

CLWB IFOR BACH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CLWB IFOR BACH

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CLWB IFOR BACH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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

The principle objective of the charity is to 'advance the education of the public by encouraging the understanding and appreciation of contemporary music, including music of Welsh origin/language in such ways as the trustees consider appropriate'.

We are committed to increasing audience engagement with new music, providing opportunities for artists to grow and develop, and support those looking for other potential pathways into the industry.

We believe that everyone, of all backgrounds and abilities, should be able to access music - be that on or off the stage - and focus our work on the following key areas to achieve our charitable objectives:

- Artists Development
- Audience Development
- Skills Development
- Community Engagement

During the summer our trustees and staff came together to create a 'Theory of Change' document for the charity. Facilitated by Richard Newton Consulting this piece of work will be the basis for the future development of our charitable objectives. As the year ended, we received confirmation from the Arts Council of Wales of revenue funding to support research to examine and explore best practise within the sector, to develop a strategic framework for the delivery of our 'Theory of Change'.

Achievements and performance

2023 was a significant year for us as an organisation as it was both our 40th anniversary and our first full year operating as a charity. We successfully staged 438 events to a combined audience of just under 90,000, of which two-thirds (282) were promoted by our in-house team, 35 of those being delivered in other venues in Cardiff and elsewhere in Wales. Average attendance across all events was 202 and we saw a slight increase (923) in total attendance compared to 2022.

Our signature event since 2018 is Sŵn Festival; a multi venue celebration of new and emerging music staged over three days in mid-October. This year saw over 5,000 attendees and 122 artists play across 10 different venues. We were also able to expand our programme to include a music industry conference to focus on the different pathways and opportunities available to those looking to enter the music sector. Working in partnership with local further educational colleges and universities we also provided volunteering opportunities for over 80 people during the event. The success of the festival in recent years has led to funding by Welsh Government's through Event Wales, and in 2024 it is to be included in Cardiff Council's inaugural 'Cardiff Music City Festival', a three week long celebration of music and culture.

Other notable activity for 2023 includes our work for the National Eisteddfod, Tafwyl and a new project for the Welsh Government, which saw us stage our first overseas event.

Staged in a different location each year and delivered exclusively through the medium of Welsh, The National Eisteddfod is Wales' biggest arts festival. We have been responsible for the past three years for curating and promoting its late night offering, Maes B, a festival in its own right whose primary target audience is those aged 16-25. This is often the first festival experience for many attendees and is an important milestone in their continuing relationship with the Welsh language. We also provide programming support for other stages on the main Eisteddfod site.

CLWB IFOR BACH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Tafwyl is another event whose primary focus is promoting the Welsh language and here again we provide our support to programme the festival's main music stages. Tafwyl, which is held in the centre of Cardiff, is a free event and is open to all. It now attracts over 50,000 people and has become a key focus for the city's work to promote the language.

Finally, we were asked to promote an event in Nantes as part of the Welsh Government's 'Wales in France' programme. Staged to coincide with the rugby World Cup, the show featured artists from Cardiff and Nantes (which is twinned with Cardiff) and proved to be a great opportunity to promote music from Wales to a new audience. One of the featured artists from Nantes will play the 2024 edition of Sŵn Festival to further strengthen the relationship between the two musical communities.

Our work at the venue saw us increase the number of events featuring local artists. This has been a key focus for us in 2023 as we look to strengthen our relationship with the local music community, both on and off the stage. This led us to approach Creative Wales to help us curate a stage at The Great Escape festival, a key milestone in the career development of new and emerging artists. Working in partnership with both Creative Wales and BBC's Horizons initiative, we delivered a two-day programme featuring 8 Welsh artists. We worked with them before and after the showcase to ensure they maximised the opportunity, and we invited music industry professionals to attend the event to raise awareness of the artist performing. This work is especially important due to the lack of music industry infrastructure in Wales as it aims to build relationships between Wales and the wider music industry, providing pathways and opportunities for both artists and industry professionals alike.

Capital Redevelopment Project

Our biggest project during 2023 remains the proposed capital redevelopment of our Womanby Street base. Following completion of RIBA 3 in 2022 we progressed to RIBA 4A in 2023. We also submitted the planning application for the project following completion of the agreement for lease process, the approval of which was still ongoing at the end of 2023.

