

REGISTERED NUMBER: 24287 R (England and Wales)

Cwmpas
Annual Report and
Financial Statements for the Year Ended 31 March 2025

Menzies LLP,
Chartered Accountants & Statutory Auditor
5th Floor Hodge House
114 – 116 St Mary Street
Cardiff
CF10 1DY

Cwmpas
Annual Report
for the Year Ended 31 March 2025

The Officers and Board present its report with the financial statements for the year ended 31 March 2025.

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 2 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 2024-25, it's been another year defined by change and transition, as we continue to work towards a fairer, greener economy. Externally, the pace of the tech revolution continues, alongside increasing volatility in the political and funding environment which continues to challenge us and the wider third sector. Increasing costs set against declining budgets continues to challenge us, but despite this we maintained a strong focus on our customers and continued to adapt and respond and we can be proud of our progress and impact throughout the year.

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We had a busy and stimulating summer and autumn of external engagement, hosting and partnering on numerous events and conferences to raise the profile of our work and the need for a rebalanced economy and fairer society. Through various changes in Welsh Government, we engaged with new Cabinet members and the Secretary of State for Wales, to keep the social enterprise and cooperative sector at the forefront of minds and highlighting the desperate need for change.

We worked in partnership to deliver the national social enterprise support programme Social Business Wales, providing advice to new and growing 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 the national digital inclusion programme, Digital Communities Wales, and supporting social leaders on their development journey through the Social Leaders Cymru. We supported more organisations in the third sector to improve their digital maturity and continued to evolve our consultancy services, providing research, evaluation, innovation, collaboration and social value support to a range of organisations across different sectors. We delivered projects across Wales through the Shared Prosperity Fund, providing complementary and supplementary support to the social enterprise and cooperative sector, as well as direct digital support in citizens in some areas.

Internally, continued future funding uncertainty remained a key focus, and a priority has been to strengthen our business development approach through introducing a new centralised function and investing in capacity and expertise. In the short term, this has enabled us to continue to successfully generate new income alongside building a funding strategy for longer term diversification and sustainability.

Centrally, the new CRM, Finance and Payroll systems introduced last year are working well. Since retaining our IIP Gold status last year, we have received a positive interim report. We have introduced a salary exchange scheme to our staff which was implemented on 1 April 2025. We retained Green Dragon, Level 3 accreditation. Our Net Zero Group has been strengthened to deliver Cwmpas' strategy. We successfully retained our cyber essentials and cyber essentials plus accreditations. We have taken considered steps to trial Copilot AI for one year within a small strategic action group.

This year through our Social Business Wales programme and Shared Prosperity Funded projects, the Cwmpas team supported 458 social businesses, 113 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 over 50 businesses this year with 10 completing their transfer journey and becoming employee owned. With this support we have safeguarded 260 jobs.

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 previous project funded by the National Lottery Community Fund came to an end in Feb 2024, however we were still able to provide this vital support though funding from the Shared Prosperity Fund. This year, we supported 7 communities to prepare share schemes, this support raised £1,582,706.

We continued to pilot and evaluate different models of social care to improve outcomes, working with Bridgend Council and with National Lottery support, in Cardiff and Pembrokeshire. In addition, we continued to work with Welsh Government during the shaping of the legislation framework for the Eliminating Profit from (children's residential) Care implementation. Whilst we were not successful in advocating for a additional business models to be included we are pleased to have received WG investment in a tailored programme of business transition support, which will enable us to provide existing providers with the technical and expert support needed to transition to new models safely. This work will continue over the next 3 years.

Digital inclusion is vital to ensuring everyone has access to services, amenities, and the benefits of an increasing digital world, including access to education, employment, healthcare and government services. In its final full year, Digital Communities Wales continued to create a more equitable and connected society, with the DCW team assisting 68,461 people in getting online and training 1,674 staff and volunteers in digital skills.

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.

