

**REGISTERED COMPANY NUMBER: 04576565 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1098606**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021  
FOR  
MENTER CAERDYDD**

**Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS**

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## **MENTER CAERDYDD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021**

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

#### **AMBITION**

The Welsh language becoming a central part of life in Cardiff.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The object of the charity is to boost community education and general information by promoting the Welsh language.

#### **MISSION STATEMENT**

**To promote and expand the social use of the Welsh language in Cardiff.**

The work of Menter Caerdydd is central to supporting and delivering the Welsh Government's vision of one million Welsh speakers by 2050 and Cardiff Council's strategy of creating a fully bilingual city.

Our work supports the Well-being of Future Generations (Wales) Act 2015 in creating a Wales that we all want to live in, now and in the future. Central to our ambition is to see Cardiff as a place of vibrant culture in which the Welsh language thrives together with a society that promotes and protects our culture, heritage and language.

Each one of us, as partners, funders, stakeholders, volunteers and citizens, has an important contribution to make in achieving this.

#### **STRATEGIC AIMS**

- Promoting opportunities to use the Welsh language
- Increasing confidence and improving attitudes towards the Welsh language
- Strengthening/increasing the use of Welsh within families
- Supporting employment and training opportunities for young people and adults through the medium of Welsh
- Organising Tafwyl to celebrate the Welsh language and culture
- Ensuring that Menter Caerdydd has an effective digital platform for the Welsh language
- Partnership working with various bodies and organisations

#### **Action Areas**

Menter Caerdydd will work in the areas to support Cardiff Council's Local Strategies and the National Strategies of the Welsh Government:

- THE FAMILY
- CHILDREN
- YOUNG PEOPLE
- ADULTS
- TAFWYL
- THE COMMUNITY

#### **Key Performance Indicators**

Menter Caerdydd's Board has agreed a range of Key Performance Indicators to help scrutinise progress and measure impact against objectives.

#### **Public benefit**

The trustees have had due regard to the Charity Commissions guidance on public benefit.

The entire work of Menter Caerdydd is designed for the benefit of the public. The principal object is to boost community education and general information by promoting the Welsh language. This is done by delivering activities and events across Cardiff which are open to the public. The activities and events provide an opportunity for people of all ages to socialise and enjoy themselves in a friendly and inclusive environment. The service is widely publicised and new people encouraged to take part. There is an increasing demand for the provision from the public in all parts of the county.

Some of the activities are free and when there is a need to charge the costs are kept as low as possible to encourage participation and engagement.

## **MENTER CAERDYDD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Volunteers**

Thanks go to the army of volunteers who serve on Menter Caerdydd's Board and committees and who work on our numerous projects. We have over 50 volunteers who work with us on a broad range of services throughout the year and provide an invaluable contribution to the delivery of activities provided by Menter Caerdydd across the city.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

Menter Caerdydd provides a wide range of services through the medium of Welsh in Cardiff and its environs. An outline of the work can be seen on the Menter Caerdydd's website [www.mentercaerdydd.cymru](http://www.mentercaerdydd.cymru)

Last year, despite the COVID-19 pandemic, Menter Caerdydd staff innovated and successfully moved much of their offers and services online, and continued to find new ways to develop and deliver opportunities for people right across the city.

We succeeded in receiving funding from a number of departments within Cardiff Council including Play Services, the Leisure Department and Education Department. We also received funding towards our services from the Welsh Government and the Arts Council of Wales. Menter Caerdydd is a workforce of 9 staff (5 full-time, 4 part-time) and 146 casual staff.

Following the huge success of Tafwyl 2019 the concept of Tafwyl was further developed in 2020, under hugely challenging COVID-19 circumstances, via a virtual Tafwyl broadcast. The innovative event took place with an ambitious programme being streamed live from Tafwyl's most recent home, Cardiff Castle, directly into people's homes, supported by our main funders Cardiff Council, the Arts Council of Wales and the Welsh Government, as well as other partners and sponsors. The festival was watched by a global audience of more than 24,000 who tuned in to enjoy a digital version of Tafwyl – Cardiff's annual celebration of Welsh arts and culture – with people watching from the USA, Japan, Netherlands, Spain and France to name but a few.

Our core service had to change significantly during the year, with almost all activities being delivered digitally. This new approach drew in excellent attendance numbers as we diversified our programme of opportunities and we were able to deliver to new audiences and offer support packages of digital workshops for schools.

