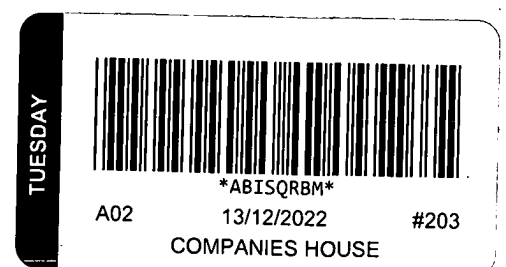


Company registration number 4106014 England & Wales
Charity registration number: 1085422

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

Annual Report and Financial Statements

for the Year Ended 31 March 2022



Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Reference and Administrative Details

Trustees	Dr K Floyd	
	Dr M Davies	
	Prof. J Blythe	
	F E Brown	Resigned 14 Nov 2021
	T Duffy	Resigned 10 Aug 2021
	C Bartlett	
	S Smith	
	M-A F Roberts-O'Reilly	
	Peter Cornell	Appointed 18 Aug 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

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 2022.

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 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 2021-2022, the full time Director, appointed by the trustees, managed the day to day operations of the charity together with the part time Company Manager. A part-time Administrator was part of the team until 30 April 2021. In January 2022, a full time Business Development Manager took up this new post, as did a part-time Communications & Marketing Officer. A part-time project officer co-ordinated the Avanc project and 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 objects are to increase awareness, understanding and confidence in the music, song and dance traditions 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

Trac Cymru's work to represent and develop the traditional folk arts of Wales carried on throughout the Covid 19 pandemic, without recourse to furlough. Activities during the year under review continued to be affected by the pandemic, which had halted the usual flow of funding as well as creating uncertainty in face-to-face activity.

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Trustees' Report (continued)

Internal Review and its consequences

The focus for much of the year was on restructuring following the internal review which took place during lockdown, on recruiting and embedding the new members of staff, and on fundraising and planning how to regain momentum lost through the pandemic through a strategic expansion over the next three to five years.

Avanc: the Youth Folk Ensemble of Wales

Wales's National Folk ensemble for musicians aged 18 - 25 was supported financially by ACW and a range of new charitable trusts and foundations (see Principal funding sources below). They rehearsed and performed both online and in person, appearing at Celtic Connections in Glasgow and releasing a video single as well as attending music industry training and events such as Focus Wales.

Wales Folk Awards

Although planning meetings continued for the next Wales Folk Awards, it was accepted that due to Covid the next Awards would not be feasible until April 2023. The Awards are a major profile raising event for Wales' traditional music scene as well as for Trac Cymru, and the organising panel includes the BBC, ACW, and significant figures from the Welsh folk scene.

International work

Trac Cymru's Director attended three online versions of music industry events we regularly attend, namely WOMEX, Showcase Scotland, and the Folk Alliance International Conference, plus a further three in person: Focus Wales, Feisean na Gael conference in Scotland, and English Folk Expo.

The European Folk Network, co-founded by Trac Cymru, held three online conferences and an event in Budapest at which Trac Cymru's Director addressed the members. The event was attended by delegates from all over Europe and online.

Trac Cymru's Director spoke at two music industry events in Italy as well as advising our equivalents in Scotland, TRACS, on its restructuring process.

Trac Cymru convened the first one-day conference on the equality, inclusivity and diversity issues specifically facing folk organisations whose remit is the traditional folk arts. Held online, it was attended by partner organisations across Britain.

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.

Newsletters were sent out at least monthly and our social media presence was developed further by our new Communications & Marketing Officer.

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Trustees' Report (continued)

Partnerships

Notable partnerships in 2021-22 included BBC Radio Wales and BBC Radio Cymru, English Folk Expo, Music Wales partnership, Ty Cerdd, Arts & Business Cymru, Wales Arts International, Creative Wales, Musicians Union, Upbeat Music and Arts, and 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 £56,173

4. Principal funding sources

In 2021/22 Trac Cymru continued to benefit from Arts Council for Wales Revenue funding plus Project funding for the Avanc project. Additional funding for Avanc was gained from Creative & Cultural Skills, the PRS Foundation, the Ashley Family Foundation, The Garrick Charitable Trust, The Leche Trust, The Fenton Arts Trust, and the Darkley Trust. A successful application to the Welsh Government's TSRF3 Covid recovery fund made a significant difference in this year. Core income was augmented by a small amount generated by Mari Lwyd kit and book sales.

The annual report was approved by the trustees of the charity on 1 November 2022 and signed on its behalf by:



Dr K Floyd
Trustee

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Statement of Trustees' Responsibilities

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 1 November 2022 and signed on its behalf by:



Dr K Floyd
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

I report on the accounts of the charity for the year ended 31 March 2022.

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.



