ARTS & BUSINESS CYMRU

England & Wales · Charity number 1143772

Details

Status	Registered
Legal form	Charitable company
Company number	07767380
Registered	2011-09-12
Register	View on the Charity Commission register

Contact

Address	Arts & Business Cymru 16 Museum Place Cardiff CF10 3BH
Phone	02920303023
Email	contactus@aandbcymru.org.uk
Website	www.aandbcymru.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO PROMOTE FOR THE BENEFIT OF THE PUBLIC, WITHIN THE COUNTRY OF WALES, THE ADVANCEMENT OF THE ARTS, CULTURE AND HERITAGE AND THE PROMOTION OF THE EFFICIENCY OF CHARITIES, IN PARTICULAR BUT NOT LIMITED TO THE PROMOTION OF PHILANTHROPY AMONGST BUSINESSES AND INDIVIDUALS; THE PROMOTION OF PARTNERSHIPS BETWEEN ARTS ORGANISATIONS AND BUSINESSES; AND THE PROVISION OF TRAINING TO AND PROMOTION OF BEST PRACTICE IN THE GOVERNANCE OF, WELSH ARTS CHARITIES.

Activities: Our role is to promote, enable & develop mutually beneficial partnerships between business & the arts. Including promotion of philanthropy amongst businesses & individuals; promotion of partnerships between arts organisations & businesses, provision of training & promotion of best practice & governance. Its ultimate aim is to aid the success of both sectors for the good of Wales.

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Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** WALES
- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£437,273	£426,483	-	-
2024-03-31	£435,195	£417,139	-	-
2023-03-31	£467,745	£478,909	-	-
2022-03-31	£458,687	£453,905	-	-
2021-03-31	£400,931	£392,352	-	-

Trustees

Name	Role	Appointed
Anthony Sean Wedlake	Chair	2023-07-01
Adrian Morgan Jones		2026-02-16
Claire Charlton		2023-07-24
Jen Angharad		2026-02-16
Louisa Scadden		2020-06-01
Nkechi Allen Dawson		2021-07-01
Paul Dylan Ralley		2026-02-17

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ARTS & BUSINESS CYMRU

England & Wales - Charity number 1143772

Accounts

Charity registration number 1143772 (England and Wales)

Company registration number 07767380

ARTS & BUSINESS CYMRU

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

MITCHELL ASSOCIATES

CHARTERED ACCOUNTANTS

ARTS & BUSINESS CYMRU

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ARTS & BUSINESS CYMRU

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

Arts & Business (A&B) Cymru's vision is to create a Wales where business and the arts can connect and thrive. Its mission is to embed business into the arts and creativity into business. The ultimate aim is to aid the success of both sectors for the good of individuals and communities across Wales.

Objects
The objects of the charity are to promote, for the benefit of the public, within the country of Wales, the advancement of arts, culture and heritage and the promotion of the efficiency of charities. In particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Public benefit
We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. A&B Cymru's aim is to assist advancement of the arts and the promotion of the efficiency of charities, in particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Strategies for achieving objectives
A&B Cymru knows that when business and the arts work together in true partnership, both become stronger with the results benefiting society in far reaching and tangible ways. The team works with a range of arts professionals, from individual practitioners to flagship organisations and the private sector, from micro businesses through to multi-national corporations. Its work has a positive impact on people and communities across Wales. In its current Business Plan, A&B Cymru sets out four strategic aims to help drive the organisation towards the achievement of its mission.

They are:

- To grow A&B Cymru's income from a range of public and private sector sources
- To develop the income generating and business skills of the arts
- To secure increased investment from the private sector to the arts
- To encourage business success through creativity

Achievements and performance

A&B Cymru aims to achieve its goals through the delivery of a suite of unique programmes and services. In 2024/25, the team continued to respond to the ongoing challenging climate, striving to assist the sustainability of organisations across Wales.

As a charity which exists to support business and the arts, A&B Cymru's programmes are in high demand as both sectors face extreme, unforeseen and unprecedented difficulties, arising from the ongoing financial crisis and the after-effects of significant inflation.

As in previous years, A&B Cymru's activity included charitable work for the arts and commercial work financed by the private sector, with any surplus being transferred back to the charity:

Charitable work
A&B Cymru's work for the arts has two aims - developing income and developing skills. All services are provided free or at highly subsidised rates.

Arts Membership - During 2024/25, arts membership remained stable at 170 subscribers, ranging from individual artists to major institutions. Benefits include networking, learning, development and showcasing opportunities, as well as tailored advice and access to services and discounts. Bursaries funded by Hodge Foundation were awarded to 12 small organisations whose primary work benefits under-represented people and communities. The Arts Steering Panel, a group of arts leaders drawn from across Wales which meets bi-monthly on Zoom to discuss the ongoing challenges and priorities of the sector, entered its third year of operation. The Panel focused its discussions on sustainability, the Arts Council of Wales Investment Review, the impact of the current economic climate and Welsh Government strategies.

Arts Training Courses - A&B Cymru uses its expertise and network to provide high-quality training courses in diversity, fundraising, governance and specific business expertise. These tailored sessions are delivered by a mixture of A&B Cymru staff and experienced external specialists. The majority of courses were delivered online, removing geographical barriers and time constraints and reducing the carbon footprint for arts managers across Wales. Although the courses were provided at subsidised rates for the first half of the year, the ongoing financial climate meant that many organisations were still unable to afford the cost of attendance. To address this, A&B Cymru secured funding from Arts Council of Wales which enabled the charity to deliver the sessions between December 2024 and March 2025 free of charge. Additional funding was then secured to continue this provision from March – December 2025. During 2024/25, 21 courses were attended by 240 arts managers.

Funded by the Hodge and Moondance Foundations, **CultureStep** invests in innovative partnerships of all kinds between business and the arts, enhancing projects and increasing their long-term effectiveness. Tailored to the specific needs of Wales, the scheme is designed to encourage new sponsorship and develop established corporate engagement. All projects must address at least one of the scheme's priorities: Diversity; Employees, the Environment; Health & Wellbeing; Kids; Older People; Tackling Poverty; the Welsh Language. In 2024/25, the scheme invested £106,625 into 37 projects, levering £405,717 from business directly to the arts.

Future Proof an initiative, funded by Arts Council of Wales Lottery, combines two innovative programmes - Creative Internships and Creative Apprenticeships. The Creative Internships Programme places recent graduates into arts organisations for 10 months as trainee fundraisers. Since its inception in 2013, the scheme has enabled 38 skilled, professional fundraisers to enter the arts workforce. Between them, they have so far raised over £7 million for the sector in Wales. The 2024/25 programme enabled two interns to undertake paid placements. The Creative Apprenticeships Programme places individuals who face significant barriers as a result of race, disability or socio-economic circumstances into arts organisations on 10-month placements. Through this programme, A&B Cymru is helping to create alternative futures for individuals from all backgrounds. In 2024/25, two apprentices undertook paid placements. Each intern and apprentice received structured support from the host organisations, mentoring from external specialists and free of charge access to A&B Cymru training courses.

The **Professional Development Programmes** bring essential business skills to the arts through Board placements, skills transfer projects and mentoring. In 2024/25, 42 businesses were engaged in 85 placements, valued at £408,094.

A&B Cymru encountered unforeseen challenges in 2024/25, primarily relating to income generation. The charity was unsuccessful in securing Trust Funding to support Future Proof, which resulted in a reduced programme funded solely by Arts Council of Wales lottery. This was due to a reduction in funds available from Trusts & Foundations in the current climate, combined with growing and intense competition for funds. To ensure the sustainability of A&B Cymru, an independent review of the charity's structure and operation was undertaken by The Funding Centre. It concluded that the organisation is both effective and cost-effective and in order to continue delivery of its highly subsidised programmes and services, increased and multi-year funding was essential from Arts Council of Wales. Discussions with Arts Council of Wales began in September 2024 and are ongoing. In the interim, A&B Cymru secured funding through Arts Council of Wales' resilience programmes, which enabled the charity to operate effectively through the year with no break in service to the arts.

Commercial work
A&B Cymru's 60+ business members range from sole traders to multi-national corporations. Companies join to address specific objectives through arts partnership. These encompass creative marketing, community engagement and effective staff motivation, training and development. A&B Cymru's Brokerage Service was accessed by five businesses, which commissioned the team to identify arts partnerships which would achieve focused objectives. The resulting collaborations brought over £50,000 investment from business directly to the arts.

The A&B Cymru Awards exist to encourage, acknowledge and celebrate exemplary business/arts partnerships. The 2024 ceremony was held at ICC Wales, Newport on 4 July. In addition to providing a high-level opportunity to advocate the power of partnerships between the private sector and the arts, the event brought a surplus of £5,000.

Financial review
The Statement of Financial Activities for the company is shown on page 11. During the year charity made a surplus on unrestricted funds of £10,790 (2024: £18,056. Before the exceptional item, the charity made a deficit on unrestricted funds of £49,059.)

Unrestricted reserves at 31 March 2025 are £221,358 (2024: £210,568). Of these reserves £115,580 (2024: £108,799) have been designated (see notes to the financial statements).

The charity's free reserves were £103,319 (2024: £101,769) (excluding fixed assets, investments and designated funds).

Pension
A&B Cymru operates a Group Stakeholder Pension Plan for all employees with more than three months service. It meets the current workplace pension requirements.

Reserves policy
In accordance with good governance, £115,580 (2024: £108,799) is held in reserves, as an unrestricted contingency fund to cover three months operating costs and winding up costs, including redundancy payments. The amount is reviewed annually and increased or decreased as required.

Investment policy
The charity's investments are made in accordance with the Trustees' investment powers which are set out in the charity's governing document. The policy is to obtain the best return on the funds surplus to the charity's immediate needs whilst minimising the risk of capital depreciation. A review of the policy is undertaken on an annual basis by the Finance and Audit Committee to ensure it remains appropriate. During the period all funds were held on deposit with A&B Cymru's bank (Unity Trust Bank pie) to ensure the charity had sufficient cashflow to undertake its activities.

Trading subsidiary
A&B Cymru carries out all its non-charitable trading activities through a wholly owned subsidiary company, Arts & Business Cymru Trading Limited. The directors who served during the year were:

David Landen*
Rachel Jones
Trevor David Morpeth* (resigned 11/02/25)
Anthony Sean Wedlake* (appointed 20/11/24)
**indicates a non-executive director.*

All the activities of the subsidiary are managed by the staff of A&B Cymru and all surplus is distributed back to the parent charity through gift aid.

Risk Management
The Trustees are responsible for the management of the risks faced by the charity, with particular reference to internal control systems and the mitigation of risk. The Board reviews a risk evaluation statement prepared by the Chief Executive on an annual basis.

The trustees have assessed the key risks to which the charity is exposed and consider them to be:

- The inability to replace lost core funding
- The loss of the key management personnel
- The loss of reputation

The key controls used include:

- Formal agenda and minutes for all meetings of the Trustees and Board sub-committees
- Detailed terms of reference for the Board and its sub-committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and reporting lines
- Formal written policies
- A risk evaluation statement which is reviewed on a regular basis by the Trustees and the Chief Executive
- Hierarchical authorisation and approval levels

Through the established risk management processes, the Board is satisfied that the major risks identified have been adequately guarded against where necessary. It recognises that systems can provide only reasonable, but not absolute, assurance that major Funding s are being adequately managed.

Grants payable
Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. The grants are recognised where the trustees have agreed to pay the grant and the recipient has a reasonable expectation that they will receive a grant, provided they comply with the terms of the agreement. Grants offered subject to terms and conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Funding Position and Plans for the Future
In 2024/25, A&B Cymru received core funding of £50K from Arts Council of Wales and £40K from Welsh Government. In addition to this, the charity received project funding from Arts Council of Wales totaling £112K. Total Trust funding for the year secured was £150K.

A&B Cymru continues to strive to diversify its funding. The charity has secured £130K core funding from Arts Council of Wales for 2025/26, as well as a grant spanning three financial years from The National Lottery Heritage Fund of £235K. In addition to this, Trust funding has been secured once again in 2025/26 from the Foyle, Hodge and Moondance Foundations.

Structure, governance and management

Governance
Arts & Business Cymru (A&B Cymru) was incorporated as a company, limited by guarantee and not having any share capital on 8 September 2011. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs. Its governing document is its Memorandum and Articles of Association.

Staffing structure
The team includes eight staff, five of which are full-time. The roles in 2024/25 included Chief Executive, Director of Business Development & Operations, Business Development Manager, Arts Development Manager, Arts Development Officer, Administrator, Finance Manager and North Wales Partnerships Director.

Directors and Trustees
The directors of the charitable company are its Trustees for the purposes of charity law and are collectively referred to as the Trustees throughout this report.

Recruitment, appointment, induction and training of Trustees
Trustees are appointed by the Board. All new Trustees receive an induction pack containing the following:

- A&B Cymru's handbook.
- The current business plan.
- The most recent accounts.
- A general information pack on all A&B Cymru's programmes and services.
- The role of Trustees sheet.
- The minutes of the last Trustees meeting.

Trustees are invited to attend governance and other training courses run by A&B Cymru. One new Trustee was appointed during 2024/25 and three Trustees resigned as they had reached the end of their terms.

Key Management Personnel
The key management personnel for the current financial year is considered to be the Chief Executive. The remuneration of the key management personnel is benchmarked to market rates.

Organisational structure and decision-making process
The Board of Trustees must have at least three and not more than 10 members to administer the charity. There is an agreed statement of the role and responsibilities of the Board and its members. At no time during the year did any Trustee have a beneficial interest in the charity.

There is one sub-committee of the Board - Finance & Audit. This committee meets immediately before each Board meeting. The membership of the committee is set out on page 7. Their terms of reference are as follows:

Finance & Audit Committee
To have, on behalf of the Trustees, an overall watching brief over all financial aspects of the charity's activities, to advise the Trustees in regard to the charity's financial statements, to ensure the maintenance of proper financial records and controls and to set and monitor the charity's annual delivery plan and financial performance.

The Board has appointed a Chief Executive to manage the day-to-day operations of the charity and she has delegated authority for a wide range of operational matters.

There is a statement of matters reserved to the Board. They include:
Setting overall strategy and policy.
Approving the budget and business plan.
The appointment and removal of Trustees (including the chair).
The appointment and removal of the Chief Executive and setting their terms and conditions.
Consideration of fundamental issues concerning A&B Cymru's relationship with its principal.
Consideration of fundamental issues concerning A&B Cymru's relationship with the Charity.
Approval of major capital expenditure and the acquisition of freehold property or leases.
Setting the charity's reserves, diversity and investment policies.

