

Charity registration number 1078995

Company registration number 3681562 (England and Wales)

TWO RHYTHMS LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

TWO RHYTHMS LTD

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 5 |
| Independent examiner's report | 6 |
| Statement of financial activities | 7 |
| Balance sheet | 8 |
| Notes to the financial statements | 9 - 22 |

TWO RHYTHMS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2019)".

Objectives and activities

Charitable purpose

TO PROVIDE EDUCATIONAL AND THERAPEUTIC PROGRAMMES FOR THE BENEFIT OF PEOPLE WITH PROFOUND PHYSICAL AND LEARNING DISABILITIES AND TO ESTABLISH AN EDUCATIONAL AND THERAPEUTIC CENTRE WHICH WILL PROVIDE A FOCAL POINT FOR THE DEVELOPMENT OF SUCH PROGRAMMES

Achievements and performance

Overview

The period April 2023 – March 2024 was a significant year for the charity, including a full rebrand and a change of name. In the Summer of 2023, we began a consultation with our community and stakeholders to find a name and identity that was more relevant, representative and accessible. After 25 years as 'Touch Trust' we began our transition to 'Two Rhythms' in December 2023 and completed our official rebrand in the Spring of 2024. The change of name was accepted by Companies House in May 2024. The new name and brand have been warmly received, leading to increased online and offline engagement. For example, the brand launch in December 2023 saw a 103% increase in our monthly Facebook page views. We will continue to explore the new opportunities that our rebrand, as well as our twenty-fifth anniversary, offer.

After the charity reduced its output after the pandemic, we took significant steps to scale up our services again this year. A second site in the North of Cardiff was developed for opening later in 2024, and the team began preparations to increase our output. We accessed funding to outfit the facilities and worked with our new landlord to design a visitor experience that would complement our existing service offer. A small office will provide the team with space for collaborative working and archival storage, restoring some of our administrative services lost in 2020. While the site would not open until later in 2024, this year allowed the team to fully evaluate the site, run test sessions and ensure it would meet the needs of our service users. Once operational, our second site will provide much-needed space to develop our services, regain capacity lost after the pandemic, and provide business continuity in the event of future disruption.

To mark the charity's twenty-fifth anniversary, we began a new collaboration with the University of South Wales, to research and analyse the Two Rhythms method. The hypothesis of the study is that sensory-dialogical interaction with people with profound and multiple and other learning disability (including those living with autistic spectrum conditions or dementia) through the medium of creative arts has a positive impact on their quality of life and fosters wider engagement. The project, funded by Community Foundation Wales, will conclude with the publication of an academic paper that will increase awareness of the charity. This will strengthen the charity's position when seeking funding and partnerships with Health and Social care providers. It could also build the foundations for further academic research to provide a greater clinical understanding of our work.

We began recruiting a new Chair of Trustees in late 2023. An Acting Chair oversaw the charity until the new Chair was formally appointed in March 2024.

Partnerships

This year, a successful music project with the music charity Tŷ Cerdd was extended, and a further project was undertaken with the hospice Ty Hafan, its residents, and their families. The Ty Hafan programme delivers Two Rhythms to our outreach locations. This small project, funded by the National Lottery Awards for All, has served as a pilot for future projects.

TWO RHYTHMS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

A pilot project targeting older people living with dementia has been expanded after funding was secured from the McCarthy Stone Foundation. The charity received positive feedback from participants in the pilot and requests for further work in the area. In particular, the sensory 'memory books' created gave participants a physical memento that could be used after the sessions had concluded. The specialised nature of the project also provided the team with insight and understanding into how our programme could be applied to this target group.

The project provides much-needed arts therapies for people experiencing symptoms of dementia who may also live with pre-existing disabilities or learning difficulties.

Membership

In early 2024, we redesigned our Membership offer to organisations that license the Two Rhythms programme for their own use. This revised service offer provides members from across the UK with a range of benefits tailored to the needs of their organisation on a scalable pricing structure.

In the financial year ending March 24, Memberships brought in £12,748 vs £10,925 in the previous year. Organisations are billed throughout the year, and there may be some fluctuations as new Members take time to train and existing organisations turnover their delivery staff.

The new structure is more sustainable for the charity whilst continuing to be accessible to a range of organisations, including schools, hospices, care providers and arts charities.

