

Cwmpas
Annual Report and
Financial Statements for the Year Ended 31 March 2024

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

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for the Year Ended 31 March 2024**

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Cwmpas
Society Information
for the Year Ended 31 March 2024

Chief Executive: Bethan Webber

Secretary: Bethan Webber

Board – Elected Members:

Richard Hughes (*Chair*) appointed as Chair as existing Board Member Sept 23
David Jenkins resigned from the Chair and Board Sept 2023
Angharad Dalton (*Vice Chair*)
Jeff Andrews (*Treasurer*)
John Chown
Nigel Keane re-elected Sept 23, resigned March 24
Gareth Yeoman-Evans
Grahame Sturges elected Sept 23, resigned April 24
Babs Lewis elected Sept 23

Board – Independent Members:

Ben Pritchard
Kit Wilson
Amanda Rees

Board – TUC Nominated Member: Nisreen Mansour

Other Officers (Senior Leadership Team):

Glenn Bowen - Director of Enterprise
Jocelle Lovell - Director of Inclusive Communities
Sarah Evans - Director of Business Growth & Consultancy
Joanne Jones - Director of Finance & Resources (resigned 19th Jul 24)
Paul Seymour - Interim Finance Director (appointed 10th July 24)

Registered Office: Spark Building,
Maindy Road,
Cardiff,
CF24 4HQ

Registered Number: 24287 R (Mutuals Public Register - FCA)

Auditors: Haines Watts Cardiff,
7 Neptune Court,
Vanguard Way,
Cardiff,
CF24 5PJ

Cwmpas
Annual Report
for the Year Ended 31 March 2024

The Officers and Board present its report with the financial statements for the year ended 31 March 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Board is responsible for the overall governance of the society. Board members are elected to the board by Cwmpas' members or appointed by the Board to meet gaps in skills or experience. The Wales TUC also nominates a member to the board.

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

The Board meets quarterly, with additional strategy and risk planning sessions as required. 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 Cwmpas, 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 at least three times a year. It takes delegated responsibility on behalf of the Board for ensuring that there is an appropriate framework of accountability within the society, 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 Cwmpas' 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 Cwmpas' pay scales.

OBJECTIVES AND PRINCIPAL ACTIVITIES

Established over 40 years ago, Cwmpas is a co-operative development agency. We believe our economy and society should work differently, putting people and planet first.

In 2022, the Board set a new five-year strategy and between 2022 and 2027 we will work across three key missions to achieve our purpose:

- Mission 1. Creating a fairer, greener economy - we are working to increase the proportion of the economy made up by social enterprises, co-operatives, and employee-owned businesses.
- Mission 2. Building a more equal society - we are working to advance social justice by increasing access, equity, diversity, and participation.
- Mission 3. Making positive change happen - we are working in co-operation with people and organisations to take action for social good.

The goals and outcomes associated with our three missions are set out in detail in the five-year strategy document. As well as our goals and outcomes, we are committed to applying the framework provided by the Well-being of Future Generations (Wales) Act 2015 to ensure we work for long-term impact to address the persistent problems of poverty, economic inequality, and climate change.

ACHIEVEMENTS AND PERFORMANCE

Reflecting on 2023-24, it's been a busy and challenging year of change and transition, and we can be proud of what we've achieved as we continue to work towards a fairer, greener economy.

It's been a year in which we saw a change of CEO as Bethan Webber joined the executive team, and our longstanding Chair, David Jenkins, retired with Richard Hughes appointed as Chair. We saw the end of European funding and continued our journey of transformation, adapting to new structures and ways of working, implementing new systems, and reviewing and evolving our services as we look to an increasingly complex and uncertain external environment.

Cwmpas
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Externally, the increasing pace of the tech revolution, intensifying climate crisis and volatile funding is testing everyone and particularly the third sector. We have continued to adapt and shape ourselves to respond and can be proud of our progress and the impact we have had through a difficult year.

