

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023
FOR
MENTER CAERDYDD**

**MHA
Statutory Auditor
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 2023

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 2023. 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 2023

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 80 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 the surrounding area. An outline of the work can be seen on the Menter Caerdydd's website www.mentercaerdydd.cymru

Last year was another successful year for Menter Caerdydd as we continued to develop our service across the city. An outline of the work can be seen on Menter Caerdydd's website and social media platforms.

We succeeded in receiving funding from a number of departments within Cardiff Council including Play Services, the Leisure Department, Education Department and Youth Services. We also received funding towards our services from the Welsh Government and the Arts Council of Wales. Menter Caerdydd is a workforce of 10 staff (4 full-time, 6 part-time) and 146 casual staff.

This year was another successful year for Tafwyl in partnership with main funders Cardiff Council, the Arts Council of Wales and the Welsh Government as well as more than 60 partners and sponsors. Tafwyl returned to being a site based festival in 2022 and attracted over 30,000 attendees to Cardiff Castle.

Following two years of adapting our provision to run online as a result of the covid pandemic, the majority of our provision returned to a more traditional format as we were once again able to run our provision face to face. However, the most popular online provision has remained part of provision and is viewed as a new development.

The weekly out-of-school and work activities are essential in order to ensure that the community have 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 9.

A sum total of £762,544 was recognised as income (2022 - £624,897) and a total of £787,016 was included as expenditure (2022 - £581,599). This gave a net deficit of £24,472 (2022 - net surplus of £43,298). The surplus on unrestricted funds in the year was £2,040.

The total funds carried forward are £166,906 (2022 - £191,378), after adjusting for funds tied up in fixed assets, free reserves were £166,489.

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 and 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 the period at the beginning of a new financial year.
- c) To provide a sufficient reserve to enable its voluntary fundraising scheme to operate.

The current policy of the trustees is the financial reserve should be approximately 14% - 18% of expenditure. This equates to £81,000 to £105,000. The trustees consider the current level of reserves to be sufficient to meet the charity's needs.

The additional spend against budgets are mainly due to 2 areas of higher planned expenditure;

- upgrade costs of the holiday childcare website to improve administrative efficiency and customer service;
 - ensuring appropriate cover and overlap during 2 maternity leave periods - to maintain service/programme delivery during both pre/post maternity leave periods.
-

MENTER CAERDYDD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2023

FUTURE PLANS

Menter Caerdydd is committed to ensuring that our work continues to reflect the needs of the diverse Welsh communities in the capital city. We have been realistic in recognising that we face a challenging economic period but by 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 continue to fulfil the objectives in our new Corporate Plan (2022-27) 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 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.

During 2022/23 much of our efforts have focused on returning to provision that was more in keeping with the pre-pandemic period. We have also focused our efforts on developing new funding streams and working in partnership with a broader range of organisations. This has allowed us to increase our adult education provision and develop our youth work provision.

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

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 is working towards the third sector Trusted Charity quality assurance mark. This programme will provide the structure and framework to ensure that Trustees are provided with 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.

Key management remuneration

This is discussed within the Personnel sub-committee that meets once per year to discuss and make decisions on any remuneration issues within the organisation. The Chair, Vice Chair and 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

MENTER CAERDYDD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2023

Registered office

Yr Hen Lyfrgell
The Hayes
Cardiff
County of Cardiff
CF10 1BH

Trustees

J E Adams	Chair
H O Jones	
I A Walters (resigned 12/09/23)	
P G Williams	
L Ellis	
R H Williams	
I G Roberts	
C S Roberts (resigned 12/09/23)	
M Phillips	
S B Jones	
S Williams	
G M George	
S V M Poole	

Co-opted to the Board:
G M George

Chief Executive and Company Secretary
Heulyn Rees

Auditors

MHA
Statutory Auditor
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.

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.

MENTER CAERDYDD

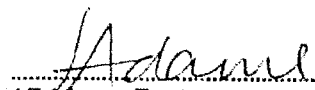
**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2023**

AUDITORS

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditors in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

Th auditors, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 28/11/23 and signed on its behalf by:


.....
JE Adams - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENTER CAERDYDD

Opinion

We have audited the financial statements of Menter Caerdydd (the 'charitable company') for the year ended 5 April 2023 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 including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2023 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

In auditing the financial statements, we have concluded that the trustees' 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 charitable 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.

