

**THE WALES CO-OPERATIVE DEVELOPMENT &
TRAINING CENTRE LIMITED**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
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YEAR ENDED 31 MARCH 2021

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THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
ORGANISATION INFORMATION
YEAR ENDED 31 MARCH 2021

CHIEF EXECUTIVE: Derek Walker

SECRETARY: Derek Walker

BOARD – ELECTED DIRECTORS:

Jeff Andrews (<i>Treasurer/Vice Chair</i>)	
John Chown	
Angharad Dalton	elected September 2020
Richard Hughes	
David Jenkins (<i>Chair</i>)	resigned and re-elected September 2020
Nigel Keane	resigned and re-elected September 2020
Allison Soroko	
Robin Williams	

BOARD - CO-OPTED DIRECTORS:

Angharad Dalton	resigned September 2020
Menna Jones	
Ben Pritchard	
Kit Wilson	co-opted January 2021

BOARD -TUC Nominated Member

Nisreen Mansour

OTHER OFFICERS

Glenn Bowen	- Director of Enterprise
Joanne Jones	- Director of Finance and Resources;
Karen Lewis	- Director of External Engagement
Lara Ramsay	- Director of Inclusive Communities; resigned October 2020
Jocelle Lovell	- Director of Inclusive Communities; appointed November 2020
Rhian Edwards	- Commercial Director; resigned May 2021
Sarah Evans	- Commercial Director; appointed May 2021

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
ORGANISATION INFORMATION
YEAR ENDED 31 MARCH 2021

REGISTERED OFFICES

Y Borth
13 Beddau Way
CAERPHILLY
CF83 2AX

REGISTERED NUMBER

24287 R (Mutuals Public Register – FCA)

AUDITORS

Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park, Cardiff CF23 8AB

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
ANNUAL REPORT
YEAR ENDED 31 MARCH 2021

The Officers and Board present its report with the financial statements of the Centre for the year ended 31 March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Centre is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is governed under the Centre's rules.

The Board is responsible for the overall governance of the Centre. Board members are appointed through election by the Centre's members or by co-option. The Wales TUC also nominates a member to the board.

Effective partnership between Board members and employees is fundamental to the success of the Centre. The Centre has a Joint Consultative Group involving union and staff representatives as well as board members and members of the Senior Leadership Team. The purpose of the Group is to share information about the development of the Centre's activities and to enable the regular sharing of information on matters relating to employment and well-being at the Centre. The Board recognises the GMB trade union and negotiates with the union on pay and conditions.

The Board meets on a regular basis. There are a minimum of four operational Board meetings and four strategic Board meetings per year. In addition, the Board has one sub-committee, which is the Risk and Audit Committee.

The Board delegates the exercise of certain powers in connection with the management and administration of the Centre, which are set out in the Schedule of Delegated Authority. This policy sets out the decisions which are reserved for, and must be made by the Board, and those decisions where authority is delegated by the Board to individual directors, such as the chair, committees of the board or the chief executive. This is controlled by requiring regular reporting back to the Board so that all decisions made under delegated powers can be overseen by the full Board in due course.

Risk and Audit Committee

The Risk and Audit Committee comprises a minimum of 3 members. The committee meets quarterly. It takes delegated responsibility on behalf of the Board for ensuring that there is an appropriate framework of accountability within the organisation, advising the Board on matters of financial accountability, risk control and governance.

Chief Executive and other Key Management Personnel

The Chief Executive is responsible for the day-to-day management of the Centre's affairs and for implementing policies agreed by the Board. Other key management personnel are outlined on page 1 as other officers. Their remuneration is in line with the Centre's pay scales.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
ANNUAL REPORT
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OBJECTIVES AND PRINCIPAL ACTIVITIES

Established almost 40 years ago, the Centre is a not-for-profit co-operative organisation that works with people, communities and enterprises to improve their lives and livelihoods. We will achieve our purpose through our mission, which is to develop sustainable businesses and strong inclusive communities by working co-operatively.

