

REGISTERED COMPANY NUMBER: 07628816 (England and Wales)

REGISTERED CHARITY NUMBER: 1143732

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2018
for
Cymdeithas Gofal The Care Society**

**Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY**



Cymdeithas Gofal The Care Society

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for the Year Ended 31 March 2018**

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Cymdeithas Gofal The Care Society

**Reference and Administrative Details
for the Year Ended 31 March 2018**

TRUSTEES

M A Strong (resigned - 18.2.18)
G H Evans (Executive Director) (resigned
29.3.18)
R J Gray
T Kitchen
A P Hearn
Ms S J Jones-Davies (resigned – 1.3.18)
C A Symons
R G Wells (resigned - 19.3.18)
B C Forbes (resigned – 2.2.18)
C E A Shaw (appointed 29.3.18)
J T Rees (appointed 29.3.18)
S G Cripps (appointed 29.3.18)
P J Saunders (appointed 29.3.18)

REGISTERED OFFICE

21 Terrace Road
Aberystwyth
Ceredigion
SY23 1NP

REGISTERED COMPANY NUMBER

07628816 (England and Wales)

REGISTERED CHARITY NUMBER

1143732

AUDITORS

Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

SOLICITORS

Morris and Bates
PO BOX 1
Ffordd Alexandera Road
Aberystwyth
SY23 1PT

BANKERS

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Cymdeithas Gofal The Care Society

Chairman's Report for the Year Ended 31 March 2018

2017 / 2018 has proven to be a challenging time for The Care Society both in terms of the continued demand on our services and the funding and financial challenges of delivering essential services in times of austerity, reducing grant and contract income. Consequently, as in previous years extra efforts have been required to find innovative ways to ensure that the services we provide are not lost. Over the course of this financial year this has included implementing further efficiency savings, remodelling the Night Shelter and developing our support services.

The Board of Directors recognise that in these difficult times The Care Society needs to continue to work closely and flexibly with our strategic partners most notably Ceredigion County Council and Welsh Government. Furthermore, during 2017 / 2018 The Board of Directors explored building on our Strategic Partnership with Tai Ceredigion and throughout 2017 / 2018 undertook due diligence with a view to formalising a formal group structure and safeguarding and developing services for the future. Following the due diligence process Tai Ceredigion and The Care Society agreed to form a group structure from April 2018.

The Care Society continues to benefit from the passion and commitment of an experienced board of trustees and the drive, inventiveness and energy of our staff.

For the year ahead we look forward, towards working with Tai Ceredigion and implementing the best practice achievable to ensure the continuance of a thriving Care Society.

R J Gray Executive Directors Report

Despite well-documented challenges facing charities, the need for Care Society services has been evidenced by the continued numbers of vulnerable people and families accessing our Tenancy Support services, Night Shelter project; warden Emergency Accommodation service and Care Leaver project. A considerable number of whom have also been accommodated through our Bond Scheme and Estates and Lettings Agency.

The Care Society has continued to be innovative to meet financial challenges; evidenced by the success of the Care Society Charity Shop and Shop Mobility Scheme. In addition, throughout 2017 / 2018 The Care Society has also developed services to meet increasing demand for county wide befriending and community support; specifically from people referred by the Local Authority - Community Team for Learning Difficulties (C.T.L.D) & Community Mental Health Team (C.M.H.T).

I am continually grateful to our volunteers, my colleagues and the Board for their dedication and commitment to delivering these essential services and for their continued care and compassion for the people who access our services and for whom it is a privilege to serve.

I am also expressly grateful for the continued support of The Local Authority and Welsh Government and also to Tai Ceredigion and their supportive staff who, through a formal Service Level Agreement, have provided Financial Services to The Care Society.

Looking forward, following extensive due diligence and (at the end of 2017 / 2018) the Boards of The Care Society and Tai Ceredigion agreeing to formalising a group structure, I am optimistic that 2018 / 2019 will provide an opportunity for The Care Society to improve its IT infrastructure and governance and also to improve and develop existing services to meet the needs of people living throughout rural mid-Wales.

Cymdeithas Gofal The Care Society (Registered number: 07628816)

**Report of the Trustees
for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives and aims of the charity are:

To promote Social Inclusion for the public benefit by preventing people from becoming socially excluded by reason of homelessness, at risk of losing their home, living in inadequate accommodation or unsettled circumstances in Ceredigion and surrounding counties by:

- a) The provision of quality, customer focused services,
- b) Working in a flexible, innovative and responsive way,
- c) The recognition and provision of suitable housing and by supporting people in realising their full potential.