Other groups
In addition to the Board, two groups of individuals are associated both formally and informally with A&B Cymru - the Investment Panel and the Arts Steering Panel.

The Investment Panel's role is to determine which business/arts partnerships are awarded cash investment through A&B Cymru's CultureStep (see page 2 for a brief description of this programme). Chaired by A&B Cymru's Chief Executive, the panel consists of 7 voting members and meets five times per year on Zoom. Each member receives an induction prior to joining. The Panel operates on the principle of collective responsibility and all members have an equal voice. The Arts Steering Panel exists to ensure a regular and productive dialogue between A&B Cymru and the arts and provide an opportunity to share and discuss priorities and challenges. The membership of the 2024/25 panels is listed on page 8.

Reference and administrative details

Charity number 1143772
(Registered September 2011)

Company number 7767380
(Registered September 2011)

Registered address
16 Museum Place
Cardiff, CF10 38H

Administrative office
16 Museum Place
Cardiff, CF10 38H

Independent examiner
Mitchell Associates Ltd
First Floor
Office Suite 3
13 Cathedral Road
Cardif
CF11 9HA

Bank and branch address
Unity Trust Bank Pie
4 Brindleyplace
Birmingham
81 2JB

Solicitors
Geldards LLP
4 Capital Quarter
Tyndall St
Cardiff
CF10 4BZ

Trustees
Ruth Vivienne Fabby - appointed 19 July 2024
Shone Hughes – resigned 11 February 2025
Trevor David Morpeth* - resigned 11 February 2025
Tania Jane Rawlinson - resigned 11 February 2025
Louisa Scadden
David John Landen*
Nkechi Allen-Dawson
Claire Charlton
Anthony Sean Wedlake*

Key management personnel
Rachel Jones* - Chief Executive

*Indicates a member of the Finance & Audit Committee

Culture Step Panel
Kathy Brown
Rachel Jones
Robert Lloyd Griffiths
Denise Lord
Samantha Maskrey
Lynne Sheehy
Richard Tynen

Arts Steering Panel
Jên Angharad
Meinir Llwyd Roberts
Rhiannon White
Sarah Ecob
Sara Beer
Richard Mylan
Claire Furlong
Leusa Llewelyn
Evan Dawson
Robert Guy
Sharon Casey
Krystal Lowe
Carys Wynne-Morgan
Liam Evans-Ford
Barry John
Angela Rogers

ARTS & BUSINESS CYMRU

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Arts & Business Cymru for the purpose of company law, are responsible for preparing the Trustees Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees

Anthony Sean Wedlake - Trustee
Trustee

Date: 20 November 2025

ARTS & BUSINESS CYMRU

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS & BUSINESS CYMRU

I report to the trustees on my examination of the financial statements of Arts & Business Cymru (the charity) for the year ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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 that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or

4 the financial statements 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 financial statements 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 financial statements to be reached.

Mitchell Associates Ltd
J P Mitchell ACA BFP
First Floor
Office Suite 3
13 Cathedral Road
Cardiff
CF11 9HA
20 November 2025

ARTS & BUSINESS CYMRU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £
Income from:					
Donations and legacies	**2**	398,678	5,000	403,678	391,468
Charitable activities	**3**	30,653	-	30,653	39,340
Investments	**4**	2,942	-	2,942	4,387
Total income		432,273	5,000	437,273	435,195
Expenditure on:					
Charitable activities	**5**	421,483	5,000	426,483	484,254
Exceptional item	**10**	-	-	-	(67,115)
Total expenditure		421,483	5,000	426,483	417,139
Net income and movement in funds		10,790	-	10,790	18,056
Reconciliation of funds:					
Fund balances at 1 April 2024		210,568	-	210,568	192,512
Fund balances at 31 March 2025		221,358	-	221,358	210,568

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

ARTS & BUSINESS CYMRU

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**12**		2,458		4,335
Investments	**13**		1		1
			2,459		4,336
Current assets					
Debtors	**14**	99,854		83,477	
Cash at bank and in hand		260,691		288,496	
		360,545		371,973	
Creditors: amounts falling due within one year	**15**	(141,646)		(165,741)	
Net current assets			218,899		206,232
Total assets less current liabilities			221,358		210,568
The funds of the charity					
Unrestricted funds	**19**		221,358		210,568
			221,358		210,568

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 20 November 2025

Mr A S Wedlake
Trustee

Company registration number 07767380 (England and Wales)

1 Accounting policies

Charity information

Arts & Business Cymru is a private company limited by guarantee incorporated in England and Wales. The registered office is 16 Museum Place, Cardiff, CF10 3BH.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments relate to 100% of the share capital of the Charity's wholly owned trading subsidiary and is recognised at cost.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	195,928	-	195,928	250,718	-	250,718
Grants	202,750	5,000	207,750	140,750	-	140,750
	398,678	5,000	403,678	391,468	-	391,468
Donations and gifts						
Arts & Business Trading Limited	55,870	-	55,870	77,879	-	77,879
Creative Internships	-	-	-	50,000	-	50,000
Impact circle	58	-	58	1,049	-	1,049
Raffle and Sundry	-	-	-	1,790	-	1,790
The Hodge Foundation	70,000	-	70,000	65,000	-	65,000
The Moondance Foundation	70,000	-	70,000	55,000	-	55,000
	195,928	-	195,928	250,718	-	250,718
Grants						
The Arts Council of Wales	157,750	-	157,750	140,750	-	140,750
The Foyle Foundation	-	5,000	5,000	-	-	-
The Hodge Foundation	5,000	-	5,000	-	-	-
Welsh Government	40,000	-	40,000	-	-	-
	202,750	5,000	207,750	140,750	-	140,750

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable activities		
Arts membership	27,668	30,050
Arts Consultancy fees	2,789	9,190
Sundry Income	196	100
	30,653	39,340

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	2,942	4,387

5 Expenditure on charitable activities

	Charitable activities 2025 £	Governance 2025 £	Total 2025 £	Charitable activities 2024 £	Governance 2024 £	Total 2024 £
Direct costs						
Staff costs	254,561	-	254,561	289,362	-	289,362
Charitable expenses	48,758	-	48,758	88,311	-	88,311
	303,319	-	303,319	377,673	-	377,673
Grant funding of activities (see note 6)	85,545	-	85,545	75,243	-	75,243
Share of support and governance costs (see note 7)						
Support	25,012	-	25,012	28,007	-	28,007
Governance	-	12,607	12,607	-	3,331	3,331
	413,876	12,607	426,483	480,923	3,331	484,254
Analysis by fund						
Unrestricted funds	408,876	12,607	421,483	480,923	3,331	484,254
Restricted funds	5,000	-	5,000	-	-	-
	413,876	12,607	426,483	480,923	3,331	484,254

6 Grants payable

	Charitable activities 2025 £	Charitable activities 2024 £
Grants to institutions:		
Grants to Charities	54,420	44,796
Grants to Non-Charities	17,250	30,447
Grants to individuals	13,875	-
	85,545	75,243

-

7 Support costs allocated to activities

	2025	2024
	£	£
Premises expenses	17,546	17,257
Office expenses	6,296	6,708
Recruitment costs	-	2,240
Repairs	101	689
Bank charges	172	155
Sundry	78	69
Depreciation	819	889
Professional fees	9,667	706
Accountancy	2,940	2,625
	37,619	31,338
Analysed between:		
Charitable activities	25,012	28,007
Governance	12,607	3,331
	37,619	31,338

Governance costs includes payments to the independent examiner of £2,940 (2024: £2,500) for the independent examination of the financial statements.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Permanent staff	8	7

Employment costs	2025	2024
	£	£
Wages and salaries	225,395	258,340
Social security costs	17,537	19,382
Other pension costs	11,629	11,640
	254,561	289,362

No trustee were reimbursed for expenses or received remuneration during the current or prior year.

9 Employees

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,000-£69,999	1	1

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

The total amount of employee benefits (including salary, employers national insurance and pension contributions) received by the key management personnel for their services to the charity during the year totalled £82,605 (2024 £81,368)

10 Other expenditure

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Exceptional item	-	(67,115)

The charity has reviewed certain historic liabilities retained and concluded that there is no likelihood of those liabilities being settled, consequently those liabilities have been released to the income and expenditure account.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Office equipment
	£
Cost	
At 1 April 2024	7,500
Disposals	(2,415)
At 31 March 2025	5,085
Depreciation and impairment	
At 1 April 2024	2,899
Depreciation charged in the year	1,084
Eliminated in respect of disposals	(1,356)
At 31 March 2025	2,627
Carrying amount	
At 31 March 2025	2,458
At 31 March 2024	4,335

13 Fixed asset investments

	Other investments
	£
Cost or valuation	
At 1 April 2024 & 31 March 2025	1
Carrying amount	
At 31 March 2025	1
At 31 March 2024	1

Other investments comprise:	Notes	2025 £	2024 £
Investments in subsidiaries	23	1	1

14 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	30,619	11,371
Amounts owed by subsidiary undertakings	69,235	72,106
	99,854	83,477

15 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		8,366	7,641
Deferred income	16	13,000	107,015
Trade creditors		2,731	2,350
Other creditors		1,637	1,980
Accruals		115,912	46,755
		141,646	165,741

16 Deferred income

	2025 £	2024 £
Other deferred income	13,000	107,015

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	13,000	107,015
Movements in the year:		
Deferred income at 1 April 2024	107,015	62,000
Released from previous periods	(107,015)	(62,000)
Resources deferred in the year	13,000	107,015
Deferred income at 31 March 2025	13,000	107,015

17 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	11,629	11,640

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.
Contributions outstanding at the year end amounted to £1,608 (2024 £1,980).

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
The Foyle Foundation	-	5,000	(5,000)	-

The Foyle Foundation represents a contribution towards the delivery of free of charge arts training courses and professional development placements, providing crucial support to the arts.

19 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of the unrestricted funds by the trustees for specific purposes:

	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
Designated	108,799	6,781	-	115,580
Unrestricted	101,769	425,492	(421,483)	105,778
	210,568	432,273	(421,483)	221,358

Previous year:	At 1 April 2023	Incoming resources	Resources expended	At 31 March 2024
	£	£	£	£
Designated	115,676	3,030	(9,907)	108,799
General funds	76,836	432,165	(407,232)	101,769
	192,512	435,195	(417,139)	210,568

The designated fund as detailed in the trustee report represents 3 months worth of operating cost reserves.

20 Analysis of net assets between funds

	Unrestricted funds 2025 £
At 31 March 2025:	
Tangible assets	2,458
Investments	1
Current assets/(liabilities)	218,899
	221,358

	Unrestricted funds 2024 £
At 31 March 2024:	
Tangible assets	4,335
Investments	1
Current assets/(liabilities)	206,232
	210,568

21 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	11,675	11,449
Between two and five years	7,720	19,388
	19,395	30,837

The leases are made up of a rental agreement which is due to end in November 2026 and a small equipment lease which is due to end in January 2026.

22 Related party transactions

Transactions with related parties

During the year the charity's wholly owned subsidiary Art & Business Cymru Trading Limited gifted £55,870 to the charity (2024 £77,879). At the year end Arts & Business Cymru Trading Limited owed the charity £69,235 (2024 £72,106).

During the year the charity also received £70,000 (2024 £70,000) from Moondance Foundation. There were no amounts outstanding at the current or prior year end. The charities are related by way of common trustees.

23 Subsidiaries

Details of the charity's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Arts & Business Cymru Trading Limited	England and Wales	Trading arm of charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Arts & Business Cymru Trading Limited	55,870	1

ARTS & BUSINESS CYMRU

England & Wales - Charity number 1143772

Accounts

Charity registration number 1143772

Company registration number 07767380 (England and Wales)

ARTS & BUSINESS CYMRU

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

ARTS & BUSINESS CYMRU

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ARTS & BUSINESS CYMRU

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

Arts & Business (A&B) Cymru's vision is to create a Wales where business and the arts can connect and thrive. Its mission is to embed business into the arts and creativity into business. The ultimate aim is to aid the success of both sectors for the good of individuals and communities across Wales.

Objects
The objects of the charity are to promote, for the benefit of the public, within the country of Wales, the advancement of arts, culture and heritage and the promotion of the efficiency of charities. In particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Public benefit
We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. A&B Cymru's aim is to assist advancement of the arts and the promotion of the efficiency of charities, in particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Strategies for achieving objectives
A&B Cymru knows that when business and the arts work together in true partnership, both become stronger with the results benefiting society in far reaching and tangible ways. The team works with a range of arts professionals, from individual practitioners to flagship organisations and the private sector, from micro businesses through to multi-national corporations. Its work has a positive impact on people and communities across Wales. In its current Business Plan, A&B Cymru sets out four strategic aims to help drive the organisation towards the achievement of its mission.

They are:

- To grow A&B Cymru's income from a range of public and private sector sources
- To develop the income generating and business skills of the arts
- To secure increased investment from the private sector to the arts
- To encourage business success through creativity

Achievements and performance

A&B Cymru aims to achieve its goals through the delivery of a suite of unique programmes and services. In 2023/24, the team continued to respond to the ongoing financial crisis, striving to assist the recovery and sustainability of organisations across Wales.

As a charity which exists to support business and the arts, A&B Cymru's programmes are in high demand as both sectors face extreme, unforeseen and unprecedented challenges, arising from the ongoing financial crisis and the after-effects of significant inflation.

As in previous years, A&B Cymru's activity included charitable work for the arts and commercial work financed by the private sector, with any surplus being transferred back to the charity:

Charitable work
A&B Cymru's work for the arts has two aims – developing income and developing skills. All services are provided free or at highly subsidised rates.

Arts Membership – During 2023/24, arts membership reached an all-time high of 172 subscribers, ranging from individual artists to major institutions. Benefits include networking, learning, development and showcasing opportunities, as well as tailored advice and access to services and discounts. Bursaries funded by Hodge Foundation were awarded to 12 small organisations whose primary work benefits under-represented people and communities. The Arts Steering Panel, a group of arts leaders drawn from across Wales which meets bi-monthly on Zoom to discuss the ongoing challenges and priorities of the sector, entered its third year of operation. The Panel focused its discussions on sustainability, the Arts Council of Wales Investment Review, the impact of the current economic climate and Welsh Government strategies.

Arts Training Courses – A&B Cymru uses its expertise and network to provide high-quality training courses in diversity, fundraising, governance and specific business expertise. These tailored sessions are delivered by a mixture of A&B Cymru staff and experienced external specialists. The majority of courses were delivered online, removing geographical barriers and time constraints and reducing the carbon footprint for arts managers across Wales. The courses are recognised as high quality training that would otherwise be prohibitively expensive, provided at subsidised rates. During 2023/24, 26 courses were attended by 213 arts managers.

