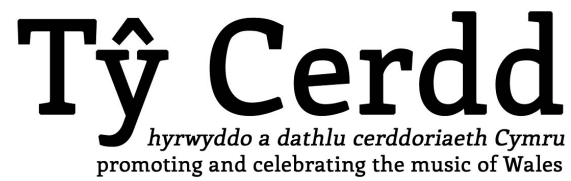


Charity registration number: 1152853

Tŷ Cerdd - Music Centre Wales

Annual Report and Financial Statements

for the Year Ended 31 March 2021



HSJ Audit Limited
Auditor
Severn House
Hazell Drive
Newport
NP10 8FY

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Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2021.

OBJECTIVES AND ACTIVITIES

Tŷ Cerdd's mission is:

To support artists, communities and audiences to create, perform and participate in the music of Wales.

And our vision:

We envisage a Wales in which music-creators of all genres and backgrounds are enabled to make music and develop careers; in which a diversity of people and communities can engage in and enjoy Welsh music.

If you're making music in Wales, it's Welsh music!

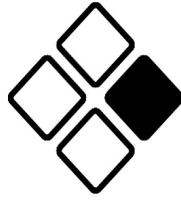
We deliver this mission and vision through a range of activities with composers / music-creators and collaboration with organisations and communities. We served the whole of Wales and increasingly work from our homes (which take in south-east and west Wales), and our base in Wales Millennium Centre, which hosts a recording studio and a library of music for hire, alongside an archive collection.

We engage with international audiences and sectors, not only through our record label and publishing imprint, but also through artist-development initiatives with partners, and through our place in a range of international networks.

We deliver Lottery funding on behalf of Arts Council of Wales.

Our current goals as a charity are:

- Providing greater equality of opportunity for artists and communities
- Sustaining & developing excellence
- Ensuring a fit and agile organisation, able to deliver work for stakeholders and with partners
- Strengthening the music infrastructure within Wales



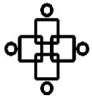
Cornerstones / Conglfeini



Artists / Artistiaid

We place artists at the heart of our work. We value their innovation, their creativity and their diversity. We are committed to enabling the creation of Welsh music, across a range of genres.

Rydym yn rhoi artistiaid yng nghanol ein gwaith. Rydym yn gwerthfawrogi eu harloesedd, eu creadigrwydd a'u hamrywiaeth. Rydym yn ymrwymedig i hybu cyfleoedd i greu cerddoriaeth Gymreig, ar draws ystod o genres.



Communities / Cymunedau

The communities across Wales making music are our lifeblood.

Y cymunedau sy'n cerddora ar draws Cymru yw ein heneidfaeth.



Diversity / Amrywiaeth

We celebrate and embrace the diversity of people in Wales, and value difference.

Rydym yn dathlu ac yn cofleidio amrywiaeth pobl Cymru gan werthfawrogi'r gwahaniaethau.



Equality / Cydraddoldeb

We are passionate about equality for artists and audiences, and strive to remove barriers, be they of race, gender, gender-identity, disability, age, geography, sexuality, religion, language, poverty.

Rydym ar dân dros gydraddoldeb, i artistiaid a chynulleidfaoedd, gan ymdrechu i gael gwared â rhwystrau, boed ar sail hil, rhywedd, hunaniaeth rywedd, anabledd, oedran, daearyddiaeth, rhywioldeb, crefydd, iaith neu dlodi.



Kindness / Caredigrwydd

Kindness and compassion are central to our organisational culture, and to all our engagement.

Mae caredigrwydd a thrugaredd yn ganolog i ddiwylliant ein sefydliad ac i'n holl weithgarwch ymgysylltu.



Partnerships / Partneriaethau

We collaborate across these cornerstones with organisations and partners to develop opportunities and improve access for artists and audiences.

Rydym yn cydweithredu ar draws y conglfeini yma â sefydliadau a phartneriaid i ddatblygu cyfleoedd a gwella mynediad i artistiaid a chynulleidfaoedd.



