COMPANY REGISTRATION NUMBER: 07982321
CHARITY REGISTRATION NUMBER: 1147232

The Garnsychan Partnership

Company Limited by Guarantee

Financial Statements

31 March 2017

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A13 14/10/2017 #430
COMPANIES HOUSE

WALTER HUNTER & CO LIMITED
Chartered accountant & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

The Garnsychan Partnership

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2017

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The Garnsychan Partnership

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2017.

Reference and administrative details

Registered charity name	The Garnsychan Partnership
Charity registration number	1147232
Company registration number	07982321
Principal office and registered office	55 Stanley Road Garndiffaith Pontypool Torfaen NP4 7LH

The trustees

Mr K Clark	
Mr E Salkheld	
Mr G Bolter	
Mr R Caton	
Rev S Caton	
Mrs C Cunnell	
Cllr D Nicholls	
Mr A I Toovey	
Mr R Williams	
Mr B Wooley	
Mrs W J Lewis	(Retired 7 August 2016)

Auditor	Walter Hunter & Co Limited Chartered accountant & statutory auditor 24 Bridge Street Newport South Wales NP20 4SF

Structure, governance and management

Nature of governing document and constitution of the charity
The Charity was incorporated as a Company Limited by Guarantee on 8 March 2012; company registration number 7982321. Registered charity number 1147232. The governing documents are its Memorandum and Articles of Association.

Structure, governance and management *(continued)*

The methods adopted for the recruitment and appointment of new trustees
Garnsychan Partnership has a recruitment and selection policy in place for the appointment of new staff and trustees. At the close of this financial period, the full board consists of 10 members. New trustees are recruited from within Torfaen, by way of advertising available opportunities within the local community. The full board comprises a wide cross section of the community including local councillors, local business owners, retired people and community leaders. All trustees are required to declare any interests and must also sign up to our governing document. Trustees give their time free of charge and are also encouraged to be a member of at least one subcommittee within the organisation.

The policies and procedures adopted for the induction and training of trustees
Garnsychan Partnership has working with volunteer policies in place, within these policies there are clear guidelines on the induction and training of our volunteers and this includes trustees. Good practice is critical to all our relationships and all volunteers and trustees can expect the same level of support, respect and training that the staff receive. New trustees are required to undertake a full induction on all our procedures and policies and to fully understand their legal obligations to the charity.

The organisational structure of the charity and how decisions are made
The charity has a Manager responsible for daily operations, decision making and staff management. The Executive Committee of trustees have decision making power with full responsibility of partnership decision making given over to the full board. All major plans and strategies are made by the full board. Local residents are also actively encouraged to join our steering groups where decisions are made on individual projects.

Relationships between the charity and related parties, including subsidiaries
The Garnsychan Partnership owns 100% of the shares of Garnsychan Community Trading Limited, company number 4665934. The profits of this company are gift aided to the charity at the end of the financial year.

The major risks to which the charity is exposed and reviews and systems to mitigate those risks
The charity is continually progressing to become financially sustainable and decrease grant dependency. This is a continuous challenge and funding in the form of grants has been required this year to support some areas of the charity. In an attempt to mitigate any risks, the charity attempts, each year, to diversify in order to increase income and funds.

Other than this, the charity is open to the usual financial risks affecting any organisation and the charity is continually taking steps to mitigate those risks as and when they are identified.

Relationships with other groups, charities and individuals
The charity has a strong and supportive relationships with local schools, volunteer referral agencies, community groups and Torfaen County Borough Council. We collaboratively work alongside many other organisations across the whole of Torfaen to support each other's end goals that are for mutual benefits. The residents of Torfaen generously donate furniture each year to our Circulate reuse project, those items are then redistributed within the community, often to those residents most in need including people living in areas of high disadvantage, on low incomes and the homeless.