We reviewed our strategy in 2019 and have set ourselves the following four strategic goals for the period 2020 to 2022. We will:

- be champions for a fairer and greener society, for co-operative working and for the use of technology for social good – leading the public debate, shaping policy and campaigning for positive change
- help to change the way the economy works, by leading the growth of co-operatives, mutuals, social enterprises and employee-owned businesses as well as by supporting small businesses in the foundational economy to thrive
- enable people to improve their lives and livelihoods by helping them to improve their digital confidence and to make their communities stronger
- be a strong and agile organisation that looks after our people, focuses on making a positive impact and ensures our values underpin everything we do.

ACHIEVEMENTS AND PERFORMANCE

Throughout 2020-2021, the Wales Co-operative Centre continued to deliver important initiatives to strengthen the Welsh economy through support to social businesses. Expert advice was more important than ever to help social enterprises carry on during the pandemic and to help them access Government grants and loans where necessary. Our team provided advice virtually - on a one-to-one basis as well as through webinars and information on our website.

With funding from Welsh Government and the EU, our *Social Business Wales Growth and New Start* programmes provided over 8500 hours of support, supported 403 different businesses, created 85 new jobs and safeguarded a further 197 jobs. We also helped convert five businesses to employee ownership. Interest in social enterprise and co-operative business models continued to grow. We helped set up 117 new enterprises and we ran six collaborative workshops for future social entrepreneurs involving 476 participants.

In October we launched the second phase of our Community Shares Wales service, with new funding from the National Lottery Community Fund. We helped communities raise investment for projects that matter to them through community share offers. In just six months we advised 22 clients and supported one group to complete a pioneer share offer.

Our work in the social care sector continued. Swansea and Bridgend councils contracted us to continue to support co-operation in the care sector in their areas. We also secured further funding from Welsh Government to support commissioners in the care sector to create more supply chain opportunities for co-operatives and social enterprises.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
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We led initiatives to strengthen communities and promote inclusion. Our Welsh Government funded Digital Communities Wales (DCW) project - *Digital Communities Wales: Digital Confidence, Health and Wellbeing* - aims to reduce digital exclusion by providing training, support and encouragement to organisations to help them support digitally excluded people. The programme is led by the Wales Co-operative Centre and includes a partnership with the Good Things Foundation and Swansea University. The programme has an additional focus on health and social care, supporting staff and patients to increase digital skills and improve health outcomes. During the year we supported 39,035 people, trained 2,491 staff or volunteers and worked with 192 organisations.

Our digital skills work was vital during the pandemic. We were granted additional funding by Welsh Government to buy and distribute digital devices to care homes, hospices and young carers to help people keep in touch with friends and family, and to assist with video medical consultations. More than 1,000 digital devices were distributed to nearly 600 care homes across Wales. BT also donated 500 vouchers for accessing their Wi-Fi hotspot network and we helped BT to distribute those vouchers to those in need, in particular asylum seekers and refugees.

With funding from the Welsh Government and the Nationwide Foundation, our *Communities Creating Homes* project worked with more than 50 communities and organisations across Wales to grow the number of co-operative and community led housing schemes to deliver more affordable housing for people in need.

Our commercial team provided consultancy to a growing number of clients in the public, private and third sectors, including health boards, local councils and housing associations. We also delivered a range of learning products, for instance the Social Enterprise Academy programme. We significantly exceeded our annual commercial targets in our business plan.

Our policy and communications work continued to attract an audience and have an impact. Working closely with DTA Wales, Social Firms Wales, WCVA and UnLtd, we published a 10-year vision and action plan for the sector in July. "Transforming Wales Through Social Enterprise" was co-produced by the sector, for the sector. The document is now providing the framework for a range of activities to support social enterprises throughout Wales.

In October there was impressive interest in our online festival for organisations interested in the benefits of digital technology called 'Tech Fest for Social Good.'

