

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 2023

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Reference and Administrative Details

Trustees	Prof. James Blythe (Chairman)	
	Dr Marlene Davies	Resigned 16 January 2023
	Dr Keith Floyd	
	Dr Hugh Jones(Treasurer)	Appointed 18 July 2022
	Catherine Bartlett	Resigned 20 September 2022
	Sarah Smith	
	M-A F Roberts-O'Reilly	Resigned 12 October 2022
	Peter Cornell	Resigned 16 January 2023
	Elisa Morris	Appointed 10 October 2022
	Ywain Myfyr	Appointed 1 November 2022
	Stuart Robb	Appointed 20 September 2022
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 2023.

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 2022-2023, 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. We re-budgeted in order to employ a Marketing and Communications Officer and a Community Engagement Officer funded from project income. Both positions are part time. 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

Activities during the year under review are still recovering from the 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)

Recruitment

Blanche Rowen, our Company Manager, retired on 31 March and we are very pleased to announce that her role has been taken up by Megan Lloyd who was recruited in the new year of 2023 and started in advance to arrange a handover.

Arts Council Wales' Investment Review

The end of the financial year was busy rewriting our business plan and applying for ongoing ACW funding to be submitted in March 2023. It involved reframing our ambitions and fleshing out our aspirations for the next five years, specifically looking at our plans to develop community hubs, the new education curriculum and National Plan for Music Education. However, our application for ongoing ACW funding from April 2024 has been turned down (further information and analysis is provided below).

Assessment of our trading position

The loss of ACW core funding, which has been approximately £80,000 per year, from April 2024 is of serious concern. We have just started negotiating with ACW for support from their "Transition Fund" for organisations which have been de-funded. We have received a 3 year Heritage Lottery award of £200,000 which is mainly project funding but includes some element of core funding. We continue to apply to ACW and other funds for project grants, and these applications will include appropriate core funding support.

The essential difference to our funding position is that project awards are reclaimed retrospectively. but the loss of ongoing core funding may leave us with a reduced cashflow buffer. We are currently mapping cashflow requirements over the coming months.

Avanc: the Youth Folk Ensemble of Wales

Wales's National Folk ensemble for musicians aged 18 - 25 continued through its second year with notable performances at Festival Interceltique Lorient and Blas Festival. They recorded and released an album.

Wales Folk Awards

Planning continued throughout the year for the next Wales Folk Awards to be held in April 2023; its aim, to raise the profile of traditional music from Wales.

International work

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

We continued to serve on the Board of the European Folk Network, a pan-European network with 163 members. Trac Cymru is a founder member. After considerable planning and negotiations with partners in the UK and Europe. This year's annual Conference was held at Manresa, Catalunya during the Fira Mediterraneo showcase festival.

We delivered a talk as part of the British Council's pre-meeting at Showcase Scotland.

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Trustees' Report (continued)

Gwerin Gwahanol

Gwerin Gwahanol is our first approach to deploying Wales' arts of tradition for social benefit. It's a small project that uses songs for young mothers and for young people who do not necessarily consider that these are 'their' songs. The first half was centred on a Rhondda Cynon Taff charity, Mothers Matter.

Showcase Scotland

We were part of a wider partnership with FOCUS Wales and Ty Cerdd delivering an Artist Development Programme leading up to Wales as International Partner at Showcase Scotland in February 2023. We showcased Cerys Hafana, Gwilym Bowen Rhys and Vri and held mentoring sessions for another 12 acts.

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 2022-23 included BBC Radio Wales and BBC Radio Cymru, English Folk Expo, Music Wales partnership, Ty Cerdd, Wales Arts International, Feiseann nan Gadhael, TRACS, Creative Wales, Musicians Union, Upbeat Music and Arts, DeBrocas 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 £42,423

4. Principal funding sources

In 2022/23 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 Antham, Ty Cerdd and CC Skills.

The organisation applied for Third Sector Relief Funding to employ a Business Development Manager. This was augmented by a small amount generated by Mari Lwyd kit and book sales.

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Trustees' Report (continued)

The annual report was approved by the trustees of the charity on 13 December 2023 and signed on its behalf by:

Prof. James Blythe
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 13 December 2023 and signed on its behalf by:

.....
Prof. James Blythe
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 2023.