We worked in partnership to deliver a renewed Social Business Wales programme, providing new start and growth advice to social businesses, and continued to support communities to co-operate around better solutions to housing and care. We enabled more people to access digital services through the delivery of our digital inclusion, and launched our leadership development programme, Social Leaders Cymru. We worked with the third sector to improve their digital maturity and continued to evolve our consultancy services, providing research, evaluation, innovation, and social impact support to a range of organisations across sectors, driving a new energy behind doing business and running services differently. In addition, we successfully secured nearly £2 million in Shared Prosperity Funding which enabled us to supplement the service provided through Social Business Wales in some areas and expand some of our digital support in others.

Internally, the external funding environment provides uncertainty, and we sought an external review of our approach to income generation, taking forward the recommendations to strengthen our business development approach. Our income generation activity has continued throughout the year, successfully securing SPF funding and investment from the Oak Foundation, amongst others.

Centrally, we introduced new systems including a CRM, finance, and payroll systems. We retained our IIP Gold status despite a difficult period of change and restructuring. The new systems were driven by a need to move from servers to the cloud, we successfully and seamlessly transitioned. We also successfully retained our cyber essentials and cyber essentials plus accreditations.

Social businesses and community share schemes are vital to local communities, creating more regenerative and redistributive local economies. They create training, employment and volunteering opportunities, provide amenities and more effective services where they're needed most. Social businesses can strengthen the connections between people reducing loneliness and isolation, as well as reducing the impact of the climate crisis through sustainable solutions. This year through our Social Business Wales programme and Shared Prosperity Funded projects, the Cwmpas team supported 544 social businesses, including support to 321 to start up, and 165 looking for support to grow, 74 new social businesses were incorporated. Social businesses and community empowerment are essential components to build prosperous, sustainable and resilient places, and the support on offer through Social Business Wales, funded by the Welsh Government and the Shared Prosperity Fund has been critical to continuing to support growth in the sector.

SBW also provided fully funded support to businesses seeking to transfer ownership to employees. We supported 58 businesses this year with 10 completing their transfer journey and becoming employee owned. We are proud to have hit the Welsh Government target of doubling the size of the sector 2 years ahead of time.

Community ownership of assets allows local communities to have greater control over their own resources and assets, leading to increased economic, social, and environmental benefits. It promotes a sense of community ownership and pride, leading to stronger and more resilient communities. Our Community Shares Wales programme, funded by the National Lottery Community Fund Wales, helps communities protect, purchase, and strengthen their assets. This year, we supported 11 communities to prepare a share scheme. £1,791,799 was raised through community share schemes with additional match funding of £2,006,276 secured.

We concluded our Welsh Government funded support to establish Forums and a National Community of Practice to help embed Section 16 and grow the contribution of the third sector in provision of care services, including the provision of resources and a toolkit. In addition, we continued to pilot and evaluate transformational models of social care to improve outcomes, working with Bridgend Council and with National Lottery support, in Cardiff and Pembrokeshire. In addition, we carried out a small but important project for Welsh Government to work with a few private residential childcare providers to support them with finding the appropriate vehicle for transitioning to a not-for-profit model under the Removing Profit from Care agenda. Building on the evidence of all this work, and that of previous projects, we're developing a Theory of Change for health and care which will inform our future focus in these areas.

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Digital inclusion is vital to ensuring everyone has access to services, amenities, and the benefits of an increasing digital world. It can improve access to education, employment, healthcare and government services, and can help to reduce social isolation. By addressing the digital divide and providing training and support to organisations who are the trusted faces to those facing digital exclusion, Digital Communities Wales is creating a more equitable and connected society. This year our DCW team assisted 30,812 people in getting online and trained 3,225 staff and volunteers in digital skills.

The shock announcement of a proposed cut to our Digital Communities Wales budget in the Welsh Government's draft budget in December 2023 was difficult and lost a lot of capacity from January to March in responding, redesigning the programme, and restructuring the team whilst making the case for the funding to continue. Fortunately, the decision was reversed, and the funding was reinstated in the final budget in February. Whilst it was a difficult time and capacity had to pivot to respond, slowing progress in other areas, we showed great adaptability and resilience and some benefits emerged from the process.