The Digital Inclusion Alliance for Wales, which we co-ordinate, published its agenda, 'From Inclusion to Resilience.' The document sets out how Wales can make progress on the pressing and urgent issue of digital exclusion. It identifies five priority areas in the mission to ensure that everyone in Wales, who needs to and wants to, can access and benefit from the internet and digital technology.

We also published new research, for instance about 'Living in Co-operative and Community-led Housing during Covid-19'.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
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We maintained a focus on our ongoing programme of continuous improvement. During the year, the Centre was re-assessed for "We Invest in People" accreditation and retained the 'Gold' award. We also elevated our Green Dragon accreditation from a level 2 to a level 3, and maintained our Cyber Essentials accreditation, proving our ongoing commitment to the environment and cyber security.

In our annual staff survey, employees were asked for their views and ideas for improvement - 96% said they would recommend the Centre as a great place to work and 96% said they were proud to work here. Our gender profile has a male/female ratio of 39% to 61% and our pay ratio is a favourable 1:4.2.

IMPACT OF COVID 19

The organisation has been able to operate effectively during the pandemic. Our teams have continued to deliver programmes and contracts whilst working remotely. Demand for many of our services grew during the year as we were needed to help people, communities and organisations respond to the pandemic, for example with business advice and basic digital skills.

Most of our income was guaranteed by our funders. We were also able to win new contracts during the year, some of which were about helping public bodies to respond to the pandemic, for example, this included a Welsh Government contract to buy and deliver tablet devices to young carers.

Our biggest risk during the year was the risk of the coronavirus on the health of our employees. Fortunately, all our employees were able to work from home as we had previously invested in IT infrastructure to enable this. A very small number of employees were diverted to work in other areas of the business for a short period of time to reduce our costs and increase our capacity where that was needed. Only one staff member was furloughed and that ended in July. During the year we worked hard to support the well-being of our employees. Staff surveys told us that these measures were effective and valued by colleagues.

Looking to the future, we do not expect there to be any long-term implications on our business. Although public finances will be tight, the work we do will continue to be important during the economic recovery. We will continue to diversify our income sources. This year we are developing a new strategy, which will be in place for 1st April 2022. As part of this process we will consider the long-term implications of the pandemic and make changes to our strategic plans accordingly. Over the next year we will also review our office accommodation. Following that review, we expect to make changes to our offices and HR policies, so they are appropriate for our new ways of working and for any ongoing virus control measures.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
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FINANCIAL REVIEW AND RESULTS

During the year, the Centre generated a turnover of £6.1m from a combination of grants, contract income and consultancy work. A surplus of £92K was generated in the period. The majority of the Centre's activities operate on a cost recovery basis.

The main funding sources for the Centre for 2020-2021 comprise:

- grant funding from The Welsh Government to deliver core activities and specific individual project work;
- a mixture of European grants and The Welsh Government grants to support our enterprise projects;
- grant funding from The Welsh Government and The Nationwide Foundation to deliver our Co-operative Housing Project;
- grant income from The Big Lottery Fund to fund our Community Shares Wales Resilience project, and
- income received from the Welsh Government in relation to the delivery of the Digital Communities Wales contract.

A prudent investment strategy is in place to ensure the safeguarding of reserves. Net assets as at 31 March 2021 were £965K comprising a general reserve of £293K, share capital of £152 and designated reserves of £672K. Designated reserves provide resources to allow for the continuation and development of the Centre and a critical cost reserve in the event that the Centre has to radically reduce its activities, downsize or close down.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Board is aware, there is no relevant audit information of which the Centre's auditors are unaware, and each Board member has taken all the steps that they ought to have taken as a Board member in order to make themselves aware of any relevant audit information and to establish that the Centre's auditors are aware of that information.

AUDITORS

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
ANNUAL REPORT
YEAR ENDED 31 MARCH 2021

STATEMENT OF BOARD RESPONSIBILITIES

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

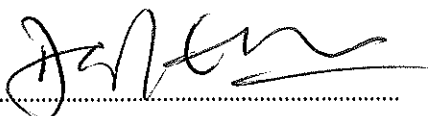
The Board is required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Centre and of its excess of income over expenditure for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Centre will continue in business.