The Garnsychan Partnership

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2017

Objectives and activities

A summary of the objects of the charity as set out in its governing document

- Regenerating the County of Torfaen giving priority to the Abersychan Ward
- To assist the relief of poverty by helping to meet the needs of people on low income through the development of new and innovative social enterprises.
- To provide education, training, retraining, and work experience opportunities.
- The provision of recreational facilities with no discrimination between age, disability, social and economic factors.
- Protection or conservation of the environment.
- To encourage useful and innovative methods of recycling through social enterprises.
- To meet such other needs that is recognised within the community.
- To promote the benefit of the inhabitants of the electoral ward of Abersychan. Without distinction of sex, race, political, religious or other opinions.

An explanation of the charity's main objectives for the year

The significant objectives of the Garnsychan Partnership for the financial year 2016/17 were:

- To increase the profile of existing projects to new stakeholders.
- To complete and develop our WCVA funded Employability Programme.
- To maximise recycling & re-use opportunities that contributes to the Welsh statutory recycling targets.
- To be a transparent, approachable, community based charity.
- To assist with the economic, social and environmental regeneration of the area.
- To work in partnership with other community groups, local government and schools for mutual benefit.
- To consult with our beneficiaries and partners to ensure the need for our work is there.
- To promote volunteering and informed training opportunities to increase employability skills.
- To provide access to projects that improve health and wellbeing.

As a result of the above the Garnsychan Partnership attracted new beneficiaries and increased opportunities for future partnership working.

Objectives and activities *(continued)*

An explanation of the charity's strategies for achieving its stated objectives
Strategies for achievement of the charity's objectives this year included:

- Working with key partners on a collaborative pilot project to identify and support those most in need with food, fuel and household items;
- Developing a network of contacts and stakeholders throughout Torfaen to support delivery of our Employability programme and promote pathways to progression;
- Increasing training opportunities throughout the Abersychan Ward for all residents-therefore assisting future employment prospects for those furthest from the labour market;
- Ensuring excluded groups such as those with health problems and those living in the most deprived areas had access to our services;
- Nurturing our existing partnership working agreements with other community groups and the local authority (Torfaen County Borough Council);
- Providing relevant and socially inclusive volunteering opportunities for residents where they can build confidence in a safe environment and begin to engage positively in their community;
- Promoting our services by direct marketing to key beneficiaries;
- Consistently monitoring and evaluating all project activity to ensure key outcomes are being met.

Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives

SUPPORT COMMUNITIES TO BECOME SUSTAINABLE, EMPOWERED AND PROSPEROUS
Garnsychan Partnership delivered a structured Employability Programme providing support, training and qualifications and voluntary work based learning opportunities to reduce unemployment and youth unemployment, we supported 188 volunteers during the financial year. The programme created opportunities for disadvantaged people, many of those living in the top 30% most deprived areas in Wales, to build essential skills, gain valuable work experience and improve confidence to apply for suitable employment.

Our Employability project developed and continued to thrive this year. We collaboratively worked with variety of stakeholders to provide a facility where residents can receive support with searching for jobs, CV writing, IT training and find the latest employment opportunities.

Our programme was a key focus and success this financial year with the aim of supporting people into economic activity. Through funding received from ESF, this project allowed for effective training programmes to be delivered which inspired confidence, increased work skills and better equipped residents with the necessary skills to apply for and secure suitable employment. Garnsychan Partnership achieved ASDAN accredited status which allows the charity to deliver qualifications up to level 3 in in employability and personal progress. This enabled an increase in participation and for us to deliver a more comprehensive and structured programme that provided qualitative support based on individual need to support participants towards economic activity.

Objectives and activities *(continued)*

DELIVER EFFICIENT AND EFFECTIVE WASTE AND RECYCLING SERVICES

Circulate Recycling continued to be the flagship social enterprise for Garnsychan Partnership helping to promote recycling and reuse throughout Torfaen. Collaborative partnership working with the local authority, the public, volunteer agencies and environmental groups has reinforced the positive aspects of recycling and reuse with over 8,000 beneficiaries benefitting from the recycling enterprise this financial year.