Public benefit

Our main activities and who we try to help are described below. All our charitable activities further our charities objectives having regard to charity commission guidance and for the public benefit. The impact of our work goes far beyond the people we help directly and had positive impact on building stronger communities, improved health and wellbeing, crime reduction, employment and training in rural Mid-Wales. However, the main focus of charity activities is on providing advice and accommodation and to provide support to help maintain tenancies, help people live fulfilled lives; and;

Through working in conjunction with the Local Authority, Housing Associations and other key agencies we have continued to develop our services to meet our objectives and to meet the needs of the people we support.

These objectives are delivered through the provision of the following services:

- The Night Shelter and Resettlement project
- Managed Emergency Accommodation Units
- The Bond Scheme
- Accommodation Officer Scheme & Estates and Lettings Services
- Young Peoples Supported Accommodation Project
- Countywide Tenancy Support Service
- Shop Mobility Scheme
- Community Support and Befriending Service

Cymdeithas Gofal The Care Society (Registered number: 07628816)

**Report of the Trustees
for the Year Ended 31 March 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Achievements

Over the last twelve months we have continued to see a demand for Care Society Services and evidence of the value of our services to vulnerable people within the community.

During the financial year 2017 / 2018 a total of 39 people accessed the Night Shelter on 1693 occasions, a 30% increase on our target of 1300 occasions people access the shelter. Of the 39 people accessing the Night Shelter, 25 were successfully resettled and moved to more secure forms of tenure. This represents a 64% resettlement success and exceeds previous our resettlement target of 50%.

During this period The Care Society continued to provide warden Emergency Accommodation facility for people where the Local Authority had a duty or provided interim accommodation in –

- 13 Bedsit units and Two flats leased by The Care Society
- 4 Bedroom House leased by the Local Authority
- 2 Flats owned by Mid Wales Housing Association
- 3 Flats owned by Tai Ceredigion
- Ty Curig owned by Wales and West Housing Association

Our Bond Scheme received 271 referrals predominantly from the Local Authority Housing Department (211) Local Authority Social Services Department, other local agencies and self-referrals; for people and families seeking advice and accommodation in the Private Rented Sector. Through the Bond Scheme a total of 91 tenancies were established, 54 with the provision of a Welsh Government Bond.

The Care Society Estates and Lettings Agency service continued to provide accommodation for vulnerable people throughout Ceredigion. During the period of this report The Care Society leased and/or managed 54 properties and a total of 133 individual units of accommodation. 62 new tenancies were established accommodating 74 people.

During the Period of this report our countywide Tenancy Support Scheme staff supported –

- 173 Single People
- 11 Care Leavers
- 32 people presenting with physical disabilities
- 71 families
- 47 people living in Emergency Accommodation.

During this period our Community Support (CTLD & CMHT) & Befriending Scheme has grown providing support to 21 individuals throughout Ceredigion

The Care Society was also successful in securing additional grant funding for our Shop Mobility scheme with increased numbers of individuals utilizing Shop Mobility equipment.

FINANCIAL REVIEW

Principal funding sources

The principal income generated by the Charity is currently through grant income, contract income from Ceredigion County Council and partner agencies together with self-generated income from Management fees, rents receivable and shop income. As a result of increasing financial pressures on the local authority and reduced contract income, the charity needs to seek additional income from alternative sources including additional fundraising activity.

**Report of the Trustees
for the Year Ended 31 March 2018**

FINANCIAL REVIEW - continued

Investment policy and objectives

The Charity has no investment powers except to place any surplus income into deposit accounts. Having considered the options available, the Trustees have decided to ensure reserves are available to meet the working capital requirements of the Charity.

Reserves policy

The Trustees have reviewed the requirement for reserves in view of continued reduction in public funding and risks to the organisation.

- To enable the Charity to meet its contractual obligations, including possible redundancy payments, amounts due to creditors and commitments under leases, in the event of loss or deferral of major funding streams
- To enable the Charity to continue to provide a stable and quality service to those who need it whilst it seeks to find alternative sources of income.
- To cover large items of expenditure such as repairs to premises and equipment replacement necessary to ensure a safe and reasonable working environment for both clients and staff.

The Trustees have agreed to aim to establish a level of reserves equal to six months running costs. Budgeted expenditure for 2017/18 is £1.15 million therefore the target reserves are £575,000. The current level of reserves falls significantly short of this target. The long term strategy of The Charity is to build reserves through delivering planned operating surpluses. In the short term the Charity has explored all possibilities to reduce expenditure including activities that could be curtailed should circumstance require and also the level of unrestricted funds committed to fixed assets held by the charity.