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

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. The trustees are responsible for the other information.

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, which includes the Director's Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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 Director's Report included within 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 and proper 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Trustees and from the requirement to prepare a Strategic Report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

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:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing minutes of meetings of those charged with governance;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentations.

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. This description forms part of our Report of the Independent Auditors.

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

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 MHA
Statutory Auditor
CARDIFF
CF23 8RS

Date: 13 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

MENTER CAERDYDD

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 5 APRIL 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	157,696	452,252	609,948	545,299
Charitable activities	5				
The enhancement of community education and general information by promoting the Welsh language		140,584	-	140,584	77,498
Investment income	4	270	-	270	5
Other income	6	<u>11,742</u>	<u>-</u>	<u>11,742</u>	<u>2,095</u>
Total		<u>310,292</u>	<u>452,252</u>	<u>762,544</u>	<u>624,897</u>
EXPENDITURE ON					
Charitable activities	7				
The enhancement of community education and general information by promoting the Welsh language		<u>308,252</u>	<u>478,764</u>	<u>787,016</u>	<u>581,599</u>
NET INCOME/(EXPENDITURE)		2,040	(26,512)	(24,472)	43,298
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>164,866</u>	<u>26,512</u>	<u>191,378</u>	<u>148,080</u>
TOTAL FUNDS CARRIED FORWARD		<u>166,906</u>	<u>-</u>	<u>166,906</u>	<u>191,378</u>

The notes form part of these financial statements

MENTER CAERDYDD

**BALANCE SHEET
5 APRIL 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	14	417	-	417	1,417
CURRENT ASSETS					
Debtors	15	6,238	84,433	90,671	84,563
Cash at bank and in hand		<u>242,828</u>	<u>(13,941)</u>	<u>228,887</u>	<u>267,217</u>
		249,066	70,492	319,558	351,780
CREDITORS					
Amounts falling due within one year	16	(82,577)	(70,492)	(153,069)	(161,819)
NET CURRENT ASSETS		<u>166,489</u>	<u>-</u>	<u>166,489</u>	<u>189,961</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>166,906</u>	<u>-</u>	<u>166,906</u>	<u>191,378</u>
NET ASSETS		<u>166,906</u>	<u>-</u>	<u>166,906</u>	<u>191,378</u>
FUNDS	18				
Unrestricted funds				166,906	164,866
Restricted funds				-	<u>26,512</u>
TOTAL FUNDS				<u>166,906</u>	<u>191,378</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 by the Board of Trustees and authorised for issue on 28/11/23 and were signed on its behalf by:


J.E Adams - Trustee

The notes form part of these financial statements

MENTER CAERDYDD**CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(38,600)</u>	<u>30,408</u>
Net cash (used in)/provided by operating activities		<u>(38,600)</u>	<u>30,408</u>
 Cash flows from investing activities			
Interest received		<u>270</u>	<u>5</u>
Net cash provided by investing activities		<u>270</u>	<u>5</u>
 Change in cash and cash equivalents in the reporting period		 (38,330)	 30,413
Cash and cash equivalents at the beginning of the reporting period		<u>267,217</u>	<u>236,804</u>
 Cash and cash equivalents at the end of the reporting period		 <u>228,887</u>	 <u>267,217</u>

The notes form part of these financial statements

MENTER CAERDYDD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2023**

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

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(24,472)	43,298
Adjustments for:		
Depreciation charges	1,000	1,181
Interest received	(270)	(5)
(Increase)/decrease in debtors	(6,108)	23,873
Decrease in creditors	<u>(8,750)</u>	<u>(37,939)</u>
Net cash (used in)/provided by operations	<u>(38,600)</u>	<u>30,408</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 6/4/22 £	Cash flow £	At 5/4/23 £
Net cash			
Cash at bank and in hand	<u>267,217</u>	<u>(38,330)</u>	<u>228,887</u>
	<u>267,217</u>	<u>(38,330)</u>	<u>228,887</u>
Total	<u>267,217</u>	<u>(38,330)</u>	<u>228,887</u>

The notes form part of these financial statements

MENTER CAERDYDD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

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 2023. 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 2023.

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 2024. 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.

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.

Investment income

Investment income is recognised on a receivable basis.

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

2. ACCOUNTING POLICIES - continued

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 under funded 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.

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.