In total Circulate diverted 262 tonnes of unwanted items from entering landfill. At current landfill tax rates this saved the equivalent of £22,558. This year Circulate continued to expand its portfolio offering new services such as Upholstery Cleaning, Removals and House Clearances. With a mission to reduce waste, alleviate furniture poverty; create employment opportunities and help people develop new skills, Circulate proves that re-use organisations can generate stability and social cohesion during turbulent times. Through its efficient and effective waste and reuse service, Circulate was able to maximise recycling and re-use opportunities complementing the aims set out in the Well-being of Future Generations Act (Wales) 2015 and the Environment (Wales) Act 2016.

PROVIDE OPPORTUNITIES FOR PEOPLE TO IMPROVE THEIR HEALTH

We facilitated access to affordable fresh produce through our veg box and community roots enterprise to support people on low incomes with access to fresh produce to improve the health of the people in our communities. This was also complimented with the delivery of in-house cookery skills courses which provided access to education and increased confidence to promote long-term healthy food choices for communities.

ENCOURAGE SOCIAL INCLUSION

Garnsychan Partnership carried out an efficient and effective Lunch Club for older people within the Abersychan ward, this promoted social inclusion, participation and intergenerational working whilst providing nutritious and freshly prepared meals.

Achievements and performance

Fundraising
The charity relies on grant aid from the donors identified in the accounts, whose support is valued. There have been no other fundraising activities.

Investment performance achieved against investment objectives set
Investment income disclosed in the accounts is interest received on the charity's bank accounts and the covenanted payment due from Garnsychan Community Trading Limited as disclosed in the accounts.

Factors relevant to the achievement of the charity's objectives:
Staff
All employees of the charity play a key role in the successful delivery of the partnerships aims and objectives. They are encouraged to undertake regular and informative training sessions in order to build confidence and work skills. The Trustees of the Partnership are keen to recognise the value of the whole workforce and encourage open discussion and idea sharing as standard.

Community
Consultation with beneficiaries and the larger public is crucial to the success of all projects. It is our policy to only offer projects and schemes that are needed and valued by local residents in order for them to become self-sustaining, frequently used and in turn, value for money. Local residents are much more likely to support a project if they are sure their involvement and opinion is valued. We have worked towards this objective this year by improving our online presence through utilising social media and community consultation meetings leading up to funding applications. Garnsychan Partnership's website is regularly updated to inform all beneficiaries of the work that we carry out and social media particularly has proved to be an extremely effective vehicle for gathering feedback from the larger community. The partnership also has separate and defined steering groups and sub committees to ensure that all aspects of our business are covered.

Garnsychan Partnership continued to understand the importance of building strong relationships with its community during this year. The social and economic disadvantage is still prevalent in many parts of Wales with the ex-mining valleys communities still in a state of recovery after the pit closures of the 1980's. Fractured community bonds, lack of resources, poor health, crime and unemployment are all standard problems faced by the communities of the Abersychan ward and wider Torfaen. The Garnsychan Partnership is continuing to help tackle some of these issues through capacity building in the community. The continuation of the economic downturn this financial year has been felt very hard in the Abersychan ward and other areas of deprivation in Torfaen which has led to an increase in demand for our services.

Volunteers
The Garnsychan Partnership and its projects rely heavily on the support of volunteers from our community to maintain service delivery and the goodwill, dedication and hard work of these volunteers has once again been evident this year. Volunteer placements have been supported throughout the partnership and its projects. The staff, trustees and wider community appreciate this valuable contribution and we actively encourage our volunteers to feel appreciated and to acknowledge that their assistance enables the smooth running of our organisation. All of our volunteers are crucial to our success and their support within such a small charity as the Garnsychan Partnership has been overwhelming in this financial year for which everyone concerned is extremely grateful.