Sustainability / Cynaliadwyedd

Protection of the environment is fundamental, and we acknowledge our responsibility to respond to the global climate emergency.

Mater sylfaenol yw amddiffyn yr amgylchedd ac rydym yn cydnabod ein cyfrifoldeb i ymateb i'r argyfwng hinsawdd byd-eang.

Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous twelve months. The review looks at the success of each key activity and the benefits. The review also helps us ensure our aims, objectives and activities remained focused on our stated objectives. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities thus ensuring that it continues in its purpose.

Grant making policies

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

ACHIEVEMENTS AND PERFORMANCE

2020-21 was a year unlike any before it. No walk of life or part of the world escaped the onslaught of the COVID-19 pandemic, and the music sector among every other was hit hard by the initial and the ongoing crisis. COVID-19 in turn threw a new light on inequality and exclusion, heightened by the killing of George Floyd and the ensuing traction of the Black Lives Matter movement. These issues all impacted significantly on the arts sector: on artists, communities and organisations.

Tŷ Cerdd quickly pivoted to provide support to our key constituents: most music-creators' livelihoods were decimated, and community groups' lifelines were cut, and both became our priority. With the whole team working from home, we worked to create online development and support for composers and music-creators, and to disseminate information and guidance to community groups as Welsh Government's information was published and revised through the continuing pandemic.

Alongside this, the recording operation – usually run from the Tŷ Cerdd Studio at Wales Millennium Centre, providing an important strand of activity and income – became a digital facility, supporting organisations and artists to create online content for their communities and audiences. This activity not only provided a valuable service for the sector, but also served to mitigate significant Covid-losses across the organisation's crucial income streams (primarily studio rental, record label, publishing and hire library).

The work of CoDi, Tŷ Cerdd's artist-development initiative, took on even greater significance during this period. Artists' ongoing need to advance their practice was matched with a keener need to develop income as well as to share experiences and create connections during a time of isolation. With support from Arts Council of Wales, PRS Foundation (through their UK-wide Talent Development Programme) and RVW Trust, alongside a number of partner organisations, we rolled out an expanded programme of CoDi: an online programme of workshops alongside a range of paid pathways and opportunities, including:

- **CoDi Arbrofol / CoDi Experimental** A collective of leading artists Angharad Davies, Rhodri Davies & Siwan Rhys, mentored a cohort of six participating artists through a pathway exploring experimental practice. Welsh language was to the fore, and the participants created experimental responses to the Tŷ Cerdd archive.

Participants: Amy Sterly, Emma Daman Thomas, Fern Thomas, Francesca Simmons, Simon Proffitt, Stephen Black

- **CoDi Opera** Composer Robert Fokkens, writer/dramaturg Sophie Rashbrook, soprano/composer Sarah Dacey and pianist Christopher Williams worked with six participating composers through a series of workshops. Moving from scenario, through libretto to writing for voice, each created an aria.

Participants: Bethan Morgan-Williams, Eloise Gynn, Ethnie Foulkes, Gareth Olubumni Hughes, Jasper Dommett, Rebecca Horrox

- **CoDi DIY** A pathway for music-creators who have not accessed post-school music education, CoDi DIY worked with a diverse cohort of nine artists, from singer-songwriters, R&B and folk, to classical, experimental and electronic, the participants were mentored by pathway leader Pwyll ap Sion alongside a specially-selected team of mentors.

Participants: Cara Ludlow, Francesca Murphy, Gwen Sion, Hannah Rattigan (Hannah Paloma), Heledd Evans, Jake Griffiths, Josh Whyte, Kevs Ford, Rich Thair

- **CoDi Grange** An arts and health initiative, in partnership with Aneurin Bevan University Health Board and consultancy Studio Response. CoDi Grange commissioned a cohort of artists to create music and sound installations for the multi-faith chapel space in the new Grange University Hospital at Llanfrecfha, near Cwmbran. Central to the creation period for all of the artists was direct engagement with members of the community within the health board's ward.