Through the NEWID programme, working in partnership to support the third sector to increase their digital maturity, we supported 25 organisations to increase their confidence and capability in using digital approaches and technology to achieve their purpose.

Co-operative and community-led housing offers an opportunity for people to come together and determine the type of homes and communities they wish to live in. Through collaborating with local authorities, investors and developers, these groups are vital to a different way forward in creating affordable housing options that address the specific needs of local communities. This year, we were able to support 30 existing housing co-ops across Wales with the potential to develop up to 265 new co-operative homes. Thanks to funding from the Nationwide Foundation and Welsh Government, we were able to provide essential support to these groups and promote more inclusive, community-led housing solutions. We also secured additional investment from the Oak Foundation to supplement our work to increase the development of co-operative and community-led housing in Wales. There are a number of stages that groups need to work through, with many barriers to overcome, but exciting progress has been made in a number of local areas to strengthen the pipeline of houses that will be built.

Our Perthyn project saw 27 community groups awarded £267,956 through small grants. Across 6 counties in North and West Wales we, with partners Dolan and Planed, supported:

- 63 community groups with early-stage support
- Ran online and in person events/meetings on community development and inspiring communities with 892 people attending throughout the year
- the creation of 11 new social/co-operative enterprises
- 19 groups looking into Community Led Housing
- 216 volunteers have been involved

Interest from community groups has grown with each round, with many community groups stating they would not have been able to progress without Perthyn support and funding. The funding has been invaluable to leveraging additional, larger scale funding to further develop their projects through enabling groups to carry out early-stage community development where the lack of funds would have been a barrier to progress. Groups are mostly looking to protect local assets at risk of being lost, or to reinvigorate lost assets to community ownership, whilst protecting and encouraging the Welsh language and ensuring local people have access to affordable housing. The groups accessing Perthyn support are committed to improving their communities whilst maintaining, increasing and protecting the use of the Welsh language for the benefit of the current community and for the future generations.

We launched Social Leaders Cymru, a new leadership development programme, delivered in partnership with Clore and WCVA. We developed the community leadership and national leadership programmes which will support voluntary, community and social enterprise leaders at all stages in their leadership journey. Running over 6 months, online and in-person sessions at three different locations, Newport, Wrexham, and Swansea. The Community Leader programme aims to bring leaders together to build capacity, strengthen communities and learn from one another. Open to leaders at all levels of experience, recruitment onto the first Community Leader programme was oversubscribed. The Social Leaders Cymru Advisory Group, and the first meeting took place on 8 February 2024, and a website has also been launched.

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Our Business Growth and Consultancy team continued to provide a range of consultancy services to a growing number of clients in the public, private and third sectors, including health boards, local councils, and housing associations. We delivered a range of products and services on the themes of social value, digital transformation as well as on learning and development. It was a year of mixed results across different parts of the consultancy offer with the wider financial environment impacting the sales of some products, but it provides rich learning for the evolution of our business model and approach going forward.

We supported 20 new organisations to increase their social value from a variety of different sectors including further education, construction and Public Sector Bodies, a highlight being research for Colegau Cymru reviewing the social value generated by the Further Education Sector in Wales, which culminated in the publication of a report in April.

We continue to work with WG's Digital Infrastructure Department, supporting coordination of their involvement in the UK-Gov DSIT (ex DCMS) funded 5G Drive initiative. This is a consortium made up of Virgin Media, O2, Cisco, Wave Mobile and UK Gov to pilot small-cell mobile infrastructure in not-spots across Wales.

We held a number of Start Something Good Hackathons across Wales, working with a range of bodies to bring stakeholders together to find innovative solutions to complex problems. We held a joint event with Google looking at "The Future of Welsh Businesses", exploring the Well-Being of Future Generations Act and how businesses can contribute to the achievement of its aims, as well as exploring the role of AI in business. We covered a wide variety of complex issues, from community tourism hacks to local food systems.