The Board is responsible for maintaining satisfactory systems of internal control and keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Centre and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Centre and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

ON BEHALF OF THE BOARD



.....
David Jenkins - Chair

Date..... 20-09-2021

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED

Opinion

We have audited the financial statements of The Wales Co-operative Development and Training Centre Ltd (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Co-operative and Community Benefits Societies Act 2014

- In our opinion, based on the work undertaken in the course of our audit:
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED**

- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

Chartered Accountants & Statutory Auditors

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date 21-09-2021

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
TURNOVER			
The Welsh Government	2	2,672,376	2,416,345
European Funding	2	2,765,850	2,339,330
Other Grants and Sources of Income	2	650,860	593,976
		6,089,086	5,349,651
 Staff costs	 3	 (3,944,446)	 (3,155,742)
Travel costs		(12,017)	(123,440)
Operational Costs		(2,040,653)	(2,087,975)
		(5,997,116)	(5,367,157)
 OPERATING SURPLUS/(DEFICIT)	 4	 91,970	 (17,506)
 Interest receivable and similar income		 148	 709
 SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	 4	 92,118	 (16,797)
 Tax on surplus on ordinary activities	5	(28)	(135)
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAXATION	14	92,090	(16,932)

CONTINUING OPERATIONS

None of the Centre's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Centre has no recognised gains or losses other than the surpluses for the current period or previous year.

The notes on pages 15-26 form part of these financial statements


THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
BALANCE SHEET
31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	6	13,586	26,971
Investments	7	<u>250</u>	<u>250</u>
		13,836	27,221
CURRENT ASSETS			
Debtors	8	1,267,748	658,070
Cash at bank and in hand		<u>855,010</u>	<u>1,746,672</u>
		2,122,758	2,404,742
CREDITORS			
Amounts falling due within one year	9	<u>(1,171,676)</u>	<u>(1,559,151)</u>
NET CURRENT ASSETS		951,082	845,591
NET ASSETS		<u>964,918</u>	<u>872,812</u>
CAPITAL AND RESERVES			
Designated reserves	13	672,143	596,341
General reserve	13	292,623	276,335
Share capital	13	<u>152</u>	<u>136</u>
SHAREHOLDERS' FUNDS	14	<u>964,918</u>	<u>872,812</u>

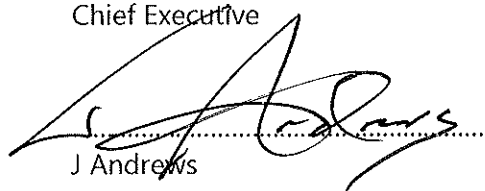
The financial statements were approved by the Board 20-09-2021 and were signed by:



D Walker
Chief Executive



D Jenkins
Chair



J Andrews
Treasurer

The notes on pages 15-26 form part of these financial statements

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Company Information

The Wales Co-operative Development and Training Centre Ltd is a company limited by shares incorporated in England and Wales. The registered office is Y Borth, 13 Beddau Way, Caerphilly, UK, CF83 2AX.

Status

The Centre is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefits Societies Act 2014.

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

Turnover

Turnover represents the total amount receivable by the Centre in the ordinary course of business for services and grant funding managed by the centre.

Going Concern

At the time of approving the Board have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Board adopt the going concern basis of accounting in preparing the financial statements.

Grants and Contracts

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. A grant received before the recognition criteria are satisfied is recognised as a liability.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives on the following bases:

- Computer Equipment – 33.33% straight line
- Office Equipment – 20% straight line

The organisation has a capitalisation policy whereby only assets above £1,500 are capitalised.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments are stated at cost less provision for diminution in value.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and credit unions.

Pensions

The Centre operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable during the year in accordance with FRS 102.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Financial instruments

The company 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 company's statement of financial position when the company 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
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Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 company 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.

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 company after deducting all of its 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.

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.

Derecognition of financial liabilities

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

Taxation

The tax expense represents the sum of the tax currently payable.

