

REGISTERED COMPANY NUMBER: 02803324 (England and Wales)
REGISTERED CHARITY NUMBER: 1130052

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2021
for
Iaith Cyfyngedig

Ashmole & Co.
Chartered Certified Accountants
The Old School
The Quay
Carmarthen
Carmarthenshire
SA31 3LN

Contents of the Financial Statements
for the Year Ended 31 March 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's principal aim is to promote, direct and research into matters relevant to the Welsh language in Wales, in addition to regional and minority languages, to promote and extend educational activities, training and development projects within Welsh society and beyond, in connection with the Welsh language and regional and minority languages, to promote and extend public education in language schemes, bilingualism and multilingualism.

Public benefit

The Charity provides a benefit to the public by giving advice, assistance and services on every subject relevant to the promotion and use of regional and minority languages. The trustees have considered the guidelines given by the Charity Commission on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

A review of success and performances of the charity was given by the chairman at the annual meeting.

FINANCIAL REVIEW

Investment policy and objectives

The trustees' investment powers are governed by the Memorandum and Articles of Association. The trustees have a policy of keeping any monies by way of liquid assets in short-term, high interest, easily accessible deposit accounts. The trustees are of the opinion that the Charity does not have enough reserves to consider investing in any other ways at present.

Reserves policy

The trustees have established a policy whereby general funds which are not invested or committed to fixed assets should represent between 3 and 6 months of general expenditure, averaging between £30,000 and £60,000 in reserve funds. At this level, the trustees felt the charity would be able to operate in the event of a substantial shortage of income. At the year end the Company had reserves of £38,811. The year ended 31 March 2021 is the fourth full year of trading after a substantial restructuring programme, which is to keep a tight hold on overheads, keep a low number of full time staff and using freelance consultants to complete projects. The Company generated a deficit of £18,098 in the year. The financial statements are prepared on the assumption that the charity will carry on as a going concern.

Funds in deficit

The charity's results are reported in the Statement of Financial Activities on page 8. The net deficit or surplus from ordinary activities, before losses according to insurance statistics on the pension scheme, shows a deficit of £18,098. This is after a loss on the pension scheme of £20,000 (2021 loss of £62,000).

The trustees take the view that the pension scheme liabilities have been appropriately allowed for and are confident that the deficit will be wiped out over the long term.

FUTURE PLANS

In briefly, restructuring the staffing plan by reducing the number of employed staff and establish a core team of consultants. The new structure will allow the company to continue to maintain and grow its capacity to carry out projects while keeping control of its costs. The company will prioritize growth, through winning new projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee without shares as defined by the Companies Act 2006. It was incorporated on 25th March 1993 and became a registered Charity on the 9th June 2009.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Members of the board of trustees (who are also directors of the charity for the purpose of company's legislation) who served during the year and on the date of the report and noted above. A trustee is appointed by the members in an annual meeting or by the trustees when a post becomes vacant. There must be at least three trustees but there is no maximum.

Organisational structure

A meeting of the board is held every quarter. The trustees have appointed an administrative director to manage the charity's day-to-day activities. The board members guarantee to contribute a maximum of £1 to company's assets should the company be wound up.

Induction and training of new trustees

When new trustees are appointed, they are provided with information on their duties and responsibilities. This includes training in company procedures and policies including an assessment of their training needs. The charity has a policy of offering specific training to every trustee on his or her role and responsibilities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02803324 (England and Wales)

Registered Charity number

1130052

Registered office

Uned 3
Parc Busnes Aberarad
Castell Newydd Emlyn
Sir Gar
SA38 9DB

Trustees

R Dafydd
G Ioan
D R Davies
S Williams
Cyng A L Jones
E Lewis
Dr S Eaves
CM Tomos

Company Secretary

Dr K E Jones

Independent Examiner

Ashmole & Co.
Chartered Certified Accountants
The Old School
The Quay
Carmarthen
Carmarthenshire
SA31 3LN

Bankers

Natwest
4 Heol Fawr
Aberteifi
Ceredigion
SA43 1NW

Iaith Cyfyngedig

Report of the Trustees
for the Year Ended 31 March 2021

Approved by order of the board of trustees on 20/10/21 and signed on its behalf by:

Gauk Ioan

G Ioan - Trustee

Independent Examiner's Report to the Trustees of
Iaith Cyfyngedig

Independent examiner's report to the trustees of Iaith Cyfyngedig ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

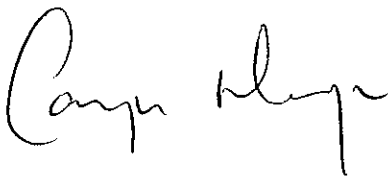
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Carwyn Morgan
ACCA
Ashmole & Co.
Chartered Certified Accountants
The Old School
The Quay
Carmarthen
Carmarthenshire
SA31 3LN