Participants: Jo Thomas (lead artist); Ashley John Long, Delyth & Angharad Jenkins, Leona Jones, Stacey Blythe, Teifi Emerald

- **CoDi One2One** In partnership with BBC National Orchestra of Wales, ten composers facing lockdown in Wales were selected to each write a short work for a solo orchestral instrument. Each composer was paired with a member of BBC NOW, who recorded a video of the new work in their own home. The pairings:

Ashely John Long / Matthew Featherstone (flute)
Christopher Bond / Daniel Trodden (tuba)
Daniel Bickerton / Steve Hudson (oboe)
Eloise Gynn / Sandy Bartai (cello)
Gareth Bonello / Alice Neary (cello)
Jack White / Rebecca Jones (viola)
Julia Plaut / Jarek Augustyniak (bassoon)
Mandy Leung / Robert Plane (clarinet)
Natalie Roe / Meilyr Hughes (horn)
Sarah Jenkins / Nick Whiting (violin)

- **Creating orchestral mock-ups** In artistic- and funding-partnership with media composer Jordan Rees, this pathway offered two music-creators a five-week remote learning course on combining sound design and electronic material with acoustic music.

Participants: Jonathan Dalglish, Robert Singer

- **CoDi Off-Grid** A brand new network of experimental sound-artists and music-creators working in free-improvisation, sound-art, noise, drone, no-input mixing or other avant-garde practice. The initiative created a database of artists, and held online talks and discussion events with the following artists:

Sarah Angliss, Kathy Hinde, Leafcutter John, Maggie Nicols, Gwen Sion, Simon Whitehead

- **CoDi Mentors** Five Wales-based music-creators were matched with mentors from beyond Wales, to provide an outside-eye on their creative practice:
Ashley John Long / Laura Jurd
Francesca Simmons / Kathy Hinde
Leona Jones / Kathy Hinde
Mandy Leung / Supriya Nagarajan
Rob Smith / Mark Boden
- **CoDi Adopt a Music-creator** In collaboration with the UK-wide scheme fronted by Making Music and Sound and Music, Tŷ Cerdd selected composer Eloise Gynn from open call, and paired her with Monmouth Male Voice Choir.

Tŷ Cerdd's funding schemes (which distribute Lottery monies through a delegation agreement with Arts Council of Wales) were paused during the first three quarters of 2020/21, and repurposed to ACW's COVID emergency schemes. In January 2021, following dialogue and lobbying, ACW and Welsh Government each committed £50k for emergency community-music funding, which was distributed in three pots, each offering up to £2k per organisation:

- **Rescue** – urgent financial support for groups in danger of becoming insolvent
- **Resource** – helping organisations to resume activity by contributing to costs associated with COVID
- **Restart** – supporting communities to restart music-making through music-creation, performance and collaboration

This emergency funding pot was very heavily over-subscribed, demonstrating the acute need felt by community music organisations across the nation. Alongside the emergency funding, we relaunched a recalibrated suite of regular Lottery funds, also offering awards of up to £2k per organisation:

- **Create** – resourcing the creation of new work by composers and new composers of any genre
- **Engage** – funding a range of activity, from live performance to online productions, from workshops to community collaborations
- **Inspire** – supporting the development of work with participants aged under 26

As with the emergency funding, our own Lottery schemes were heavily oversubscribed at relaunch in January 2021, with a perceptibly more diverse range of organisations submitting bids. New relationships with Disability Arts Cymru and Race Council Cymru were established during this period, and we made a new commitment to ensuring representation on funding panels.

Pre-COVID-19, in 2019/20, Tŷ Cerdd had begun an important participatory initiative: Affricerdd was funded by ACW and delivered in partnership with SSAP (Sub-Saharan Advisory Panel), and was a response to a clear disparity and need in our activity, alongside minimal engagement with our nearest community in Butetown. The project took the form of weekly drop-in sessions in our studio in Wales Millennium Centre, so was cut short by the pandemic. We were able to develop a limited amount of activity with a few of the participants online, and we commissioned them to create a new audio-visual release responding to the music and artists we'd connected with as a group. *Under Skies* was a joyful response to experiences of separation and connection.