Our intention is to redevelop our current home and the adjoining property to create a new, fully accessible venue featuring two event spaces, which will address an identified gap in the current provision within the city. The smaller room will house new and emerging artists up to a capacity of 200, while the bigger ground floor space will be able to support an audience of up to 500, helping artists to progress towards the next step of their development. The larger overall capacity of the building will also enable us to fully realise the ambition of our charitable objectives as we look to broaden our scope of work to increase opportunities for those looking to engage with the music sector - be it off or on the stage.

With RIBA 4A completed and the planning approval due to be finalised, we have taken the project as far as we can for now, the next stage requiring funding for the build itself before we can appoint the contractors. This is an ambitious project, and substantial funding is needed to realise the work. It is also currently a very challenging funding environment and we will need to secure support from several sources to proceed.

Financial review

Despite end of year turnover hitting the forecasted target, the cost of generating the income has increased post lockdown. A major contributing factor has been the changing make-up of our income over the course of the year; with bar sales down and ticket income up, the amount we need to spend has risen sharply as a result. Coupled with our investment towards the next stage of our redevelopment project, which had been planned, end of year figures will show that our reserves have decreased compared to our position at the end of 2022.

Restricted fund income for the year are split across revenue and capital projects as follows:

Revenue Funding

- Creative Wales (Welsh Government): The Great Escape Showcase
- Event Wales (Welsh Government): Sŵn Festival
- Arts Council of Wales: Theory of Change

CLWB IFOR BACH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Capital Funding

- Cardiff Council: Redevelopment RIBA Stage 4A delivery
- Architectural Heritage Fund: Redevelopment RIBA 4A delivery

Charity

Clwb Ifor Bach CIO continued to invest in our core purpose and did so within a controlled financial and operational framework, whilst meeting the expectations of our audiences, stakeholders and funders alike.

Trading

As outlined above turnover matched our forecast for the year, however, profitability decreased due to the increase in our delivery costs. Trading conditions will need to be continually reviewed through 2024 to ensure reserves remain at expected levels.

Overheads

Core expenditure was closely monitored and well controlled with some ongoing savings throughout the year, and we took every opportunity for support as provided by all the various government schemes and initiatives, to reduce costs and liabilities.

Reserves policy

The purpose of the unrestricted fund is to provide funds for the day-to-day running of the charity. Should a deficit be achieved on a specific project, a transfer of funds will be made from the unrestricted funds to cover the deficit.

Free reserves at the year totalled £66,621 (2022: £284,140) reflecting the investment in the capital redevelopment project.

Plans for future periods

We continue to focus on the following core areas of business:

Clwb Ifor Bach

Clwb Ifor Bach, the venue, remains at the core of the organisation's activity with the majority of our output taking place within the spaces available.

Touring / Festivals / Programming

Touring and programming events outside Clwb Ifor Bach continues to be a strong area of business, enabling us to maintain a longer term relationship with new and emerging artists as they build their audience in Wales, strengthen relationship with external partners within the creative sector and increase opportunities for those looking to gain a foothold in the industry as they progress in their career.

Clwb Music

We plan to build on the work done to strengthen our engagement with the wider music sector, improve the music industry infrastructure in Wales and increase engagement and opportunities for Welsh artists.

Skills Development

We are looking to create more opportunities, and develop more partnerships, to increase engagement with the sector – both on and off the stage.

Structure, governance and management

Governing Document

The charity is controlled by its governing document, a foundation constitution, and is defined as a Charitable Incorporated Organisation and registered with the Charity Commission since 4 November 2019.

Working name of the Charity

The working name of the Charity is Clwb Ifor Bach.

Recruitment and appointment of trustees

New trustees are elected by the Board in accordance with the charity's governing document.

CLWB IFOR BACH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Trustee induction and training

The policy of Clwb Ifor Bach CIO is to provide each new trustee with a copy of the Charity Commission document 'The Responsible Trustee' and to provide background information about the work of the Charity at an induction session. Trustees are also encouraged to review prior documents, business and development plans, and encouraged to attend training events about charity governance.

Key management personnel

Chief Executive: Mr G Brychan

Head of Music: Mr A Williams

Financial Manager: Ms R Edwards

Organisation

The Trustees are responsible for the affairs of the charity. In particular they decide the strategic direction of the Charity and ensure that it is solvent, well-run and fulfils the aims of the Charity. They delegate day-to-day operations and activities to the Chief Executive Officer and Senior Management team. Where there is a project of significant scale or risk - as with the ongoing capital project - they take professional advice, including employing experienced consultants and other specialists to ensure that risks are minimised and the best possible result for the Charity is achieved. Their role as employers is also taken seriously and time is given over to ensure compliance within all areas of employment law.