Funded by the Hodge and Moondance Foundations, **CultureStep** invests in innovative partnerships of all kinds between business and the arts, enhancing projects and increasing their long-term effectiveness. Tailored to the specific needs of Wales, the scheme is designed to encourage new sponsorship and develop established corporate engagement. All projects must address at least one of the scheme's priorities: Diversity; Employees, the Environment; Health & Wellbeing; Kids; Older People; Tackling Poverty; the Welsh Language. In 2023/24, the scheme invested £91,021 into 30 projects, levering £341,843 from business directly to the arts.

Future Proof an initiative, funded by Arts Council of Wales Lottery and Esmée Fairbairn Foundation, combines two innovative programmes – Creative Internships and Creative Apprenticeships. The Creative Internships Programme places recent graduates into arts organisations for 10 months as trainee fundraisers. Since its inception in 2013, the scheme has enabled 35 skilled, professional fundraisers to enter the arts workforce. Between them, they have so far raised over £4.8 million for the sector in Wales. The 2023/24 programme enabled three interns to undertake paid placements. The Creative Apprenticeships Programme places individuals who face significant barriers as a result of race, disability or socio-economic circumstances into arts organisations on 10-month placements. Through this programme, A&B Cymru is helping to create alternative futures for individuals from all backgrounds. In 2023/24, four apprentices undertook paid placements. Each intern and apprentice received structured support from the host organisations, mentoring from external specialists and free of charge access to A&B Cymru training courses.

The **Professional Development Programmes** bring essential business skills to the arts through Board placements, skills transfer projects and mentoring. In 2023/24, 32 businesses were engaged in 78 placements, valued at £512,127.

During 2023/24, A&B Cymru unsuccessfully applied for Trust funding to support a new programme to support capacity building in the arts, Springboard. This was due to a reduction in funds available from Trusts & Foundations following lockdown, combined with growing and intense competition for funds. This resulted in a loss for the charity. The Board and team have since commissioned an independent review of A&B Cymru's structure and operation, with the aim of establishing a sustainable financial model as a matter of priority. This review will conclude in Autumn 2024.

Commercial work
A&B Cymru's 70+ business members range from sole traders to multi-national corporations. Companies join to address specific objectives through arts partnership. These encompass creative marketing, community engagement and effective staff motivation, training and development. A&B Cymru's Brokerage Service was in high demand from business members through the year. The team was commissioned by nine businesses to identify arts partnerships which would achieve focused objectives. The resulting collaborations brought a total of £50,000 investment from business directly to the arts.

The A&B Cymru Awards exist to encourage, acknowledge and celebrate exemplary business/arts partnerships. The 2023 ceremony was held at The Coal Exchange, Cardiff Bay, on 18 May. In addition to providing a high-level opportunity to advocate the power of partnerships between the private sector and the arts, the event brought a surplus of over £22,000.

Financial review
The Statement of Financial Activities for the company is shown on page 11. During the year charity made a surplus on unrestricted funds of £18,056 (2023: £11,164 deficit). Before the exceptional item, the charity made a deficit on unrestricted funds of £49,059.

Unrestricted reserves at 31 March 2024 are £210,568 (2023: £192,511). Of these reserves £108,799 (2023: £118,706) have been designated (see notes to the financial statements).

The charity's free reserves were £101,769 (2023: £71,440) (excluding fixed assets, investments and designated funds).

Pension
A&B Cymru operates a Group Stakeholder Pension Plan for all employees with more than three months service. It meets the current workplace pension requirements.

Reserves policy
In accordance with good governance, £108,799 (2023: £118,706) is held in reserves, as an unrestricted contingency fund to cover three months operating costs and winding up costs, including redundancy payments. The amount is reviewed annually and increased or decreased as required.

Investment policy
The charity's investments are made in accordance with the Trustees' investment powers which are set out in the charity's governing document. The policy is to obtain the best return on the funds surplus to the charity's immediate needs whilst minimising the risk of capital depreciation. A review of the policy is undertaken on an annual basis by the Finance and Audit Committee to ensure it remains appropriate. During the period all funds were held on deposit with A&B Cymru's bank (Unity Trust Bank plc) to ensure the charity had sufficient cashflow to undertake its activities.

Trading subsidiary
A&B Cymru carries out all its non-charitable trading activities through a wholly owned subsidiary company, Arts & Business Cymru Trading Limited. The directors who served during the year were:

David Landen*
Rachel Jones
Trevor David Morpeth*
**indicates a non-executive director.*

All the activities of the subsidiary are managed by the staff of A&B Cymru and all surplus is distributed back to the parent charity through gift aid.

Risk Management
The Trustees are responsible for the management of the risks faced by the charity, with particular reference to internal control systems and the mitigation of risk. The Board reviews a risk evaluation statement prepared by the Chief Executive on an annual basis.

The trustees have assessed the key risks to which the charity is exposed and consider them to be:

- The inability to replace lost core funding
- The loss of the key management personnel
- The loss of reputation

The key controls used include:

- Formal agenda and minutes for all meetings of the Trustees and Board sub-committees
- Detailed terms of reference for the Board and its sub-committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and reporting lines
- Formal written policies
- A risk evaluation statement which is reviewed on a regular basis by the Trustees and the Chief Executive
- Hierarchical authorisation and approval levels

Through the established risk management processes, the Board is satisfied that the major risks identified have been adequately guarded against where necessary. It recognises that systems can provide only reasonable, but not absolute, assurance that major Funding s are being adequately managed.

Grants payable
Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. The grants are recognised where the trustees have agreed to pay the grant and the recipient has a reasonable expectation that they will receive a grant, provided they comply with the terms of the agreement. Grants offered subject to terms and conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Funding Position and Plans for the Future
In 2023/24, A&B Cymru received core funding of £50K from Arts Council of Wales and £40K from Welsh Government.

A&B Cymru continues to strive to diversify its funding. The charity has commissioned The Funding Centre to undertake a Business Review of its operation to assist the establishment of a sustainable financial model. The findings of the review will be published in Autumn 2024.

Structure, governance and management

Governance
Arts & Business Cymru (A&B Cymru) was incorporated as a company, limited by guarantee and not having any share capital on 8 September 2011. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs. Its governing document is its Memorandum and Articles of Association.

Staffing structure
The team includes eight staff, five of which are full-time. They are the Chief Executive, Director of Business Development & Operations, Business Development Manager, Arts Development Manager, Arts Development Officer, Administrator, Finance Manager and North Wales Partnerships Director.

Directors and Trustees
The directors of the charitable company are its Trustees for the purposes of charity law and are collectively referred to as the Trustees throughout this report.

Recruitment, appointment, induction and training of Trustees
Trustees are appointed by the Board. All new Trustees receive an induction pack containing the following:

- A&B Cymru's handbook.
- The current business plan.
- The most recent accounts.
- A general information pack on all A&B Cymru's programmes and services.
- The role of Trustees sheet.
- The minutes of the last Trustees meeting.

Trustees are invited to attend training courses run by A&B Cymru's Independent Examiner, Azets, as well as its own governance masterclasses and seminars. No new Trustees were appointed during 2022/23 – two Trustees resigned – one had reached the end of their term and the other had a change of personal circumstances.

Key Management Personnel
The key management personnel for the current financial year is considered to be the Chief Executive. The remuneration of the key management personnel is benchmarked to market rates.

Organisational structure and decision-making process
The Board of Trustees must have at least three and not more than 10 members to administer the charity. There is an agreed statement of the role and responsibilities of the Board and its members. At no time during the year did any Trustee have a beneficial interest in the charity.

There is one sub-committee of the Board – Finance & Audit. This committee meets immediately before each Board meeting. The membership of the committee is set out on page 7. Their terms of reference are as follows:

Finance & Audit Committee
To have, on behalf of the Trustees, an overall watching brief over all financial aspects of the charity's activities, to advise the Trustees in regard to the charity's financial statements, to ensure the maintenance of proper financial records and controls and to set and monitor the charity's annual delivery plan and financial performance.

The Board has appointed a Chief Executive to manage the day-to-day operations of the charity and she has delegated authority for a wide range of operational matters.

There is a statement of matters reserved to the Board. They include:

- Setting overall strategy and policy.
- Approving the budget and business plan.
- The appointment and removal of Trustees (including the chair).
- The appointment and removal of the Chief Executive and setting their terms and conditions.
- Consideration of fundamental issues concerning A&B Cymru's relationship with its principal.
- Consideration of fundamental issues concerning A&B Cymru's relationship with the Charity.
- Approval of major capital expenditure and the acquisition of freehold property or leases.
- Setting the charity's reserves, diversity and investment policies.

Other groups
In addition to the Board, two groups of individuals are associated both formally and informally with A&B Cymru – the Investment Panel and the Arts Steering Panel.

The Investment Panel's role is to determine which business/arts partnerships are awarded cash investment through A&B Cymru's CultureStep (see page 2 for a brief description of this programme). Chaired by A&B Cymru's Chief Executive, the panel consists of 7 voting members and meets five times per year on Zoom. Each member receives an induction prior to joining. The Panel operates on the principle of collective responsibility and all members have an equal voice. The Arts Steering Panel exists to ensure a regular and productive dialogue between A&B Cymru and the arts and provide an opportunity to share and discuss priorities and challenges. The membership of the 2023/24 panels is listed on page 8.

Reference and administrative details

Charity number 1143772
(Registered September 2011)

Company number 7767380
(Registered September 2011)

Registered address
16 Museum Place
Cardiff, CF10 3BH

Administrative office
16 Museum Place
Cardiff, CF10 3BH

Independent examiner
Andrew Howells
Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bank and branch address
Unity Trust Bank Plc
4 Brindleyplace
Birmingham
B1 2JB

Solicitors
Geldards LLP
4 Capital Quarter
Tyndall St
Cardiff
CF10 4BZ

Trustees
Catherine Elizabeth Ray Owens - resigned 19 June 2023
Arwel Gruffydd - resigned 15 June 2023
Shone Hughes
Trevor David Morpeth*
Tania Jane Rawlinson
Louisa Scadden
David John Landen*
Nkechi Allen-Dawson
Claire Charlton - appointed 24 July 2023
Sadique Maskeen - appointed 1July 2023, resigned 19 May 2024
Anthony Wedlake - appointed 1 July 2023
Ruth Fabby – appointed 19 July 2024

Key management personnel
Rachel Jones - Chief Executive

*Indicates a member of the Finance & Audit Committee

Culture Step Panel
Kathy Brown
Rachel Jones
Robert Lloyd Griffiths
Denise Lord
Samantha Maskrey
Nigel Petrie
Lynne Sheehy
Richard Tynen

Arts Steering Panel
Andy Healy
Angela Rogers
Carys Wynne-Morgan
Gemma Durham
Claire Furlong
Liam Evans-Ford
Meinir Llwyd Roberts
Owain Gwilym
Penny King
Rhiannon White
Sara Clutton
Sarah Ecob
Sarah Horner
Simone Joslyn
Sita Thomas

ARTS & BUSINESS CYMRU

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of Arts & Business Cymru for the purpose of company law, are responsible for preparing the Trustees Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees



.....
Trevor David Morpeth - Trustee
Trustee

Date: 20/12/2024 .....

ARTS & BUSINESS CYMRU

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS & BUSINESS CYMRU

I report to the trustees on my examination of the financial statements of Arts & Business Cymru (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements 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 financial statements 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 financial statements to be reached.



Andrew Howells
Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated: 20 December 2024

ARTS & BUSINESS CYMRU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	**3**	391,468	429,965
Charitable activities	**5**	39,340	36,363
Investments	**4**	4,387	1,417
Total income		435,195	467,745
Expenditure on:			
Charitable activities	**7**	484,254	478,909
Exceptional item	**8**	(67,115)	-
Total expenditure		417,139	478,909
Net expenditure for the year before exceptional item		(49,059)	11,164
Net income/(expenditure) for the year/ Net movement in funds		18,056	(11,164)
Fund balances at 1 April 2023		192,512	203,675
Fund balances at 31 March 2024		210,568	192,511

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ARTS & BUSINESS CYMRU

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	**13**		4,335		2,364
Investments	**12**		1		1
			4,336		2,365
Current assets					
Debtors	**14**	83,477		52,477	
Cash at bank and in hand		288,496		336,419	
		371,973		388,896	
Creditors: amounts falling due within one year	**15**	(165,741)		(198,750)	
Net current assets			206,232		190,146
Total assets less current liabilities			210,568		192,511
Income funds					
Unrestricted funds					
Designated funds	**17**	108,799		118,706	
General unrestricted funds		101,769		73,805	
			210,568		192,511
			210,568		192,511

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 14/11/2024

.....
Trevor David Morbeth
Trustee

Company registration number 07767380

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Arts & Business Cymru is a charitable company limited by guarantee incorporated in England & Wales. The registered office is 16 Museum Place, Cardiff CF10 3BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probable 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.

Investment income is recognised on a receivable basis.

1 Accounting policies **(Continued)**

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs include such items as independent examination fees, legal advice for Trustees; and costs associated with constitutional and statutory requirements.

Grants payable

Grants payable are recognised in full in the year in which they are approved by the charity and communicated to the recipient, irrespective of the period for which the investment is payable. This is the point at which the charity has an obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however, it is reasonably certain that these will be met and the payment made.

Netting off income and expenditure

Income and expenditure are stated gross.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% reducing balance

1.7 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	250,718	289,965
National Arts government grants	140,750	140,000
	391,468	429,965
Donations and gifts		
Arts & Business Trading Limited	77,879	52,454
Creative Internships	50,000	60,000
CultureStep Investment Programme	120,000	119,084
Prosper	-	25,000
Skills for Success	-	25,000
Impact Circle	1,049	1,581
Raffle & Sundry	1,790	1,846
Other	-	5,000
	250,718	289,965

4 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	4,387	1,417

5 Charitable activities

	2024	2023
	£	£
Arts membership	30,050	22,391
Conference/seminar fees	9,190	8,530
Arts consultancy fees	-	5,233
Sundry income	100	209
	39,340	36,363

6 Grants payable

	2024	2023
	£	£
Grants to institutions:		
Grants and services to the arts, advocacy, research & events	164,134	202,483

The charity made no grants to the Investment Programme Wales during the year (2023: one).