Date: 20/10/21

Statement of Financial Activities
for the Year Ended 31 March 2021

| | Notes | Unrestricted fund £ | Restricted fund £ | 31.3.21 Total funds £ | 31.3.20 Total funds £ |
|---|-------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Corona virus income and grants | | 87,877 | - | 87,877 | - |
| Charitable activities | | | | | |
| Projects | | 66,892 | - | 66,892 | 241,794 |
| Investment income | 2 | 1 | - | 1 | - |
| Total | | 154,770 | - | 154,770 | 241,794 |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Projects | | 192,868 | - | 192,868 | 286,365 |
| NET INCOME/(EXPENDITURE) | | (38,098) | - | (38,098) | (44,571) |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains/(losses) on defined benefit schemes | | 63,000 | - | 63,000 | (151,000) |
| Net movement in funds | | 24,902 | - | 24,902 | (195,571) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | (660,091) | - | (660,091) | (464,520) |
| TOTAL FUNDS CARRIED FORWARD | | (635,189) | - | (635,189) | (660,091) |

| | Notes | Unrestricted fund £ | Restricted fund £ | 31.3.21 Total funds £ | 31.3.20 Total funds £ |
|--|-------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 6 | 354 | - | 354 | 1,122 |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 29,958 | - | 29,958 | 87,254 |
| Cash at bank and in hand | | 132,161 | - | 132,161 | 784 |
| | | <u>162,119</u> | <u>-</u> | <u>162,119</u> | <u>88,038</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 8 | (123,662) | - | (123,662) | (36,251) |
| NET CURRENT ASSETS | | <u>38,457</u> | <u>-</u> | <u>38,457</u> | <u>51,787</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 38,811 | - | 38,811 | 52,909 |
| PENSION LIABILITY | 11 | (674,000) | - | (674,000) | (713,000) |
| NET ASSETS/(LIABILITIES) | | <u>(635,189)</u> | <u>-</u> | <u>(635,189)</u> | <u>(660,091)</u> |
| FUNDS | 10 | | | | |
| Unrestricted funds | | | | (635,189) | (660,091) |
| TOTAL FUNDS | | | | <u>(635,189)</u> | <u>(660,091)</u> |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Iaith Cyfyngedig

Balance Sheet - continued

31 March 2021

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

20/10/21

and were signed on its behalf by:

Gareth Iwan

G Iwan - Trustee

1. 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.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---------------|
| Fixtures and fittings | - 20% on cost |
| Computer equipment | - 33% on cost |

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

1. 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 Financial Activities in the period to which they relate.

2. INVESTMENT INCOME

| | 31.3.21 | 31.3.20 |
|--------------------------|----------------|----------|
| | £ | £ |
| Deposit account interest | <u>1</u> | <u>-</u> |

3. NET INCOME/(EXPENDITURE)

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

| | 31.3.21 | 31.3.20 |
|-----------------------------|-----------------|---------------------|
| | £ | £ |
| Auditors' remuneration | 1,000 | 1,000 |
| Other assurance services | 4,229 | 1,627 |
| Depreciation - owned assets | 768 | 907 |
| Hire of plant and machinery | 18,038 | 54,376 |
| Other operating leases | - | 7,003 |
| | <u><u>-</u></u> | <u><u>7,003</u></u> |

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

| | 31.3.21 | 31.3.20 |
|---------|-----------------|-----------------|
| Project | 3 | 3 |
| Support | 1 | 1 |
| | <u><u>4</u></u> | <u><u>4</u></u> |

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

6. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------------------|----------------------------------|----------------------------|---------------|
| COST | | | |
| At 1 April 2020 and 31 March 2021 | <u>51,191</u> | <u>47,552</u> | <u>98,743</u> |
| DEPRECIATION | | | |
| At 1 April 2020 | 51,191 | 46,430 | 97,621 |
| Charge for year | - | 768 | 768 |
| At 31 March 2021 | <u>51,191</u> | <u>47,198</u> | <u>98,389</u> |
| NET BOOK VALUE | | | |
| At 31 March 2021 | - | 354 | 354 |
| At 31 March 2020 | - | 1,122 | 1,122 |

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.21 £ | 31.3.20 £ |
|---------------|---------------|---------------|
| Trade debtors | <u>29,958</u> | <u>87,254</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.21 £ | 31.3.20 £ |
|--|----------------|---------------|
| Bank loans and overdrafts (see note 9) | - | 356 |
| Other loans (see note 9) | 50,000 | - |
| Trade creditors | 5,872 | 6,085 |
| Social security and other taxes | 681 | 3,029 |
| VAT | 14,959 | 13,514 |
| Other creditors | 1,100 | 1,267 |
| Accruals and deferred income | 49,050 | 10,000 |
| Accrued expenses | 2,000 | 2,000 |
| | <u>123,662</u> | <u>36,251</u> |

9. LOANS

An analysis of the maturity of loans is given below:

| | 31.3.21 £ | 31.3.20 £ |
|--|---------------|--------------|
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | - | 356 |
| Other loans | 50,000 | - |
| | <u>50,000</u> | <u>356</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