At the end of last year, we introduced our Equality, Diversity and Inclusion action plan. Internally we carried out a diversity audit of our trustee board which will inform future succession planning. We have joined the Pathways to Board scheme and have a new shadow member of the board who will be mentored by an existing board member. We ran a campaign for International Women's Day with the theme of #InspireInclusion, focused on highlighting actions to forge women's economic empowerment, and supporting women and girls into leadership, decision-making, business and STEM, centred around women across the social enterprise sector. We worked with the Race Relations Council and the Taylor Bennett Foundation to secure an intern in our Policy and Communications team, who joined us on a 3-month placement. Aimed at encouraging applications from people from diverse ethnic backgrounds, who are traditionally under-represented in the Welsh labour market, the intern was a highly valued member of the team and contributed blogs and communications on her experience and time with us.

In this 2nd year of the strategy, we have made good progress with regular monitoring reported to Board Members. We safely navigated a difficult transition from European funding and managed the risks associated with numerous other changes throughout the year. As we embark on our 3rd year of the strategy, we remain focused on future funding and the uncertainty beyond 2024-25 for many of our programmes. Our focus will be on preparing for that by maintaining good relationships with our funders and evidencing the impact we have, raising the profile of our work with key decision makers and funders, reviewing our services to ensure they continue to be relevant, evolving and building on them to grow our impact, diversifying our funding base, and strengthening our partnerships where we can add value and create greater impact together.

FINANCIAL REVIEW AND RESULTS

During the year, the society generated a turnover of £6.9m (2023 - £7.3m) from a combination of grants, contract income and consultancy work. A surplus of £56K (2023 - £89k) was generated in the period. The majority of the society's activities operate on a cost recovery basis.

The main funding sources for the society for 2023-2024 comprise:

- income received from the Welsh Government in relation to the delivery of the Digital Communities Wales contract;
- a mixture of European and Welsh Government grants to support our Social Business Wales projects;
- grant funding from the Welsh Government to deliver core activities and specific individual project work;
- grant income from The Big Lottery Community Fund to fund our Community Shares Wales Resilience project, and income was also received from various sources for Social Surplus Activities.

A prudent investment strategy is in place to ensure the safeguarding of reserves. Net assets as at 31 March 2024 were £1,171K comprising a general reserve of £559K, and designated reserves of £612K. Designated reserves provide resources to allow for the continuation and development of the society and a critical cost reserve in the event that the society has to radically reduce its activities, downsize or close down.

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STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Board is aware, there is no relevant audit information of which the society'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 society's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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 society 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 judgements 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 the society 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 society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Board are also responsible for safeguarding the assets of the society 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 society'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:


P. R. Hughes - Chair

Date: 6.9.24.

Report of the Independent Auditors to the Members of Cwmpas

Opinion

We have audited the financial statements of Cwmpas (the 'society') for the year ended 31 March 2024 which comprise the Income & Expenditure, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2024 and of its surplus 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 Co-Operative and Community Benefit Societies Act 2014.

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 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.

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 Board are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information, and, 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. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-Operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Report of the Independent Auditors to the Members of
Cwmpas**

Responsibilities of Committee Management

As explained more fully in the Board's Responsibilities Statement set out on page 5, the Board 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 it determines 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 Board are responsible for assessing the society'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 Board either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the society. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the Co-operative and Community Benefit Societies Act 2014, UK GAAP (FRS 102) and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with management which areas of the society they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities; and
- Obtaining an understanding of the key controls put in place by the society to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally; and
- Assessing the risk of management override and review and testing of journal entries made into the accounting system; and
- Challenging assumptions and judgements made by the society in relation to the significant accounting estimates employed in the preparation of the financial statements; and
- Discussing with members and management the legal and regulatory obligations of the society and whether they have any knowledge or suspicion of non-compliance.


Despite the audit being planned and conducted with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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 Auditors.