Training

A successful promotion recognising the charity's anniversary has led to more Two Rhythms Certification training than in any year since the pandemic. Despite the savings offered to participants, this has increased our training income and the number of qualified session leaders. This further embeds Two Rhythms in their respective organisations. We provided training to seven learners in 2023 and increased to 33 learners in 2024.

In 2024, the charity will also deliver 'on-site' training to organisations outside Cardiff. We are currently negotiating this with the participating members, and we will continue to offer this going forward.

Staffing

Our staffing has been consistent throughout this year, with only a reduction in casual contracts. All other staff have been retained. Should the proposed second site move forward, additional service delivery staff will be recruited to meet the demand.

In September 2024, we recruited four new, part-time Creative Facilitators. Some of these hours are 'back-filling' but the recruitment is also to provide the necessary capacity for the opening of our second site. As their training takes several months, these new colleagues are working alongside the existing team and will be ready to work alone early this year.

Two other changes that took place in the Autumn of 2024. Our 'Programme and Projects Manager' transitioned to a new role, 'Head of Programme'. This change reflects our new priorities to broaden the programme and reach new families and participants. It also builds on our work with the University of South Wales, helping to articulate a clinical basis for our work. To assist in this new role, we have also appointed a part-time 'Programme Assistant' on a six-month temporary contract. All these changes are an effort to increase our earned income through more 'face-to-face' sessions.

TWO RHYTHMS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

Financial review

The charity made an unrestricted surplus of £167,891 (2023: £26,252) before transfers for the 2024 financial year.

In January 2024, the charity received a bequest of £200,000. The board of Trustees is working with the senior management on the best utilisation of these funds.

The charity continued benefiting from various grants that supported outreach and engagement projects, as well as several small capital grants. This allowed the charity to improve our service delivery, the experience of our beneficiaries as well as improved facilities for staff.

After the pandemic required us to reduce the physical space available at our main site and our face-to-face activity potential, the team has worked to overcome this with scheduling efficiencies. In addition, we are considering our options for alternative sites to help rebuild our capacity, grow our earned income and improve our long-term sustainability.

As of 31 March 2024, we held £281,382 in bank accounts.

Reserves Policy

The Board of Trustees has examined the charity's reserve requirements, considering the organisation's principal risks. The charity reserves three months of essential costs and this is reviewed periodically.

The free reserves of the charity represent the funds that are freely available to spend as of 31st March 2024 were £218,162.

Future plans

The charity is entering a new phase of recovery. Two Rhythms will expand its capacity, increase the number of guests served, and become more financially independent and resilient. While significant challenges exist, such as a diminished staff team and limited physical space, a complete evaluation of our income generation and a revised Strategic Plan will provide the necessary guidance to overcome such challenges.

TWO RHYTHMS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

Structure, governance and management

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.

Risk management

The Management Committee has conducted a review of the major risks to which the charity is exposed. A more comprehensive risk register is currently being established and will be updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant threat to external risks to funding in past years have led to the development of a strategic plan which will allow for the diversification of funding streams and a review of the types of activities offered in the future. Internal control risks have been minimised by the implementation of procedures for authorisation of all transactions. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. The continuing implementation of Health and Safety Standards ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Organisational structure

Two Rhythms Ltd has a Board of Trustees, who meet quarterly and are responsible for the strategic direction and policy of the charity. All board members are from a variety of backgrounds, all relevant to the work of the charity. The Secretary also sits on the board but has no voting rights.

Trustees are recruited by the current trustee board, new trustees are selected by meeting of the trustees, where nominees are discussed and appointed accordingly.

A scheme of delegation is in place and day to day responsibility for the provision of activities rest with the Chief Executive Officer (CEO). The CEO is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The CEO is also responsible for the day to day operational management of the centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice. The level of payment made to all key personnel is reviewed annually by Trustees.

TWO RHYTHMS LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Reference and administrative details

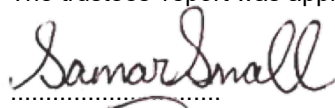
| | |
|-------------------|----------------------------------------------------------------------------|
| Charity name | Touch Trust Limited |
| Charity number | 1078995 |
| Company number | 3681562 |
| Registered office | Wales Millenium Centre Bute Place Cardiff Bay Cardiff CF10 5AL |

| | |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trustees | A Burmeister - appointed 26/6/23, resigned 26/02/24 Mr N Hollett Mr J Michaelis Mr A Milburn Ms R Whittington Ms E Willis Ms A Woodward Ms J Mcallister - resigned 12/6/23 Mrs S Small - appointed 26/03/24 |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|--------------------------|----------------------------------------------------------------------------|
| Key management personnel | Gray Hill - CEO Sian Jordan Hiroko Uenishi Liberty-May Rees-Jones |
|--------------------------|----------------------------------------------------------------------------|

| | |
|-----------------------|---------------------------------------------------------------------------------------------------------|
| Independent examiners | Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB |
|-----------------------|---------------------------------------------------------------------------------------------------------|

The trustees' report was approved by the Board of Trustees.