Results:

The Statement of Financial Activities shows a net profit from ordinary activities for the year of £13,146 (2017 deficit of £19,145), and reserves now stand at £232,842 (2017 £219,696). The trading subsidiary was closed from 31st May 2017.

The Charity's funds have all been applied in accordance with its objectives and the Charity's assets are all being maintained in the furtherance of these objectives.

FUTURE PLANS

The Care Society, subject to satisfactory and continued funding, intends to continue the activities outlined above to alleviate homelessness throughout Ceredigion and rural Mid Wales, through to a group structure with Tai Ceredigion and joint business plan –

- Review the performance and financial sustainability of each project and remodel services to meet need
- Explore the feasibility of developing new social care services and enhance existing services in line with a five-year joint business plan with Tai Ceredigion
- Review and improve Governance process
- Improve Human Resource and Quality Assurance Processes
- Encourage and develop bilingualism throughout The Care Society.

**Report of the Trustees
for the Year Ended 31 March 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The Care Society has a competency based performance management policy and procedure for recruitment of all personnel which is used to set performance expectations, objectives and goals, monitor progress and measure results against the objectives of the charity.

Recruitment of Trustees is reviewed by the Board with the view to ensuring the needs of the Board are appropriately reflected through the diversity of the Trustee body. All prospective Trustees are requested to complete application forms before induction.

All new Trustees are supplied with a comprehensive induction pack which details:

- The History of Cymdeithas Gofal The Care Society
- Structure Governance and Management including information on and pertaining to Charities
 - Articles of Association
 - Three Year Business Plan
 - Finances and Finance Policy
 - Quality Assurance Systems
 - Health and Safety Policies & Procedures
- Directors and Trustees
- Structure and Functions of Board of Trustees
- Role of Trustees
- Ensuring Eligibility as a Trustee as Defined in CC3
- Trustee codes of Practice
- Expectations and Support for Trustees
- Trustee Job Descriptions
- Current Work of the Charity and Volunteering Scheme

Organisational structure

The Charity is managed by the Trustees who meet quarterly. In addition, delegated Trustees also form a Strategic Sub Group. The Strategic Sub Group and Finance Sub Group meet periodically and submit recommendations to the Board for discussion and approval. The day to day responsibility for the provision of services is delegated to the Executive Director Guy Hamilton Evans who reports to the Trustees at regular meetings.

Key management remuneration

The Finance Sub Group reviews the pay and remuneration of all the Charities personnel on an annual basis. Any recommendations are submitted to the Board for scrutiny before Board authorisation.

The Care Society's remuneration policy principles are as follows:

1. To ensure that the aims and objectives of the Charity are being met.
2. To be able to attract and also retain staff who have the necessary skills and experience in their specific roles to ensure that the organisation is able to run efficiently.
3. The remuneration policy is fair and consistent across the organisations.
4. Any pay increases need to be appropriate for the type of role across the organisation and agreed by the Board of Directors.

Cymdeithas Gofal The Care Society (Registered number: 07628816)

**Report of the Trustees
for the Year Ended 31 March 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have reviewed the major risks faced by the Charity and have ensured appropriate systems and procedures have been established to mitigate impact. The Charity has invested significantly in both the training of staff and numerous quality assurance mechanisms including:

- The QCS Welsh Social Care Management system and a comprehensive library of policies and procedures which are compliant with Care and Social Services Inspectorate Wales standards
- Investors in People accreditation
- Internal Monitoring Processes, departmental budgets and Key Performance Indicators linked to organisational strategy and a three year business plan
- Implementing all aspects of organisational governance to comply with PQASSO accreditation
- Project Specific Accreditations including membership of – the National Federation of Property Professionals; membership of The National Landlords Association of Landlords, Membership of The Property Ombudsman Service, Membership of Tenancy Deposit Services
- Retained external specialists including Morris and Bates Solicitors providing contract, legal and human resource advice. Dutton and Gregory providing specialist housing advice.