During lockdown, with support from Arts Council of Wales's Stabilisation fund, we collaborated with Privilege Café (campaigner / change-maker Mymuna Soleman) to take forward a piece of work on Music & Race in Wales. Six public Zoom events, led by Mymuna Soleman and Tumi Williams (musician, educator, Tŷ Cerdd board member) created a safe space for honest discussion and for sharing of lived-experiences and learning. Guest speakers addressed to a range of areas, including education, rurality and intersectionality.

This work was extremely impactful for Tŷ Cerdd, and the catalyst for an ongoing strategic commitment to enabling, supporting and working with artists of colour. The first of these strands began just before the end of the year: Music Industry 101 is a collaboration with FOCUS Wales and Forté Project, and provides support / training / information for music creatives in online events which are led by people of colour.

With Equalities, Diversity and Inclusion (EDI) work taking on increasing importance to us, Tŷ Cerdd ramped up training and development work across the organisation, including participating in Music Masters' I'M IN programme, and undertaking unconscious bias training from Diverse Cymru. We engaged with the seminal #WeShallNotBeRemoved movement, a UK-wide disability arts alliance that advocated and campaigned to support D/deaf and disabled people in the arts, and reaffirmed our Keychange pledge towards gender equality. Additionally, our ongoing commitment to Sound and Music's Fair Access Principles continued to underscore all of our work with artists.

Amid this work, we were accepted as an applicant to the Weston Jerwood Creative Bursaries scheme, alongside 49 other organisations across the UK: a programme that supports individuals from lower socio-economic backgrounds to develop careers in the arts through a Fellowship bursary that part-funds a year's employment. During the period from autumn 2020 to spring 2021, a team made up from staff and board took part in organisational development session across the UK cohort, and we advertised for and recruited our Fellow, Kiddus Murrell (to start in April 2021).

International connections were significantly affected by the worldwide lockdown, and planned events were cancelled and postponed, including ISCM (International Society for Contemporary Music) and IAMIC (International Association of Music Information Centres). During the period, Tŷ Cerdd administered the call to artists for the planned 2021 Festival in Shanghai & Nanning, creating a shortlist of works by Ashley John Long, Claire Victoria Roberts, Gareth Churchill, Julia Plaut, Nathan James Dearden and Niamh O'Donnell. The festival programmers in China selected Ashley John Long's work (for chamber ensemble) for performance, and the event has been rescheduled to March 2022.

Our label, Tŷ Cerdd Records, was impacted significantly by the pandemic. We pressed pause on production while the studio was closed and we were busy prioritising support activity, and meanwhile experienced a COVID-related slump in sales. In March 2021 we resumed activity on the label, with the release of *Cwmwl Tystion*, a jazz album by Tomos Williams and ensemble, later nominated for Welsh Language Album of the Year.

Over on Tŷ Cerdd Publications there were 26 printed works in 2020-1, from established contemporary composers such as Rhian Samuel and Richard Elfyn Jones to emerging artists whose work was published through our CoDI One2One partnership with the BBC. One classic aimed at a young audience that we published from the Hughes & Son catalogue was 'Deg o Forwyr a Chaneuon eraill' by Rhys Jones, in anticipation of it being a set piece at the Urdd Eisteddfod.

Our strong and growing relationship with RWCMD continued, but in a digital space, and once again we collaborated to present with and for the National Eisteddfod: in #EncoreUnawd a cohort of composers were commissioned to write short works for solo instrument, each of whom created video recordings which were broadcast as part of the online Eisteddfod Amgen.

The staff team grew during the year, welcoming back Shakira Mahabir from maternity leave into a new role as Relationships & Communications Manager, with maternity cover Abby Charles taking on a permanent role as Finance & Administration Manager. The Board welcomed Tumi Williams to its ranks, and the Board stepped up to support the team through more regular meetings, with a new pattern emerging: quarterly full board meetings, with monthly Board Shorts to address specific areas. A skills-audit of the Board was undertaken, to assess our needs and strengths, and inform future recruitment.