S Small - Chair of Trustees

Dated: 31 January 2025..

TWO RHYTHMS LTD

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TWO RHYTHMS LTD

I report to the trustees on my examination of the financial statements of Two Rhythms Ltd (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

- 1 except for the matter of concern noted above accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 except for the matter of concern noted above 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 financial statements to be reached.

Andrew Howells

Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated:

TWO RHYTHMS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

| | | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ |
|-----------------------------------------------|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| <u>Income from:</u> | | | | | | | |
| Donations and legacies | 3 | 206,798 | - | 206,798 | 4,816 | - | 4,816 |
| Charitable activities | 4 | 138,886 | 50,818 | 189,704 | 136,847 | 36,662 | 173,509 |
| Investments | 5 | 982 | - | 982 | 26 | - | 26 |
| Total income | | 346,666 | 50,818 | 397,484 | 141,689 | 36,662 | 178,351 |
| <u>Expenditure on:</u> | | | | | | | |
| Charitable activities | 6 | 178,775 | 25,417 | 204,192 | 115,437 | 73,538 | 188,975 |
| Gross transfers between funds | | - | - | - | 3,692 | (3,692) | - |
| Net income/(expenditure) for the year/ | | | | | | | |
| Net movement in funds | | 167,891 | 25,401 | 193,292 | 29,944 | (40,568) | (10,624) |
| Fund balances at 1 April 2023 | | 50,271 | 25,779 | 76,050 | 20,327 | 66,347 | 86,674 |
| Fund balances at 31 March 2024 | | 218,162 | 51,180 | 269,342 | 50,271 | 25,779 | 76,050 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TWO RHYTHMS LTD

BALANCE SHEET

AS AT 31 MARCH 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|-------------------------------------------------------|-------|----------------|----------------|---------------|---------------|
| Current assets | | | | | |
| Debtors | 10 | 6,611 | | 4,588 | |
| Cash at bank and in hand | | 281,382 | | 85,668 | |
| | | <u>287,993</u> | | <u>90,256</u> | |
| Creditors: amounts falling due within one year | 11 | (18,651) | | (14,206) | |
| Net current assets | | | 269,342 | | 76,050 |
| Income funds | | | | | |
| Restricted funds | 13 | | 51,180 | | 25,779 |
| Unrestricted funds | | | 218,162 | | 50,271 |
| | | | <u>269,342</u> | | <u>76,050</u> |

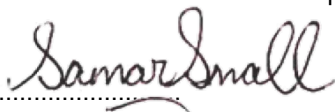
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 31 January 2025



S Small - Chair of Trustees

Company Registration No. 3681562

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Two Rhythms Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Wales Millennium Centre, Bute Place, Cardiff Bay, Cardiff, CF10 5AL, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity currently has free reserves of £218,162. The trustees report details the charity's current financial position.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Income from government grants, whether 'capital' or 'revenue' is recognised when the the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

Grants receivable for the specific purpose of purchasing fixed assets for the continued use of the charity are treated as restricted funds. The restricted fund is then reduced by amounts equivalent to the depreciation charges on the assets concerned and will continue to do so over the expected useful lives of the assets concerned.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the project i.e. where the directors/trustees can choose how the funds are expended, are treated as unrestricted funds.

Education and therapy income is recognised in the period in which the service is provided. Any amounts received in advance are deferred and released in future periods.

Management charges from its trading subsidiary are invoiced quarterly for services provided.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------------|-------------------|
| Leasehold land and buildings | 20% straight line |
| Plant and equipment | 33% straight line |
| Fixtures and fittings | 20% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the term of the relevant lease.