Internal control risks are minimised by the implementation of a robust Finance Policy and established procedures for authorisation of all transactions. External risks to funding have been identified and consequently greater staff resource to identify suitable grant opportunities.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Cymdeithas Gofal The Care Society for the purposes of Company Law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 19/10/2018 and signed on its behalf by:

R J Gray



Report of the Independent Auditors to the Members of Cymdeithas Gofal The Care Society

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the group annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Cymdeithas Gofal The Care Society

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control to prevent or detect material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements


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

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

Use of our report

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

Thomas Landers BA FCA (Senior Statutory Auditor)
For and on behalf of Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY



01/11/2018

Cymdeithas Gofal The Care Society

**Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2018**

	Notes	Unrestricted funds £	Restricted Funds £	31.3.18 Total funds £	31.3.17 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,631	-	5,631	4,262
Charitable activities	5				
Promotion of social inclusion		875,456	244,840	1,120,296	1,149,932
Other trading activities	3	66,181	-	66,181	148,440
Investment income	4	2	-	2	28
Total		947,270	244,840	1,192,110	1,302,662
EXPENDITURE ON					
Raising funds	6	57,026	-	57,026	224,941
Charitable activities					
Promotion of social inclusion	7	875,580	246,358	1,121,938	1,096,866
Total		932,606	246,358	1,178,964	1,321,807
NET INCOMING/(EXPENDITURE)		14,664	(1,518)	13,146	(19,145)
RECONCILIATION OF FUNDS		(1,518)	1,518	-	-
Total funds brought forward		162,943	56,753	219,696	238,841
TOTAL FUNDS CARRIED FORWARD		176,089	56,752	232,842	219,696

These notes form part of these financial statements.

Cymdeithas Gofal The Care Society


Balance Sheet At 31 March 2018

	Notes	Group 31.3.18 £	Group 31.3.17 £	Charity 31.3.18 £	Charity 31.3.17 £
FIXED ASSETS					
Tangible Assets	15	458,455	468,934	458,455	468,934
Investments	16	-	-	-	1
		458,455	468,934	458,455	468,935
CURRENT ASSETS					
Stocks		-	500	-	-
Debtors	17	166,697	158,053	165,899	120,388
Cash at bank and in hand		72,104	84,886	71,307	80,873
		238,801	243,439	237,206	201,261
CREDITORS					
Amounts falling due within one year	18	(166,014)	(184,237)	(165,236)	(150,475)
		72,787	59,202	71,970	50,786
NET CURRENT ASSETS					
		531,242	528,136	530,425	519,721
TOTAL ASSETS LESS CURRENT LIABILITIES					
		531,242	528,136	530,425	519,721
CREDITORS					
Amounts falling due after more than one year	19	(298,401)	(308,440)	(298,401)	(308,440)
		232,842	219,696	232,024	211,281
NET ASSETS					
		232,842	219,696	232,024	211,281
FUNDS	24				
Unrestricted funds		176,089	162,943	175,272	154,529
Restricted funds		56,753	56,753	56,752	56,752
		232,842	219,696	232,024	211,281
TOTAL FUNDS					
		232,842	219,696	232,024	211,281

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

The financial statements were approved by Board of Trustees on 19th October 2018 and were signed on its behalf by:

R J Gray – Trustee



These notes form part of these financial statements

Cymdeithas Gofal The Care Society

Cash Flow Statement for the Year Ended 31 March 2018

	Notes	Group 31.3.18 £	Group 31.3.17 £	Charity 31.3.18 £	Charity 31.3.17 £
Cash flows from operating activities:					
Cash generated from operations	1	41,764	(1,992)	33,399	(21,271)
Interest paid		(12,462)	(14,060)	(12,462)	(13,003)
Interest element of hire purchase payments paid		-	(421)	-	-
Net cash provided by (used in) operating activities		29,302	(16,473)	20,937	(34,274)
Cash flows from investing activities:					
Purchase of tangible fixed assets		(25,137)	(2,200)	(25,137)	(2,200)
Sale of tangible assets		4,000	-	4,000	-
Interest received		2	28	2	28
Net cash provided by (used in) investing activities		(21,135)	(2,172)	(21,135)	(2,172)
Cash flows from financing activities:					
Loan repayments in the year		(9,368)	(9,003)	(9,368)	(9,003)
Intercompany loan		-	-	-	13,534
Capital repayments in the year		(11,580)	(3,495)	-	-
Net cash provided by (used in) financing activities		(20,948)	(12,498)	(9,368)	4,531
Change in cash and cash equivalents in the reporting period		(12,782)	(31,143)	(9,566)	(31,915)
Cash and cash equivalents at the beginning of the reporting period		84,886	116,029	80,873	112,788
Cash and cash equivalents at the end of the reporting period		72,104	84,886	71,307	80,873

