

Company registration number 4106014 England & Wales  
Charity registration number: 1085422

**Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**  
(A company limited by guarantee)

**Annual Report and Financial Statements**

**for the Year Ended 31 March 2021**

# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

## Reference and Administrative Details

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Trustees	Dr M Davies Prof. J Blythe F E Brown T Duffy Dr K Floyd E Palfrey C Bartlett S Smith M A Roberts	Resigned 12 October 2020  Appointed 18 January 2021 Appointed 18 January 2021
Secretary	D KilBride	
Registered Office	4 Purbeck Street Cardiff CF5 1FR	
Company Registration Number	4106014	
Charity Registration Number	1085422	
Independent Examiner	Comp Management Limited 4 Purbeck Street Cardiff CF5 1FR	

# **Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

## **Trustees' Report**

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The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

### **Commencement of activities**

The charity is a charitable company and was set up on 10th November 2000 when it took over the assets and liabilities of the former "trac". It became a registered charity on 7th March 2002.

### **Governing document**

The charity is controlled by its governing document, its memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up.

### **Recruitment and appointment of new trustees**

Members of the board, who are directors for the purpose of company law and trustees for the purpose of charity law, who serve during the year and up to the date of this report, are set out above.

The minimum number of trustees required is three with no maximum. The trustees are appointed by the members at the Annual General Meeting or otherwise appointed by the Trustees where there is a vacancy.

### **Induction and training of new trustees**

All new trustees receive information on their obligations and responsibilities as trustees and receive a full induction to the charity's aims and objectives. Training is made available on trustees' roles and responsibilities as required.

### **Organisational structure**

During 2020-2021, the full time Director, appointed by the trustees, managed the day to day operations of the charity together with the part time Company Manager and part time Administrator. A team of freelance staff provided the delivery of activities.

### **Objectives and aims**

The charity's principal activity is as a Folk Development Agency for Wales. Its objectives are to increase awareness, understanding and confidence in the music, song and dance tradition within Wales; and to raise awareness outside Wales of traditional music activities taking place, and to create links with other organisations and participants throughout the world.

### **Charitable activities**

Activities during the year under review were massively curtailed due to Covid 19 pandemic, which ceased both funding availability and all options for face to face activity. Trac Cymru's work to represent and develop the traditional folk arts of Wales carried on under Covid, with staff continuing to work from home and all meetings of staff and Board moving online.

# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

## Trustees' Report (continued)

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### Internal Review

Freed from the need to manage multiple projects, the organisation looked at its core mission and how it can better serve the art form and the sector. Strategic planning for business development and a re-evaluation of priorities was undertaken with the help of consultant Gwenda Williams. This was made possible by Arts & Business Cymru through funding from the Moondance Foundation, with considerable input from both the staff team and the Board of Trustees.

### Taking Part 2019 (ACW funded participation project)

With lockdown imposed in March 2020, the final planned activities of this project had to be reframed for a Covid world. The online video resources created to replace the partnership delivery with Ty Cerdd and Rubicon Dance proved a resounding success.

Jordan Price Williams was engaged to create a collection of tune learning videos "Alawfa Cymru / Tunery Wales" focusing on contemporary tunes in the Welsh tradition - twenty tunes written over the last twenty years. These are available on our Youtube channel or here

<https://trac.cymru/en/tunery-wales/>

Bethan Rhiannon created a complete Welsh clogging (step-dancing) course in a series of eight videos for people to learn at home. This is also available on our Youtube channel or here

<https://trac.cymru/en/16713-2/>

### Avanc: the Youth Folk Ensemble of Wales

Wales's National Folk ensemble for musicians aged 18 - 25 was supported financially by the Colwinston Charitable Trust and CCSkills Cymru. Unable to develop their repertoire through the planned programme of residential weekend rehearsals, they simply moved online. During this period the musicians and their tutors created two lockdown video singles and an hour-long careers information video entitled Building a Music Career in a Pandemic. <https://trac.cymru/en/avanc/>

### Wales Folk Awards

Planning continued throughout the year for the next Wales Folk Awards, to be held in April 2022; its aim, to raise the profile of traditional music from Wales. The first Awards Ceremony was held in April 2019 in the BBC Hoddinott Hall at the Wales Millennium Centre and broadcast on BBC Radio. As well as Trac Cymru, the organising panel includes the BBC, ACW and significant figures from the Welsh folk scene.

### International work

Trac's Cymru Director attended the online versions of the events we regularly attend: English Folk Expo, Showcase Scotland, WOMEX and Folk Alliance International Conference.

Founded last year, the European Folk Network is developing, with five online events held and over 120 members / organisations registered. Trac Cymru is a founder member, after considerable planning and negotiations with partners in the UK and Europe.