Comp Management Limited
4 Purbeck Street
Cardiff CF5 1FR

Date:

1/11/22

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 2022 £	Total 2021 £
Income from:					
Donations and legacies - ACW grants & others		81,134	74,874	156,008	106,151
Other trading activities - events		5,331	0	5,331	9,313
Investment income - interest		11	0	11	20
Total Income		86,476	74,874	161,350	115,484
Expenditure on:					
Charitable activities	3	(53,534)	(39,982)	(93,516)	(61,417)
Other expenditure	4	(26,195)	(2,128)	(28,323)	(35,994)
Total Expenditure		(79,729)	(42,110)	(121,839)	(97,411)
Net income / (expenditure)		6,747	32,764	39,511	18,073
Transfers between funds		0	0	0	0
Net movement in funds		6,747	32,764	39,511	18,073
Reconciliation of funds					
Total funds brought forward		49,426	16,197	65,623	47,550
Total funds carried forward	13	56,173	48,961	105,134	65,623

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 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible Assets	9	3,231	0
		<u>3,231</u>	<u>0</u>
Current Assets			
Debtors	10	1,462	479
Cash at bank and in hand		104,998	68,557
		<u>106,460</u>	<u>69,036</u>
Creditors: Amounts due within one year	11	(4,557)	(3,413)
		<u>101,903</u>	<u>65,623</u>
Net Current Assets		<u>101,903</u>	<u>65,623</u>
Net Assets		<u>105,134</u>	<u>65,623</u>
Funds of the charity:			
Restricted Funds		48,961	16,197
Unrestricted income funds			
Unrestricted funds		56,173	49,426
		<u>105,134</u>	<u>65,623</u>
Total funds	12	<u>105,134</u>	<u>65,623</u>

For the financial year ended 31 March 2022, the charity was entitled to exemption from audit under section 477 Companies Act 2006 relating to small companies.

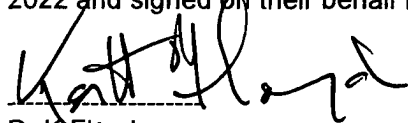
Directors' responsibilities:

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 1 November 2022 and signed on their behalf by:



Dr K Floyd
Trustee

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2022

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 2022 (continued)

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 2022 (continued)

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 2022 (continued)

3. Expenditure on charitable activities:

	Unrestricted Funds: General	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Direct costs	7,433	26,011	33,444	20,194
Allocated support costs	41,594	13,971	55,565	36,716
Governance costs	4,507	0	4,507	4,507
	<u>53,534</u>	<u>39,982</u>	<u>93,516</u>	<u>61,417</u>

Of which:

a) Support costs allocated to charitable activities

Staff costs	Admin costs	Other Support costs	Total 2022	Total 2021
£	£	£	£	£
48,473	7,092	0	55,565	36,716

b) Governance costs

	Unrestricted Funds: General	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Audit fees:				
Audit of financial statements	4,507	0	4,507	4,507
Other governance costs	0	0	0	0
	<u>4,507</u>	<u>0</u>	<u>4,507</u>	<u>4,507</u>

4. Other expenditure:

	Unrestricted Funds: General	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Depreciation, amortisation and other similar costs	162	28	190	0
Allocated support costs	26,033	2,100	28,133	35,994
	<u>26,195</u>	<u>2,128</u>	<u>28,323</u>	<u>35,994</u>

Of which:

Support costs allocated to other expenditure

	Staff costs	Admin costs	Other Support costs	Total 2022	Total 2021
	£	£	£	£	£
Other Expenditure	23,462	1,995	2,676	28,133	35,994

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2022 (continued)

5. Net income / (expenditure) for the year

	2022 £	2021 £
This stated after charging :		
Depreciation	190	0
Auditors remuneration:		
Auditors fees	1,513	1,513
Accounting services	2,994	2,994

6. Staff costs

	2022 £	2021 £
Salaries and wages	68,950	64,754
Social security costs	1,601	1,088
Pension costs	1,384	1,335
	<u>71,935</u>	<u>67,177</u>

No employees had employee benefits in excess of £60,000 (2021: 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:

	2022 Number	2021 Number
Charitable activities	1	1
Support	2	1
	<u>3</u>	<u>2</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 £295.

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 (2021: £nil).

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2022 (continued)

9. Tangible fixed assets

	Office Equipment £	Total £
Cost		
At 1st April 2021	13,598	13,598
Additions during year	3,421	3,421
Deletions during year	(13,598)	(13,598)
At 31 March 2022	3,421	3,421
Accumulated Depreciation		
At 1st April 2021	13,598	13,598
Charge for the year	190	190
Deletions during year	(13,598)	(13,598)
At 31 March 2022	190	190
Net book value		
At 31 March 2021	0	0
At 31 March 2022	3,231	3,231

10. Debtors

	2022 £	2021 £
Trade debtors	0	0
Prepayments and accrued income	1,462	479
	1,462	479

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	863	623
Other taxation and social security	2,194	1,290
Accruals	1,500	1,500
	4,557	3,413

12. Funds

	Balance 1 April 2021 £	Incoming Resources £	Resources expended £	Transfers £	Balance 31 March 2022 £
Unrestricted funds - general	49,426	86,476	(79,729)	0	56,173
Restricted funds	16,197	74,874	(42,110)	0	48,961
	65,623	161,350	(121,839)	0	105,134

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2022 (continued)

13. Analysis of net assets between funds

	Unrestricted Funds: General £	Restricted Funds £	Total 2022 £
Current assets	60,730	48,961	109,691
Current liabilities	(4,557)	0	(4,557)
Total net assets	<u>56,173</u>	<u>48,961</u>	<u>105,134</u>