Financial review

Policy on reserves

As at 31 March 2021 the charity was reporting total reserves of £208,886 (2020: £146,233). Of this balance £131,924 (2020: £99,071) related to general unrestricted reserves and £76,962 (2020: £47,162) related to restricted reserves.

Of the unrestricted reserves a balance £101,010 (2020: £79,781) related to free reserves which are readily available to the Trustees.

It is the policy of the charity to hold sufficient reserves to meet all immediate liabilities and costs associated with any known future commitments. The level at which this balance is set is reviewed periodically by the trustees to ensure reflective of the charity's current position.

Investment policy and objectives

Any surplus cash balances held are deposited within interest bearing accounts.

PLANS FOR FUTURE PERIODS

Plans for 2021/22 include:

Further releases on Tŷ Cerdd Records and publications, including

- *Taliesin's Song Book*: 20th & 21st-century Welsh song performed by Andrew Matthews-Owen plus host of Welsh singers
- *Summer's Day*: Chris Williams performing Mervyn Roberts
- *Silver Apples of the Moon*: Ensemble Eos performing Reynolds, Burtch and Weeks

The development of CoDi artist development work, with a range of interventions and creative pathways, including new creative strands, a range of professional development workshops.

The introduction of Tapestri, a brand new, living music archive, a nation-wide musical celebration of the people, communities and languages of Wales – in partnership with National Library of Wales, Disability Arts Cymru and National Eisteddfod. Tapestri's first four threads:

- *Perisgop* – disabled-led digital music-theatre production, placing lived-experience at the heart of this commentary on life with sight-loss in Wales
- *Bwthyn Sonig* – developing an experimental music ensemble with learning-disabled adults (North & South Wales & online)
- *Affricerdd* – commissions by Wales-based artists of African descent, in collaboration with Sub-Sahara Advisory Panel and National Dance Company Wales
- *Polskerdd* – creative engagement & community feasting with Aberystwyth's Polish & Welsh communities

Further strategic work in Equalities, Diversity and Inclusion work, including our WJCB Fellow placement, and development of the Music Industry 101 strand.

Advancement of our Lottery schemes, in partnership with Disability Arts Cymru and Race Council Cymru.

The furtherance of our international work, including a relationship with Marseille-based Ensemble Télémaque, and engagement with the ISCM and IAMIC networks

An extensive artist-development programme (in collaboration with FOCUS Wales, Trac and Wales Arts International) leading up to Wales @ Showcase Scotland 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

The charity is controlled by its constitution being a constitution of a Charitable Incorporated Organisation (CIO).

Recruitment and appointment of trustees

As set out in the Constitution, the Chairman and Vice Chairman are elected by, and the Director and treasurer appointed by, the trustees.

Induction and training of trustees

All new trustees undergo an induction programme, which includes:

- an induction pack that is given to new trustees (and to re-elected trustees), which includes policy and procedures such as declaration of interest, confidentiality, policies and means of assistance for member societies
- any other training which may be required from time to time.

Relationships with related parties

Arts Council of Wales

The Charity receives funding from the Arts Council of Wales, one of whose officers attends meetings of the Board, and regularly liaises with the Director. The Arts Council of Wales provided revenue grant funding to Tŷ Cerdd - Music Centre Wales this financial year in the sum of £204,525 (2020: £204,525).