MENTER CAERDYDD**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2023****2. ACCOUNTING POLICIES - continued****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

	2023	2022
	£	£
Donations	941	-
Grants	566,357	538,549
Sponsorship	42,650	6,750
	<u>609,948</u>	<u>545,299</u>

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

	2023	2022
	£	£
Welsh Government - Welsh Promotion	204,605	152,737
Cardiff County Council - Play grant	96,410	89,837
Cardiff County Council - Holiday activities grant	30,000	30,000
Cardiff County Council - Adult grant	15,000	-
Cardiff County Council - Leisure grant	15,000	15,000
Cardiff County Council - Care grant	32,954	34,954
Arts Council of Wales - Tafwyl	50,000	15,000
Arts and Business - Tafwyl	7,500	2,000
Cardiff County Council - Grant Ieuencid	38,000	14,000
Cronfa Gari - Tafwyl	4,000	-
The British Council - Tafwyl	18,000	-
Welsh Government - CRF Tafwyl	-	129,424
Welsh Government JRS grants	-	353
Mentrau Iaith Cymru	1,500	164
Y Loteri Genedlaethol - Henoed	26,388	32,933
Cardiff County Council - Winter of Wellbeing	-	10,000
Cardiff County Council - Summer of Smiles	5,000	5,000
Welsh Government - Kickstart Scheme	-	7,147
Mentrau Iaith Cymru - Summer of Fun	12,000	-
Y Loteri Genedlaethol - Tafwyl	10,000	-
	<u>566,357</u>	<u>538,549</u>

MENTER CAERDYDD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2023**

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>270</u>	<u>5</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Fee income	<u>140,584</u>	<u>77,498</u>
	<u>140,584</u>	<u>79,878</u>

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

6. OTHER INCOME

	2023	2022
	£	£
Reimbursement of costs	4,717	1,945
Christmas event at Castle Coch	1,600	-
Recording and broadcasting fee for Tafwyl	5,300	-
Summer party	-	150
Other	<u>125</u>	<u>-</u>
	<u>11,742</u>	<u>2,095</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
The enhancement of community education and general information by promoting the Welsh language	<u>743,317</u>	<u>43,699</u>	<u>787,016</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	251,089	205,365
Activities	64,872	59,591
Play schemes	86,190	60,249
Tafwyl	321,116	182,714
Clubs and children's clubs	19,050	21,802
Depreciation	<u>1,000</u>	<u>1,181</u>
	<u>743,317</u>	<u>530,802</u>

MENTER CAERDYDD**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2023****9. SUPPORT COSTS**

	2023
	£
Rent, rates and water	11,261
Insurance	2,499
Telephone	4,333
Computer costs	3,019
Printing, postage and stationery	927
Sundries	788
Management and administration	2,219
Travel and subsistence	2,935
Professional costs	1,416
Equipment hire and maintenance	10,102
Governance costs	<u>4,200</u>
Total support costs	<u>43,699</u>

10. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration	4,200	4,200
Depreciation - owned assets	1,000	1,181
Operating leases - other assets	<u>2,736</u>	<u>2,425</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2023 or for the year ended 5 April 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2023 or for the year ended 5 April 2022.

12. STAFF COSTS

	2023	2022
	£	£
Salaries	294,358	248,073
Social security	19,725	14,606
Pension contributions	<u>16,647</u>	<u>13,813</u>
	<u>330,730</u>	<u>276,492</u>

The charity employs 6 full-time and 6 part-time staff (2022 - 5 full-time and 6 part-time staff) and 106 casual staff.

No employee earned more than £60,000 per annum (2022: NIL).

The total key management personnel remuneration benefits paid during the year was £61,716 (2022: £59,398).

MENTER CAERDYDD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2023**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 5 APRIL 2022

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	121,151	424,148	545,299
Charitable activities			
The enhancement of community education and general information by promoting the Welsh language	77,498	-	77,498
Investment Income	5	-	5
Other income	2,095	-	2,095
Total	<u>200,749</u>	<u>424,148</u>	<u>624,897</u>
EXPENDITURE ON			
Charitable activities			
The enhancement of community education and general information by promoting the Welsh language	<u>183,963</u>	<u>397,636</u>	<u>581,599</u>
NET INCOME	16,786	26,512	43,298
RECONCILIATION OF FUNDS			
Total funds brought forward	148,080	-	148,080
TOTAL FUNDS CARRIED FORWARD	<u>164,866</u>	<u>26,512</u>	<u>191,378</u>

14. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 6 April 2022 and 5 April 2023	<u>10,682</u>
DEPRECIATION	
At 6 April 2022	9,265
Charge for year	<u>1,000</u>
At 5 April 2023	<u>10,265</u>
NET BOOK VALUE	
At 5 April 2023	<u>417</u>
At 5 April 2022	<u>1,417</u>

MENTER CAERDYDD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2023**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	2,422	26,650
Prepayments and accrued income	<u>88,249</u>	<u>57,913</u>
	<u>90,671</u>	<u>84,563</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	25,816	16,895
Social security and other taxes	6,412	5,492
Other creditors	5,404	2,633
Accruals and deferred income	<u>115,437</u>	<u>136,799</u>
	<u>153,069</u>	<u>161,819</u>

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

	2023	2022
	£	£
Deferred income brought forward	123,917	149,505
Released to SOFA	(97,917)	(118,905)
Additional income deferred in the year	<u>73,113</u>	<u>93,317</u>
	<u>99,113</u>	<u>123,917</u>

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

17. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	2,384	2,813
Between one and five years	<u>7,685</u>	<u>1,406</u>
	<u>10,069</u>	<u>4,219</u>

18. MOVEMENT IN FUNDS

	At 6/4/22 £	Net movement in funds £	At 5/4/23 £
Unrestricted funds			
General fund	164,866	2,040	166,906
Restricted funds			
Tafwyl	26,512	(26,512)	-
TOTAL FUNDS	<u>191,378</u>	<u>(24,472)</u>	<u>166,906</u>

MENTER CAERDYDD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2023**

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	310,292	(308,252)	2,040
Restricted funds			
Tafwyl	181,500	(208,012)	(26,512)
Care	32,954	(32,954)	-
Play	126,410	(126,410)	-
Holiday activities	30,000	(30,000)	-
Welsh medium youth services	38,000	(38,000)	-
Gweithgareddau Henoed	26,388	(26,388)	-
Summer of Fun	17,000	(17,000)	-
	<u>452,252</u>	<u>(478,764)</u>	<u>(26,512)</u>
TOTAL FUNDS	<u>762,544</u>	<u>(787,016)</u>	<u>(24,472)</u>

Comparatives for movement in funds

	At 6/4/21 £	Net movement in funds £	At 5/4/22 £
Unrestricted funds			
General fund	148,080	16,786	164,866
Restricted funds			
Tafwyl	-	26,512	26,512
	<u>148,080</u>	<u>43,298</u>	<u>191,378</u>
TOTAL FUNDS	<u>148,080</u>	<u>43,298</u>	<u>191,378</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	200,749	(183,963)	16,786
Restricted funds			
Tafwyl	192,424	(165,912)	26,512
Care	34,954	(34,954)	-
Play	104,837	(104,837)	-
Holiday activities	30,000	(30,000)	-
Welsh medium youth services	14,000	(14,000)	-
Gweithgareddau Henoed	32,933	(32,933)	-
Winter of Wellbeing/Summer of Smiles	15,000	(15,000)	-
	<u>424,148</u>	<u>(397,636)</u>	<u>26,512</u>
TOTAL FUNDS	<u>624,897</u>	<u>(581,599)</u>	<u>43,298</u>

MENTER CAERDYDD

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 5 APRIL 2023

18. MOVEMENT IN FUNDS - continued

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

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

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

Leisure - funding received from Cardiff County Council for leisure programmes run by Menter Caerdydd across Cardiff.

Welsh medium youth services - funding received from Cardiff County Council via Urdd Gobaith Cymru to run Welsh medium youth services across Cardiff.

Gwelthgareddau Henoed - funding received from the National Lottery for programmes for the elderly run by Menter Caerdydd.

Summer of Fun - funding received during the year Mentrau Iaith Cymru and Cardiff County Council to support costs of Summer of Fun activities.

Prior year only

Winter of Wellbeing/Summer of Smiles - funding received from Cardiff City Council to provide activities for young people following the isolation experienced during the Covid pandemic.

19. 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 £16,647 (202: £13,813). Contributions owed at the year end amounted to £2,648 (2021: £2,133).

20. RELATED PARTY DISCLOSURES

There were no related party transactions that required disclosure in the year ended 5 April 2023.