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Annual Report for the Year Ended 31 March 2025

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 47 groups across Wales with the potential to develop up to 318 new community led 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. With the additional investment from the Oak Foundation we have been able to introduce internships with lived experience of housing inequalities. 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 16 community groups awarded £156,961 through small grants. Across 6 counties in North and West Wales we, with our delivery partners Planed, supported:

- 26 community groups with early-stage support
- Ran online and in person events/meetings on community development and inspiring communities with 465 people attending throughout the year
- the creation of 5 new social/co-operative enterprises
- 10 groups looking into Community Led Housing
- 52 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.

Social Leaders Cymru, is a leadership development programme for the social sector in Wales, funded by The National Lottery Community Fund. Cwmpas is delivering the project in partnership with Clore Social Leadership and WCVA. Over the last year the project has delivered three Community Leader and two National Leader programmes to support voluntary, community and social enterprise leaders at all stages in their leadership journey.

The Community Leader programmes run over six months with online and in-person sessions at three different locations, Newport, Wrexham, and Swansea. The programme brings leaders together to build capacity, strengthen communities and learn from one another. Open to leaders at all levels of experience, the programmes have reached 77 leaders. The National Leader programmes comprised of an online Emerging Leader and Experienced Leader programme, each running for four months and reached 45 leaders.

The programmes have received positive feedback, including supporting leaders to develop their skills and become more confident and empowered to make a positive difference within their organisations and communities.

Quotes:

"It has given me more confidence in my leadership...this will benefit my organisation as I feel I can contribute more to discussions and decisions."

"I have been more willing to speak up on behalf of the community I work with - most recently with a local MP and member of Council Executive Board. Taking an opportunity I might have shied away from previously."

"Everything is very well organised. It is great to meet and work with other people in such a wonderful atmosphere."

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. We delivered a series of hackathons across Wales, engaging hundreds of participants and stakeholders to address community challenges, support local social enterprises, and develop strategic solutions. We ran the Torfaen SE Challenge Programme, supporting eight social enterprises (SEs) with grants, mentoring, and strategic planning. In Bridgend we supported over 130 businesses, facilitating the creation and safeguarding of jobs and social enterprises. We continued to offer tailored support around increasing social value, working on the Welsh Government's Wellbeing Impacts Framework, and with local authorities and other bodies to embed community impact in procurement and policy. We expanded our evaluation work, completing and initiating multiple projects for public, private, and voluntary sector clients.

We continued to support digital innovation through collaborations on infrastructure projects and piloting of a Media Literacy programme to raise awareness and conduct research in communities.

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We secured funding through the Oak foundation to secure an intern within our Housing team who is with us for a years placement. The internship is focused on engaging with people from diverse ethnic minority backgrounds about their housing need and to increase awareness of community-led housing for people that are typically underrepresented in the community-led housing movement and is an opportunity to work with Wales' only community led housing hub.

We also recruited four interns within our Digital Communities Wales Programme on 6 month placements. One of these roles focused on capturing the impact of digital inclusion activity developed by and supported by the DCW programme in Wales and telling the story of how digital inclusion has impacted on individuals and communities by developing case studies in a variety of different media forms.

The other three interns were tasked with engaging with people with lived experience from diverse backgrounds to develop an understanding of the digital inclusion agenda within Wales, upskilling them as a Digital Champions, and encouraging citizen engagement. These four placements provided an opportunity to work on Wales' only national digital inclusion programme.

In line with our Equality, Diversity and Inclusion action plan we have made several policy introductions and changes including introducing volunteer days for staff, Transitioning at work guidance for managers and providing training to all staff in relation to the new Worker Protection (Amendment of Equality Act 2010) Act 2023.

As we enter the fourth year of our strategy, we remain committed to achieving our goals and expanding our impact. We are developing our short-term vision to ensure we are future ready and able to adapt to immediate opportunities and challenges while ensuring long-term viability.

Our digital inclusion work faces great uncertainty with the current Digital Communities Wales programme ending in September, and a new programme being commissioned, so our focus is on responding to that as well as diversifying and building resilience into our digital work by seeking other investors to support complementary additional elements of support.

We have completed an initial phase of mapping our client journeys into different parts of Cwmpas, and this work continues with a view to standardising our approach and ensuring a consistent and seamless experience. Additionally, we are reviewing our overheads and costs in response to the ongoing challenges of the current funding environment, looking at where we can bring costs in line with income, increase value for money and identify efficiencies.