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Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. For this period only, included within wage costs are accrued holiday entitlements of £29.6K (2020: £30.3K).

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

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leasing commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Board 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

- Useful lives and depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date based on the expected utilisation of the assets of the company. The carrying amounts are analysed in note 6. Actual results, however, may vary due to technical obsolescence.

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Reserves

The Wales Co-operative Centre has reviewed its financial position and the need to maintain reserves to provide sufficient resources to allow for the continuation and development of the Centre.

This is to ensure financial security, appropriate levels of staffing and adequate resources to meet challenges imposed by changes in funding activities.

The Board considers it prudent that general reserves need to be sufficient:

- to avoid the necessity of realising fixed assets held for the Centre's use
- cover transfers to the various designated reserves as detailed below

Investment and New Business Reserve:

This reserve has been established to designate funds for investment in future opportunities or new business activities.

Critical Cost Reserve:

This reserve has been established to cover closure costs arising as a result of project income ending. Such costs could include redundancy costs. This reserve is to be kept at an appropriate level, calculated on an annual basis and transfer of funds will be made to and from the reserve to achieve this.

IT replacement Reserve:

This reserve has been established to cover the costs of replacing IT equipment on a cyclical basis or as and when the need arises.

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2. TURNOVER

The turnover and surplus before taxation are attributable to the principal activity of the Centre.

The turnover for the year is analysed as follows:

	2021 £	2020 £
Grant income received:		
-The Welsh Government	451,514	986,636
-European Funding	2,765,850	2,339,330
Contract Income:		
- The Welsh Government	2,220,862	1,429,709
Other grant & contract income	<u>650,860</u>	<u>593,976</u>
	<u>6,089,086</u>	<u>5,349,651</u>

Turnover analysed by geographical market

	2021 £	2020 £
United Kingdom	6,089,086	5,349,651

3. STAFF COSTS

	2021 £	2020 £
Wages and salaries	3,376,302	2,656,620
Social security costs	341,860	281,297
Staff pension costs	205,739	177,290
Training & development resources	15,878	18,826
Recruitment	<u>4,667</u>	<u>21,709</u>
	<u>3,944,446</u>	<u>3,155,742</u>

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

2021	2020
<u>96</u>	<u>83</u>

No remuneration is paid to board members.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3. STAFF COSTS continued

Remuneration of key management personnel

The remuneration of key management personnel, which is the senior management team, is as follows:

	2021	2020
	£	£
Aggregate compensation	<u>419,119</u>	<u>333,363</u>

The senior management team includes a full year cost for 6 Directors. 2019/20 includes a part year cost for 2 of the 6 Directors.

4. OPERATING SURPLUS

The operating surplus/(deficit) is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	13,685	13,486
Auditors' remuneration		
- for audit of the Centre	3,850	3,850
- for reports on grants received by the Centre	1,350	1,300
- other services	9,800	2,950
Operating lease rentals	76,558	76,465
Pension costs	<u>205,739</u>	<u>177,290</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the surplus on ordinary activities for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK Corporation tax	28	135
Tax on surplus on ordinary activities	<u>28</u>	<u>135</u>

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

5. TAXATION continued

The charge for the year can be reconciled to the surplus per the income and expenditure account as follows:

	2021 £	2020 £
Surplus/(deficit) before taxation	92,118	(16,797)
Expected tax charge based on the standard rate of corporation tax in The UK of 19.00% (2020: 19.00%)	17,502	135
Surplus/(deficit) not subject to tax	91,970	-
Tax on surplus on ordinary activities	<u>28</u>	<u>135</u>

Except for corporation tax on gross bank interest received, no taxation is payable as HM Revenue & Customs consider the Centre to be a "not for profit" organisation.