7 Charitable activities

	2024	2023
	£	£
Staff costs	289,362	240,655
Other direct costs	10,750	16,339
Premises	17,257	16,882
	317,369	273,876
Grant funding of activities (see note 6)	164,134	202,483
Share of governance costs (see note 9)	2,751	2,550
	484,254	478,909

8 Exceptional item

	2024	2023
	£	£
Exceptional item	(67,115)	-
	(67,115)	-

8 Exceptional item **(Continued)**

The charity has reviewed certain historic liabilities retained and concluded that there is no likelihood of those liabilities being settled, consequently those liabilities have been released to the income and expenditure account.

9 Support costs

	Support costs	Governance costs	2024	2023
	£	£	£	£
Independent examination fee	-	2,751	2,751	2,550
	-	2,751	2,751	2,550
Analysed between				
Charitable activities	-	2,751	2,751	2,550

Governance costs includes payments to the independent examiner of £2,500 (2023: £2,550) for the independent examination of the financial statements.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Permanent staff	7	7

Employment costs	2024 £	2023 £
Wages and salaries	258,340	213,694
Social security costs	19,382	16,840
Other pension costs	11,640	10,121
	289,362	240,655

No trustees were reimbursed for expenses or received remuneration during the current or prior year.

Key management personnel
The total amount of employee benefits (including salary, employers national insurance and pension contributions) received by the key management personnel for their services to the charity during the year totalled £81,368 (2023: £77,835).

10 Employees **(Continued)**

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,000 - £69,999	1	1

11 Taxation

As a registered charity, Arts & Business Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

12 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2023 & 31 March 2024	1
Carrying amount	
At 31 March 2024	1
At 31 March 2023	1

Other investments comprise:	Notes	2024 £	2023 £
Investments in subsidiaries	19	1	1

13 Tangible fixed assets

	Computers £
Cost	
At 1 April 2023	4,639
Additions	2,860
At 31 March 2024	7,499
Depreciation	
At 1 April 2023	2,275
Depreciation charged in the year	889
At 31 March 2024	3,164
Carrying amount	
At 31 March 2024	4,335
At 31 March 2023	2,364

14 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	11,371	4,678
Amounts owed by subsidiary undertakings	72,106	47,799
	83,477	52,477

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		7,641	5,053
Deferred income	16	107,015	62,000
Trade creditors		2,350	4,285
Other creditors		1,980	-
Accruals		46,755	127,412
		165,741	198,750

16 Deferred income

	2024 £	2023 £
Arising from grants	107,015	62,000

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	107,015	62,000
Movements in the year:		
Deferred income at 1 April 2023	62,000	58,600
Released from previous periods	(62,000)	(58,600)
Resources deferred in the year	107,015	62,000
Deferred income at 31 March 2024	107,015	62,000

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 April 2022	Incoming resources	Balance at 1 April 2023	Resources expended	Balance at 31 March 2024
	£	£	£	£	£
Designated	115,676	3,030	118,706	(9,907)	108,799
	115,676	3,030	118,706	(9,907)	108,799

Designated Funds
The designated fund as detailed in the trustee report represents 3 months operating costs reserves.

18 Analysis of net assets between funds

	Unrestricted funds 2024	Designated funds 2024	Total 2024	Unrestricted funds 2023	Designated funds 2023	Total 2023
	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:						
Tangible assets	4,335	-	4,335	2,364	-	2,364
Investments	1	-	1	1	-	1
Current assets/(liabilities)	97,433	108,799	206,232	71,440	118,706	190,146
	101,769	108,799	210,568	73,805	118,706	192,511

19 Subsidiaries

These financial statements are separate charity financial statements to Arts & Business Cymru Trading Limited.

Details of the charity's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Arts & Business Cymru Trading Limited	England and Wales	Trading arm of charity	Ordinary	100.00	

19 Subsidiaries **(Continued)**

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Arts & Business Cymru Trading Limited	77,879	1

20 Called up share capital

The company is limited by guarantee and has no share capital.

21 Pensions

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 £11,640 (2023: £10,121). Contributions outstanding at the year end amounted to £1,980 (2023: £nil).

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	11,449	7,688
Between two and five years	19,388	809
	30,837	8,497

23 Related party transactions

During the year the charity's wholly owned subsidiary Arts & Business Cymru Trading Limited gifted £77,879 to the charity (2023: £52,454). At the year end Arts & Business Cymru Trading Limited owed the charity £72,106 (2023: £47,799).

During the year the charity also received £70,000 (2023: £50,000) from Moondance Foundation. There were no amounts outstanding at the current or prior year end. The charities are related by way of common trustees.

ARTS & BUSINESS CYMRU

England & Wales - Charity number 1143772

Accounts

Charity registration number 1143772

Company registration number 07767380 (England and Wales)

ARTS & BUSINESS CYMRU

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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ARTS & BUSINESS CYMRU

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ARTS & BUSINESS CYMRU

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

Arts & Business (A&B) Cymru's vision is to create a Wales where business and the arts can connect and thrive. Its mission is to embed business into the arts and creativity into business. The ultimate aim is to aid the success of both sectors for the good of individuals and communities across Wales.

Objects
The objects of the charity are to promote, for the benefit of the public, within the country of Wales, the advancement of arts, culture and heritage and the promotion of the efficiency of charities. In particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Public benefit
We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. A&B Cymru's aim is to assist advancement of the arts and the promotion of the efficiency of charities, in particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Strategies for achieving objectives
A&B Cymru knows that when business and the arts work together in true partnership, both become stronger with the results benefiting society in far reaching and tangible ways. The team works with a range of arts professionals, from individual practitioners to flagship organisations and the private sector, from micro businesses through to multi-national corporations. Its work has a positive impact on people and communities across Wales. In its current Business Plan, A&B Cymru sets out four strategic aims to help drive the organisation towards the achievement of its mission.

They are:

- To grow A&B Cymru's income from a range of public and private sector sources
- To develop the income generating and business skills of the arts
- To secure increased investment from the private sector to the arts
- To encourage business success through creativity

Achievements and performance

A&B Cymru aims to achieve its goals through the delivery of a suite of unique programmes and services. In 2022/23, the team continued to respond to the legacy of the COVID-19 pandemic and the ongoing financial crisis, striving to assist the recovery and sustainability of organisations across Wales.

As a charity which exists to support business and the arts, A&B Cymru's programmes are in extremely high demand as both sectors face extreme and unforeseen and unprecedented financial challenges. Throughout the year, the team provided tailored and focussed advice to a wide range of members as they adjusted to their new realities.

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As in previous years, A&B Cymru's activity included charitable work for the arts and commercial work financed by the private sector, with any surplus being transferred back to the charity:

Charitable work
A&B Cymru's work for the arts has two aims – developing income and developing skills. All services are provided free or at highly subsidised rates.

Arts Membership – During 2022/23, arts membership increased by 12% to a record 170 subscribers, ranging from artists to major institutions. Benefits include networking, learning, development and showcasing opportunities, as well as tailored advice and access to services and discounts. Bursaries funded by Hodge Foundation were awarded to 12 organisations struggling to pay their annual subscriptions as a result of the pandemic. The Arts Steering Panel, a group of arts leaders drawn from across Wales which meets bi-monthly on Zoom to discuss the ongoing challenges and priorities of the sector, entered its second year of operation. The Panel focused its discussions on diversity, the impact of the current economic climate and Welsh Government strategies.

Arts Training Courses – A&B Cymru uses its expertise and network to provide high-quality training courses in diversity, fundraising, governance and specific business expertise. These tailored sessions are delivered by a mixture of A&B Cymru staff and experienced external specialists. The majority of courses were delivered online, removing geographical barriers and time constraints and reducing the carbon footprint for arts managers across Wales. The courses are recognised as high quality training that would otherwise be prohibitively expensive, provided at subsidised rates. During 2022/23, the 16 courses were attended by 165 arts managers.

Funded by the Hodge and Moondance Foundations, **CultureStep** invests in innovative partnerships of all kinds between business and the arts, enhancing projects and increasing their long-term effectiveness. Tailored to the specific needs of Wales, the scheme is designed to encourage new sponsorship and develop established corporate engagement. All projects must address at least one of the scheme's priorities: Diversity; Employees, the Environment; Health & Wellbeing; Kids; Older People; Tackling Poverty; the Welsh Language. In 2022/23, the scheme invested £94,904 into 29 projects, levering £371,479 from business directly to the arts.

Future Proof is a pilot initiative, funded by Arts Council of Wales Lottery and Esmée Fairbairn Foundation, which combines two innovative programmes – Creative Internships and Creative Apprenticeships. The Creative Internships Programme places recent graduates into arts organisations for 10 months as trainee fundraisers. Since its inception in 2013, the scheme has enabled 33 skilled, professional fundraisers to enter the arts workforce. Between them, they have so far raised over £4.5 million for the sector in Wales. The 2022/23 programme enabled two interns to undertake paid placements. The newly launched Creative Apprenticeships Programme places individuals who face significant barriers as a result of race, disability or socio-economic circumstances into arts organisations on 10-month placements. Through this programme, A&B Cymru is helping to create alternative futures for individuals from all backgrounds. In 2022/23, five apprentices undertook paid placements. Each intern and apprentice received structured support from the host organisations, mentoring from external specialists and free of charge access to A&B Cymru training courses.

Funded by Foyle Foundation, **Prosper** provides mentoring and cash support which gives arts organisations the opportunity to develop their fundraising skills and capacity. The scheme is driven by the needs of applicants with support individually tailored to maximise effectiveness. Ten organisations were supported in 2022/23.

The **Professional Development Programmes** bring essential business skills to the arts through Board placements, skills transfer projects and mentoring. In 2022/23, 35 businesses were engaged in 81 placements, valued at £536,208.

Skills for Success is a tailored service, funded by Garfield Weston Foundation, which aims to equip arts organisations with the tools necessary to become robust, sustainable and confident operations. It identifies challenges and provides effective, practical solutions to overcome them. 10 organisations were supported.

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Commercial work
A&B Cymru's 70+ business members range from sole traders to multi-national corporations. Companies join to address specific objectives through arts partnership. These encompass creative marketing, community engagement and effective staff motivation, training and development.

The A&B Cymru Awards exist to encourage, acknowledge and celebrate exemplary business/arts partnerships. The ceremony was originally planned for March 2023. Unfortunately, the venue unexpectedly closed for a month due to damage caused by a burst pipe and so the event was moved to 18 May 2023, resulting in the income surplus being accounted for in the 2023/24 financial year. This meant that, for the first time since its establishment in 2011, A&B Cymru made a deficit which was covered by its unrestricted reserves. Had the event taken place as originally planned there would not have been a reported loss.

Financial review

The Statement of Financial Activities for the company is shown on page 11. During the year charity made a deficit on unrestricted funds of £11,164 (2022: £4,782 surplus).

Unrestricted reserves at 31 March 2023 are £192,511 (2022: £203,675). Of these reserves £118,706 (2022: £115,676) have been designated (see notes to the financial statements).

The charity's free reserves were £71,440 (2022: £86,116) (excluding fixed assets, investments and designated funds).

Pension
A&B Cymru operates a Group Stakeholder Pension Plan for all employees with more than three months service. It meets the current workplace pension requirements.

Reserves policy
In accordance with good governance, £118,706 (2022: £115,676) in reserve, as an unrestricted contingency fund to cover three months operating costs and winding up costs, including redundancy payments. The amount is reviewed annually and increased or decreased as required.

Investment policy
The charity's investments are made in accordance with the Trustees' investment powers which are set out in the charity's governing document. The policy is to obtain the best return on the funds surplus to the charity's immediate needs whilst minimising the risk of capital depreciation. A review of the policy is undertaken on an annual basis by the Finance and Audit Committee to ensure it remains appropriate. During the period all funds were held on deposit with A&B Cymru's bank (Unity Trust Bank plc) to ensure the charity had sufficient cashflow to undertake its activities.

Trading subsidiary
A&B Cymru carries out all its non-charitable trading activities through a wholly owned subsidiary company, Arts & Business Cymru Trading Limited. The directors who served during the year were:

David Landen*
Rachel Jones
Trevor David Morpeth*

*indicates a non-executive director.

All the activities of the subsidiary are managed by the staff of A&B Cymru and all surplus is distributed back to the parent charity through gift aid.

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Risk Management
The Trustees are responsible for the management of the risks faced by the charity, with particular reference to internal control systems and the mitigation of risk. The Board reviews a risk evaluation statement prepared by the Chief Executive on an annual basis.

The trustees have assessed the key risks to which the charity is exposed and consider them to be:

- The inability to replace lost core funding
- The loss of the key management personnel
- The loss of reputation

The key controls used include:

- Formal agenda and minutes for all meetings of the Trustees and Board sub-committees
- Detailed terms of reference for the Board and its sub-committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and reporting lines
- Formal written policies
- A risk evaluation statement which is reviewed on a regular basis by the Trustees and the Chief Executive
- Hierarchical authorisation and approval levels

Through the established risk management processes, the Board is satisfied that the major risks identified have been adequately guarded against where necessary. It recognises that systems can provide only reasonable, but not absolute, assurance that major Funding s are being adequately managed.

Grants payable
Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. The grants are recognised where the trustees have agreed to pay the grant and the recipient has a reasonable expectation that they will receive a grant, provided they comply with the terms of the agreement. Grants offered subject to terms and conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Funding Position and Plans for the Future

In 2022/23, A&B Cymru received core funding of £50K from Arts Council of Wales and £40K from Welsh Government.

A&B Cymru continues to strive to diversify its funding and new Trust partnerships were forged during the year to enable the continuation of existing programmes and the establishment of new ones during 2023/24.

Structure, governance and management

Governance
Arts & Business Cymru (A&B Cymru) was incorporated as a company, limited by guarantee and not having any share capital on 8 September 2011. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs. Its governing document is its Memorandum and Articles of Association.

Staffing structure
During 2022/23, the Chief Executive re-structured the staff team in order to maximise the effectiveness of delivery. The team now includes the Chief Executive, Director of Business Development & Operations, Business Development Manager, Arts Development Manager, Arts Development Officer, Administrator and North Wales Partnerships Director (who returned from maternity leave in November 2022). A Freelance Finance Director works 1.5 days per week.

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Directors and Trustees
The directors of the charitable company are its Trustees for the purposes of charity law and are collectively referred to as the Trustees throughout this report.

Recruitment, appointment, induction and training of Trustees
Trustees are appointed by the Board. All new Trustees receive an induction pack containing the following:

- A&B Cymru's handbook.
- The current business plan.
- The most recent accounts.
- A general information pack on all A&B Cymru's programmes and services.
- The role of Trustees sheet.
- The minutes of the last Trustees meeting.