Trac Cymru continued to develop the Can y Bugail project through its membership of Celtic Neighbours, growing a partnership to deliver a three-year celebration of rural and minority language activities across the whole of the EU and European continent.

# **Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

## **Trustees' Report (continued)**

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### **Online Resources**

Trac Cymru continued to offer an information service to the public and to the traditional music sector, including a directory of performers, tutors and instrument makers, and online resources for learning traditional songs and music. The new website launched in April 2021, in preparation for which the content and Directory were comprehensively updated. To accompany the new site, a new logo was introduced together with a revised short name of Trac Cymru rather than trac.

Newsletters were sent out at least monthly and other online resources were developed by a dedicated Online Administrator, including Spotify playlists, the Flickr photographic archive and the Instagram account.

### **Partnerships**

Notable partnerships in 2020-21 included CCSkills, BBC Radio Wales and BBC Radio Cymru, English Folk Expo, Music Wales partnership, Ty Cerdd, Rubicon Dance, Arts & Business Cymru, Wales Arts International, TRACS, Creative Wales, Musicians Union, Upbeat Music and Arts, DeBrocas Arts, Focus Wales.

### **3. Reserve policy**

The results of the charity are shown in the statement for financial activities. The trustees have a policy whereby the unrestricted funds not committed or invested in fixed assets (the free reserves) held by the charity should be between 3 and 6 months of expenditure. The present level of reserves available to the charity is £49,426

### **4. Principal funding sources**

In 2020/21 Trac Cymru continued to benefit from Arts Council for Wales Revenue funding plus a limited amount of Project Funding. Additional funding was gained from grants from Ty Cerdd and CCSkills. This was augmented by a small amount generated by Mari Llwyd kit and book sales. The organisation did not apply for any Covid 19 funding.

The annual report was approved by the trustees of the charity on 14 November 2021 and signed on its behalf by:

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Dr M Davies  
Trustee

# **Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

## **Statement of Trustees' Responsibilities**

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The trustees (who are also the directors of Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited for the purpose of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 14 November 2021 and signed on its behalf by:

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Dr M Davies  
Trustee

# **Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

## **Independent Examiner's Report to the trustees of:**

**Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

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I report on the accounts of the charity for the year ended 31 March 2021.

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

### **Basis of Independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- a) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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Comp Management Limited  
4 Purbeck Street  
Cardiff CF5 1FR

Date:

## Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

(including Income and Expenditure Account and  
Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Donations and legacies - ACW grants & others		81,134	25,017	106,151	121,992
Other trading activities - events		9,313	0	9,313	16,072
Investment income - interest		20	0	20	80
Total Income		90,467	25,017	115,484	138,144
<b>Expenditure on:</b>					
Charitable activities	3	(44,372)	(17,045)	(61,417)	(110,697)
Other expenditure	4	(34,461)	(1,533)	(35,994)	(43,223)
Total Expenditure		(78,833)	(18,578)	(97,411)	(153,920)
Net income / (expenditure)		11,634	6,439	18,073	(15,776)
Transfers between funds		0	0	0	0
Net movement in funds		11,634	6,439	18,073	(15,776)
<b>Reconciliation of funds</b>					
Total funds brought forward		37,792	9,758	47,550	63,326
Total funds carried forward	14	49,426	16,197	65,623	47,550

All of the charity's activities derive from continuing operations during the above period.



# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

(Registration number: 4106014)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Tangible Assets	9	0	0
		<u>0</u>	<u>0</u>
<b>Current Assets</b>			
Debtors	10	479	820
Cash at bank and in hand		68,557	52,433
		<u>69,036</u>	<u>53,253</u>
<b>Creditors: Amounts due within one year</b>	11	(3,413)	(5,703)
		<u>65,623</u>	<u>47,550</u>
<b>Net Current Assets</b>		<u>65,623</u>	<u>47,550</u>
<b>Net Assets</b>		<u>65,623</u>	<u>47,550</u>
<b>Funds of the charity:</b>			
<b>Restricted Funds</b>		16,197	9,758
<b>Unrestricted income funds</b>			
Unrestricted funds		49,426	37,792
		<u>65,623</u>	<u>47,550</u>
<b>Total funds</b>	12	<u>65,623</u>	<u>47,550</u>

For the financial year ended 31 March 2021, the charity was entitled to exemption from audit under section 477 Companies Act 2006 relating to small companies.