A critical element for us was to ensure that people of all ages had opportunities to use their Welsh on a social level, outside the classroom/work, as well as a chance to develop new skills, meet new people and enjoy new experiences.

#### **FINANCIAL REVIEW**

##### **Financial position**

The charity's results are reported in the Statement of Financial Activities on page 8.

A sum total of £480,159 was recognised as income (2020 - £760,863) and a total of £447,490 was included as expenditure (2020 - £784,073). This gave a net income of £32,669 (2020: -£23,210). The profit on unrestricted funds in the year was £32,669.

The total funds carried forward are £148,080 (2020 - £115,411, after adjusting for funds tied up in fixed assets, free reserves were £145,482).

##### **Principal funding sources**

Menter Caerdydd is grateful to the Welsh Government, Cardiff Council and other sponsors for their continued financial support to Menter Caerdydd's activities. Details can be seen in the notes to the accounts.

##### **Reserves policy**

The trustees have considered the needs of the charity for financial reserves in accordance with the guidelines given by the Charity Commission that trustees carry out an ongoing review of the reserves levels and the reserves policy to ensure they continue to be relevant in changing circumstances. As a result they have adopted the following policies -

The need for a reserve funds is:

- a) To have money to earmark for special projects in order to develop them or realise them in a short period of time.
- b) To ensure that money is available for administration and support costs which enable the charity to operate especially during periods of uncertainty e.g. COVID-19 pandemic that has an enormous impact on the income generation opportunity of the charity, as well as additional pressures on future grants. This reserve level also takes into account periods at the beginning of a new financial year as well as ensuring there are sufficient funds to meet all contractual liabilities in the event of winding up the charity.
- c) To provide a sufficient reserve to enable its voluntary fundraising scheme to operate.

## **MENTER CAERDYDD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021**

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#### **FINANCIAL REVIEW**

The current policy of the trustees is the financial reserve should be approximately 17% - 20% of expenditure in a non-COVID-19 year (approx. £790k). This equates to £134,300 to £158,000. The trustees consider the current level of reserves to be sufficient to meet the charity's needs.

#### **FUTURE PLANS**

The COVID-19 pandemic has dominated our lives since March 2020. We have been forced to make the unprecedented decision to change the way we delivered our offers and services. This led to the cancellation of most of our face to face activities until April 2021. We have had to be more creative and innovative than ever in the way we engage our service users and how we continue to deliver our wide ranging programme of activities.

The Board and staff at Menter Caerdydd have worked tirelessly throughout, collaborating with colleagues from other organisations across Wales to ensure that Welsh language social opportunities have continued to be delivered and enjoyed.

Menter Caerdydd is committed to ensuring that our work continues to reflect the needs of the diverse Welsh communities in the capital city especially as we emerge from the pandemic. We will need to continue to challenge areas of expenditure in order to drive down costs as well as looking for new sources of income.

We have been realistic in recognising that we face a challenging economic period going forward, but by continuing to innovate, working in partnership with organisations throughout the city, and with partners from the third sector, the public sector and the private sector we are confident that we can continue to fulfil the objectives in our Corporate Plan (2019-22) and that our services have a positive impact on the Welsh language in Cardiff.

- Promoting opportunities to use the Welsh language
- Increasing confidence and improving attitudes towards the Welsh language
- Strengthening/increasing the use of Welsh within families
- Supporting employment and training opportunities for young people and adults through the medium of Welsh
- Organising Tafwyl to celebrate the Welsh language and culture
- Ensuring that Menter Caerdydd has an effective digital platform for the Welsh language
- Partnership working with various bodies and organisations

By concentrating on these main priorities Menter Caerdydd will continue to play a key role in the work of promoting the Welsh language in the city and will deal with the main strategic priorities of the Welsh Government of reaching a million Welsh speakers by 2050, and Cardiff Council's Bilingual Cardiff Strategy.

Moving forwards, much of our face to face offers have begun to return, although some of our digital offers continue to be delivered and enjoyed due to their popularity and keenness of some of our audience to remain online. We will adapt our offers in line with the needs of our customers to ensure that there are opportunities for all that want to engage with our work to continue.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is governed by its Memorandum and Articles of Association and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

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

The Board of Trustees are elected on an annual basis by the members of the charitable company at the Annual General Meeting. Invitations for nominations of new trustees are sent to all members with notice of the proposed Annual General Meeting, and nominations are accepted up seven days before the date of the meeting. Proposed trustees are required to be nominated by two different members of the charitable company before their nomination can be considered.