**Report of the Independent Auditors to the Members of
Cwmpas**

Use of our report

This report is made solely to the society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Victoria Carter (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 10th September 2024

Cwmpas

Income & Expenditure
for the Year Ended 31 March 2024

	Notes	2024 £	2023 £
Turnover	3	6,870,146	7,279,436
Administrative expenses	4	(4,747,272)	(4,701,127)
Travel costs		(97,683)	(82,861)
Operational costs		<u>(1,987,284)</u>	<u>(2,410,671)</u>
Operating surplus		37,907	84,777
Interest receivable and similar income		<u>18,521</u>	<u>4,881</u>
Surplus before taxation	5	56,428	89,658
Tax on surplus	6	<u>-</u>	<u>(902)</u>
Surplus for the financial year		<u>56,428</u>	<u>88,756</u>

The notes form part of these financial statements

Balance Sheet
31 March 2024


	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	7	-	-
Investments	8	<u>12,250</u>	<u>12,250</u>
		<u>12,250</u>	<u>12,250</u>
Current assets			
Debtors	9	1,330,531	1,291,758
Cash at bank		<u>1,472,470</u>	<u>1,290,954</u>
		2,803,001	2,582,712
Creditors			
Amounts falling due within one year	10	<u>(1,644,170)</u>	<u>(1,480,309)</u>
Net current assets		<u>1,158,831</u>	<u>1,102,403</u>
Total assets less current liabilities		<u>1,171,081</u>	<u>1,114,653</u>
Capital and reserves			
Called up share capital	11	143	143
Designated reserves	12	611,669	557,216
Retained earnings	12	<u>559,269</u>	<u>557,294</u>
Shareholders' funds		<u>1,171,081</u>	<u>1,114,653</u>

The financial statements were approved by the Board and authorised for issue on and were signed on its behalf by:


R Hughes - Chair


J Andrews - Treasurer

6/9/24


B Webber - Secretary

6/9/2024

**Notes to the Financial Statements
for the Year Ended 31 March 2024**

1. Statutory information

Cwmpas is a Co-operative, under the Co-operative and Community Benefits Societies Act 2014. The registered office is Spark Building, Maindy Road, Cardiff, CF24 4HQ.

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

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Finance Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the requirement 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.

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Board is 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 7. Actual results, however, may vary due to technical obsolescence.

Turnover

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

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

2. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer Equipment	-	33.3% on cost
Fixtures and Fittings	-	20% on cost

The society 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.

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.

Financial instruments

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

Taxation

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

2. Accounting policies - continued

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.

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.

Reserves

Cwmpas has reviewed its financial position and the need to maintain reserves to provide sufficient resources to allow for the continuation and development of the society.

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 society'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.

3. Turnover

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

The turnover for the year is analysed as follows:

	2024	2023
	£	£
Grant income received:		
- The Welsh Government	1,867,477	757,474
- European Funding	831,206	3,439,510
Contract Income		
- The Welsh Government	2,555,219	2,037,061
Other grant & contract income	<u>1,616,244</u>	<u>1,045,391</u>
Total	<u>6,870,146</u>	<u>7,279,436</u>

4. Employees and directors

The average number of employees during the year was 91 (2023 - 100).

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

4. Employees and directors - continued

	2024	2023
	£	£
Wages and salaries	4,086,895	3,964,954
Social security costs	412,605	439,617
Staff pension costs	234,009	242,850
Training & development resources	10,472	34,886
Recruitment	3,291	18,820
	<u>4,747,272</u>	<u>4,701,127</u>

No remuneration is paid to board members.

Remuneration of key management personnel

The remuneration of key management personnel, which is the Chief Executive and senior leadership team, is as follows:

	2024	2023
	£	£
Aggregate compensation	<u>420,371</u>	<u>394,034</u>

The senior leadership team in 2024 comprised of 5 employees (2023: 5).