Trustees are invited to attend training courses run by A&B Cymru's Independent Examiner, Azets, as well as its own governance master-classes and seminars. No new Trustees were appointed during 2022/23 – two Trustees resigned – one had reached the end of their term and the other had a change of personal circumstances.

Key Management Personnel
The key management personnel for the current financial year is considered to be the Chief Executive. The remuneration of the key management personnel is benchmarked to market rates.

Organisational structure and decision-making process
The Board of Trustees must have at least three and not more than 12 members to administer the charity. There is an agreed statement of the role and responsibilities of the Board and its members. At no time during the year did any Trustee have a beneficial interest in the charity.

There are two sub-committees of the Board – Finance & Audit and HR & Recruitment. The Finance & Audit committee meet immediately before each Board meeting. The HR & Recruitment committee meet on a task and finish basis. The membership of each committee is set out on page 7. Their terms of reference are as follows:

- **Finance & Audit Committee**
  To have, on behalf of the Trustees, an overall watching brief over all financial aspects of the charity's activities, to advise the Trustees in regard to the charity's financial statements, to ensure the maintenance of proper financial records and controls and to set and monitor the charity's annual delivery plan and financial performance.

- **HR & Recruitment Committee**
  To advise the Trustees in regard to the staffing structure, the remuneration of all staff and the reimbursement of expenses incurred by Trustees. To advise Trustees on the recruitment of members to the Board, the appointment of Trustees of any subsidiary charities and the appointment of members of the Board of directors of any subsidiary companies.

The Board has appointed a Chief Executive to manage the day-to-day operations of the charity and she has delegated authority for a wide range of operational matters.

There is a statement of matters reserved to the Board. They include:

- Setting overall strategy and policy.
- Approving the budget and business plan.
- The appointment and removal of Trustees (including the chair).
- The appointment and removal of the Chief Executive and setting their terms and conditions.
- Consideration of fundamental issues concerning A&B Cymru's relationship with its principal.

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- Consideration of fundamental issues concerning A&B Cymru's relationship with the Charity.
- Approval of major capital expenditure and the acquisition of freehold property or leases.
- Setting the charity's reserves, diversity and investment policies.

Other groups
In addition to the Board, three groups of individuals are associated both formally and informally with A&B Cymru – the Investment Panel, the North Wales Ambassadors Group and the Arts Steering Panel.

The Investment Panel's role is to determine which business/arts partnerships are awarded cash investment through A&B Cymru's CultureStep (see page 2 for a brief description of this programme). Chaired by A&B Cymru's Chief Executive, the panel consists of 8 voting members and meets quarterly on Zoom. Each member receives an induction prior to joining. The Panel operates on the principle of collective responsibility and all members have an equal voice. The Ambassadors Group exists to support the North Wales Partnerships Director in her work across the region. The Arts Steering Panel exists to ensure a regular and productive dialogue between A&B Cymru and the arts and provide an opportunity to share and discuss priorities and challenges. The membership of the 2022/23 panels and Ambassadors Group is listed on page 8.

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ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Reference and administrative details

Charity number 1143772
(Registered September 2011)

Company number 7767380
(Registered September 2011)

Registered address
16 Museum Place
Cardiff, CF10 3BH

Administrative office
16 Museum Place
Cardiff, CF10 3BH

Independent examiner
Claire Thompson FCCA DChA
Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bank and branch address
Unity Trust Bank Plc
4 Brindleyplace
Birmingham
B1 2JB

Solicitors
Geldards LLP
4 Capital Quarter
Tyndall St
Cardiff
CF10 4BZ

Trustees
Catherine Elizabeth Ray Owens** - resigned 19/6/23
Arwel Gruffydd - resigned 15/6/23
Shone Hughes
Trevor David Morpeth**and*
Tania Jane Rawlinson
Louisa Scadden
David John Landen*
Nkechi Allen-Dawson
Claire Charlton - appointed 24/7/23
Saqique Maskeen - appointed 1/7/23
Anthony Wedlake - appointed 1/7/23

*Indicates a member of the Finance & Audit Committee.
**Indicates a member of the HR & Recruitment Committee

Key management personnel
Rachel Jones - Chief Executive

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Culture Step Panel
Kathy Brown
Ian Hannah - resigned July 2022
Rachel Jones
Robert Lloyd Griffiths
Denise Lord
Samantha Maskrey
Nigel Petrie
Lynne Sheehy
Richard Tynen

North Wales Ambassadors Group
Andrew Bowden
Chris Frost – resigned in December 2022
Roy Jones – resigned in December 2022
Ruth Jones – resigned in February 2023
NB – the North Wales Ambassadors Group is currently being reviewed by the Board

Arts Steering Panel
Andy Healy
Angela Rogers
Carys Wynne-Morgan
Gemma Durham
Claire Furlong
Liam Evans-Ford
Meinir Llwyd Roberts
Owain Gwilym
Penny King
Rhiannon White
Sara Clutton
Sarah Ecob
Sarah Horner
Simone Joslyn
Sita Thomas

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ARTS & BUSINESS CYMRU

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Arts & Business Cymru for the purpose of company law, are responsible for preparing the Trustees Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees

DocuSigned by:

Trevor David Morpeth - Trustee

Trustee

12/15/2023

Date: .....

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ARTS & BUSINESS CYMRU

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS & BUSINESS CYMRU

I report to the trustees on my examination of the financial statements of Arts & Business Cymru (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

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 that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2 the financial statements do not accord with those records; or
3 the financial statements 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 financial statements 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 financial statements to be reached.

Claire Thompson

Claire Thompson
Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated: 18-12-2023

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ARTS & BUSINESS CYMRU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	429,965	407,978
Charitable activities	5	36,363	48,040
Investments	4	1,417	2,669
Total income		467,745	458,687
Expenditure on:			
Charitable activities	7	478,909	453,905
Net (expenditure)/income for the year/ Net movement in funds		(11,164)	4,782
Fund balances at 1 April 2022		203,675	198,893
Fund balances at 31 March 2023		192,511	203,675

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ARTS & BUSINESS CYMRU

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		2,364		1,882
Investments	11		1		1
			2,365		1,883
Current assets					
Debtors	13	52,477		71,930	
Cash at bank and in hand		336,419		344,680	
		388,896		416,610	
Creditors: amounts falling due within one year	14	(198,750)		(214,818)	
Net current assets			190,146		201,792
Total assets less current liabilities			192,511		203,675
Income funds					
Unrestricted funds					
Designated funds	16	118,706		115,676	
General unrestricted funds		73,805		87,999	
			192,511		203,675
			192,511		203,675

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 15-12-2023

DocuSigned by:

Trevor David Morpeth - Trustee

Company registration number 07767380

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ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Arts & Business Cymru is a charitable company limited by guarantee incorporated in England & Wales. The registered office is 16 Museum Place, Cardiff CF10 3BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probable 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.

Investment income is recognised on a receivable basis.

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1 Accounting policies **(Continued)**

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs include such items as independent examination fees, legal advice for Trustees; and costs associated with constitutional and statutory requirements.

Grants payable

Grants payable are recognised in full in the year in which they are approved by the charity and communicated to the recipient, irrespective of the period for which the investment is payable. This is the point at which the charity has an obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however, it is reasonably certain that these will be met and the payment made.

Netting off income and expenditure

Income and expenditure are stated gross.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% reducing balance

1.7 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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1 Accounting policies **(Continued)**

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases are charged as an expense on a straight line basis over the term of the relevant lease.

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2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	289,965	229,302
National Arts government grants	140,000	178,676
	429,965	407,978
Donations and gifts		
Arts & Business Trading Limited	52,454	71,731
Creative Internships	60,000	59,000
CultureStep Investment Programme	119,084	55,000
Prosper	25,000	12,500
Skills for Success	25,000	17,500
Impact Circle	1,581	2,630
Raffle & Sundry	1,846	941
Arts Bursaries	-	10,000
Other	5,000	-
	289,965	229,302

4 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,417	2,669

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	2023 £	2022 £
Arts membership	22,391	23,789
Conference/seminar fees	8,530	12,964
Arts consultancy fees	5,233	11,135
Sundry income	209	152
	36,363	48,040

6 Grants payable

	2023 £	2022 £
Grants to institutions:		
Grants and services to the arts, advocacy, research & events	202,483	169,411

The charity made one (2022: one) grant to the Investment Programme Wales during the year.

7 Charitable activities

	2023 £	2022 £
Staff costs	240,655	263,007
Sundry expenditure	-	115
Other direct costs	16,339	4,413
Premises	16,882	15,059
	273,876	282,594
Grant funding of activities (see note 6)	202,483	169,411
Share of governance costs (see note 8)	2,550	1,900
	478,909	453,905

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Independent examination fee	-	2,550	2,550	1,900
	-	2,550	2,550	1,900
Analysed between				
Charitable activities	-	2,550	2,550	1,900

Governance costs includes payments to the independent examiner of £2,550 (2022: £1,990) for the independent examination of the financial statements.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Permanent staff	7	7

Employment costs	2023 £	2022 £
Wages and salaries	213,694	229,727
Social security costs	16,840	22,891
Other pension costs	10,121	10,389
	240,655	263,007

No trustees were reimbursed for expenses or received remuneration during the current or prior year.

Key management personnel
The total amount of employee benefits (including salary, employers national insurance and pension contributions) received by the key management personnel for their services to the charity during the year totalled £77,835 (2022: £73,727).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 - £69,999	1	1

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10 Taxation

As a registered charity, Arts & Business Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2022 & 31 March 2023	1
Carrying amount	
At 31 March 2023	1
At 31 March 2022	1

Other investments comprise:	Notes	2023 £	2022 £
Investments in subsidiaries	18	1	1

12 Tangible fixed assets

	Computers £
Cost	
At 1 April 2022	3,369
Additions	1,270
At 31 March 2023	4,639
Depreciation	
At 1 April 2022	1,487
Depreciation charged in the year	788
At 31 March 2023	2,275
Carrying amount	
At 31 March 2023	2,364
At 31 March 2022	1,882

13 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	4,678	7,866
Amounts owed by subsidiary undertakings	47,799	64,064
	52,477	71,930

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		5,053	6,156
Deferred income	15	62,000	58,600
Trade creditors		4,285	5,956
Accruals		127,412	144,106
		198,750	214,818

15 Deferred income

	2023 £	2022 £
Arising from grants	62,000	58,600

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	62,000	58,600
Movements in the year:		
Deferred income at 1 April 2022	58,600	100,500
Released from previous periods	(58,600)	(100,500)
Resources deferred in the year	62,000	58,600
Deferred income at 31 March 2023	62,000	58,600

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Transfers £	Balance at 1 April 2022 £	Movement in funds: Incoming resources £	Balance at 31 March 2023 £
Designated	142,811	(27,135)	115,676	3,030	118,706
	142,811	(27,135)	115,676	3,030	118,706

Designated Funds
The designated fund as detailed in the trustee report represents 3 months operating costs reserves.

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17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	2,364	-	2,364	1,882	-	1,882
Investments	1	-	1	1	-	1
Current assets/(liabilities)	71,440	118,706	190,146	86,116	115,676	201,792
	73,805	118,706	192,511	87,999	115,676	203,675

18 Subsidiaries

These financial statements are separate charity financial statements to Arts & Business Cymru Trading Limited.

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Arts & Business Cymru Trading Limited	England and Wales	Trading arm of charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Arts & Business Cymru Trading Limited	52,454	1

19 Called up share capital

The company is limited by guarantee and has no share capital.

20 Pensions

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 £10,121 (2022: £10,389). Contributions outstanding at the year end amounted to £nil (2022: £nil).

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21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	7,688	9,999
Between two and five years	809	-
	8,497	9,999

22 Related party transactions

During the year the charity's wholly owned subsidiary Arts & Business Cymru Trading Limited gifted £52,454 to the charity (2022: £71,731). At the year end Arts & Business Cymru Trading Limited owed the charity £47,799 (2022: £64,064).

During the year the charity also received £50,000 (2022: £50,000) from Moondance Foundation. There were no amounts outstanding at the current or prior year end. The charity's are related by way of common trustees.

ARTS & BUSINESS CYMRU

England & Wales - Charity number 1143772

Accounts

Charity registration number 1143772

Company registration number 07767380 (England and Wales)

ARTS & BUSINESS CYMRU

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ARTS & BUSINESS CYMRU

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ARTS & BUSINESS CYMRU

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

Arts & Business (A&B) Cymru's vision is to create a Wales where business and the arts can connect and thrive. Its mission is to embed business into the arts and creativity into business. The ultimate aim is to aid the success of both sectors for the good of individuals and communities across Wales.

Objects
The objects of the charity are to promote, for the benefit of the public, within the country of Wales, the advancement of arts, culture and heritage and the promotion of the efficiency of charities. In particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Public benefit
We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. A&B Cymru's aim is to assist advancement of the arts and the promotion of the efficiency of charities, in particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Strategies for achieving objectives
A&B Cymru knows that when business and the arts work together in true partnership, both become stronger with the results benefiting society in far reaching and tangible ways. The team works with a range of arts professionals, from individual practitioners to flagship organisations, and the private sector from micro businesses through to multi-national corporations. Its work has a positive impact on people and communities across Wales. In its current Business Plan, A&B Cymru sets out a series of strategic aims to help drive the organisation towards the achievement of its mission.

They are:

- To transform A&B Cymru into a self-sustaining charitable business
- To develop the income generating and business skills of the arts
- To secure increased investment from the private sector to the arts
- To encourage business success through creativity
- To increase A&B Cymru's relevance to business and the arts
- To ensure that every member of the A&B Cymru team feels confident and motivated to fulfil their role
- To ensure A&B Cymru demonstrates strong, effective and responsible governance

Achievements and performance

A&B Cymru aims to achieve its goals through the delivery of a suite of unique programmes and services. In 2021/22, the team continued to respond to the impact of the COVID-19 pandemic, assisting the recovery and sustainability of organisations across Wales.

As a charity which exists to support business and the arts, A&B Cymru's programmes are in extremely high demand as both sectors face extreme and unforeseen financial challenges. Throughout the year, the team provided tailored and focussed advice to a wide range of members as they adjusted to their new realities.

As in previous years, A&B Cymru's activity included charitable work for the arts and commercial work financed by the private sector, with any surplus being transferred back to the charity:

Charitable work
A&B Cymru's work for the arts has two aims – developing income and developing skills. All services are provided free or at highly subsidised rates.