These notes form part of these financial statements

Cymdeithas Gofal The Care Society

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2018**

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

	Group 31.3.18 £	Group 31.3.17 £	Charity 31.3.18 £	Charity 31.3.17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	13,146	(19,145)	20,743	(70,014)
Adjustments for:				
Depreciation charges	35,616	15,003	35,616	9,599
Interest received	(2)	(28)	(2)	(28)
Interest paid	12,462	14,481	12,462	13,003
Decrease in stocks	500	-	-	-
Decrease/(increase) in debtors	(8,644)	25,649	(45,511)	24,459
Increase/(decrease) in creditors	(7,314)	(37,952)	14,090	1,710
Disposal of tangible assets	(4,000)	-	(4,000)	-
Net cash provided by (used in) operating activities	41,764	(1,992)	33,398	(21,271)

Cymdeithas Gofal The Care Society

Notes to the Financial Statements for the Year Ended 31 March 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The consolidated accounts incorporate the results of Cymdeithas Gofal the Care Society and its Subsidiary undertakings on a line by line basis. The consolidated entity is referred to as 'the group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the charity as permitted by section 408 of the Companies Act 2006.

Income

All income is recognised as in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

Support costs and governance costs have been apportioned to activities based on the apportionment of salary costs.

Tangible fixed assets

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

Freehold property & Shop Frontage - Straight line over 25 years

Motor Vehicles - Straight line over 10 years

Fixtures and fittings - Straight line over 5 years

Computer Equipment - Straight line over 3 years

No depreciation is provided on freehold land.

Cymdeithas Gofal The Care Society

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

1. ACCOUNTING POLICIES – continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Items donated for the resale or distribution, are not included in the financial statements until they are sold or distributed. The trustees believe that the costs involved in determining the value of the stock held for distribution would outweigh the benefit to the users.

Taxation

The charity is exempt from corporation tax on its charitable activities. The trading subsidiary does not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity.

Fund Accounting

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

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	Group 31.3.18 £	Group 31.3.17 £
Donations	<u>5,631</u>	<u>4,262</u>

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements -continued
for the Year Ended 31 March 2018**

3. OTHER TRADING ACTIVITIES

	Group 31.3.18	Group 31.3.17
	£	£
Fundraising events	-	1,845
Shop income & property maintenance	56,616	145,708
Shop mobility rental income	3,165	887
Other income	6,400	-
	<u>66,181</u>	<u>148,440</u>

4. INVESTMENT INCOME

	Group 31.3.18	Group 31.3.17
	£	£
Deposit account interest	<u>2</u>	<u>28</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		Group 31.3.18	Group 31.3.17
	Activity	£	£
Rents receivable	Promotion of social inclusion	333,514	365,631
Management fees	Promotion of social inclusion	75,502	68,909
CCC – Managed Emergency Accommodation	Promotion of social inclusion	48,000	52,001
Rental and storage income	Promotion of social inclusion	1,551	-
Befriending Income	Promotion of social inclusion	47,016	-
Grants	Promotion of social inclusion	614,713	663,391
		<u>1,120,296</u>	<u>1,149,932</u>

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

5. INCOME FROM CHARITABLE ACTIVITIES – continued

Grants received, included in the above, are as follows:

	Group 31.3.18 £	Group 31.3.17 £
Welsh Government – S180 Bond Scheme	41,282	41,683
Welsh Government – S180 Night Shelter funding	161,901	162,048
Welsh Government – S180 Accommodation Officer	38,779	39,178
ROG Funding – Reaching Wider	-	1,648
WCVA: Volunteering in Wales Fund	-	2,759
Tai Ceredigion	9,627	12,149
Ceredigion County Council – supporting	287,310	287,310
Ceredigion County Council – extended bond	-	20,000
Young Persons Project – Cardigan	32,285	32,285
Transition Funding	2,878	(7,332)
Shop Mobility	23,000	27,000
Mid & West Wales Fire Rescue	468	-
Mid Wales Housing	3,783	3,783
Ceredigion County Council	400	35,661
Cold Weather Grant	-	4,780
Crisis Intervention Pot	-	439
Other grants	12,999	-
	614,713	663,391

6. RAISING FUNDS

	Group 31.3.18 £	Group 31.3.17 £
Other trading activities	£	£
Purchases	0	462
Staff costs	15,954	11,364
Other operating leases	9,642	14,311
Insurance	589	-
Other employment costs	-	225
Subscription	239	138
Sundries	35	13
Utilities	2,444	864
Postage, stationery, advertising & telephone	1,292	1,482
Travel & subsistence	55	-
Repairs & maintenance of equipment	4,759	3,557
Professional fees	506	123
Support costs	1,492	1,787
Subsidiary trading	20,019	190,615
	57,026	224,941