5. Profit before taxation

The operating surplus is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	-	-
Auditors' remuneration:		
- for audit of the society	5,950	3,700
- other services	7,620	84,875
Operating lease rental	30,862	65,319
Pension costs	<u>234,009</u>	<u>242,850</u>

6. Taxation

Analysis of the tax charge

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

	2024	2023
	£	£
Current tax:		
UK corporation tax	<u>-</u>	<u>902</u>
Tax on surplus	<u>-</u>	<u>902</u>

UK corporation tax was charged at 19% in 2023.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

6. Taxation - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2024 £	2023 £
Surplus before tax	<u>56,428</u>	<u>89,658</u>
surplus multiplied by the standard rate of corporation tax in the UK of 19% (2023 - 19%)	10,721	17,035
Effects of: Surplus not subject to tax	<u>(10,721)</u>	<u>(16,133)</u>
Total tax charge	<u>-</u>	<u>902</u>

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

7. Tangible fixed assets

	Computer equipment £
Cost At 1 April 2023 and 31 March 2024	<u>40,757</u>
Depreciation At 1 April 2023 and 31 March 2024	<u>40,757</u>
Net book value At 31 March 2024	<u>-</u>
At 31 March 2023	<u>-</u>

8. Fixed asset investments

	Other investments £
Cost At 1 April 2023 and 31 March 2024	<u>12,250</u>
Net book value At 31 March 2024	<u>12,250</u>
At 31 March 2023	<u>12,250</u>

The fixed asset investment represents the following:

- £250 in ICOF Community Capital;
- £10,000 in Egni Coop;
- £2,000 in Tir Cyffredin Housing Co-operative Ltd.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

9.	Debtors: amounts falling due within one year		2024	2023
			£	£
	Trade debtors		307,257	132,611
	Prepayments and accrued income		<u>1,023,274</u>	<u>1,159,147</u>
			<u>1,330,531</u>	<u>1,291,758</u>
10.	Creditors: amounts falling due within one year		2024	2023
			£	£
	Trade creditors		193,770	244,081
	Tax		-	902
	Social security and other taxes		-	33,137
	VAT		89,753	-
	Deferred income		1,067,862	1,067,579
	Accrued expenses		<u>292,785</u>	<u>134,610</u>
			<u>1,644,170</u>	<u>1,480,309</u>
11.	Called up share capital			
	Allotted, issued and fully paid:			
	Number:	Class:	Nominal value:	2024
				2023
				£
				£
	143	Ordinary	£1	<u>143</u>
				<u>143</u>
12.	Reserves			
		At 1 April 2023	Movement in period	Transfers between reserves
		£	£	£
				At 31 March 2024
				£
	Designated reserves			
	Investment and new business reserve	200,000	-	-
	Critical cost reserve	292,216	-	54,453
	IT replacement reserve	<u>65,000</u>	-	-
				<u>65,000</u>
	Designated reserve total	557,216	-	54,453
	General reserve	<u>557,294</u>	<u>56,428</u>	(54,453)
				<u>559,269</u>
	Total reserves	<u>1,114,510</u>	-	-
				<u>1,170,938</u>

Transfers between reserves during the year relate to redundancy costs, and a reduction rental and office costs liabilities.

13. **Related party disclosures**

The board of directors did not receive any remuneration during the current or previous year. No guarantees have been given or received.

During the year expenses reimbursed to members were £195 (2023: £317).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

14. Reconciliation of movements in shareholders' funds

	2024	2023
	£	£
Surplus/(Deficit) for the financial year	56,428	88,756
Movement on share capital	<u>0</u>	<u>(8)</u>
Net addition to shareholder's funds	56,428	88,748
Opening shareholders' funds	<u>1,114,653</u>	<u>1,025,905</u>
Closing shareholders' funds	<u><u>1,171,081</u></u>	<u><u>1,114,653</u></u>