Financial review

Policies on reserves
The reserves of the charity at the year end were £95,150 (2016: £114,719) of which £14,602 (2016: £20,217) were restricted and £80,548 (2016: £94,502) were unrestricted. The unrestricted reserves represent the free reserves of the charity. The trustees aim to ensure that the free reserves cover twelve months of operating expenditure.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity The principal funding sources for the charity are currently by way of grant and contract income from a number of agencies. Full analysis is shown in note 6 to the accounts.

All sources of funding were expended to meet the charity's objectives of furthering community regeneration in the Garnsychan ward.

Financial Review
The Statement of Financial Activities show net outgoing resources for the year of a revenue nature of £19,569 (2016: incoming £6,309).

The reserves of the charity at the year end were £95,150 (2016: £114,719) of which £14,602 (2016: £20,217) were restricted and £95,149 (2016: £94,502) were unrestricted.

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund. The trustees also consider the financial performance by the charity during the year to have been satisfactory.

Financial performance of the charity's subsidiary undertakings
Garnsychan Community Trading Limited, company number 4665934, has had another successful year managing the social enterprise projects of the charity. The results of the subsidiary, for the year ended 31st March 2017, are disclosed in note 18 to the accounts.

Public benefit
The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities aims and objectives and in planning future activities.

Plans for future periods

Garnsychan Partnership fully expects to continually expand its projects and provision of services over the next year. We intend to develop larger scale social enterprises in order to support the social, economic and environmental needs of our local communities. Health and Wellbeing projects will continue along with new services to support those most in need in our community. In addition, we will look to expand our employability programme to support more local residents into progression pathways towards economic activity. We plan to develop a strategic plan and marketing strategy to increase awareness of our projects and services.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 10/10/17 and signed on behalf of the board of trustees by:

K. Clark

Mr K Clark
Trustee

R W. Williams

Mr R Williams
Trustee

The Garnsychan Partnership

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Garnsychan Partnership

Year ended 31 March 2017

We have audited the financial statements of The Garnsychan Partnership for the year ended 31 March 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

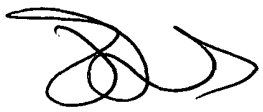
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Mr Jonathan Rhodes BSc (Hons) FCA (Senior Statutory Auditor)

For and on behalf of
Walter Hunter & Co Limited
Chartered accountant & statutory auditor

24 Bridge Street
Newport
South Wales
NP20 4SF

10 October 2017

The Garnsychan Partnership

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 March 2017

	Note	2017 Unrestricted funds £	2017 Restricted funds £	2017 **Total funds** £	2016 Total funds £
Income and endowments					
Donations and legacies	**5**	1,270	11	**1,281**	1,010
Charitable activities	**6**	57,296	99,065	**156,361**	137,830
Other trading activities	**7**	13,600	2,524	**16,124**	33,536
Investment income	**8**	–	16,814	**16,814**	24,477
Other income	**9**	1,100	–	**1,100**	5,550
Total income		73,266	118,414	**191,680**	202,403
Expenditure					
Expenditure on charitable activities	**10,11**	66,130	145,119	**211,249**	196,094
Total expenditure		66,130	145,119	**211,249**	196,094
Net (expenditure)/income		7,136	(26,705)	**(19,569)**	6,309
Transfers between funds		(21,090)	21,090	–	–
Net movement in funds		(13,954)	(5,615)	**(19,569)**	6,309
Reconciliation of funds					
Total funds brought forward		94,502	20,217	**114,719**	108,410
Total funds carried forward		80,548	14,602	**95,150**	114,719

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

The Garnsychan Partnership

Company Limited by Guarantee

Statement of Financial Position

31 March 2017

		2017		2016
		£	£	£
Fixed assets				
Tangible fixed assets	**17**		**5,585**	12,787
Investments	**18**		**1**	1
			5,586	12,788
Current assets				
Debtors	**19**	**75,120**		54,517
Cash at bank and in hand		**25,377**		74,389
		100,497		128,906
Creditors: amounts falling due within one year	**20**	**10,933**		26,975
Net current assets			**89,564**	101,931
Total assets less current liabilities			**95,150**	114,719
Net assets			**95,150**	114,719
Funds of the charity				
Restricted funds			**14,602**	20,217
Unrestricted funds			**80,548**	94,502
Total charity funds	**22**		**95,150**	114,719

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 10.10.17., and are signed on behalf of the board by:

K Clark

Mr K Clark
Trustee

Mr R Williams
Trustee

The notes on pages 13 to 25 form part of these financial statements.