Arts Membership - 150+ members range from artists to major institutions. Benefits include networking, learning, development and showcasing opportunities, as well as tailored advice and access to services and discounts. Bursaries funded by Hodge Foundation were awarded to 21 organisations struggling to pay their annual subscriptions as a result of the pandemic. A new Arts Steering Panel was put in place, consisting of 13 senior arts managers from across Wales. The panel met bi-monthly on Zoom to discuss the many challenges facing the sector.

Arts Training Courses are offered in diversity, fundraising, governance and specific business skills. Delivered by the staff team and external specialists, courses are recognised as high quality training that would otherwise be prohibitively expensive, provided at subsidised rates. In 2021/22, all courses were delivered online. Demand was high, with attendance totalling over 250 arts managers.

Creative Internships Programme - The 9th year of this initiative ran from November 2021 – August 2022 and was funded by the Arts Council of Wales and Moondance Foundation. It places recent graduates into arts organisations as trainee fundraisers. The 2021/22 programme enabled six interns to undertake paid placements with not-for-profit Welsh arts organisations with specific, measurable targets. Each intern received structured support from the host organisation, mentoring from external specialists and free of charge access to A&B Cymru training courses. In its nine years of operation, 41 graduates have completed placements. Of these, 33 are professional fundraisers who have so far raised over £4.1 million directly for the arts in Wales.

Prosper - A&B Cymru delivered a 4th year of Prosper in 2021/22, funded by Foyle Foundation. Through mentoring and cash support, the scheme gives arts organisations the opportunity to develop their fundraising skills and capacity. To ensure its impact and relevance, Prosper is driven by the needs of applicants with support individually tailored to maximise the effectiveness for all involved. Five organisations were supported.

The Professional Development Programmes bring essential business skills to the arts through Board placements, skills transfer projects and mentoring. In 2021/22, 33 businesses were engaged in 59 placements, valued at over £530K. The newly launched Diversity in Governance placed three Black, Asian and Minority Ethnic professionals onto arts Boards. The Young Professionals on Boards initiative placed eight business leaders of the future onto arts Boards.

Skills for Success – Funded by Garfield Weston Foundation, Skills for Success is a tailored service which aims to equip arts organisations with the tools necessary to become robust, sustainable and confident operations. It identifies challenges and provides effective, practical solutions to overcome them. 10 organisations were supported.

CultureStep, funded by Moondance and Hodge Foundations, enables A&B Cymru to invest in innovative partnerships between the two sectors, increasing their long-term effectiveness. All projects must address at least one of the scheme's priorities: Arts & Kids; Arts & Older People; Arts & Tackling Poverty; Arts & Health, Arts & the Environment, Arts & Diversity or Arts & Employees. In 2021/22, over £86,600 was committed to 28 projects, levering almost £235,000 from business directly to the arts.

In 2021/22, A&B Cymru managed the finances and provided business support to a newly set up group - Cultural Freelancers Wales - in order to support individual creative practitioners across Wales.

Commercial work
A&B Cymru's 70+ business members range from sole traders to multi-national corporations. Companies join to address specific objectives through arts partnership. These encompass creative marketing, community engagement and effective staff motivation, training and development.

The A&B Cymru Awards exist to encourage, acknowledge and celebrate exemplary business/arts partnerships. In 2021/22, A&B Cymru was unable to stage the ceremony as a result of the pandemic. A Celebration of the Arts event was held in December 2021 for 100 guests and was also live streamed to a global audience.

Financial review

The Statement of Financial Activities for the company is shown on page 11. During the year charity made a surplus on unrestricted funds of £4,782 (2021: £8,579 surplus).

Unrestricted reserves at 31 March 2022 are £203,675 (2021: £198,893). Of these reserves £142,811 (2021: £142,811) have been designated (see notes to the financial statements).

The charity's free reserves were £58,981 (excluding fixed assets, investments and designated funds).

Pension
A&B Cymru operates a Group Stakeholder Pension Plan for all employees with more than three months service. It meets the current workplace pension requirements.

Reserves policy
In accordance with good £115,676 in reserve, as an unrestricted contingency fund to cover three months operating costs and winding up costs, including redundancy payments. The amount is reviewed annually and increased or decreased as required.

Investment policy
The charity's investments are made in accordance with the Trustees' investment powers which are set out in the charity's governing document. The policy is to obtain the best return on the funds surplus to the charity's immediate needs whilst minimising the risk of capital depreciation. A review of the policy is undertaken on an annual basis by the Finance and Audit Committee to ensure it remains appropriate. During the period all funds were held on deposit with A&B Cymru's bank (Unity Trust Bank plc) to ensure the charity had sufficient cashflow to undertake its activities.

Trading subsidiary
A&B Cymru carries out all its non-charitable trading activities through a wholly owned subsidiary company, Arts & Business Cymru Trading Limited. The directors who served during the year were:

David Landen*
Rachel Jones
Trevor David Morpeth*

*indicates a non-executive director.

All the activities of the subsidiary are managed by the staff of A&B Cymru and all surplus is distributed back to the parent charity through gift aid.

Risk Management
The Trustees are responsible for the management of the risks faced by the charity with particular reference to internal control systems and the mitigation of risk. The Board reviews a risk evaluation statement prepared by the Chief Executive on an annual basis.

The trustees have assessed the key risks to which the charity is exposed and consider them to be:

- The inability to replace lost core funding
- The loss of the key management personnel
- The loss of reputation

The key controls used include:

- Formal agenda and minutes for all meetings of the Trustees and Board sub-committees
- Detailed terms of reference for the Board and its sub-committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and reporting lines
- Formal written policies
- A risk evaluation statement which is reviewed on a regular basis by the Trustees and the Chief Executive
- Hierarchical authorisation and approval levels

Through the established risk management processes, the Board is satisfied that the major risks identified have been adequately guarded against where necessary. It recognises that systems can provide only reasonable, but not absolute, assurance that major Funding s are being adequately managed.

Grants payable
Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. The grants are recognised where the trustees have agreed to pay the grant and the recipient has a reasonable expectation that they will receive a grant, provided they comply with the terms of the agreement. Grants offered subject to terms and conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Funding Position and Plans for the Future

In 2021/22, A&B Cymru received core funding of £50K from Arts Council of Wales and £30K from Welsh Government.

A&B Cymru continues to strive to diversify its funding and new Trust partnerships were forged during the year to enable the continuation of existing programmes and the establishment of new ones during 2022/23.

Structure, governance and management

Governance
Arts & Business Cymru (A&B Cymru) was incorporated as a company, limited by guarantee and not having any share capital on 8 September 2011. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs. Its governing document is its Memorandum and Articles of Association.

Staffing structure
The team includes the Chief Executive, Operations Manager, three Development Managers, the Administrator and the North Wales Partnerships Director (who was on maternity leave from October 2021). A part-time Freelance Consultant is also employed to assist on events and a Freelance Finance Director works one day per week.

Directors and Trustees
The directors of the charitable company are its Trustees for the purposes of charity law and are collectively referred to as the Trustees throughout this report.

Recruitment, appointment, induction and training of Trustees
Trustees are appointed by the Board. All new Trustees receive an induction pack containing the following:

- A&B Cymru's handbook;
- The current business plan;
- The most recent accounts;
- A general information pack on all A&B Cymru's programmes and services;
- The role of Trustees sheet; and
- The minutes of the last Trustees meeting

Trustees are invited to attend training courses run by A&B Cymru's Independent Examiner, Azets, as well as its own governance master-classes and seminars. One Trustee was appointed during 2021/22 – Nkechi Allen Dawson. No Trustees resigned.

Key Management Personnel
The key management personnel for the current financial year is considered to be the Chief Executive. The remuneration of the key management personnel is benchmarked to market rates.

Organisational structure and decision-making process
The Board of Trustees must have at least three and not more than 12 members to administer the charity. There is an agreed statement of the role and responsibilities of the Board and its members. At no time during the year did any Trustee have a beneficial interest in the charity.

There are two sub-committees of the Board – Finance & Audit and HR & Recruitment. The Finance & Audit committee meet immediately before each Board meeting. The HR & Recruitment committee meet on a task and finish basis. The membership of each committee is set out on page 7. Their terms of reference are as follows:

Finance & Audit Committee
To have, on behalf of the Trustees, an overall watching brief over all financial aspects of the charity's activities, to advise the Trustees in regard to the charity's financial statements, to ensure the maintenance of proper financial records and controls and to set and monitor the charity's annual delivery plan and financial performance.

HR & Recruitment Committee
To advise the Trustees in regard to the staffing structure, the remuneration of all staff and the reimbursement of expenses incurred by Trustees. To advise Trustees on the recruitment of members to the Board, the appointment of Trustees of any subsidiary charities and the appointment of members of the Board of directors of any subsidiary companies.

The Board has appointed a Chief Executive to manage the day to day operations of the charity and she has delegated authority for a wide range of operational matters.

There is a statement of matters reserved to the Board. They include:

- Setting overall strategy and policy;
- Approving the budget and business plan;
- The appointment and removal of Trustees (including the chair);
- The appointment and removal of the Chief Executive and setting their terms and conditions
- Consideration of fundamental issues concerning A&B Cymru's relationship with its principal
- Consideration of fundamental issues concerning A&B Cymru's relationship with the Charity
- Approval of major capital expenditure and the acquisition of freehold property or leases with a
- Setting the charity's reserves, diversity and investment policies.

Other groups
In addition to the Board, two groups of individuals are associated both formally and informally with A&B Cymru – the Investment Panel and the North Wales Ambassadors Group. The panel's role is to determine which business/arts partnerships are awarded cash investment through A&B Cymru's CultureStep (see page 2 for a brief description of this programme). Chaired by A&B Cymru's Chief Executive, the panel consists of 9 voting members and meets quarterly in Cardiff. Each member receives an induction prior to joining. The Panel operates on the principle of collective responsibility and all members have an equal voice. The Ambassadors Group exists to support the North Wales Partnerships Director in her work across the region. The membership of the 2021/22 panel and Ambassadors Group is listed on page 7.

Reference and administrative details

Charity number 1143772
(Registered September 2011)

Company number 7767380
(Registered September 2011)

Registered address
16 Museum Place
Cardiff, CF10 3BH

Administrative office
16 Museum Place
Cardiff, CF10 3BH

Independent examiner
Sarah Case FCA DChA
Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bank and branch address
Unity Trust Bank Plc
Nine Brindleyplace
Birmingham
B1 2HB

Solicitors
Geldards LLP
4 Capital Quarter
Tyndall St
Cardiff
CF10 4BZ

Trustees
Catherine Elizabeth Ray Owens**
Arwel Gruffydd
Shone Hughes
Trevor David Morpeth**and*
Tania Jane Rawlinson
Louisa Scadden
David John Landen*
David Morpeth
Nkechi Allen-Dawson - Appointed 1st July 2021

*Indicates a member of the Finance & Audit Committee.
**Indicates a member of the HR & Recruitment Committee

Key management personnel
Rachel Jones - Chief Executive

Culture Step Panel
Kathy Brown
Ian Hannah
Rachel Jones
Robert Lloyd Griffiths
Denise Lord
Samantha Maskrey
Nigel Petrie
Lynne Sheehy
Richard Tynen

North Wales Ambassadors Group
Andrew Bowden
Chris Frost
Roy Jones
Ruth Jones

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Arts & Business Cymru for the purposes of company law) are responsible for preparing the Trustees' Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on behalf of the board on 5-12-2022

.....

Trevor David Mo/peth
Trustee

ARTS & BUSINESS CYMRU

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS & BUSINESS CYMRU

I report to the trustees on my examination of the financial statements of Arts & Business Cymru (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

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 that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements 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 financial statements 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 financial statements to be reached.

Azets Audit Services

Azets Audit Services

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated: 06-12-2022

ARTS & BUSINESS CYMRU

ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ARTS & BUSINESS CYMRU FOR THE YEAR ENDED 31 MARCH 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Arts & Business Cymru for the year ended 31 March 2022, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

This report is made to the charity's trustees, as a body, in accordance with the terms of our engagement letter 7 September 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Arts & Business Cymru and state those matters that we have agreed to state to the charity's trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arts & Business Cymru and the charity's trustees as a body, for our work or for this report.

It is your duty to ensure that Arts & Business Cymru has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of Arts & Business Cymru. You consider that Arts & Business Cymru is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.}

We have not been instructed to carry out an audit or a review of the financial statements of Arts & Business Cymru. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Azets Audit Services

Azets Audit Services

6-12-2022

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

ARTS & BUSINESS CYMRU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:					
Donations and legacies	3	407,978	351,243	-	351,243
Charitable activities	5	48,040	41,431	6,752	48,183
Investments	4	2,669	1,505	-	1,505
Total income		458,687	394,179	6,752	400,931
Expenditure on:					
Charitable activities	6	453,905	385,600	6,752	392,352
Net income for the year/ Net movement in funds		4,782	8,579	-	8,579
Fund balances at 1 April 2021		198,893	190,314	-	190,314
Fund balances at 31 March 2022		203,675	198,893	-	198,893

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ARTS & BUSINESS CYMRU

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		1,882		2,510
Investments	12		1		1
			1,883		2,511
Current assets					
Debtors	13	71,930		69,119	
Cash at bank and in hand		344,680		444,149	
		416,610		513,268	
Creditors: amounts falling due within one year	14	(214,818)		(316,886)	
Net current assets			201,792		196,382
Total assets less current liabilities			203,675		198,893
Income funds					
Unrestricted funds					
Designated funds	17	115,676		142,811	
General unrestricted funds		87,999		56,082	
			203,675		198,893
			203,675		198,893

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 5-12-2022

.....

Trevor David Morpeth - Trustee

Company Registration No. 07767380

1 Accounting policies

Charity information

Arts & Business Cymru is a charitable company limited by guarantee incorporated in England & Wales. The registered office is 16 Museum Place, Cardiff CF10 3BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Cash Flow

As a small charity, it has availed itself of the amendment to the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 and amended on 2 February 2016 and not prepared a cash flow statement.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probable 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.

Investment income is recognised on a receivable basis.

1 Accounting policies **(Continued)**

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs include such items as independent examination fees, legal advice for Trustees; and costs associated with constitutional and statutory requirements.

Netting off income and expenditure

Income and expenditure are stated gross.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% straight line

1.7 Fixed asset investments

Investments

Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost.

Investment programmes

Investment programme costs are recognised in full in the year in which they are approved by the charity and communicated to the recipient, irrespective of the period for which the investment is payable. This is the point at which the charity has an obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however, it is reasonably certain that these will be met and the payment made.

1 Accounting policies **(Continued)**

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Debtors

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

Basic financial liabilities

Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Liabilities policy

Liabilities are recognised in the financial statements as they become payable.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds.