1.12 Taxation

As a registered charity, Touch Trust Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
| | 2024 | 2023 |
| | £ | £ |
| Donations and gifts | 6,798 | 4,816 |
| Legacies receivable | 200,000 | - |
| | <u>206,798</u> | <u>4,816</u> |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

| | 2024 £ | 2023 £ |
|-------------------------------|----------------|----------------|
| Education and therapy | 126,138 | 125,634 |
| Memberships and other income | 12,748 | 10,925 |
| Grants | 50,818 | 36,950 |
| | <u>189,704</u> | <u>173,509</u> |
| Analysis by fund | | |
| Unrestricted funds | 138,886 | 136,847 |
| Restricted funds | 50,818 | 36,662 |
| | <u>189,704</u> | <u>173,509</u> |
| Grants | | |
| WCVA | - | 9,896 |
| Arts Council of Wales | - | 2,859 |
| GVS | 19,346 | - |
| Community Fund Awards for All | - | 9,990 |
| Ty Cerdd | - | 1,030 |
| POBL Trust Funding | 1,000 | - |
| C3SC | - | 2,200 |
| Community Foundation Wales | 19,588 | 2,000 |
| Wales Millenium Centre | - | 8,686 |
| CAF | - | 289 |
| YMCA | 4,000 | - |
| Blakemore | 100 | - |
| McCarthy Stone Foundation | 6,784 | - |
| | <u>50,818</u> | <u>36,950</u> |

5 Investments

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|---------------------|---------------------------------|---------------------------------|
| Interest receivable | <u>982</u> | <u>26</u> |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Charitable activities

| | 2024 £ | 2023 £ |
|----------------------------------------|----------------|----------------|
| Staff costs | 126,646 | 92,685 |
| Depreciation and impairment | - | 140 |
| Bad debt | - | 5,763 |
| Other staff costs | 570 | 1,206 |
| Insurance | 2,059 | 3,024 |
| Consultancy and professional fees | 2,972 | 47,010 |
| Premises expenses | 21,987 | 7,447 |
| Project costs | 17,868 | 6,624 |
| Repairs and maintenance | 625 | 620 |
| Royalties | 4,791 | 1,844 |
| Telephone and IT | 7,703 | 5,468 |
| | <u>185,221</u> | <u>171,831</u> |
| Share of support costs (see note 7) | 14,421 | 13,158 |
| Share of governance costs (see note 7) | 4,550 | 3,986 |
| | <u>204,192</u> | <u>188,975</u> |
| Analysis by fund | | |
| Unrestricted funds | 178,775 | 115,437 |
| Restricted funds | 25,417 | 73,538 |
| | <u>204,192</u> | <u>188,975</u> |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Support costs

| | Support costs | Governance costs | 2024 | Support costs | Governance costs | 2023 |
|----------------------------------------|---------------|------------------|--------|---------------|------------------|--------|
| | £ | £ | £ | £ | £ | £ |
| Staff costs | 10,269 | - | 10,269 | 7,515 | - | 7,515 |
| Bank charges | 404 | - | 404 | 517 | - | 517 |
| HR, legal and consultancy fees | 2,986 | - | 2,986 | 4,251 | - | 4,251 |
| Subscriptions | 220 | - | 220 | 449 | - | 449 |
| Printing, post and stationery | 542 | - | 542 | 426 | - | 426 |
| Accountancy fees | - | 4,550 | 4,550 | - | 3,986 | 3,986 |
| | 14,421 | 4,550 | 18,971 | 13,158 | 3,986 | 17,144 |
| Analysed between Charitable activities | 14,421 | 4,550 | 18,971 | 13,158 | 3,986 | 17,144 |

Governance costs includes payments to the independent examiners of £3,270 (2023: £3,000) for independent examination fees and £1,280 for accountancy services (2023: £986).

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or previous year.

No trustees were reimbursed for expenses during the current or previous year.

9 Employees

The average monthly number of employees during the year was:

| | 2024 Number | 2023 Number |
|-------------------------|-------------------|-------------------|
| | 8 | 8 |
| Employment costs | 2024 £ | 2023 £ |
| Wages and salaries | 130,384 | 98,123 |
| Social security costs | 4,028 | 479 |
| Other pension costs | 2,503 | 1,598 |
| | 136,915 | 100,200 |

Key management personnel

The key management personnel of the charity received benefits (including gross salary, employers national insurance contributions and employers pension contributions) totalling £90,257 (2023: £87,742).