The Garnsychan Partnership

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 55 Stanley Road, Garndiffaith, Pontypool, Torfaen, NP4 7LH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The charity is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 25.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

3. Accounting policies *(continued)*

Fund accounting *(continued)*

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Any proposed transfer between funds would be considered on the particular circumstances.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

It is the policy of the charity not to capitalise assets costing less than £500.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Motor vehicles	-	25% straight line
Equipment	-	33% straight line
Plant and machinery	-	20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The charity is incorporated under the Companies Act 2006 and is limited by guarantee, each member having to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst they are still a member or within one year thereafter.

Number of members as at 31 March 2017 is 10 (2016: 11).

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2017 £**
Donations			
Donations	1,270	11	**1,281**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	1,010	–	1,010

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2017 £**
Torfaen County Borough Council	57,296	30,000	**87,296**
Jobs Growth Wales	–	–	**–**
Wales Council for Voluntary Action	–	57,011	**57,011**
Oakdale Trust	–	–	**–**
Peoples Postcode Trust	–	4,403	**4,403**
The Big Lottery Fund	–	–	**–**
Trusthouse Charitable Trust	–	7,651	**7,651**
	57,296	99,065	**156,361**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Torfaen County Borough Council	75,246	32,508	107,754
Jobs Growth Wales	554	–	554
Wales Council for Voluntary Action	–	23,124	23,124
Oakdale Trust	–	500	500
Peoples Postcode Trust	–	1,494	1,494
The Big Lottery Fund	–	4,404	4,404
Trusthouse Charitable Trust	–	–	–
	75,800	62,030	137,830

7. Other trading activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2017 £**
Veg Box Sales	667	–	**667**
Lunch Club Sales	10,832	–	**10,832**
Rental Income	1,905	–	**1,905**
Sundry Income	196	2,524	**2,720**
	13,600	2,524	**16,124**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Veg Box Sales	4,708	–	4,708
Lunch Club Sales	11,659	–	11,659
Rental Income	16,070	–	16,070
Sundry Income	654	445	1,099
	33,091	445	33,536

8. Investment income

	Restricted Funds £	**Total Funds 2017 £**	Restricted Funds £	Total Funds 2016 £
Covenanted payment from trading subsidiary	16,814	**16,814**	24,477	24,477

9. Other income

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2017 £**
Gain on disposal of tangible fixed assets held for charity's own use	1,100	–	**1,100**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Gain on disposal of tangible fixed assets held for charity's own use	3,900	1,650	5,550

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2017 £**
Core Activities	61,769	–	**61,769**
Growing the Veg Box	512	336	**848**
Circulate	–	7,666	**7,666**
WCVA - Active Inclusion	–	39,740	**39,740**
Employability Support	–	3,009	**3,009**
Crisis Support Package	–	1,455	**1,455**
WCVA - Volunteering in Wales Fund	–	9,090	**9,090**
IT Project	–	–	**–**
WCVA - GWIRVOL	–	10,902	**10,902**
Support costs	3,849	72,921	**76,770**
	66,130	145,119	**211,249**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Core Activities	84,645	–	84,645
Growing the Veg Box	4,367	392	4,759
Circulate	–	254	254
WCVA - Active Inclusion	–	–	–
Employability Support	–	1,494	1,494
Crisis Support Package	–	1,016	1,016
WCVA - Volunteering in Wales Fund	–	19,636	19,636
IT Project	–	237	237
WCVA - GWIRVOL	–	7,920	7,920
Support costs	17,111	59,022	76,133
	106,123	89,971	196,094