1.10 Leases

The charity classifies the lease of premises as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	229,302	210,608
National Arts government grants	178,676	140,635
	407,978	351,243
Donations and gifts		
Arts & Business Trading Limited	71,731	67,304
Creative Internships	59,000	40,000
CultureStep Investment Programme	55,000	75,000
Prosper	12,500	12,500
Skills for Success	17,500	12,500
Impact circle	2,630	(2,750)
Raffle & Sundry	941	6,054
Arts Bursaries	10,000	-
	229,302	210,608

4 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	2,669	1,505

5 Charitable activities

	2022 £	2021 £
Arts Membership	23,789	18,077
Conference/seminar fees	12,964	9,380
Arts consultancy fees	11,135	13,025
Performance related grants	-	6,752
Sundry income	152	-
Creative Freelancers Consultancy fee	-	949
	48,040	48,183
Analysis by fund		
Unrestricted funds	48,040	41,431
Restricted funds	-	6,752
For the year ended 31 March 2021		
Unrestricted funds	41,431	
Restricted funds	6,752	
	48,183	
Performance related grants		
Job Retention Scheme	-	6,752
	-	6,752

6 Charitable activities

	2022	2021
	£	£
Staff costs	263,007	238,785
Sundry expenditure	115	1,247
Other direct costs	4,413	3,650
Premises	15,059	13,703
	282,594	257,385
Grant funding of activities (see note 8)	169,411	133,067
Share of governance costs (see note 7)	1,900	1,900
	453,905	392,352
Analysis by fund		
Unrestricted funds	453,905	385,600
Restricted funds	-	6,752
For the year ended 31 March 2021		
Unrestricted funds	385,600	
Restricted funds	6,752	
	392,352	

7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Independent examination fee	-	1,900	1,900	-	1,900	1,900
	-	1,900	1,900	-	1,900	1,900
Analysed between						
Charitable activities	-	1,900	1,900	-	1,900	1,900

Governance costs includes payments to the independent examiner of £1,900 for the independent examination of the financial statements.

8 Grants payable

	2022	2021
	£	£
Grants to institutions:		
Grants and services to the arts, advocacy, research & events	169,411	133,067

The charity made one grant to the Investment Programme Wales during the year.

-

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Permanent staff	7	7

Employment costs	2022 £	2021 £
Wages and salaries	229,727	210,421
Social security costs	22,891	16,152
Other pension costs	10,389	12,212
	263,007	238,785

One employees received employee benefits of more than £60,000 during the current year (2021: 0).
No trustees were reimbursed for expenses or received remuneration during the current or prior year.

Key Management Personnel

The total amount of employee benefits (including salary, employers national insurance and pension contributions) received by the key management personnel for their services to the charity during the year totalled £73,727 (2021: £69,887).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,000 - £69,999	1	-

10 Taxation

As a registered charity, Arts & Business Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

11 Tangible fixed assets

	Computers £
Cost	
At 1 April 2021	3,369
At 31 March 2022	3,369
Depreciation	
At 1 April 2021	859
Depreciation charged in the year	628
At 31 March 2022	1,487
Carrying amount	
At 31 March 2022	1,882
At 31 March 2021	2,510

12 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2021 & 31 March 2022	1
Carrying amount	
At 31 March 2022	1
At 31 March 2021	1

Other investments comprise:	Notes	2022 £	2021 £
Investments in subsidiaries	19	1	1

13 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	7,866	10,930
Amounts owed by subsidiary undertakings	64,064	58,181
Prepayments and accrued income	-	8
	71,930	69,119

14 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Other taxation and social security		6,156	6,510
Deferred income	15	58,600	100,500
Trade creditors		5,956	3,999
Accruals		144,106	205,877
		214,818	316,886

15 Deferred income

	2022	2021
	£	£
Arising from Deferred income	58,600	100,500

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	58,600	100,500
Movements in the year:		
Deferred income at 1 April 2021	100,500	33,000
Released from previous periods	(100,500)	(33,000)
Resources deferred in the year	58,600	100,500
Deferred income at 31 March 2022	58,600	100,500

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds	
	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Balance at 31 March 2022
	£	£	£	£	£
Job Retention Scheme	6,752	(6,752)	-	-	-

Job Retention Scheme income was received from government to provide funding towards the costs of furloughed staff.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Designated	142,811	-	-	(27,135)	115,676
	142,811	-	-	(27,135)	115,676

Designated Funds
The designated fund as detailed in the trustee report represents 3 months operating costs reserves.

18 Analysis of net assets between funds

	Unrestricted funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Tangible assets	1,882	2,510	-	2,510
Investments	1	1	-	1
Current assets/(liabilities)	201,792	53,571	-	196,382
	203,675	56,082	-	198,893

19 Subsidiaries

These financial statements are separate charity financial statements to Arts & Business Cymru Trading Limited.

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Arts & Business Cymru Trading Limited	England and Wales	Trading arm of charity	Ordinary	100.00	

20 Called up share capital

The company is limited by guarantee and has no share capital.

20 Analysis of net assets between funds - previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	2,510	-	-	2,510
Investments	1	-	-	1
Current assets/(liabilities)	53,571	142,811	-	196,382
	56,082	142,811	-	198,893

22 Pensions

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 £10,389 (2021: £10,219). Contributions outstanding at the year end amounted to £nil (2021: £nil).

23 Operating lease commitments

-

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	9,999	11,147
Between two and five years	-	7,220
	9,999	18,367

24 Related party transactions

During the year the charity's wholly owned subsidiary Arts & Business Cymru Trading Limited gifted £71,731 to the charity (2021: £67,304). At the year end Arts & Business Cymru Trading Limited owed the charity £64,124 (2021: £58,181).

ARTS & BUSINESS CYMRU

England & Wales - Charity number 1143772

Accounts

Charity Registration No. 1143772

Company Registration No. 07767380 (England and Wales)

ARTS & BUSINESS CYMRU

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ARTS & BUSINESS CYMRU

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ARTS & BUSINESS CYMRU

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

Arts & Business (A&B) Cymru's vision is to create a Wales where business and the arts can connect and thrive. Its mission is to embed business into the arts and creativity into business. The ultimate aim is to aid the success of both sectors for the good of individuals and communities across Wales.

Objects
The objects of the charity are to promote, for the benefit of the public, within the country of Wales, the advancement of arts, culture and heritage and the promotion of the efficiency of charities. In particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Public benefit
We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. A&B Cymru's aim is to assist advancement of the arts and the promotion of the efficiency of charities, in particular but not limited to the promotion of philanthropy amongst businesses and individuals; the promotion of partnerships between arts organisations and businesses, and the provision of training to and promotion of best practice in the governance of Welsh arts charities.

Strategies for achieving objectives
A&B Cymru knows that when business and the arts work together in true partnership, both become stronger with the results benefiting society in far reaching and tangible ways. The team works with a range of arts professionals, from individual practitioners to flagship organisations, and the private sector from micro businesses through to multi-national corporations. Its work has a positive impact on people and communities across Wales. In its current Business Plan, A&B Cymru sets out a series of strategic aims to help drive the organisation towards the achievement of its mission.

They are:

- To transform A&B Cymru into a self-sustaining charitable business
- To develop the income generating and business skills of the arts
- To secure increased investment from the private sector to the arts
- To encourage business success through creativity
- To increase A&B Cymru's relevance to business and the arts
- To ensure that every member of the A&B Cymru team feels confident and motivated to fulfil their role
- To ensure A&B Cymru demonstrates strong, effective and responsible governance

Achievements and performance

A&B Cymru aims to achieve its goals through the delivery of a suite of unique programmes and services. In 2020/21 the team quickly adjusted in response to the COVID-19 pandemic in order to ensure minimum disruption and high quality delivery. All staff responded brilliantly to the challenges posed, swiftly moving to remote working and continuing to provide support for both the arts and business communities virtually.

As a charity which exists to support both business and the arts, A&B Cymru has encountered its busiest ever period through COVID-19. As soon as the pandemic hit, measures were put in place to adapt to the new online world. Thanks to the staunch support of its business members, the team was able to provide tailored professional advice to arts organisations across Wales as they ripped up their artistic plans and created fresh pandemic-proof ones.

Demand for training courses increased by 300% and the team enabled five brand new fundraisers to enter the arts workforce through the Creative Internships Programme.

As in previous years, A&B Cymru's activity included charitable work for the arts and commercial work financed by the private sector, with any surplus being transferred back to the charity:

Charitable work
A&B Cymru's work for the arts has two aims – developing income and developing skills. All services are provided free or at highly subsidised rates.

Arts Membership - 150+ members range from artists to major institutions. Benefits include networking, learning, development and showcasing opportunities, as well as tailored advice and access to services and discounts.

Arts Training Courses are offered in diversity, fundraising, governance and specific business skills. Delivered by the staff team and external specialists, courses are recognised as high quality training that would otherwise be prohibitively expensive, provided at subsidised rates. In 2020/21 all courses were delivered online. Demand was higher than ever before, with total attendance increasing by 300% to 400+ arts managers.

Creative Internships Programme - The eighth year of this initiative was delivered virtually as a result of the pandemic. It ran from November 2020 – August 2021 and was funded by the Arts Council of Wales and Moondance Foundation. It places recent graduates into arts organisations as trainee fundraisers. The 2020/21 programme enabled five interns to undertake paid placements with not-for-profit Welsh arts organisations with specific, measurable targets. Each intern received structured support from the host organisation, including mentoring from a senior fundraiser. Mentoring was also provided by a business adviser chosen to meet the intern's professional need, and free of charge access to A&B Cymru training courses was provided. In its first eight years of operation, 34 graduates have completed Creative Internships Programme placements. Of these, 29 are professional fundraisers who have so far raised over £3.5 million directly for the arts in Wales.

Prosper - A&B Cymru delivered a 3rd year of Prosper in 2020/21, funded by Garfield Weston Foundation. Through mentoring and cash support, the scheme gives arts organisations the opportunity to develop their fundraising skills and capacity. To ensure its impact and relevance, Prosper is driven by the needs of applicants with support individually tailored to maximise the effectiveness for all involved. 11 organisations were supported.

The Professional Development Programmes bring essential business skills to the arts. Through Board placements, skills transfer projects and mentoring, access to free of charge training is provided to over 100 arts managers, valued at over £400K each year. In January 2021, Diversity in Governance was launched which places Black, Asian and Minority Ethnic professionals onto arts Boards.

Skills for Success – Funded by Backstage Trust, Skills for Success is a tailored service which aims to equip arts organisations with the tools necessary to become robust, sustainable and confident operations. It identifies challenges and provides effective, practical solutions to overcome them. Six organisations were supported.

CultureStep, funded by Moondance and Hodge Foundations, enables A&B Cymru to invests in innovative partnerships between the two sectors, increasing their long-term effectiveness. All projects must address at least one of the scheme's priorities: Arts & Kids; Arts & Older People; Arts & Tackling Poverty; Arts & Health, Arts & the Environment, Arts & Diversity or Arts & Employees. Demand for the scheme was much lower than usual in 2020/21 due to the decrease in business / arts partnerships able to operate during the pandemic. Despite this, over £50K was committed to 10 projects, levering over £141,200 from business directly to the arts.

Commercial work
A&B Cymru's 70+ business members range from sole traders to multi-national corporations. Companies join to address specific objectives through arts partnership. These encompass creative marketing, community engagement and effective staff motivation, training and development.

The A&B Cymru Awards exist to encourage, acknowledge and celebrate exemplary business/arts partnerships. In 2020, the ceremony was delivered virtually, live-streamed to a global audience.

Financial review

The Statement of Financial Activities for the company is shown on page 12. During the year charity made a surplus on unrestricted funds of £8,579 (2020: £28,793 surplus).

Unrestricted reserves at 31 March 2021 are £198,893 (2020: £190,314). Of these reserves £142,811 (2020 £142,811) have been designated (see notes to the financial statements).

The charity's free reserves were £53,751 (excluding fixed assets, investments and designated funds).

Pension
A&B Cymru operates a Group Stakeholder Pension Plan for all employees with more than six months service. It meets the current workplace pension requirements.

Reserves policy
In accordance with good corporate governance and Charity Commission guidelines, the Board has set aside £142,811 in reserve, as an unrestricted contingency fund to cover three months operating costs and winding up costs, including redundancy payments. The amount is reviewed annually and increased or decreased as required.

Investment policy
The charity's investments are made in accordance with the Trustees' investment powers which are set out in the charity's governing document. The policy is to obtain the best return on the funds surplus to the charity's immediate needs whilst minimising the risk of capital depreciation. A review of the policy is undertaken on an annual basis by the Finance and Audit Committee to ensure it remains appropriate. During the period all funds were held on deposit with A&B Cymru's bank (Unity Trust Bank plc) to ensure the charity had sufficient cashflow to undertake its activities.

Trading subsidiary
A&B Cymru carries out all its non-charitable trading activities through a wholly owned subsidiary company, Arts & Business Cymru Trading Limited. The directors who served during the year were:

Rachel Jones
Trevor David Morpeth*

*indicates a non-executive director.

All the activities of the subsidiary are managed by the staff of A&B Cymru and all surplus is distributed back to the parent charity through gift aid.

Risk Management
The Trustees are responsible for the management of the risks faced by the charity with particular reference to internal control systems and the mitigation of risk. The Board reviews a risk evaluation statement prepared by the Chief Executive on an annual basis.

The trustees have assessed the key risks to which the charity is exposed and consider them to be:

- The inability to replace lost core funding
- The loss of the key management personnel
- The loss of reputation

The key controls used include:

- Formal agenda and minutes for all meetings of the Trustees and Board sub-committees
- Detailed terms of reference for the Board and its sub-committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and reporting lines
- Formal written policies
- A risk evaluation statement which is reviewed on a regular basis by the Trustees and the Chief Executive
- Hierarchical authorisation and approval levels

Through the established risk management processes, the Board is satisfied that the major risks identified have been adequately guarded against where necessary. It recognises that systems can provide only reasonable, but not absolute, assurance that major risks are being adequately managed.

Grants payable
Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. The grants are recognised where the trustees have agreed to pay the grant and the recipient has a reasonable expectation that they will receive a grant, provided they comply with the terms of the agreement. Grants offered subject to terms and conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Funding Position and Plans for the Future

In 2019/20, A&B Cymru received the second year of a two-year grant from Arts Council of Wales and Welsh Government to support its charitable work. It is hoped that this £80K funding per year will continue after March 2021. Discussions are ongoing.