Cwmpas

Detailed Income and Expenditure Account
for the Year Ended 31 March 2024

	2024		2023	
	£	£	£	£
Turnover				
The Welsh Government	4,422,696		2,794,535	
European Funding	831,206		3,439,510	
Other funding	<u>1,616,244</u>		<u>1,045,391</u>	
		6,870,146		7,279,436
Other income				
Deposit account interest		<u>18,521</u>		<u>4,881</u>
		6,888,667		7,284,317
Expenditure				
Staff cost	4,747,272		4,701,127	
Marketing	227,743		381,818	
Travel & subsistence	97,685		82,861	
Overheads	-		-	
ICT	266,856		173,326	
Irrecoverable VAT	22,083		223,913	
Project support	1,098,035		1,293,374	
Professional advice	<u>372,565</u>		<u>338,240</u>	
		<u>6,832,239</u>		<u>7,194,659</u>
Net surplus		<u>56,428</u>		<u>89,658</u>

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Cwmpas
Enterprise Programme
Detailed Income and Expenditure Account
for the Year Ended 31 March 2024

	2024		2023	
	£	£	£	£
Turnover				
The Welsh Government	1,712,798		264,443	
European Funding	831,206		3,439,510	
Other funding	<u>236,249</u>		<u>292,593</u>	
		2,780,253		3,996,546
Expenditure				
Staff cost	1,836,288		2,509,543	
Marketing	105,631		192,006	
Travel & subsistence	21,363		27,172	
Overheads	268,813		297,420	
ICT	31,510		26,484	
Irrecoverable VAT	21,244		143,438	
Project support	405,867		685,386	
Professional advice	<u>35,268</u>		<u>30,085</u>	
		<u>2,725,984</u>		<u>3,911,534</u>
Net surplus		<u>54,269</u>		<u>85,012</u>

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Cwmpas
Inclusive Communities
Detailed Income and Expenditure Account
for the Year Ended 31 March 2024

	2024		2023	
	£	£	£	£
Turnover				
The Welsh Government	2,529,574		2,065,947	
Other funding	<u>193,624</u>		<u>149,062</u>	
		2,723,198		2,215,009
Expenditure				
Staff cost	1,618,699		1,419,120	
Marketing	57,069		59,130	
Travel & subsistence	37,020		28,247	
Overheads	277,896		349,158	
ICT	6,597		20,912	
Irrecoverable VAT	809		6,732	
Project support	600,016		252,797	
Professional advice	<u>113,409</u>		<u>78,911</u>	
		<u>2,711,515</u>		<u>2,215,007</u>
Net surplus		<u><u>11,683</u></u>		<u><u>2</u></u>

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Cwmpas
Commercial
Detailed Income and Expenditure Account
for the Year Ended 31 March 2024

	2024		2023	
	£	£	£	£
Turnover				
The Welsh Government	25,645		278,718	
Other funding	<u>1,186,030</u>		<u>801,001</u>	
		1,211,675		1,079,719
Expenditure				
Staff cost	855,955		454,019	
Marketing	34,965		18,876	
Travel & subsistence	22,801		17,631	
Overheads	153,729		73,533	
ICT	41,968		(1,330)	
Irrecoverable VAT	30		11,489	
Project support	62,671		350,354	
Professional advice	<u>89,914</u>		<u>81,712</u>	
		<u>1,262,033</u>		<u>1,006,284</u>
Net (deficit)/surplus		<u>(50,358)</u>		<u>73,435</u>

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Cwmpas
Central Activity
Detailed Income and Expenditure Account
for the Year Ended 31 March 2024

	2024		2023	
	£	£	£	£
Turnover				
The Welsh Government	154,679		185,427	
Other funding	<u>341</u>		<u>(197,265)</u>	
		155,020		(11,838)
Other income				
Deposit account interest		<u>18,521</u>		<u>4,881</u>
		173,541		(6,957)
Expenditure				
Staff cost	436,330		318,445	
Marketing	30,078		111,806	
Travel & subsistence	16,500		9,811	
Overheads	(700,437)		(720,111)	
ICT	186,781		127,260	
Irrecoverable VAT	-		62,254	
Project support	29,481		4,837	
Professional advice	<u>133,974</u>		<u>147,532</u>	
		<u>132,707</u>		<u>61,834</u>
Net surplus/(deficit)		<u>40,834</u>		<u>(68,791)</u>

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