##### **Organisational structure**

Menter Caerdydd Chief Executive is responsible for the day to day running of the organisation and all staff and financial needs of the organisation. The Board of Trustees meets 5 times per year and the CEO attended all meeting and presents a written and formal presentation of the service delivery of the organisation to date. Every aspect of governance and finance are discussed during every board meeting.

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

We recognise that the work that trustees do is invaluable to the organisation, and that good governance is a vital part of how we as an organisation operate and are held accountable for what we do. Menter Caerdydd was awarded the third sector Trusted Charity quality assurance mark in February 2021. This programme has provided the structure and framework to ensure that Trustees are given the support and leadership that they need in order to conduct their duties as Trustees to the best of their abilities and that induction and training is at the forefront of our support to them.

## **MENTER CAERDYDD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Key management remuneration**

This is discussed within the Finance sub-committee that meets before each Board meeting. The Chair, Treasurer, Trustee that supports the Treasurer as well as the CEO/Company Secretary are key members of this committee.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

04576565 (England and Wales)

##### **Registered Charity number**

1098606

##### **Registered office**

Yr Hen Lyfrgell  
The Hayes  
Cardiff  
CF10 1BH

##### **Trustees**

H O Jones  
I A Walters  
P G Williams  
L Ellis  
M Thomas  
R H Williams  
I G Roberts  
C S Robers  
M Phillips  
S B Jones  
J E Adams (Chair)  
S Williams  
G M George  
SVM Poole  
SW Fôn

##### **Chief Executive and Company Secretary**

M Rees O'Brien

##### **Auditors**

Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Menter Caerdydd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**MENTER CAERDYDD**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 5 APRIL 2021**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Watts Gregory LLP, have expressed a willingness to be re-appointed.

Approved by order of the Board of Trustees on .....14/12/21..... and signed on its behalf by:

  
.....  
J E Adams - Chair

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENTER CAERDYDD**

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### **Opinion**

We have audited the financial statements of Menter Caerdydd (the 'charitable company') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENTER CAERDYDD**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENTER CAERDYDD

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### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)  
for and on behalf of Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

16 December 2021

**MENTER CAERDYDD****STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 5 APRIL 2021**

		Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
	Notes				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	142,486	295,933	438,419	492,501
<b>Charitable activities</b>	4				
The enhancement of community education and general information by promoting the Welsh language		16,300	16,484	32,784	222,874
Other income	5	8,956	-	8,956	45,488
<b>Total</b>		167,742	312,417	480,159	760,863
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
The enhancement of community education and general information by promoting the Welsh language		135,073	312,417	447,490	784,073
<b>NET INCOME/(EXPENDITURE)</b>		32,669	-	32,669	(23,210)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		115,411	-	115,411	138,621
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>148,080</u>	<u>-</u>	<u>148,080</u>	<u>115,411</u>

The notes form part of these financial statements

**MENTER CAERDYDD****BALANCE SHEET  
5 APRIL 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	2,598	-	2,598	4,198
<b>CURRENT ASSETS</b>					
Debtors	14	14,341	94,095	108,436	105,579
Cash at bank and in hand		<u>206,587</u>	<u>30,217</u>	<u>236,804</u>	<u>63,787</u>
		220,928	124,312	345,240	169,366
<b>CREDITORS</b>					
Amounts falling due within one year	15	(75,446)	(124,312)	(199,758)	(58,153)
<b>NET CURRENT ASSETS</b>		<u>145,482</u>	<u>-</u>	<u>145,482</u>	<u>111,213</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>148,080</u>	<u>-</u>	<u>148,080</u>	<u>115,411</u>
<b>NET ASSETS</b>		<u>148,080</u>	<u>-</u>	<u>148,080</u>	<u>115,411</u>
<b>FUNDS</b>	17				
Unrestricted funds				<u>148,080</u>	<u>115,411</u>
<b>TOTAL FUNDS</b>				<u>148,080</u>	<u>115,411</u>

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

The financial statements were approved for issue by the Board of Trustees and authorised for issue on 14/12/21 and were signed on its behalf by:

  
J E Adams - Chair

The notes form part of these financial statements

**MENTER CAERDYDD****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 5 APRIL 2021**

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	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>173,017</u>	<u>(25,505)</u>
Net cash provided by/(used in) operating activities		<u>173,017</u>	<u>(25,505)</u>
<b>Cash flows from investing activities</b>			
Sale of tangible fixed assets		<u>-</u>	<u>450</u>
Net cash provided by Investing activities		<u>-</u>	<u>450</u>
<b>Change in cash and cash equivalents in the reporting period</b>		173,017	(25,055)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>63,787</u>	<u>88,842</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>236,804</u>	<u>63,787</u>

The notes form part of these financial statements

**MENTER CAERDYDD**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 5 APRIL 2021**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	32,669	(23,210)
<b>Adjustments for:</b>		
Depreciation charges	1,600	1,600
Profit on disposal of fixed assets	-	(450)
(Increase)/decrease in debtors	(2,857)	33,682
Increase/(decrease) in creditors	<u>141,605</u>	<u>(37,127)</u>
<b>Net cash provided by/(used in) operations</b>	<u>173,017</u>	<u>(25,505)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 6/4/20 £	Cash flow £	At 5/4/21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>63,787</u>	<u>173,017</u>	<u>236,804</u>
	<u>63,787</u>	<u>173,017</u>	<u>236,804</u>
<b>Total</b>	<u>63,787</u>	<u>173,017</u>	<u>236,804</u>

The notes form part of these financial statements

## **MENTER CAERDYDD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021**

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#### **1. STATUTORY INFORMATION**

Menter Caerdydd is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Yr Hen Lyfrgell, The Hayes, Cardiff, CF10 1BH.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to create opportunities for Welsh speakers to use the language by supporting the present Welsh language activities and to encourage and promote a community ownership of the Welsh language.

The reporting period end date is the 5 April 2021. The charity has opted to follow the Companies Act reporting within seven day rule therefore the financial statements cover the period up to the 31 March 2021.

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

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Preparation of the accounts on a going concern basis**

The financial statements have been prepared on a going concern basis, with the charity having confirmation in place from many of its funders up to 31 March 2022. In addition, the Charity continues to raise funds from Trusts and individuals, enabling a range of support programmes. The trustees are confident that Menter Caerdydd will be able to tailor service provision in line with the funding available and will look to obtain additional funding from other sources. As a result, the trustees consider it appropriate for the financial statements to be prepared on a going concern basis.

The trustees and key management personnel are satisfied that despite the Coronavirus pandemic, it is appropriate for the charity's financial statements to be prepared on a going concern basis. The pandemic has resulted in a number of uncertainties arising and the trustees have taken steps to minimise the effect on the charity and will continue to do so. In the circumstances they have concluded that no adjustments or additional disclosures are required to the financial statements at this time.

##### **Income**

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

This includes capital grants.

##### **Donations and legacies income**

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

##### **Income from charitable activities**

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

**2. ACCOUNTING POLICIES - continued**

**Investment income**

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show income net of expenditure.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

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 are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

**Tangible fixed assets**

Fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimate residual value over the useful economic life of the asset as follows:

Plant and equipment	- 20% - 33% per annum of cost
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**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds are available for use at the trustees' discretion for any purpose within the objects of the charity.

Restricted funds have been received with stipulation from the donor as to the purpose for which they may be used.

Designated funds are unrestricted funds earmarked by the board for particular purposes in the future.

Transfers from unrestricted to restricted funds are made when required to support underfunded activities.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Debtors**

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayment are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 5 APRIL 2021**

**2. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The charitable company makes contributions to personal pension schemes on behalf of its employees. Contributions are charged to the Statement of Financial Activities in the period to which they relate.

**Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**3. DONATIONS AND LEGACIES**

	2021 £	2020 £
Gifts	78	-
Donations	-	4,011
Grants	438,341	451,190
Sponsorship	-	37,300
	<u>438,419</u>	<u>492,501</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Welsh Government - Welsh Promotion	186,736	196,736
Cardiff County Council - Play grant	59,483	85,000
Cardiff County Council - Holiday activities grant	30,000	30,000
Cardiff County Council - Leisure grant	15,000	15,000
Cardiff County Council - Care grant	32,954	32,954
Arts Council of Wales - Tafwyl festival	40,000	30,000
Arts and Business Tafwyl	3,000	10,000
Urdd Gobaith Cymru - Grant Ieuencid	14,000	14,000
For Cardiff - Tafwyl	-	25,000
Cronfa Gari	-	5,000
Groundworks	-	1,000
Hodge Foundation	-	2,500
The British Council	-	4,000
WVCA grant henoed	12,860	-
Menter Iaith Bro Morgannwg	5,500	-
Moondance Foundation	3,000	-
Cardiff Council - Covid-19 fund	10,000	-
Welsh Government - CRF Tafwyl	3,136	-
Welsh Government JRS grants	<u>22,672</u>	-
	<u>438,341</u>	<u>451,190</u>

**MENTER CAERDYDD****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 5 APRIL 2021****4. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Fee income	14,504	188,519
Rental income	1,796	11,935
Welsh for business	<u>16,484</u>	<u>22,420</u>
	<u>32,784</u>	<u>222,874</u>

The only charitable activity is the enhancement of Community education and general information by promoting the Welsh Language.

**5. OTHER INCOME**

	2021	2020
	£	£
Gain on sale of tangible fixed assets	-	450
Secondment income	-	38,438
Cardiff Council - SHEP scheme	7,259	
Broadband Contributions	1,697	
Stage performances curated by Tafwyl	<u>-</u>	<u>6,600</u>
	<u>8,956</u>	<u>45,488</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
The enhancement of community education and general information by promoting the Welsh language	<u>402,292</u>	<u>45,198</u>	<u>447,490</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Staff costs	196,934	275,439
Activities	20,909	47,186
Play schemes	37,323	97,550
Tafwyl	133,366	276,347
Clubs and children's clubs	12,160	26,035
Room rental costs	-	7,044
Bad debt	-	152
Depreciation	<u>1,600</u>	<u>1,600</u>
	<u>402,292</u>	<u>731,353</u>

**MENTER CAERDYDD****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 5 APRIL 2021****8. SUPPORT COSTS**

	2021 £
Rent, rates and water	15,378
Insurance	1,359
Telephone	5,583
Computer costs	4,490
Postage and stationery	435
Sundries	139
Management and administration	2,769
Travel and subsistence	143
Professional costs	5,253
Equipment hire and maintenance	5,449
Governance costs	4,200
Total support costs	<u>45,198</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	4,200	4,380
Depreciation - owned assets	1,600	1,600
Surplus on disposal of fixed assets	-	(450)
Operating leases - other assets	<u>2,415</u>	<u>2,860</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 or for the year ended 5 April 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 5 April 2021 or for the year ended 5 April 2020.

**11. STAFF COSTS**

	2021 £	2020 £
Salaries	219,239	329,204
Social security	14,468	13,890
Pension contributions	<u>12,535</u>	<u>16,989</u>
	<u>246,242</u>	<u>360,084</u>

The charity employs 5 full-time and 4 part-time staff (2020 - 7 full-time and 4 part-time staff) and 146 casual staff.

No employee earned more than £60,000 per annum (2020: NIL).

The total key management personnel remuneration benefits paid during the year was £61,773 (2020: £57,976).

**MENTER CAERDYDD****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 5 APRIL 2021****12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	144,036	348,465	492,501
<b>Charitable activities</b>			
The enhancement of community education and general information by promoting the Welsh language	200,454	22,420	222,874
Other Income	<u>45,488</u>	<u>-</u>	<u>45,488</u>
<b>Total</b>	<b>389,978</b>	<b>370,885</b>	<b>760,863</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
The enhancement of community education and general information by promoting the Welsh language	<u>413,188</u>	<u>370,885</u>	<u>784,073</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(23,210)</b>	<b>-</b>	<b>(23,210)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>138,621</u>	<u>-</u>	<u>138,621</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>115,411</u></b>	<b><u>-</u></b>	<b><u>115,411</u></b>

**13. TANGIBLE FIXED ASSETS**

	Plant and machinery £
<b>COST</b>	
At 6 April 2020 and 5 April 2021	<u>10,682</u>
<b>DEPRECIATION</b>	
At 6 April 2020	6,484
Charge for year	<u>1,600</u>
At 5 April 2021	<u>8,084</u>
<b>NET BOOK VALUE</b>	
At 5 April 2021	<u>2,598</u>
At 5 April 2020	<u>4,198</u>