Organisational structure

Tŷ Cerdd's board of trustees meets quarterly, with frequent Board Shorts between main meetings (monthly, where possible). All trustees are required to declare conflicts of interest annually and to absent themselves from the meeting in the case of a personal conflict. Trustees are appointed for an initial term of three years and can be re-elected at Annual General Meetings (or other specially convened meetings) for two subsequent terms of three years.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Steph Power, Chair
Nasir Adam
Sara Beer
Gemma Durham (retired 17/03/2021)
Gillian Green
Suzanne Hay (retired 17/03/2021)
Graham Howe
John Hywel Morris
Christopher Parsons
Harriet Wybor
Tumi Williams (appointed 11/06/2020)

Staff

Deborah Keyser, Director
Abby Charles, Finance & Administration Manager
Ethan Morgan, Publishing & Research Officer
James Clarke, Recording Studio Manager & Producer
Matthew Thistlewood, Projects Manager
Shakira Mahabir, Relationships & Communications Manager

Principal Office

The Wales Millennium Centre
Bute Place
Cardiff
CF10 5AL

Charity Registration Number

1152853

Bankers

HSBC, 56, Cardiff Queen Street

Auditor

HSJ Audit Limited
Auditor
Severn House, Hazell Drive
Newport NP10 8FY

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 14 December 2021 and signed on its behalf by:


.....
Steph Power
Chair

Independent Auditor's Report to the Members of Tŷ Cerdd - Music Centre Wales

Opinion

We have audited the financial statements of Tŷ Cerdd - Music Centre Wales (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Members of Tŷ Cerdd - Music Centre Wales

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Andrew Hill (Senior Statutory Auditor)
For and on behalf of HSJ Audit Limited, Statutory Auditor

Severn House
Hazell Drive
Newport
NP10 8FY

Date: 17/12/2021

Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		30	-	30
Charitable activities		296,830	205,432	502,262
Total income		296,860	205,432	502,292
Expenditure on:				
Charitable activities		(264,007)	(175,632)	(439,639)
Total expenditure		(264,007)	(175,632)	(439,639)
Net movement in funds		32,853	29,800	62,653
Reconciliation of funds				
Total funds brought forward		99,071	47,162	146,233
Total funds carried forward	13	131,924	76,962	208,886
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies		5,000	-	5,000
Charitable activities		245,383	166,630	412,013
Other income		3,814	-	3,814
Total income		254,197	166,630	420,827
Expenditure on:				
Charitable activities		(260,782)	(163,781)	(424,563)
Total expenditure		(260,782)	(163,781)	(424,563)
Net (expenditure)/income		(6,585)	2,849	(3,736)
Gross transfers between funds		2,508	(2,508)	-
Net movement in funds		(4,077)	341	(3,736)
Reconciliation of funds				
Total funds brought forward		103,148	46,821	149,969
Total funds carried forward	13	99,071	47,162	146,233

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 13.

(Registration number: 1152853)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	50,544	40,198
Current assets			
Stocks	9	10,944	8,132
Debtors	10	138,276	37,586
Cash at bank and in hand		180,070	147,547
		329,290	193,265
Creditors: Amounts falling due within one year	11	(170,948)	(87,230)
Net current assets		158,342	106,035
Net assets		208,886	146,233
Funds of the charity:			
Restricted funds		76,962	47,162
Unrestricted income funds			
Unrestricted funds		131,924	99,071
Total funds	13	208,886	146,233

The financial statements on pages 16 to 24 were approved by the trustees, and authorised for issue on 14 December 2021 and signed on their behalf by:



Steph Power
Chair

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

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Tŷ Cerdd - Music Centre Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets

Intangible assets represent recording costs in relation to online content and are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised over their estimated useful economic lives.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Recording costs	5 years straight line

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Library publications - 10% straight line
Musical instruments - 25 years straight line
Studio and office equipment - 20% straight line

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the weighted average method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from individuals	30	30	-
Legacies	-	-	5,000
	30	30	5,000

