

Popeth Cymraeg Cyfyngedig
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2022

JONES & GRAHAM
Chartered Certified Accountants
45 Stryd y Dyffryn,
DINBYCH
Sir Ddinbych
LL16 3AH

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2022

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Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

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

Year ended 31 July 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 July 2022.

Reference and administrative details

Registered charity name Popeth Cymraeg Cyfyngedig

Charity registration number 1074898

Company registration number 03686475

Principal office and registered office Canolfan Iaith Clwyd
Pwll y Grawys
Dinbych
Sir Ddinbych
LL16 3LF

The trustees

Bon A. Hughes	
Bon J. Roberts	
Bon P. Smith	(Retired 31 March 2022)
Bon D. Berry	
Bon. Alun Jones	
Y Fon R Roberts	
Bon H.M. Brightwell	(Appointed 29 April 2022)
Bon A.E Jones	(Appointed 29 April 2022)
Y Fon. D Hughes	

Company secretary Verona Pritchard-Jones

Independent examiner Mr E. Jones FCCA
45 Stryd y Dyffryn,
DINBYCH
Sir Ddinbych
LL16 3AH

Structure, governance and management

Popeth Cymraeg Cyf is a company limited by guarantee with charitable status. The day to day management of the organisation is undertaken by a committee of elected Trustees who are also Directors of the company. They are elected at the AGM every year by members of Popeth Cymraeg Cyf. to operate on their behalf in accordance with the constitution. The committee meets bimonthly. The committee also delegates certain aspects of its managerial role to specific sub-committees as the needs arises (e.g.appointments sub-committee).

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

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

Year ended 31 July 2022

Objectives and activities

The objectives of the charity are to organise and deliver Welsh Classes for Adults in North Wales and to foster the best aspects of Welsh Culture in the spirit of inclusiveness and internationalism.

Achievements and performance

Main developments 2021/2022:

High registrations

A widespread marketing campaign in the Daily Post and online resulted in higher registrations in September than in the past.

Online Programme

We made the decision to continue offering all our classes online for now and wait to see what the Covid 19 situation would be. We continued online until the end of the educational year.

Because our programme was online, we were able to attract a huge amount of learners from a very wide catchment area - other parts of England, Wales and overseas.

Additional 0.4 Tutor-Organiser appointment

An interview was held for this position in the third term and Mark Parry, who was already tutoring with us, was appointed to the post.

It was decided that some classroom based Mynediad classes would be offered in September 2022 alongside our online programme.

The Urdd Eisteddfod was held in Denbigh in June and Popeth Cymraeg and Coleg Cambria jointly took charge of the learners' tent. Some of the Popeth Cymraeg's tutors were on the eisteddfod's learners' committee.

Financial review

Popeth Cymraeg Cyf achieved a deficit of £13,393 during the year ending 31 July 2022, compared to a deficit of £18,063 for the year ending 31 July 2021.

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 and signed on behalf of the board of trustees by:

Bon. Alun Jones
Trustee

Verona Pritchard-Jones
Charity Secretary

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Popeth Cymraeg Cyfyngedig

Year ended 31 July 2022

I report to the trustees on my examination of the financial statements of Popeth Cymraeg Cyfyngedig ('the charity') for the year ended 31 July 2022.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr E. Jones FCCA
Independent Examiner

45 Stryd y Dyffryn,
DINBYCH
Sir Ddinbych
LL16 3AH

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2022

		2022	2021
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Charitable activities	5	26,937	23,881
Other trading activities	6	303,031	302,214
Investment income	7	1,056	695
Other income	8	1,578	600
Total income		<u>332,602</u>	<u>327,390</u>
Expenditure			
Expenditure on charitable activities	9,10	346,227	345,453
Total expenditure		<u>346,227</u>	<u>345,453</u>
Net expenditure and net movement in funds		<u>(13,625)</u>	<u>(18,063)</u>
Reconciliation of funds			
Total funds brought forward		464,055	482,118
Total funds carried forward		<u>450,430</u>	<u>464,055</u>

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 7 to 14 form part of these financial statements.

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Statement of Financial Position

31 July 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	15		148,795	153,854
Current assets				
Stocks	16	–		360
Debtors	17	3,260		27,038
Cash at bank and in hand		304,310		290,497
		307,570		317,895
Creditors: amounts falling due within one year	18	5,935		7,694
Net current assets			301,635	310,201
Total assets less current liabilities			450,430	464,055
Funds of the charity				
Unrestricted funds			450,430	464,055
Total charity funds	20		450,430	464,055

For the year ending 31 July 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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, and are signed on behalf of the board by:

Bon. Alun Jones
Trustee

The notes on pages 7 to 14 form part of these financial statements.

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 July 2022

	2022 £	2021 £
Cash flows from operating activities		
Net expenditure	(13,625)	(18,063)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	6,098	6,582
Other interest receivable and similar income	(1,056)	(695)
Interest payable and similar charges	270	231
<i>Changes in:</i>		
Stocks	360	440
Trade and other debtors	23,778	3,569
Trade and other creditors	(1,759)	(9,784)
Cash generated from operations	14,066	(17,720)
Interest paid	(270)	(231)
Interest received	1,056	695
Net cash from/(used in) operating activities	<u>14,852</u>	<u>(17,256)</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,039)	(1,908)
Net cash used in investing activities	<u>(1,039)</u>	<u>(1,908)</u>
Net increase/(decrease) in cash and cash equivalents	13,813	(19,164)
Cash and cash equivalents at beginning of year	290,497	309,661
Cash and cash equivalents at end of year	<u>304,310</u>	<u>290,497</u>

The notes on pages 7 to 14 form part of these financial statements.