6. TANGIBLE FIXED ASSETS

	Computer & office equipment £
COST	
At 1 April 2020	313,029
Additions	300
Disposals	(182,878)
At 31 March 2021	<u>130,451</u>
DEPRECIATION	
At 1 April 2020	286,058
Charge for year	13,685
Disposals	(182,878)
At 31 March 2021	<u>116,865</u>
NET BOOK VALUE	
At 31 March 2021	<u>13,586</u>
At 31 March 2020	<u>26,971</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. FIXED ASSET INVESTMENTS

	Unlisted Investments £
COST	
At 1 April 2020 & 31 March 2021	250
NET BOOK VALUE	
At 1 April 2020	250
At 31 March 2021	<u>250</u>

The fixed asset investment represents 250 £1 shares in ICOF Community Capital.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	71,352	75,207
Prepayments and accrued income	<u>1,196,396</u>	<u>582,863</u>
	<u>1,267,748</u>	<u>658,070</u>

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
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YEAR ENDED 31 MARCH 2021

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	372,918	237,958
Social security and other taxes	96,756	67,213
Accruals	156,848	195,293
Deferred income	545,154	1,058,687
	<u>1,171,676</u>	<u>1,559,151</u>

The Centre also received restricted grant funding from The Nationwide Foundation in relation to the Co-operative Housing project. At the year-end a balance of £107,338 (2020: £8,336) was remaining from the funding which has been deferred to the next financial year.

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2021	2020
	£	£
Expiring:		
Within one year	67,650	9,874
Between one and five years	124,468	58,916
	<u>192,118</u>	<u>68,790</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
152	Ordinary	£1	<u>152</u>	<u>136</u>

12. RELATED PARTY TRANSACTIONS

The board of directors did not receive remuneration during the current or previous year.

No guarantees have been given or received.

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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13. RESERVES

	At 1 April 2020 £	Movement in period £	Transfers £	At 31 March 2021 £
Designated reserves				
Match funding reserve	200,000	-	-	200,000
Critical cost reserve	331,341	-	75,802	407,143
IT replacement reserve	65,000	-	-	65,000
Designated reserve total	596,341	-	75,802	672,143
 General reserve	 276,335	 92,090	 (75,802)	 292,623
Total reserves	<u>872,676</u>	<u>92,090</u>	<u>-</u>	<u>964,766</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2021 £	2020 £
Surplus/(Deficit) for the financial year	92,090	(16,932)
Movement on share capital	16	15
Net addition to shareholders' funds	<u>92,106</u>	<u>(16,917)</u>
 Opening shareholders' funds	 872,812	 889,729
Closing shareholder's funds	<u>964,918</u>	<u>872,812</u>

THE WALES CO-OPERATIVE DEVELOPMENT & TRAINING CENTRE LIMITED
INCOME & EXPENDITURE ACCOUNT BY CATEGORY
YEAR ENDED 31 MARCH 2021

	Enterprise Programme £	Communities £	Commercial £	Central Activity £	2021 Total £
Turnover					
The Welsh Government	129,053	2,360,758	-	182,565	2,672,376
European Funding	2,765,850	-	-	-	2,765,850
Other Funding	174,198	160,276	339,151	(22,765)	650,860
Total Income	<u>3,069,101</u>	<u>2,521,034</u>	<u>339,151</u>	<u>159,800</u>	<u>6,089,086</u>
Deposit Account Interest	-	-	-	148	148
Expenditure					
Staff costs	2,115,298	1,316,799	188,104	133,693	3,753,894
Overheads	321,778	213,995	32,687	(333,724)	234,736
ICT	30,042	8,422	699	103,840	143,003
Travel & subs	3,275	6,292	937	1,513	12,017
Marketing	93,138	44,949	2,174	53,834	194,095
Professional advice	30,792	69,017	30,561	176,796	307,166
Irrecoverable VAT	93,894	4,623	319	5,010	103,846
Project support	380,884	856,937	9,944	594	1,248,359
Total Expenditure	<u>3,069,101</u>	<u>2,521,034</u>	<u>265,425</u>	<u>141,556</u>	<u>5,997,116</u>
Net Surplus	-	-	73,726	18,392	92,118

This schedule does not form part of the financial statements.