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 8) £	Support costs (see note 9) £	Totals £
Promotion of social inclusion	<u>1,073,694</u>	<u>48,244</u>	<u>1,121,938</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Group 31.3.18 £	Group 31.3.17 £
Staff costs	519,185	516,221
Hire of plant and machinery	12,610	9,480
Insurance	7,075	6,871
Light & Heat	39,127	28,562
Telephone	9,846	6,696
Potage & stationery	2,244	3,790
PR, Marketing and promotions	561	941
Sundries	4,032	4,405
Repairs and maintenance	4,722	6,694
Resettlement expenditure	300,576	302,600
IT, licences and internet	15,127	7,123
Travel and subsistence	17,365	18,295
Grant expenditure	442	-
Legal and professional	21,433	17,731
Bank charges	4,176	692
Bad debts	19,716	22,798
Cleaning	2,948	3,459
Recruitment and training	1,645	4,260
Sub contractors	33,117	15,192
Van costs	9,668	5,100
Depreciation	35,616	9,599
Interest payable and similar charges	<u>12,462</u>	<u>13,003</u>
	<u>1,073,694</u>	<u>1,003,512</u>

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

9. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Other trading activities	1,253	239	1,492
Promotion of social inclusion	40,503	7,741	48,244
	<u>41,756</u>	<u>7,980</u>	<u>49,736</u>

Activity	Basis of allocation
Management	Staff costs
Governance costs	Staff costs

Support costs, included in the above, are as follows:

Management

	Other trading activities £	Promotion of social inclusion £	Group 31.3.18 Total activities £	Group 31.3.17 Total activities £
Wages	1,226	39,622	40,848	46,047
Social Security	-	-	-	4,113
Other operating leases	-	-	-	30,549
Insurance	-	-	-	389
Light and heat	-	-	-	1,622
Telephone	27	881	908	5,805
	<u>1,253</u>	<u>40,503</u>	<u>41,756</u>	<u>88,525</u>

Governance Costs

	Other trading activities £	Promotion of social inclusion £	Group 31.3.18 Total activities £	Group 31.3.17 Total activities £
Auditors' remuneration	207	6,693	6,900	5,700
Cost of trustee meetings	32	1,048	1,080	916
	<u>239</u>	<u>7,741</u>	<u>7,980</u>	<u>6,616</u>

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018.**

10. NET INCOME/(EXPENDITURE)

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

	Group 31.3.18 £	Group 31.3.17 £
Auditors' remuneration	6,900	5,700
Depreciation – owned assets	35,616	11,539
Depreciation – hire purchase assets	-	3,464
Hire of plant and machinery	12,952	10,598
Other operating leases	<u>46,589</u>	<u>47,513</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

The charity considers its key management personnel comprise the Board of Trustees. Trustee remuneration for the Executive Director (the only remunerated Trustee) amounted to £40,035 (2017 £40,291).

Trustees' expenses

Trustee expenses paid in the year amounted to £0 (2017 £1,110 for 1 trustee)

12. STAFF COSTS

	Group 31.3.18 £	Group 31.3.17 £
Wages and salaries	527,497	610,080
Social Security costs	34,304	35,578
Other pension costs	21,247	15,203
Redundancy	6,261	-
	<u>589,309</u>	<u>660,861</u>

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

	Group 31.3.18	Group 31.3.17
Charitable activities	32	43
Administration	3	3
	<u>35</u>	<u>46</u>

No employees received emoluments in excess of £60,000.

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

13. INCOMING RESOURCES AND NET DECREASE IN FUNDS – CHARITY ONLY

The Consolidated statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group entities.

- Charity only total incoming resources for the year ended 31 March 2018 were £1,189,500 (2017 £1,165,584).
- Charity only net increase in funds in the year totalled £20,743 (2017 - £70,014 decrease)

14. COMPARITIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total group funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,262	-	4,262
Charitable activities			
Promotion of social inclusion	862,204	287,728	1,149,932
Other trading activities	148,440	-	148,440
Investment income	28	-	28
Total	1,014,934	287,728	1,302,662
EXPENDITRE ON			
Raising funds	224,535	406	224,941
Charitable activities			
Promotion of social inclusion	810,602	286,264	1,096,866
Total	1,035,137	286,670	1,321,807
NET INCOME/(EXPENDITURE)	(20,203)	1,058	(19,145)
RECONCILIATION OF FUNDS			
Total funds brought forward	183,146	55,695	238,841
TOTAL FUNDS CARRIED FORWARD	162,943	56,753	219,696