10. MOVEMENT IN FUNDS

| | At 1.4.20 £ | Net movement in funds £ | At 31.3.21 £ |
|---------------------------|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | (660,091) | 24,902 | (635,189) |
| TOTAL FUNDS | <u>(660,091)</u> | <u>24,902</u> | <u>(635,189)</u> |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 154,770 | (192,868) | 63,000 | 24,902 |
| TOTAL FUNDS | <u>154,770</u> | <u>(192,868)</u> | <u>63,000</u> | <u>24,902</u> |

Comparatives for movement in funds

| | At 1.4.19 £ | Net movement in funds £ | At 31.3.20 £ |
|---------------------------|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | (464,520) | (195,571) | (660,091) |
| TOTAL FUNDS | <u>(464,520)</u> | <u>(195,571)</u> | <u>(660,091)</u> |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 241,794 | (286,365) | (151,000) | (195,571) |
| TOTAL FUNDS | <u>241,794</u> | <u>(286,365)</u> | <u>(151,000)</u> | <u>(195,571)</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

10. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.4.19 £ | Net movement in funds £ | At 31.3.21 £ |
|---------------------------|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | (464,520) | (170,669) | (635,189) |
| TOTAL FUNDS | <u>(464,520)</u> | <u>(170,669)</u> | <u>(635,189)</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 396,564 | (479,233) | (88,000) | (170,669) |
| TOTAL FUNDS | <u>396,564</u> | <u>(479,233)</u> | <u>(88,000)</u> | <u>(170,669)</u> |

11. EMPLOYEE BENEFIT OBLIGATIONS

| | 31.3.21 £ | 31.3.20 £ |
|----------------------------------|--------------|--------------|
| Market value of the assets | 2,637,000 | 2,833,000 |
| Present value of the liabilities | (3,311,000) | (2,106,000) |
| Deficit in the pension scheme | (674,000) | (713,000) |

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

13. CORONA VIRUS

These financial statements are prepared on the going concern basis. Despite Covid-19 the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

Detailed Statement of Financial Activities
for the Year Ended 31 March 2021

| | 31.3.21 £ | 31.3.20 £ |
|---------------------------------------|----------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Corona virus income and grants | | |
| Grants | 21,000 | - |
| JRS Grants | 66,877 | - |
| | <hr/> 87,877 | <hr/> - |
| Investment income | | |
| Deposit account interest | 1 | - |
| Charitable activities | | |
| Education and training | 47,950 | 42,354 |
| Research | 15,842 | 58,827 |
| Consultancy | 3,100 | 140,613 |
| | <hr/> 66,892 | <hr/> 241,794 |
| Total incoming resources | 154,770 | 241,794 |
| EXPENDITURE | | |
| Charitable activities | | |
| Wages | 93,351 | 92,968 |
| Social security | 6,198 | 7,056 |
| Pensions | 19,500 | 21,430 |
| Development and research fees | 16,238 | 52,466 |
| Travelling | - | 7,003 |
| Past service cost (gain) | - | 41,000 |
| | <hr/> 135,287 | <hr/> 221,923 |
| Support costs | | |
| Management | | |
| Wages | 6,957 | 16,914 |
| Social security | 24 | 762 |
| Pensions | 1,986 | 2,689 |
| Hire of plant and machinery | 1,800 | 1,910 |
| Rates and water | 10,412 | 9,581 |
| Insurance | 2,501 | 2,400 |
| Light and heat | 728 | 996 |
| Telephone | 633 | 818 |
| Postage and stationery | 1,128 | 1,854 |
| Advertising | - | 209 |
| Sundries | 271 | - |
| Hire of rooms | - | 1,325 |
| Repairs and renewals | 342 | 1,097 |
| Subscriptions | 35 | 35 |
| Carried forward | 26,817 | 40,590 |

Detailed Statement of Financial Activities
for the Year Ended 31 March 2021

| | 31.3.21 £ | 31.3.20 £ |
|---|-----------------|-----------------|
| Management | | |
| Brought forward | 26,817 | 40,590 |
| Income protection fee | 1,688 | 2,001 |
| Computer maintenance | 5,416 | 5,225 |
| Fixtures and fittings | - | 138 |
| Computer equipment | 769 | 769 |
| Expected return on pension scheme assets | (50,000) | (58,000) |
| Interest on pension scheme liabilities | 67,000 | 70,000 |
| | <u>51,690</u> | <u>60,723</u> |
| Finance | | |
| Bank charges | 662 | 1,092 |
| Governance costs | | |
| Auditors' remuneration | 1,000 | 1,000 |
| Auditors' remuneration for non audit work | 4,229 | 1,627 |
| | <u>5,229</u> | <u>2,627</u> |
| Total resources expended | <u>192,868</u> | <u>286,365</u> |
| Net expenditure | <u>(38,098)</u> | <u>(44,571)</u> |