**MENTER CAERDYDD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 5 APRIL 2021**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Grants	-	21,500
Other debtors	12,658	16,118
Prepayments and accrued income	<u>95,778</u>	<u>67,961</u>
	<u>108,436</u>	<u>105,579</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	14,588	1,534
Social security and other taxes	4,351	5,570
Other creditors	2,002	2,212
Accruals and deferred income	<u>178,817</u>	<u>48,837</u>
	<u>199,758</u>	<u>58,153</u>

Included within accruals and deferred income above is the following deferred income:

	2021 £	2020 £
Deferred income brought forward	40,550	30,458
Released to SOFA	(18,050)	(30,458)
Additional income deferred in the year	<u>127,005</u>	<u>40,550</u>
	<u>149,505</u>	<u>40,550</u>

The deferred income relates to funding received in advance of service delivery.

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	2,813	2,813
Between one and five years	<u>4,219</u>	<u>7,032</u>
	<u>7,032</u>	<u>9,845</u>

**17. MOVEMENT IN FUNDS**

	At 6/4/20 £	Net movement in funds £	At 5/4/21 £
<b>Unrestricted funds</b>			
General fund	115,411	32,669	148,080
	<u>115,411</u>	<u>32,669</u>	<u>148,080</u>
<b>TOTAL FUNDS</b>	<u>115,411</u>	<u>32,669</u>	<u>148,080</u>

**MENTER CAERDYDD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 5 APRIL 2021**

**17. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	167,742	(135,073)	32,669
<b>Restricted funds</b>			
Tafwyl	131,636	(131,636)	-
Care	32,954	(32,954)	-
Play	74,483	(74,483)	-
Holiday activities	30,000	(30,000)	-
Welsh medium youth services	14,000	(14,000)	-
Welsh for business	16,484	(16,484)	-
Gwelthgareddau Henoed	12,860	(12,860)	-
	<u>312,417</u>	<u>(312,417)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>480,159</u>	<u>(447,490)</u>	<u>32,669</u>

**Comparatives for movement in funds**

	At 6/4/19 £	Net movement in funds £	At 5/4/20 £
<b>Unrestricted funds</b>			
General fund	138,621	(23,210)	115,411
	<u>138,621</u>	<u>(23,210)</u>	<u>115,411</u>
<b>TOTAL FUNDS</b>	<u>138,621</u>	<u>(23,210)</u>	<u>115,411</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	389,978	(413,188)	(23,210)
<b>Restricted funds</b>			
Tafwyl	171,511	(171,511)	-
Care	32,954	(32,954)	-
Play	100,000	(100,000)	-
Holiday activities	30,000	(30,000)	-
Welsh medium youth services	14,000	(14,000)	-
Welsh for business	22,420	(22,420)	-
	<u>370,885</u>	<u>(370,885)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>760,863</u>	<u>(784,073)</u>	<u>(23,210)</u>

## **MENTER CAERDYDD**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2021**

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#### **17. MOVEMENT IN FUNDS - continued**

##### **Restricted funds**

**Tafwyl** - Tafwyl restricted fund represents all restricted funding received in relation to Tafwyl festival that is held annually in June/July. Income received is made up of restricted grants.

**Care** - Restricted funding from Cardiff County Council for Care programmes run by Menter Caerdydd across Cardiff.

**Play** - Restricted funding from Cardiff County Council for play programmes run by Menter Caerdydd across Cardiff.

**Holiday activities** - Restricted funding from Cardiff County Council for language support programmes run by Menter Caerdydd across Cardiff during school holidays.

**Leisure** - Restricted funding from Cardiff County Council for leisure programmes run by Menter Caerdydd and the Sports Department of Urdd Gobaith Cymru across Cardiff.

**Welsh medium youth services** - Restricted funding from Urdd Gobaith Cymru to run Welsh medium youth services across Cardiff.

**Welsh for business** - Restricted funding from the Welsh Government to assist in funding Cardiff and Vale of Glamorgan's Welsh in Business Support Officer.

**Gwelthgareddau Henoed** - Restricted funding from WVCA for programmes for the elderly run by Menter Caerdydd.

#### **18. EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £12,535 (2020: £16,989). Contributions owed at the year end amounted to £1,626 (2020: amounts due £1,712).

#### **19. RELATED PARTY DISCLOSURES**

There were no related party transactions that required disclosure in the year ended 5 April 2021.