Cymdeithas Gofal The Care Society

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Improvement to property £	Fixtures & fittings £	IT equipment £	Motor vehicles £	Totals £
COST						
At 1 April 2017	487,552	63,532	4,225	31,746	-	587,055
Additions	-	-	-	-	25,137	25,137
Disposals	-	-	-	(25,956)	(9,379)	(35,335)
At 31 March 2018	487,552	63,532	4,225	5,790	15,758	576,857
DEPRECIATION						
At 1 April 2017	87,025	-	2,080	29,016	-	118,121
Charge for the year	13,755	7,636	845	2,247	11,133	35,616
Disposals	-	-	-	(25,956)	(9,379)	(35,335)
At 31 March 2018	100,780	7,636	2,925	5,307	1,754	118,402
NET BOOK VALUE						
At 31 March 2018	386,772	55,896	1,300	483	14,004	458,455
At 31 March 2017	400,527	63,532	2,145	2,730	-	468,934

Included in cost or valuation of land and buildings is freehold land of £143,000 (2017 - £143,000) which is not depreciated.

16. FIXED ASSET INVESTMENTS

Charity

Shares in group undertakings £

MARKET VALUE

At 1 April 2017
Impairment
At 31 March 2018

1
(1)
0

NET BOOK VALUE

At 31 March 2018

0

At 31 March 2017

1

There were no investments outside the UK.

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

16. FIXED ASSET INVESTMENTS – continued

The financial information for the wholly owned subsidiary, CGC Trading is provided below:

	31.3.18		31.3.17	
	£	£	£	£
TURNOVER		1,210		170,343
Cost of sales		18,084		129,591
GROSS PROFIT		(16,874)		40,752
Distribution costs			2,653	
Administrative expenses	980		59,696	
		(980)		62,349
		(17,854)		(21,597)
Other operating income		1,400		2,803
OPERATING LOSS		(16,454)		(18,794)
Write off intercompany loan		9,812		71,141
		(6,642)		52,347
Interest payable and similar expenses		955		1,478
PROFIT/(LOSS) BEFORE TAXATION		(7,597)		50,869
Tax on profit/(loss)				-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		(7,597)		50,869
		31.3.18		31.3.17
		£		£
Assets		1,595		45,532
Liabilities		(778)		(37,116)
Capital and reserves		817		8,416

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Charity	Charity
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Trade debtors	127,700	91,642	126,902	84,130
Other debtors	38,997	66,411	38,997	36,258
	<u>166,697</u>	<u>158,053</u>	<u>165,899</u>	<u>120,388</u>

Cymdeithas Gofal The Care Society

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31.3.18	Group 31.3.17	Charity 31.3.18	Charity 31.3.17
	£	£	£	£
Bank loans and overdrafts	9,671	9,000	9,671	9,000
Hire purchase contracts	-	11,580	-	-
Trade creditors	45,589	39,670	45,589	27,496
Taxation and social security	9,216	47,754	8,458	41,217
Other creditors	101,538	76,233	101,518	72,762
	166,014	184,237	165,236	150,475

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

	Group 31.3.18	Group 31.3.17	Charity 31.3.18	Charity 31.3.17
	£	£	£	£
Bank loans and overdrafts	298,401	308,440	298,401	308,440
	298,401	308,440	298,401	308,440

20. LOANS

An analysis of the maturity of loans is given below:

	31.3.18 £	31.3.17 £
Amounts falling due within one year on demand:		
Bank loans	9,671	9,000
Amounts falling between one and two years:		
Bank loans – 1-2 years	10,158	9,000
Amounts falling due between two and five years:		
Bank loans – 2-5 years	33,078	27,000
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans - > 5 years	255,165	272,440

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group & charity 31.3.18 £	Group & charity 31.3.17 £
Within one year	261,929	192,727
Between one and five years	<u>345,639</u>	<u>252,340</u>
	<u>607,568</u>	<u>445,067</u>

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group 31.3.18 £	Group 31.3.17 £	Charity 31.3.18 £	Charity 31.3.17 £
Bank loans	308,072	317,440	308,072	317,440
Hire purchase contracts	-	11,580	-	-
	<u>308,072</u>	<u>329,020</u>	<u>308,072</u>	<u>317,440</u>

