

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.

ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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, leveraging 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.

ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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

ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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

ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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.

ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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

ARTS & BUSINESS CYMRU

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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

ARTS & BUSINESS CYMRU

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.

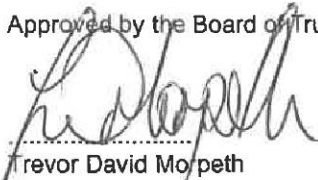
In so far as the trustees are aware:

- 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 Mopeth
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

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

bh-2022
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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 £
<u>Income from:</u>					
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		<u>458,687</u>	<u>394,179</u>	<u>6,752</u>	<u>400,931</u>
<u>Expenditure on:</u>					
Charitable activities	6	<u>453,905</u>	<u>385,600</u>	<u>6,752</u>	<u>392,352</u>
Net income for the year/ Net movement in funds		4,782	8,579	-	8,579
Fund balances at 1 April 2021		<u>198,893</u>	<u>190,314</u>	-	<u>190,314</u>
Fund balances at 31 March 2022		<u><u>203,675</u></u>	<u><u>198,893</u></u>	<u><u>-</u></u>	<u><u>198,893</u></u>

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

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 5-12-22


Trevor David Morpeth - Trustee

Company Registration No. 07767380

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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.

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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
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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.

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>407,978</u>	<u>351,243</u>
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	-
	<u>229,302</u>	<u>210,608</u>

4 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>2,669</u>	<u>1,505</u>

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>48,040</u>	<u>48,183</u>
Analysis by fund		
Unrestricted funds	48,040	41,431
Restricted funds	-	6,752
	<u>48,040</u>	<u>48,183</u>
For the year ended 31 March 2021		
Unrestricted funds	41,431	
Restricted funds	6,752	
	<u>48,183</u>	
Performance related grants		
Job Retention Scheme	-	6,752
	<u>-</u>	<u>6,752</u>

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>282,594</u>	<u>257,385</u>
Grant funding of activities (see note 8)	169,411	133,067
Share of governance costs (see note 7)	1,900	1,900
	<u>453,905</u>	<u>392,352</u>
Analysis by fund		
Unrestricted funds	453,905	385,600
Restricted funds	-	6,752
	<u>453,905</u>	<u>392,352</u>
For the year ended 31 March 2021		
Unrestricted funds	385,600	
Restricted funds	6,752	
	<u>392,352</u>	

7 Support costs

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

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

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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	-

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

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

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>71,930</u>	<u>69,119</u>

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
		<u>214,818</u>	<u>316,886</u>

15 Deferred income

	2022 £	2021 £
Arising from Deferred income	<u>58,600</u>	<u>100,500</u>
	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>58,600</u>	<u>100,500</u>
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	<u>58,600</u>	<u>100,500</u>
Deferred income at 31 March 2022	<u>58,600</u>	<u>100,500</u>

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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		Balance at 1 April 2021	Movement in funds	
	Incoming resources	Resources expended		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:

	Balance at 1 April 2021	Movement in funds		Transfers	Balance at 31 March 2022
		Incoming resources	Resources expended		
	£	£	£	£	£
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

ARTS & BUSINESS CYMRU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 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
	<u>56,082</u>	<u>142,811</u>	<u>-</u>	<u>198,893</u>

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
	<u>9,999</u>	<u>18,367</u>

ARTS & BUSINESS CYMRU

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

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).