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

10 Debtors

| | 2024 £ | 2023 £ |
|---------------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 6,611 | 4,588 |

11 Creditors: amounts falling due within one year

| | Notes | 2024 £ | 2023 £ |
|-----------------------------------------|-------|-----------|-----------|
| Other taxation and social security | | 2,100 | - |
| Deferred income | 12 | 1,980 | 1,988 |
| Trade creditors | | 8,790 | 1,634 |
| Amounts owed to subsidiary undertakings | | - | 4,440 |
| Accruals | | 5,781 | 6,144 |
| | | 18,651 | 14,206 |

12 Deferred income

| | 2024 £ | 2023 £ |
|---------------------------------------------------------------------|-----------|-----------|
| Arising from membership income | 1,980 | 1,988 |
| Deferred income is included in the financial statements as follows: | | |
| Movements in the year: | | |
| Balance brought forward | 1,988 | 1,613 |
| Released from previous periods | (1,988) | (1,613) |
| Resources deferred in the year | 1,980 | 1,988 |
| Deferred income at 31 March 2024 | 1,980 | 1,988 |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Restricted funds

| | Balance at 1 April 2022 £ | Movement in funds | | | Balance at 1 April 2023 £ | Movement in funds | | | Balance at 31 March 2024 £ |
|----------------------------------------|---------------------------------|----------------------------|----------------------------|----------------|---------------------------------|----------------------------|----------------------------|----------------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | Transfers £ | | Incoming resources £ | Resources expended £ | Transfers £ | |
| Connected Families | 639 | - | - | (639) | - | - | - | - | - |
| Community Foundation Wales | 165 | - | - | (165) | - | - | - | - | - |
| Moondance Foundation | 18 | - | (68) | 50 | - | - | - | - | - |
| Arts Council of Wales - 20 | 104 | 2,859 | (2,858) | (105) | - | - | - | - | - |
| The National Lottery People and Places | 175 | - | - | (175) | - | - | - | - | - |
| Admiral | 19 | - | - | (19) | - | - | - | - | - |
| The Persimmon Charitable Trust | 1,334 | - | - | (1,334) | - | - | - | - | - |
| People's Postcode Trust | 1,367 | - | - | (1,367) | - | - | - | - | - |
| Community Fund Awards For All | - | 9,990 | (1,160) | - | 8,830 | - | (1,531) | (7,299) | - |
| Ty Cerdd | 2,242 | 1,030 | (3,626) | 354 | - | - | - | - | - |
| Monmouthshire B Soc | 300 | - | - | (300) | - | - | - | - | - |
| C3SC | 4,567 | - | (4,575) | 8 | - | - | - | - | - |
| WCVA | 29,689 | 9,897 | (24,056) | - | 15,530 | - | (15,530) | - | - |
| 37 - CRF3 | 25,728 | - | (25,728) | - | - | - | - | - | - |
| C3SC - HAU Older People Grant | - | 2,200 | (2,200) | - | - | - | - | - | - |
| Community Foundation Wales | - | 2,000 | (581) | - | 1,419 | - | (1,419) | - | - |
| WMC | - | 8,686 | (8,686) | - | - | - | - | - | - |
| Blakemore Bubble Tube | - | - | - | - | - | 100 | (100) | - | - |
| Pobl Trust Bubble Tube | - | - | - | - | - | 1,000 | (1,000) | - | - |
| YMCA Equipment Upgrades | - | - | - | - | - | 4,000 | (2,770) | - | 1,230 |
| Dementia Project | - | - | - | - | - | 6,784 | (83) | - | 6,701 |
| GVS 1 | - | - | - | - | - | 9,927 | (2,402) | - | 7,525 |
| GVS 2 | - | - | - | - | - | 9,419 | (112) | - | 9,307 |
| NL Ty Hafan Awards for All | - | - | - | - | - | - | (470) | 7,299 | 6,829 |
| CFW Uni Research | - | - | - | - | - | 19,588 | - | - | 19,588 |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