Directors' responsibilities:

The trustees have not required the charity to obtain an audit of its accounts 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 the accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees and authorised for issue on 14 November 2021 and signed on their behalf by:

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Dr M Davies  
Trustee

# **Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

## **Notes to the Financial Statements for the year ended 31 March 2021**

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### **1. Charity Status**

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Statement of compliance**

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2015) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

### **Basis of Preparation**

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements

### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

### **Grants receivable**

Grants are recognised when the charity has entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

## Notes to the Financial Statements for the year ended 31 March 2021 (continued)

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### 2. Accounting Policies (continued)

#### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributable to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are supplied exclusively to charitable purposes.

#### Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment costs.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Office Equipment	33.33%
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# **Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited**

## **Notes to the Financial Statements for the year ended 31 March 2021 (continued)**

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### **2. Accounting Policies (continued)**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area for specific purposes, the use of which is restricted to that area or purpose.

# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

## Notes to the Financial Statements for the year ended 31 March 2021 (continued)

### 3. Expenditure on charitable activities:

	Unrestricted Funds: General	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Direct costs	3,149	17,045	20,194	62,125
Allocated support costs	36,716	0	36,716	43,237
Governance costs	4,507	0	4,507	5,335
	44,372	17,045	61,417	110,697

#### Of which:

#### a) Support costs allocated to charitable activities

	Staff costs	Admin costs	Other Support costs	Total 2021	Total 2020
	£	£	£	£	£
	35,762	954	0	36,716	43,237

#### b) Governance costs

	Unrestricted Funds: General	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Audit fees:				
Audit of financial statements	4,507	0	4,507	4,663
Other governance costs	0	0	0	672
	4,507	0	4,507	5,335

### 4. Other expenditure:

	Unrestricted Funds: General	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Depreciation, amortisation and other similar costs	0	0	0	0
Allocated support costs	34,461	1,533	35,994	43,223
	34,461	1,533	35,994	43,223

#### Of which:

#### Support costs allocated to other expenditure

	Staff costs	Admin costs	Other Support costs	Total 2021	Total 2020
	£	£	£	£	£
Other Expenditure	31,415	1,116	3,463	35,994	43,223

# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

## Notes to the Financial Statements for the year ended 31 March 2021 (continued)

### 5. Net income / (expenditure) for the year

	2021 £	2020 £
This stated after charging :		
Depreciation	0	0
Auditors remuneration:		
Auditors fees	1,513	1,683
Accounting services	2,994	2,980

### 6. Staff costs

	2021 £	2020 £
Salaries and wages	64,754	64,869
Social security costs	1,088	2,410
Pension costs	1,335	1,400
	<u>67,177</u>	<u>68,679</u>

No employees had employee benefits in excess of £60,000 (2020: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The average number of employees during the year were as follows:

	2021 Number	2020 Number
Charitable activities	1	1
Support	1	2
	<u>2</u>	<u>3</u>

### 7. Pensions

Employees of the charity are entitled to join a defined contribution "money purchase scheme". The charity contribution is restricted to the contributions disclosed in note 6 and are charged to the unrestricted funds of the charity. At year end, outstanding pension contributions amounted to £267. The money purchase plan is managed by NEST and the plan invests the contributions made by the employee and the employer using the "Qualifying Earnings" method.

### 8. Trustee remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration or benefits from the charity during the year.

Trustees received reimbursed expenses of £nil for the year in connection with travel to trustee meetings (2020: £38).

# Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

## Notes to the Financial Statements for the year ended 31 March 2021 (continued)

### 9. Tangible fixed assets

	Office Equipment £	Total £
<b>Cost</b>		
At 1st April 2020	13,598	13,598
At 31 March 2021	13,598	13,598
<b>Depreciation</b>		
At 1st April 2020	13,598	13,598
Charge for the year	0	0
At 31 March 2021	13,598	13,598
<b>Net book value</b>		
At 31 March 2020	0	0
At 31 March 2021	0	0

### 10. Debtors

	2021 £	2020 £
Trade debtors	0	303
Prepayments and accrued income	479	517
	479	820

### 11. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	623	2,789
Other taxation and social security	1,290	1,439
Accruals	1,500	1,475
	3,413	5,703

### 12. Funds

	Balance 1 April 2020 £	Incoming Resources £	Resources expended £	Transfers £	Balance 31 March 2021 £
Unrestricted funds - general	37,792	90,467	(78,833)	0	49,426
Restricted funds	9,758	25,017	(18,578)	0	16,197
	47,550	115,484	(97,411)	0	65,623

## Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

### Notes to the Financial Statements for the year ended 31 March 2021 (continued)

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#### 13. Analysis of net assets between funds

	Unrestricted Funds: General £	Restricted Funds £	Total 2021 £
Current assets	52,839	16,197	69,036
Current liabilities	(3,413)	0	(3,413)
Total net assets	49,426	16,197	65,623