3 Income from charitable activities

	Unrestricted funds			
	General £	Restricted funds £	Total 2021 £	Total 2020 £
Library hire charges	265	-	265	1,482
Recording studio	61,116	-	61,116	38,654
Projects and workshops	-	-	-	1,670
Affiliation fees	-	-	-	188
Arts Council of Wales Revenue Grant	221,775	10,978	232,753	204,525
Arts Council of Wales Lottery Grant	7,000	83,000	90,000	82,125
CoDI Project	6,674	53,000	59,674	51,789
Arts Council of Wales Resilience Programme	-	-	-	4,250
Wales Arts International	-	1,000	1,000	15,000
Affricerdd	-	7,454	7,454	12,330
Welsh Government Emergency Funds	-	50,000	50,000	-
	296,830	205,432	502,262	412,013

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

4 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Staff costs £	Premises costs including depreciation £	Total 2021 £	Total 2020 £
Development of Welsh Music	Percentage time spent	35,006	12,851	47,857	45,521

Governance costs

	General £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	3,070	3,070	3,000
Other fees paid to auditors	1,550	1,550	1,500
Legal fees	206	206	724
	4,826	4,826	5,224

5 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£206 (2020: £993) of expenses were reimbursed to during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

6 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	140,456	140,298
Social security costs	8,224	9,785
Pension costs	26,323	25,926
	175,003	176,009

No employee received emoluments of more than £60,000 during the year

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

7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

8 Tangible fixed assets

	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost			
At 1 April 2020	37,585	31,920	69,505
Additions	17,034	-	17,034
At 31 March 2021	54,619	31,920	86,539
Depreciation			
At 1 April 2020	21,646	7,661	29,307
Charge for the year	5,411	1,277	6,688
At 31 March 2021	27,057	8,938	35,995
Net book value			
At 31 March 2021	27,562	22,982	50,544
At 31 March 2020	15,939	24,259	40,198

9 Stock

	2021 £	2020 £
Stocks	10,944	8,132

10 Debtors

	2021 £	2020 £
Trade debtors	9,566	14,033
Prepayments	128,710	23,553
	138,276	37,586

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	132,647	7,292
Accruals	38,301	79,938
	170,948	87,230

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

12 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Land and buildings		
Within one year	14,625	14,625
Between one and five years	14,625	-
	<u>29,250</u>	<u>14,625</u>
Other		
Within one year	478	6,595
Between one and five years	2,627	27,096
	<u>3,105</u>	<u>33,691</u>

13 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General				
General Fund	99,071	296,860	(264,007)	131,924
Restricted funds				
Grand piano	20,908	-	(1,277)	19,631
CoDi Project	8,443	53,000	(26,257)	35,186
Lottery	17,811	133,000	(128,666)	22,145
Wales Art	-	1,000	(1,000)	-
Affricerdd	-	7,454	(7,454)	-
Arts Council of Wales - Stabilisation Grant	-	10,978	(10,978)	-
Total restricted funds	<u>47,162</u>	<u>205,432</u>	<u>(175,632)</u>	<u>76,962</u>
Total funds	<u>146,233</u>	<u>502,292</u>	<u>(439,639)</u>	<u>208,886</u>

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

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds					
General					
General Fund	103,148	254,197	(260,782)	2,508	99,071
Restricted funds					
Grand piano	22,185	-	(1,277)	-	20,908
Composer & performer bursaries	5,000	-	-	(5,000)	-
CoDi Project	10,017	52,925	(54,499)	-	8,443
ISCM	383	-	(2,619)	2,236	-
Lottery	9,236	82,125	(73,550)	-	17,811
Wales Art	-	15,000	(15,231)	231	-
Affricerdd	-	12,330	(12,355)	25	-
Resilience	-	4,250	(4,250)	-	-
Total restricted funds	46,821	166,630	(163,781)	(2,508)	47,162
Total funds	149,969	420,827	(424,563)	-	146,233

The specific purposes for which the funds are to be applied are as follows:

The Grand piano fund represents the gift of a grand piano to Tŷ Cerdd.

The Composer and performer bursaries fund represents legacy income received by the charity during the year for this specific purpose.

14 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds £
Tangible fixed assets	30,913	19,631	50,544
Current assets	271,958	57,332	329,290
Current liabilities	(170,948)	-	(170,948)
Total net assets	131,923	76,963	208,886