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2017 £**	Total fund 2016 £
Core Activities	61,769	447	**62,216**	97,951
Growing the Veg Box	848	3,402	**4,250**	9,016
Circulate	7,666	48,428	**56,094**	53,775
WCVA - Active Inclusion	39,740	15,157	**54,897**	–
Employability Support	3,009	1,619	**4,628**	1,494
Crisis Support Package	1,455	–	**1,455**	1,016
WCVA - Volunteering in Wales Fund	9,090	3,368	**12,458**	22,671
IT Project	–	–	**–**	237
WCVA - GWIRVOL	10,902	4,349	**15,251**	9,934
	134,480	76,769	**211,249**	196,094

12. Analysis of support costs

	Core Activities	Growing the Veg Box	Circulate	WCVA - Active Inclusion	Employabilit y Support	WCVA - Volunteering in Wales	WCVA - GWIRVOL	**Total 2017**	Total 2016
	£	£	£	£	£	£	£	**£**	£
Staff costs	1,267	–	–	–	609	389	611	**2,876**	1,685
Premises	9,503	2,317	26,450	120	–	78	–	**38,468**	41,897
Communications and IT	2,850	154	1,618	–	–	–	–	**4,622**	3,507
General office	7,005	50	1,083	304	1,010	122	95	**9,669**	5,698
Finance costs	46	–	–	–	–	–	–	**46**	51
Governance costs	5,000	–	–	–	–	–	–	**5,000**	4,800
Insurance	1,040	881	–	–	–	–	–	**1,921**	1,948
Motor, travel and volunteer expenses	109	–	6,857	–	–	–	–	**6,966**	8,749
Depreciation	277	–	6,925	–	–	–	–	**7,202**	7,798
Internal recharges	(26,650)	–	5,495	14,733	–	2,779	3,643	–	–
	447	3,402	48,428	15,157	1,619	3,368	4,349	**76,770**	76,133

13. Net (expenditure)/income

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

	2017	2016
	£	£
Depreciation of tangible fixed assets	**7,202**	8,375
Gains on disposal of tangible fixed assets	**(1,100)**	(5,550)

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017	2016
	£	£
Wages and salaries	**107,685**	91,678
Social security costs	**5,627**	5,305
Employer contributions to pension plans	**6,742**	5,902
	120,054	102,885

The average head count of employees during the year was 8 (2016: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2017	2016
	No.	No.
Number of management staff	**1**	1
Number of staff engaged on charitable activities	**4**	4
	5	5

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

15. Trustee remuneration and expenses

Neither the trustees or any persons connected with them have received any remuneration, either in the current or preceding year.

Neither the trustees or any persons connected with them have been reimbursed expenses, either in the current or preceding year.

No insurance has been purchased to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify its trustees, employees or agents against the consequences of any neglect or default on their part.

16. Transfers between funds

Transfers of £2,650, £2,514, £15,699 and £227 (2016: Total £9,753) have been made from unrestricted reserves to the Volunteering in Wales, GWIRVOL, Active Inclusion and Employability Support restricted reserves respectively which is the partnership's agreed match funding for these activities.

Full details are shown in note 16 to the accounts.

17. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	User defined asset £	**Total £**
Cost					
At 1 April 2016	49,811	31,720	29,509	36,961	**148,001**
Disposals	–	(9,900)	–	–	**(9,900)**
At 31 March 2017	49,811	21,820	29,509	36,961	**138,101**
Depreciation					
At 1 April 2016	49,294	24,901	29,096	31,923	**135,214**
Charge for the year	129	5,455	277	1,341	**7,202**
Disposals	–	(9,900)	–	–	**(9,900)**
At 31 March 2017	49,423	20,456	29,373	33,264	**132,516**
Carrying amount At 31 March 2017	388	1,364	136	3,697	**5,585**
At 31 March 2016	517	6,819	413	5,038	12,787

18. Investments

	Shares in group undertakings £
Cost or valuation At 1 April 2016 and 31 March 2017	**1**
Impairment **At 1 April 2016 and 31 March 2017**	**–**
Carrying amount At 31 March 2017	**1**
At 31 March 2016	1

All investments shown above are held at valuation.