Evolving our approach to hybrid working and improving our internal communications remains a priority as we navigate the evolution of remote working. In addition, we will be focused on becoming more data and evidence informed, building towards having more capacity and expertise dedicated in these areas, as well as integrating AI into our work and sector support to maximise the potential benefits it can bring at a time when capacity is stretched.

We're excited to be entering into two new areas of work, one around supporting the transition to new models under the eliminating profit from children's residential care, and a young people's social entrepreneurship programme in partnership with Children in Wales under the Welsh Government's Child Poverty Innovation and Supporting Communities Grant. Both offer opportunities to expand our impact in new ways with children and young people at the heart.

Whilst it is a difficult financial year ahead, with more uncertainty beyond, we continue with confidence to pursue developments and improvements that will ensure we navigate this challenging period strongly and safely.

FINANCIAL REVIEW AND RESULTS

During the year, the society generated a turnover of £7m (2024 - £6.97m) from a combination of grants, contract income and consultancy work. A deficit of £13k (2024 - £56k surplus) 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 2024-2025 comprise:

- income received from the Welsh Government in relation to the delivery of the Digital Communities Wales contract;
- 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 also included income from the Big Lottery Fund and the Nationwide Foundation as well as a number of other funders. 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 2025 were £1,158K comprising a general reserve of £546K, 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, Menzies LLP, having been appointed during the period by the board members, 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:


R Hughes - Chair

Date: 12.09.25.

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 2025 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 2025 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 FCA (Senior Statutory Auditor)
for on behalf of **Menzies LLP**

Chartered Accountants
Statutory Auditor

5th Floor, Hodge House
114 – 116 St Mary Street
Cardiff
CF10 1DY

Date: 15th September 2025.

Cwmpas

**Income & Expenditure
for the Year Ended 31 March 2025**

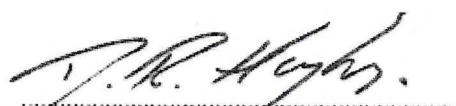
	Notes	2025 £	2024 £
Turnover	3	6,977,909	6,870,146
Administrative expenses	4	(4,896,070)	(4,747,272)
Travel costs		(87,458)	(97,683)
Operational costs		<u>(2,021,306)</u>	<u>(1,987,284)</u>
Operating (deficit)/surplus		(26,925)	37,907
Interest receivable and similar income		<u>13,960</u>	<u>18,521</u>
(Deficit)/surplus before taxation	5	(12,965)	56,428
Tax on (deficit)/surplus	6	<u>-</u>	<u>-</u>
(Deficit)/surplus for the financial year		<u><u>(12,965)</u></u>	<u><u>56,428</u></u>

The notes form part of these financial statements

Balance Sheet
31 March 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	7	10,121	-
Investments	8	<u>12,250</u>	<u>12,250</u>
		<u>22,371</u>	<u>12,250</u>
Current assets			
Debtors	9	1,614,250	1,330,531
Cash at bank		<u>1,129,337</u>	<u>1,472,470</u>
		2,743,587	2,803,001
Creditors			
Amounts falling due within one year	10	<u>(1,607,836)</u>	<u>(1,644,170)</u>
Net current assets		<u>1,135,751</u>	<u>1,158,831</u>
Total assets less current liabilities		<u><u>1,158,122</u></u>	<u><u>1,171,081</u></u>
Capital and reserves			
Called up share capital	11	149	143
Designated reserves	12	673,000	611,669
Retained earnings	12	<u>484,973</u>	<u>559,269</u>
Shareholders' funds		<u><u>1,158,122</u></u>	<u><u>1,171,081</u></u>

The financial statements were approved by the Board and authorised for issue on 12.09.2025 and were signed on its behalf by:


 R Hughes - Chair


 J Chown - Treasurer


 B Webber - Secretary

**Notes to the Financial Statements
for the Year Ended 31 March 2025**

1. Statutory information

Cwmpas is a Co-operative, under the Co-operative and Community Benefits Societies Act 2014. the registered office is Spark, 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 has 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 statement 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. The board will keep the going concern position under review in the future.