A&B Cymru continues to strive to diversify its funding and new Trust partnerships were forged during the year to enable the continuation of existing programmes and the establishment of new ones during 2020/21.

Structure, governance and management

Governance
Arts & Business Cymru (A&B Cymru) was incorporated as a company, limited by guarantee and not having any share capital on 8 September 2011. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs. Its governing document is its Memorandum and Articles of Association.

Staffing structure
The team of 9 now includes the Chief Executive, Operations Manager, Development Director, 2 x Development Managers a Programmes Coordinator and the North Wales Partnerships Director. A part time Freelance Consultant is also employed to assist on business development, strategy and events and also a Freelance Book-keeper for one day per week.

Directors and Trustees
The directors of the charitable company are its Trustees for the purposes of charity law and are collectively referred to as the Trustees throughout this report.

Recruitment, appointment, induction and training of Trustees
Trustees are appointed by the Board. All new Trustees receive an induction pack containing the following:

- A&B Cymru's handbook;
- The current business plan;
- The most recent accounts;
- A general information pack on all A&B Cymru's programmes and services;
- The role of Trustees sheet; and
- The minutes of the last Trustees meeting.

Trustees are invited to attend training courses run by A&B Cymru's Independent Examiner, Azets, as well as its own governance master-classes and seminars. .

Key Management Personnel
The key management personnel for the current financial year is considered to be the Chief Executive. The remuneration of the key management personnel is benchmarked to market rates.

Organisational structure and decision-making process
The Board of Trustees must have at least three and not more than 12 members to administer the charity. There is an agreed statement of the role and responsibilities of the Board and its members. At no time during the year did any Trustee have a beneficial interest in the charity.

There are two sub-committees of the Board – Finance & Audit and HR & Recruitment. The Finance & Audit committee meet immediately before each Board meeting. The HR & Recruitment committee meet on a task and finish basis. The membership of each committee is set out on page 7. Their terms of reference are as follows:

Finance & Audit Committee
To have, on behalf of the Trustees, an overall watching brief over all financial aspects of the charity's activities, to advise the Trustees in regard to the charity's financial statements, to ensure the maintenance of proper financial records and controls and to set and monitor the charity's annual delivery plan and financial performance.

HR & Recruitment Committee
To advise the Trustees in regard to the staffing structure, the remuneration of all staff and the reimbursement of expenses incurred by Trustees. To advise Trustees on the recruitment of members to the Board, the appointment of Trustees of any subsidiary charities and the appointment of members of the Board of directors of any subsidiary companies.

The Board has appointed a Chief Executive to manage the day to day operations of the charity and she has delegated authority for a wide range of operational matters.

There is a statement of matters reserved to the Board. They include:

- Setting overall strategy and policy.
- Approving the budget and business plan.
- The appointment and removal of Trustees (including the chair).
- The appointment and removal of the Chief Executive and setting their terms and conditions.
- Consideration of fundamental issues concerning A&B Cymru's relationship with its principal.
- Consideration of fundamental issues concerning A&B Cymru's relationship with the Charity.
- Approval of major capital expenditure and the acquisition of freehold property or leases.
- Setting the charity's reserves, diversity and investment policies.

Other groups
In addition to the Board, two groups of individuals are associated both formally and informally with A&B Cymru – the Investment Panel and the North Wales Ambassadors Group. The panel's role is to determine which business/arts partnerships are awarded cash investment through A&B Cymru's CultureStep (see page 2 for a brief description of this programme). Chaired by A&B Cymru's Chief Executive, the panel consists of 9 voting members and meets quarterly in Cardiff. Each member receives an induction prior to joining. The Panel operates on the principle of collective responsibility and all members have an equal voice. The Ambassadors Group exists to support the North Wales Partnerships Director in her work across the region. The membership of the 2020/21 panel and Ambassadors Group is listed on page 8.

Related parties
A&B Cymru was part of the UK charity Arts & Business Limited until 1 November 2011 when the Welsh operation became an independent charity, along with Arts & Business Northern Ireland and Scotland. At this point, Business in the Community became the sole Trustee of Arts & Business Limited. A working protocols document was then drawn up and agreed by the following parties:

- Arts & Business Limited
- Arts & Business Cymru
- Arts & Business Northern Ireland
- Arts & Business Scotland
- Business in the Community

The document sets out how the parties will work together across the UK and internationally: to engender a spirit of support and co-operation. Senior executive officers meet when appropriate to share best practice, identify and develop potential joint projects, potential joint funding opportunities and discuss other relevant issues pertaining to working practices across the UK and internationally.

Reference and administrative details

Charity number 1143772
(Registered September 2011)

Company number 7767380
(Registered September 2011)

Registered address
16 Museum Place
Cardiff, CF10 3BH

Administrative office
16 Museum Place
Cardiff, CF10 3BH

Independent examiner
Sarah Case FCA DChA
Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bank and branch address
Unity Trust Bank Plc
Nine Brindleyplace
Birmingham
B1 2HB

Solicitors
Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Trustees
Liam Giles - Resigned 27 November 2020
Catherine Elizabeth Ray Owens**
Louise O'Shea* - Resigned 27 November 2020
Arwel Gruffydd
Shone Hughes
Trevor David Morpeth**and*
Tania Jane Rawlinson
Louisa Scadden - Appointed 1 June 2020
David John Landen* - Appointed 19 November 2020

*Indicates a member of the Finance & Audit Committee.
**Indicates a member of the HR & Recruitment Committee

Key management personnel
Rachel Jones - Chief Executive

Culture Step Panel
Kathy Brown
Ian Hannah
Rachel Jones
Robert Lloyd Griffiths
Denise Lord
Samantha Maskrey
Nigel Petrie
Lynne Sheehy
Richard Tynen

North Wales Ambassadors Group
Andrew Bowden
Chris Frost
Paula Jewson
Roy Jones
Ruth Jones
Ann Atkinson

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Arts & Business Cymru for the purposes of company law) are responsible for preparing the Trustees' Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on behalf of the board on 15 December 2021



Trevor David Morpeth
Trustee

ARTS & BUSINESS CYMRU

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTS & BUSINESS CYMRU

I report to the trustees on my examination of the financial statements of Arts & Business Cymru (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

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 that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements 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 financial statements 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 financial statements to be reached.

Azets Audit Services

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated: 22/12/2021

ARTS & BUSINESS CYMRU

ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ARTS & BUSINESS CYMRU FOR THE YEAR ENDED 31 MARCH 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Arts & Business Cymru for the year ended 31 March 2021, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance/

This report is made to the charity's trustees, as a body, in accordance with the terms of our engagement letter 7 September 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Arts & Business Cymru and state those matters that we have agreed to state to the charity's trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arts & Business Cymru and the charity's trustees as a body, for our work or for this report.

It is your duty to ensure that Arts & Business Cymru has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of Arts & Business Cymru. You consider that Arts & Business Cymru is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of Arts & Business Cymru. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Azets Audit Services

Azets Audit Services

22/12/2021

Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

ARTS & BUSINESS CYMRU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £
Income from:					
Donations and legacies	3	351,243	-	351,243	429,461
Charitable activities	4	41,431	6,752	48,183	37,802
Investments	5	1,505	-	1,505	625
Total income		394,179	6,752	400,931	467,888
Expenditure on:					
Charitable activities	6	385,600	6,752	392,352	439,095
Net income for the year/ Net movement in funds		8,579	-	8,579	28,793
Fund balances at 1 April 2020		190,314	-	190,314	161,521
Fund balances at 31 March 2021		198,893	-	198,893	190,314

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ARTS & BUSINESS CYMRU

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		2,510		3,347
Investments	12		1		1
			2,511		3,348
Current assets					
Debtors	13	69,119		88,658	
Cash at bank and in hand		444,149		328,277	
		513,268		416,935	
Creditors: amounts falling due within one year	14	(316,886)		(229,969)	
Net current assets			196,382		186,966
Total assets less current liabilities			198,893		190,314
Income funds					
Unrestricted funds					
Designated funds	17	142,811		142,811	
General unrestricted funds		56,082		47,503	
			198,893		190,314
			198,893		190,314

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 15 December 2021

Trevor David Morpeth - Trustee

Company Registration No. 07767380

1 Accounting policies

Charity information

Arts & Business Cymru is a charitable company limited by guarantee incorporated in England & Wales. The registered office is 16 Museum Place, Cardiff CF10 3BH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Cash Flow

As a small charity, it has availed itself of the amendment to the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 and amended on 2 February 2016 and not prepared a cash flow statement.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probable 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.

Investment income is recognised on a receivable basis.

1 Accounting policies **(Continued)**

1.5 Resources expended

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs include such items as independent examination fees, legal advice for Trustees; and costs associated with constitutional and statutory requirements.

Netting off income and expenditure
Income and expenditure are stated gross.

1.6 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% straight line

1.7 Fixed asset investments

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost.

Investment programmes
Investment programme costs are recognised in full in the year in which they are approved by the charity and communicated to the recipient, irrespective of the period for which the investment is payable. This is the point at which the charity has an obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however, it is reasonably certain that these will be met and the payment made.

1.8 Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets
Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting policies **(Continued)**

Basic financial liabilities

Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Liabilities policy

Liabilities are recognised in the financial statements as they become payable.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds.

1.10 Leases

The charity classifies the lease of premises as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Donations and gifts	210,608	319,461
National Arts government grants	140,635	110,000
	351,243	429,461
Donations and gifts		
Arts & Business Trading Limited	67,304	88,677
Creative internships	40,000	31,000
Culture step	75,000	135,000
Prosper programme	12,500	25,000
Skills for Success	12,500	20,000
Impact circle	(2,750)	9,375
Raffle & Sundry	6,054	10,409
	210,608	319,461

4 Charitable activities

	2021	2020
	£	£
ADF Membership	18,077	21,105
Conference/seminar fees	9,380	8,165
Arts consultancy fees	13,025	8,532
Performance related grants	6,752	-
Creative Freelancers Consultancy fee	949	-
	48,183	37,802
Analysis by fund		
Unrestricted funds	41,431	37,802
Restricted funds	6,752	-
	48,183	37,802
For the year ended 31 March 2020		
Unrestricted funds	37,802	
Performance related grants		
Job Retention Scheme	6,752	-
	6,752	-

5 Investments

	Unrestricted funds 2021	Unrestricted funds 2020
	£	£
Interest receivable	1,505	625

6 Charitable activities

	2021 £	2020 £
Staff costs	238,785	238,601
Sundry expenditure	1,247	786
Other direct costs	3,650	3,896
Premises	13,703	16,442
	257,385	259,725
Grant funding of activities (see note 7)	133,067	177,470
Share of governance costs (see note 8)	1,900	1,900
	392,352	439,095
Analysis by fund		
Unrestricted funds	385,600	439,095
Restricted funds	6,752	-
	392,352	439,095
For the year ended 31 March 2020		
Unrestricted funds	439,095	

7 Grants payable

	2021 £	2020 £
Grants to institutions:		
Grants and services to the arts, advocacy, research & events	133,067	177,470

The charity made one grant to the Investment Programme Wales during the year.

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Independent examination fee	-	1,900	1,900	-	1,900	1,900
	-	1,900	1,900	-	1,900	1,900
Analysed between						
Charitable activities	-	1,900	1,900	-	1,900	1,900

Governance costs includes payments to the independent examiner of £1,900 for the independent examination of the financial statements.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Permanent staff	7	7

Employment costs	2021 £	2020 £
Wages and salaries	210,421	213,787
Social security costs	16,152	15,928
Other pension costs	12,212	8,886
	238,785	238,601

No employees received employee benefits of more than £60,000 during the current or prior year.
No trustees were reimbursed for expenses or received remuneration during the current or prior year.

Key Management Personnel

The total amount of employee benefits (including salary, employers national insurance and pension contributions) received by the key management personnel for their services to the charity during the year totalled £69,887 (2020: £67,919).

10 Taxation

As a registered charity, Arts & Business Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

11 Tangible fixed assets

	Computers £
Cost	
At 1 April 2020	3,369
At 31 March 2021	3,369
Depreciation	
At 1 April 2020	22
Depreciation charged in the year	837
At 31 March 2021	859
Carrying amount	
At 31 March 2021	2,510
At 31 March 2020	3,347

12 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2020 & 31 March 2021	1
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

Other investments comprise:	Notes	2021 £	2020 £
Investments in subsidiaries	19	1	1

13 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	10,930	5,821
Amounts owed by subsidiary undertakings	58,181	82,829
Prepayments and accrued income	8	8
	69,119	88,658

14 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Other taxation and social security		6,510	7,160
Deferred income	15	100,500	33,000
Trade creditors		3,999	3,718
Accruals		205,877	186,091
		316,886	229,969

15 Deferred income

	2021	2020
	£	£
Arising from Deferred income	100,500	33,000

	2021	2020
	£	£
Brought Forward	33,000	13,500
Income received in the year	82,500	44,000
Released to income	(15,000)	(13,500)
Balance carried forward	100,500	33,000

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£
Job Retention Scheme	-	-	6,752	(6,752)	-

Job Retention Scheme income was received from government to provide funding towards the costs of furloughed staff.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds		
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
Designated	142,811	-	-	142,811
	142,811	-	-	142,811

Designated Funds
The designated fund as detailed in the trustee report represents 3 months operating costs reserves.

19 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2021 are represented by:				
Tangible assets	2,510	-	-	2,510
Investments	1	-	-	1
Current assets/(liabilities)	53,571	142,811	-	196,382
	56,082	142,811	-	198,893

19 Subsidiaries

These financial statements are separate charity financial statements to Arts & Business Cymru Trading Limited.

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Arts & Business Cymru Trading Limited	England and Wales	Trading arm of charity	Ordinary	100.00	

20 Analysis of net assets between funds - previous year

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2020 are represented by:				
Tangible assets	3,347	-	-	3,347
Investments	1	-	-	1
Current assets/(liabilities)	44,155	142,811	-	186,966
	47,503	142,811	-	190,314

20 Analysis of net assets between funds - previous year **(Continued)**

21 Called up share capital

The company is limited by guarantee and has no share capital.

22 Operating lease commitments

	-

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	11,147	11,147
Between two and five years	7,220	29,514
	18,367	40,661

23 Pensions

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 £10,219 (2020: £9,990). Contributions outstanding at the year end amounted to £nil (2020: £nil).

24 Related party transactions

During the year the charity's wholly owned subsidiary Arts & Business Cymru Trading Limited gifted £67,304 to the charity (2020: £88,677). At the year end Arts & Business Cymru Trading Limited owed the charity £58,181 (2020: £82,829).