| 13 | Restricted funds | | | | | | | (Continued) |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|----------|---------|--------|--------|-------------|
| | | 66,347 | 36,662 | (73,538) | (3,692) | 25,779 | 50,818 | (25,417) |
| | | | | | | | | - |
| | | | | | | | | 51,180 |
| | Connected Families | | | | | | | |
| | The project is funded by the Big Lottery and is in partnership with Glamorgan Voluntary Services and the Parents Federation. It is all free of charge to the carers. The aim is to give family carers time to themselves. Touch Trust put on Time for Me Days where they bring the person they care for to a Touch Trust session while they have complimentary therapy or a workshop in the college room. | | | | | | | |
| | Community Foundation Wales | | | | | | | |
| | Funding was received in relation to the children and young people's project. | | | | | | | |
| | Moondance Foundation | | | | | | | |
| | Funding was received to cover the core costs of the charity. | | | | | | | |
| | Arts Council of Wales | | | | | | | |
| | Funding was received to cover the core costs of the charity and bid writing. | | | | | | | |
| | The National Lottery People and Places | | | | | | | |
| | Funding was received to cover the core costs of the charity and the development of a new model. | | | | | | | |
| | Admiral | | | | | | | |
| | Funding was received to purchase sensory boxes. | | | | | | | |
| | The Persimmon Charitable Foundation | | | | | | | |
| | Funding was received for light wall removal and various building work. | | | | | | | |
| | People's Postcode Trust | | | | | | | |
| | Funding was received for the development of a new model, training and to cover the core costs of the charity. | | | | | | | |
| | Community Funds for All | | | | | | | |
| | Funding was received for a Poetry project. | | | | | | | |
| | Ty Cerdd | | | | | | | |
| | Funding was received for a music project. | | | | | | | |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Restricted funds (Continued)

Monmouthshire B Soc
Funding received towards the purchase of a Voyager Portable Ceiling Hoist.

C3SC
Funding received for an online programme of wellbeing activities.

WCVA
Funding received for a Resilience Fund.

37 - CRF3
Funding received for a Cultural Recovery Fund.

C3SC - HAU Older People Grant
Funding received for memory books for older guests.

Community Foundation Wales
Funding received for monthly (Saturday) family events.

WMC
Funding received towards utility costs.

Blakemore Bubble Tube
Funding received to pay for a sensory bubble tube. One is used at Site 1, the other at the new Site 2.

Pobl Trust Bubble Tube
Funding received to pay for a sensory bubble tube. One is used at Site 1, the other at the new Site 2.

YMCA Equipment Upgrades
Funding received for furniture and equipment used in sessions, but also helped to equip staff areas.

Dementia Project
Funding received for a project targeting disabled, older people living with Dementia funded by the McCarthy Stone Foundation. This project is still ongoing.

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

| | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 13 | Restricted funds | (Continued) |
| | GVS 1 | |
| | Funding was received for capital funding to upgrade Facilities at Site 1 - WMC | |
| | GVS 2 | |
| | Funding was received for capital funding to install new Facilities at Site 2, to create the 2R rooms | |
| | NL Ty Hafan Awards for All | |
| | Funding was received as continued funding of an ongoing outreach project at Ty Hafan hospice, funded by National Lottery Community Fund. | |
| | CFW Uni Research | |
| | Funding was received as £19k for the University Research Agreement. £11k of which will be paid to the University, the rest is for 2R's costs inc staff time. This project is still ongoing. | |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Analysis of net assets between funds

| | Unrestricted 2024 £ | Restricted 2024 £ | Total Unrestricted 2024 £ | Restricted 2023 £ | Total 2023 £ |
|----------------------------------------------------|---------------------------|-------------------------|---------------------------------|-------------------------|--------------------|
| Fund balances at 31 March 2024 are represented by: | | | | | |
| Current assets/(liabilities) | 218,162 | 51,180 | 269,342 | 25,779 | 76,050 |
| | <u>218,162</u> | <u>51,180</u> | <u>269,342</u> | <u>25,779</u> | <u>76,050</u> |

15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2024 £ | 2023 £ |
|-----------------|--------------|---------------|
| Within one year | <u>6,932</u> | <u>26,773</u> |

TWO RHYTHMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year the charity received donations from Touch Trust Foundation Limited totalling £4,785 (2023: £4,080). At the year end the charity owed Touch Trust Foundation Limited £nil (2023: £4,440).

17 Subsidiaries

These financial statements are separate charity financial statements for Touch Trust Limited.

As the income of the group falls below the relevant thresholds consolidated accounts have not been prepared.

Details of the charity's subsidiaries at 31 March 2024 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|--------------------------------|-------------------|--------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Touch Trust Foundation Limited | Wales | Trading Arm | Ordinary Shares | 100.00 | |

Touch Trust Foundation Limited was dissolved on 12 November 2024.

Touch Trust Foundation's funds were donated to Two Rhythms Ltd in the current year.