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:

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 2023 £	Total 2022 £
Income from:					
Donations and legacies - ACW grants & others		86,666	28,016	114,682	156,008
Other trading activities - events		14,318	0	14,318	5,331
Investment income - interest		540	0	540	11
Total Income		101,524	28,016	129,540	161,350
Expenditure on:					
Charitable activities	3	(71,868)	(73,139)	(145,007)	(93,516)
Other expenditure	4	(43,406)	(635)	(44,041)	(28,323)
Total Expenditure		(115,274)	(73,774)	(189,048)	(121,839)
Net income / (expenditure)		(13,750)	(45,758)	(59,508)	39,511
Transfers between funds		0	0	0	0
Net movement in funds		(13,750)	(45,758)	(59,508)	39,511
Reconciliation of funds					
Total funds brought forward		56,173	48,961	105,134	65,623
Total funds carried forward	13	42,423	3,203	45,626	105,134

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 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible Assets	9	2,091	3,231
		<u>2,091</u>	<u>3,231</u>
Current Assets			
Debtors	10	2,330	1,462
Cash at bank and in hand		47,223	104,998
		<u>49,553</u>	<u>106,460</u>
Creditors: Amounts due within one year	11	(6,018)	(4,557)
		<u>43,535</u>	<u>101,903</u>
Net Current Assets			
Net Assets		<u>45,626</u>	<u>105,134</u>
Funds of the charity:			
Restricted Funds		3,203	48,961
Unrestricted income funds			
Unrestricted funds		42,423	56,173
		<u>45,626</u>	<u>105,134</u>
Total funds	12	<u>45,626</u>	<u>105,134</u>

For the financial year ended 31 March 2023, 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 13 December 2023 and signed on their behalf by:

Prof. James Blythe
Trustee

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2023

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 2023 (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 2023 (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 2023 (continued)

3. Expenditure on charitable activities:

	Unrestricted Funds: General	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Direct costs	17,393	32,280	49,673	33,444
Allocated support costs	49,525	40,859	90,384	55,565
Governance costs	4,950	0	4,950	4,507
	71,868	73,139	145,007	93,516

Of which:

a) Support costs allocated to charitable activities

	Staff costs	Admin costs	Other Support costs	Total 2023	Total 2022
	£	£	£	£	£
	77,943	12,441	0	90,384	55,565

b) Governance costs

	Unrestricted Funds: General	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Audit fees:				
Audit of financial statements	4,950	0	4,950	4,507
Other governance costs	0	0	0	0
	4,950	0	4,950	4,507

4. Other expenditure:

	Unrestricted Funds: General	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Depreciation, amortisation and other similar costs	1,140	0	1,140	190
Allocated support costs	42,266	635	42,901	28,133
	43,406	635	44,041	28,323

Of which:

Support costs allocated to other expenditure

	Staff costs	Admin costs	Other Support costs	Total 2023	Total 2022
	£	£	£	£	£
Other Expenditure	38,373	2,443	2,085	42,901	28,133

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

5. Net income / (expenditure) for the year

	2023 £	2022 £
This stated after charging :		
Depreciation	1,140	190
Auditors remuneration:		
Auditors fees	1,913	1,513
Accounting services	3,037	2,994

6. Staff costs

	2023 £	2022 £
Salaries and wages	110,392	68,950
Social security costs	4,191	1,601
Pension costs	1,733	1,384
	<u>116,316</u>	<u>71,935</u>

No employees had employee benefits in excess of £60,000 (2022: 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:

	2023 Number	2022 Number
Charitable activities	1	1
Support	4	2
	<u>5</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 £397. 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 £445 for the year in connection with travel to trustee meetings (2022: £nil).

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

9. Tangible fixed assets

	Office Equipment £	Total £
Cost		
At 1st April 2022	3,421	3,421
Additions during year	0	0
Deletions during year	0	0
At 31 March 2023	3,421	3,421
Accumulated Depreciation		
At 1st April 2022	190	190
Charge for the year	1,140	1,140
Deletions during year	0	0
At 31 March 2023	1,330	1,330
Net book value		
At 31 March 2022	3,231	3,231
At 31 March 2023	2,091	2,091

10. Debtors

	2023 £	2022 £
Trade debtors	390	0
Prepayments and accrued income	1,940	1,462
	2,330	1,462

11. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,171	863
Other taxation and social security	2,875	2,194
Accruals	1,972	1,500
	6,018	4,557

12. Funds

	Balance 1 April 2022 £	Incoming Resources £	Resources expended £	Transfers £	Balance 31 March 2023 £
Unrestricted funds - general	56,173	101,524	(115,274)	0	42,423
Restricted funds	48,961	28,016	(73,774)	0	3,203
	105,134	129,540	(189,048)	0	45,626

Traddodiadau Cerdd Cymru / Music Traditions Wales (trac) Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

13. Analysis of net assets between funds

	Unrestricted Funds: General £	Restricted Funds £	Total 2023 £
Current assets	48,441	3,203	51,644
Current liabilities	(6,018)	0	(6,018)
Total net assets	42,423	3,203	45,626