18. Investments *(continued)*

The charity holds 100% of the issued share capital of Garnsychan Community Trading Limited a company incorporated in England & Wales. Garnsychan Community Trading Limited manages the social and enterprise projects of the charity, which fulfils an an objective of the charity.

The investment is shown at cost.

Relevant financial information regarding Garnsychan Community Trading Limited is as follows:

	2017	2016
	£	£
Income	**69,715**	**80,087**
Cost of sales	**(46,623)**	**(52,899)**
Gross profit	**23,092**	**27,188**
Admininstrative expenses	**(10,298)**	**(6,759)**
Other operating income	**4,000**	**4,000**
Operating profit	**16,794**	**24,429**
Interest receivable	**20**	**48**
Covenanted payment to Garnsychan Partnership	**(16,814)**	**(24,477)**
Result for the year	**–**	**–**
Net current assets as at 31 March 2017 and 31 March 2016	**1**	**1**

19. Debtors

	2017	2016
	£	£
Trade debtors	**10,511**	45
Amounts owed by group undertakings	**61,836**	51,288
Prepayments and accrued income	**2,773**	3,184
	75,120	54,517

20. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**1,634**	2,171
Accruals and deferred income	**9,299**	24,804
	10,933	26,975

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £6,742 (2016: £5,902).

22. Analysis of charitable funds

Unrestricted funds

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
General Unrestricted Fund	94,502	73,266	(66,130)	(21,090)	**80,548**

Restricted funds

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Growing the Veg Box	1,375	–	(336)	–	**1,039**
Circulate	12,657	57,000	(56,094)	–	**13,563**
Employability Support	–	4,403	(4,630)	227	–
Volunteering in Wales	1,995	7,812	(12,457)	2,650	–
GWIRVOL	2,735	10,000	(15,249)	2,514	–
Active Inclusion	–	39,199	(54,898)	15,699	–
Communities First Crisis Support - North & South Torfaen (via TCBC)	1,455	–	(1,455)	–	–
	20,217	118,414	(145,119)	21,090	**14,602**

The Growing the Veg Box Fund - Provides affordable, fresh produce to residents and improves their growing skills through volunteering opportunities and horticulture classes. This project has been supported by The Peoples Postcode Trust.

Circulate - Helps to promote recycling and reuse within Torfaen, providing valuable training and low cost high-quality furniture to people on low income.

WCVA - Volunteering in Wales Fund - Working with local people and organisations throughout Torfaen to identify and work with new volunteers to support our community projects. This project was supported by the Volunteering in Wales Fund via WCVA.

WCVA - GWIRVOL - A diverse programme that promotes, supports and drives forward youth volunteering.

WVCA - Active Inclusion - Supports participants to achieve their goals and ambitions. Building participants skills and confidence through volunteer placement and training in a variety of areas, tailored packages of support and advice, thereby moving them closer to the jobs market.

Employability Support - Provides valuable work placement opportunities. The charity is, as such, acting as a training and skills enhancement centre for locally unemployed people most of which have mental health issues, learning difficulties and/or physical disabilities. Last year the charity became a registered ASIAN accredited centre which means we now provide accredited qualifications in employability skills and personal progress.

Crisis Support Package - Delivers support to local people in need in the form of emergency food, fuel and /or household furniture. This project was supported through the Tackling Poverty Small Grants Fund via Communities First.

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2017 £**
Tangible fixed assets	135	5,450	**5,585**
Investments	1	–	**1**
Current assets	87,575	12,922	**100,497**
Creditors less than 1 year	(7,163)	(3,770)	**(10,933)**
Net assets	80,548	14,602	**95,150**

24. Related parties

No transactions with related parties were undertaken such as are required to be disclosed under FRS102.

25. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.