 2017 |
|--|-------------------------|------------------------|
| | £ | £ |
| Turnover | 1,003,051 | 399,659 |
| Sales to Group companies | 32,463 | 1,225 |
| Admin & other expenses | (1,129,575) | (413,783) |
| Intercompany recharges | (28,223) | (24,790) |
| Taxation | <u>1,382</u> | <u>9,037</u> |
| Net (loss) / profit | <u>(120,902)</u> | <u>(28,652)</u> |
| The aggregate of the assets, liabilities and funds below: | | |
| Intangible assets | - | 2,500 |
| Fixed assets | 4,502 | 7,275 |
| Current assets | 199,641 | 156,688 |
| Creditors due within 1 year | (232,163) | (217,099) |
| Deferred tax liability | <u>-</u> | <u>(1,382)</u> |
| Reserves | <u>(28,020)</u> | <u>(33,875)</u> |

26. Prior year adjustment

During the financial year ended 31/03/2017 the Gofal Enterprises Ltd acquired a new trading subsidiary (Cardiff Cleaning Services Ltd), as part of this acquisition an amount of £257,769 was paid to complete the acquisition. During the preparation of the 31/03/2017 financial statement the consolidation process did not remove this intercompany balance and no preparation of Group goodwill was prepared. The effect of this misstatement was to understate the reserves of the Group by £9,053. In order to correct this misstatement we have corrected the opening reserves figure from £671,441 to £680,494, amended opening investments from £558,988 to £238,719 and brought in goodwill on consolidation of £329,321.