The bank loan is secured by way of a first legal charge over the freehold property known as 26 Cambrian Street and 21 Terrace Road Aberystwyth.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			31.3.18	31.3.17
Group	Unrestricted Funds £	Restricted funds £	Total funds £	Total funds £
Fixed assets	458,455	-	458,455	468,934
Current assets	182,049	56,752	238,801	243,439
Current liabilities	(166,014)	-	(166,014)	(184,237)
Long term liabilities	(298,401)	-	(298,401)	(308,440)
	<u>176,090</u>	<u>56,752</u>	<u>232,842</u>	<u>219,696</u>

Cymdeithas Gofal The Care Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

			31.3.18	31.3.17
Charity	Unrestricted Funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	458,455	-	458,455	468,934
Investments	-	-	-	1
Current assets	180,454	56,752	237,206	201,261
Current liabilities	(165,236)	-	(165,236)	(150,475)
Long term liabilities	(298,401)	-	(298,401)	(308,440)
	<u>175,272</u>	<u>56,752</u>	<u>232,024</u>	<u>211,281</u>

24. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted funds				
General fund	162,943	14,664	(1,518)	176,089
Restricted funds				
Welsh Government – S180 Bond Scheme	37,695	(711)	-	36,984
Welsh Government – S180 Accommodation Officer	94	(1,227)	-	(1,134)
Welsh Government – S180 Rootlessness	-	(2,458)	1,518	(940)
Transition funding	-	2,878	-	2,878
Shop Mobility	18,964	-	-	18,964
	<u>56,753</u>	<u>(1,518)</u>	<u>1,518</u>	<u>56,752</u>
TOTAL FUNDS	<u>219,696</u>	<u>13,146</u>	<u>-</u>	<u>232,842</u>

Cymdeithas Gofal The Care Society

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

24. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	947,270	(932,606)	14,664
Restricted funds			
Welsh Government – S180 Bond Scheme	41,282	(41,993)	(711)
Welsh Government – S180 Accommodation Officer	38,779	(40,006)	(1,227)
Welsh Government – S180 Night Shelter	161,901	(164,359)	(2,458)
Transition funding	2,878	-	2,878
TOTAL FUNDS	<u>244,840</u> <u>1,192,110</u>	<u>(246,358)</u> <u>(1,178,964)</u>	<u>(1,518)</u> <u>13,146</u>

General funds – are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted accounts are as follows:

Grants have been received under the S180 of the Housing Act 1996 or Section 126 of the Housing Grants Construction and Regeneration Act 1996 from the Welsh Government for specific projects, these grants are as follows:

S180 Bond Scheme – The Bond Scheme enables people on low incomes to move into their own private accommodation. Thus people, who are homeless or facing homelessness, are assisted into finding safe, affordable and sustainable rented accommodation facilitated through the provision of a bond guarantee.

S180 Accommodation Officer – The principle objective of the 'Accommodation Officer Scheme' is to alleviate homelessness in Ceredigion through meeting the increased demand for suitable and affordable private rented accommodation. To this end the scheme works with the Welsh Government, the Local Authority and regional private landlords to promote good practice, improve property standards and meet the shortfall from the existing private rented sector, registered social housing and statutory housing provision.

Cymdeithas Gofal The Care Society

Notes to the Financial Statements - continued for the Year Ended 31 March 2018

24. MOVEMENT IN FUNDS - continued

S180 Night Shelter – Rooflessness & Resettlement Initiative –

The overall aim of this project is to reduce homelessness and repeat homelessness in Ceredigion and rural mid-Wales through the provision of safe accommodation for 'rough sleepers' and homeless people. The project also aims to achieve positive resettlement outcomes and prevent social exclusion through engagement with service users and by providing support, access to the Accommodation Officer and Bond Schemes, client activities, housing advice, welfare, finance and benefits advice, partnership working and signposting to specialist agencies.

Transition funding – Funded by Ceredigion County Council, Transition funding was provided for the use in various projects, some of these include; Rough Sleeper Count, Crisis Support, Emergency use of B&B type accommodation and Mediation.

Shop Mobility Scheme – To provide the effective delivery of the Shop mobility project, including staff training, acquisition of suitable mobility equipment, safe storage of such equipment and in an appropriate central location in Aberystwyth and delivery to where the equipment is needed. Use of the equipment should be charged on a fair and reasonable basis and effective promotion of the scheme is also required.

25. RELATED PARTY TRANSACTIONS

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year this charity received for managed property fee income amounting to £1,156 from R Wells. R G Wells owns a property managed by Cymdeithas Gofal The Care Society.

26. POST BALANCE EVENTS

The charitable company has joined the Social Compliance Care Scheme and is looking into potential National Minimum Wage underpayment following communication from HMRC. This investigation will be completed during 2018/19.