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Cymru and a registered charity in England and Wales. The address of the registered office is Canolfan Iaith Clwyd, Pwll y Grawys, Dinbych, Sir Ddinbych, LL16 3LF.

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 Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

Going concern

There are no material uncertainties about the charity's ability to continue.

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.

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.

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are 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.
- legacy income is recognised when receipt is probable and entitlement is established.
- 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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:

Freehold Properties	-	2% straight line
Fixtures & Fittings	-	10% straight line
Y Tanerdy - Furniture & Equipment	-	25% reducing balance
Equipment & Furniture	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

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.

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

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

No of trustees 8
Warranty liability restricted to £1 per trustee.

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Course fees & materials	26,937	26,937	23,881	23,881

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Funding/Franchise Income	301,876	301,876	296,876	296,876
Letting and licensing	219	219	219	219
Office Reimbursed Costs	826	826	5,119	5,119
Extra curricular activities	110	110	—	—
	<u>303,031</u>	<u>303,031</u>	<u>302,214</u>	<u>302,214</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	1,056	1,056	695	695

8. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Pensions	1,578	1,578	600	600

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Language courses	105,267	105,267	101,845	101,845
Support costs	240,960	240,960	243,608	243,608
	<u>346,227</u>	<u>346,227</u>	<u>345,453</u>	<u>345,453</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Language courses	105,267	–	105,267	101,845
Governance costs	–	240,960	240,960	243,608
	<u>105,267</u>	<u>240,960</u>	<u>346,227</u>	<u>345,453</u>

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>6,098</u>	<u>6,582</u>

12. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,840</u>	<u>3,840</u>

13. Staff costs

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

	2022 £	2021 £
Wages and salaries	163,181	165,504
Employer contributions to pension plans	<u>22,907</u>	<u>21,320</u>
	<u>186,088</u>	<u>186,824</u>

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

13. Staff costs *(continued)*

The average head count of employees during the year was Nil (2021: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of staff - administrative	1	4
Number of staff -tutors	4	5
Number of staff -manager	1	—
Number of staff - chief executive	1	—
	<u>7</u>	<u>9</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Y Tanerdy Furniture & Equipment £	Equipment & Furniture £	Total £
Cost					
At 1 August 2021	157,462	21,439	4,467	73,754	257,122
Additions	—	—	—	1,039	1,039
At 31 July 2022	<u>157,462</u>	<u>21,439</u>	<u>4,467</u>	<u>74,793</u>	<u>258,161</u>
Depreciation					
At 1 August 2021	15,745	18,219	4,467	64,837	103,268
Charge for the year	3,149	460	—	2,489	6,098
At 31 July 2022	<u>18,894</u>	<u>18,679</u>	<u>4,467</u>	<u>67,326</u>	<u>109,366</u>
Carrying amount					
At 31 July 2022	<u>138,568</u>	<u>2,760</u>	<u>—</u>	<u>7,467</u>	<u>148,795</u>
At 31 July 2021	<u>141,717</u>	<u>3,220</u>	<u>—</u>	<u>8,917</u>	<u>153,854</u>

16. Stocks

	2022 £	2021 £
Raw materials and consumables	<u>—</u>	<u>360</u>

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

17. Debtors

	2022	2021
	£	£
Trade debtors	95	23,863
Prepayments and accrued income	2,675	2,462
Other debtors	490	713
	<u>3,260</u>	<u>27,038</u>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Payments received on account	30	–
Trade creditors	5,905	7,694
	<u>5,935</u>	<u>7,694</u>

19. 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 £22,907 (2021: £21,320).

20. Analysis of charitable funds

Unrestricted funds

	At 1 August 2021	Income £	Expenditure £	Transfers £	At 31 July 2022 £
General funds	626,921	332,602	(346,227)	(162,866)	450,430
Fair value reserve	(162,866)	–	–	162,866	–
	<u>464,055</u>	<u>332,602</u>	<u>(346,227)</u>	<u>–</u>	<u>450,430</u>

	At 1 August 2020	Income £	Expenditure £	Transfers £	At 31 July 2021 £
General funds	644,984	327,390	(345,453)	–	626,921
Fair value reserve	(162,866)	–	–	–	(162,866)
	<u>482,118</u>	<u>327,390</u>	<u>(345,453)</u>	<u>–</u>	<u>464,055</u>

Popeth Cymraeg Cyfyngedig

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	148,795	148,795
Current assets	307,803	307,803
Creditors less than 1 year	(5,936)	(5,936)
Net assets	<u>450,662</u>	<u>450,662</u>

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	153,854	153,854
Current assets	317,895	317,895
Creditors less than 1 year	(7,694)	(7,694)
Net assets	<u>464,055</u>	<u>464,055</u>

22. Analysis of changes in net debt

	At 1 Aug 2021 £	Cash flows £	At 31 Jul 2022 £
Cash at bank and in hand	<u>290,497</u>	<u>13,813</u>	<u>304,310</u>