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 2025**

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

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 2025**

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:

	2025	2024
	£	£
Grant income received:		
- The Welsh Government	2,218,454	2,762,658
- European Funding	-	831,206
Contract Income		
- The Welsh Government	1,695,491	1,660,038
Other grant & contract income	<u>3,063,964</u>	<u>1,616,244</u>
Total	<u><u>6,977,909</u></u>	<u><u>6,870,146</u></u>

Cwmpas

Notes to the Financial Statements - continued for the Year Ended 31 March 2025

4. Employees and directors - continued

	2025	2024
	£	£
Wages and salaries	4,126,635	4,086,895
Social security costs	444,073	412,605
Staff pension costs	240,546	234,009
Training & development resources	44,653	10,472
Recruitment	40,163	3,291
	<u>4,896,070</u>	<u>4,747,272</u>

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

2025	2024
96	91

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:

	2025	2024
	£	£
Aggregate compensation	<u>412,752</u>	<u>420,371</u>

The senior leadership team in 2025 comprised of 7 (FTE:5) employees (2024: 5).

5. (Loss)/profit before taxation

The operating surplus is stated after charging:

	2025	2024
	£	£
Depreciation - owned assets	-	-
Auditors' remuneration:		
- for audit of the society	5,350	5,950
- other services		7,620
Operating lease rental	26,785	30,862
Pension costs	<u>240,546</u>	<u>234,009</u>

6. Taxation

Analysis of the tax charge

The society is exempt from corporation tax for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Cwmpas

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

6. Taxation - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2025	2024
	£	£
(Deficit)/surplus before tax	<u>(12,965)</u>	<u>56,428</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 19%)	-	(10,721)
Effects of: Surplus not subject to tax	<u>-</u>	<u>(10,721)</u>
Total tax charge	<u>-</u>	<u>-</u>

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 2024	40,757
Additions	10,121
Disposals	<u>(40,757)</u>
At 31 March 2025	<u>10,121</u>
Depreciation	
At 1 April 2024	40,757
Disposal	<u>(40,757)</u>
At 31 March 2025	-
Net book value	
At 31 March 2025	<u>10,121</u>
At 31 March 2024	<u>-</u>

8. Fixed asset investments

	Other investments £
Cost	
At 1 April 2024 and 31 March 2025	<u>12,250</u>
Net book value	
At 31 March 2025	<u>12,250</u>
At 31 March 2024	<u>12,250</u>

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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

8. Fixed asset investments - continued

The fixed asset investment represent the following:

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

9. Debtors: amounts falling due within one year

	2025	2024
	£	£
Trade debtors	1,208,259	307,257
Prepayments and accrued income	<u>405,991</u>	<u>1,023,274</u>
	<u>1,614,250</u>	<u>1,330,531</u>

10. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	75,148	193,770
VAT	226,403	89,753
Deferred income	909,108	1,067,862
Accrued expenses	<u>397,177</u>	<u>292,785</u>
	<u>1,607,836</u>	<u>1,644,170</u>

11. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2025	2024
			£	£
149	Ordinary	£1	<u>149</u>	<u>143</u>

During the year, the net movement on the members share capital increased by 6.

12. Reserves

	At 1 April 2024 £	Movement in period £	Transfers between reserves £	At 31 March 2025 £
Designated reserves				
Investment and new business reserve	200,000	-	-	200,000
Critical cost reserve	346,669	-	61,331	408,000
IT replacement reserve	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
Designated reserve total	611,699	-	-	673,000
General reserve	<u>559,269</u>	<u>(12,965)</u>	<u>(61,331)</u>	<u>484,973</u>
Total reserves	<u>1,170,938</u>	<u>-</u>	<u>-</u>	<u>1,157,973</u>

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

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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

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 £61 (2024: £195).

14. Reconciliation of movements in shareholders' funds

	2025	2024
	£	£
Surplus/(Deficit) for the financial year	(12,965)	56,428
Movement on share capital	6	-
Net addition to shareholder's funds	(12,959)	56,428
Opening shareholders' funds	<u>1,171,081</u>	<u>1,114,653</u>
Closing shareholders' funds	<u>1,158,122</u>	<u>1,171,081</u>