Staff seek to implement the organisation's business plan currently in place, and report on progress on a regular basis to the Board. Regular financial reports are provided to the Board and, when required, consultants' reports are commissioned. The Board has approved a procedure for online and other payments, and this is implemented by the Finance Manager, Technical Manager, Head of Music and CEO.

Risk management

The major risks to which the organisation is exposed, as identified by the Trustees, have been reviewed and systems implemented to mitigate those risks. The management of cash flow during the period remained a priority and despite the challenges, creditors were paid as and when due. Core costs were well controlled throughout the year and systems established to manage risk.

The business model always pre-supposed an expansion of activity outside of the building and the CIB staff now have systems well established to manage events across Wales. Although this has provided growth, it also comes with risk, and this has been noted by the Trustees.

CLWB IFOR BACH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reference and administrative details

Registered Charity Name:

Clwb Ifor Bach

Registered Charity Number

118136

Principal Address

11 Womanby Street

Cardiff

CF10 1BR

Trustees

Mr S Tudur (Chair)

Ms C Rogers

Ms L Squire

Mr A Elliott

Ms T Marsh

Ms L Price

Mr M Phipps

Ms L Herde

Mr. L Jones (resigned 18 July 2024)

Auditors

Azets Audit Services

Chartered Accountants & Statutory Auditors

Ty Drew

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Bankers

NatWest

96 Queen Street

Cardiff

CF10 2GR

Solicitors

Hugh James

Two Central Square

Cardiff

CF10 1FS

CLWB IFOR BACH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees' report was approved by the Board of Trustees.



T Marsh
Trustee

29 October 2024

CLWB IFOR BACH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees 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).

The law applicable to charities in England and Wales 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 year.

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

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

The trustees are responsible for keeping sufficient 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLWB IFOR BACH

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLWB IFOR BACH

Opinion

We have audited the financial statements of Clwb Ifor Bach (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

CLWB IFOR BACH

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CLWB IFOR BACH

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

CLWB IFOR BACH

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CLWB IFOR BACH

Other matters

Under the Charities Act 2011, the charity was exempt from audit for the year ended 31 December 2022. As a consequence, the financial statements of the charity for the year ended 31 December 2022, which form the basis for the corresponding figures presented in the current period's financial statements, were unaudited. For the year ended 31 December 2023, the trustees were no longer able to take advantage of the exemption from audit available under the Charities Act 2011.

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

30 October 2024

**Chartered Accountants
Statutory Auditor**

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

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CLWB IFOR BACH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	-	5,480	5,480	430,597	-	430,597
Charitable activities	4	1,696,156	176,632	1,872,788	485,957	76,000	561,957
Total income		<u>1,696,156</u>	<u>182,112</u>	<u>1,878,268</u>	<u>916,554</u>	<u>76,000</u>	<u>992,554</u>
<u>Expenditure on:</u>							
Charitable activities	5	<u>1,799,736</u>	<u>126,632</u>	<u>1,926,368</u>	<u>470,577</u>	<u>76,000</u>	<u>546,577</u>
Net (outgoing)/incoming resources before transfers		(103,580)	55,480	(48,100)	445,977	-	445,977
Gross transfers between funds		<u>55,480</u>	<u>(55,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income for the year/							
Net movement in funds		(48,100)	-	(48,100)	445,977	-	445,977
Fund balances at 1 January 2023		<u>840,977</u>	<u>-</u>	<u>840,977</u>	<u>395,000</u>	<u>-</u>	<u>395,000</u>
Fund balances at 31 December 2023		<u><u>792,877</u></u>	<u><u>-</u></u>	<u><u>792,877</u></u>	<u><u>840,977</u></u>	<u><u>-</u></u>	<u><u>840,977</u></u>

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

All income and expenditure derive from continuing activities.

CLWB IFOR BACH

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Goodwill	10		9,448		10,557
Other intangible assets	10		4,597		1,800
Total intangible assets			14,045		12,357
Tangible assets	11		712,211		544,480
			726,256		556,837
Current assets					
Stocks	12	19,029		21,431	
Debtors	13	65,155		86,923	
Cash at bank and in hand		120,579		343,993	
			204,763		452,347
Creditors: amounts falling due within one year	14	(138,142)		(138,700)	
Net current assets			66,621		313,647
Total assets less current liabilities			792,877		870,484
Creditors: amounts falling due after more than one year	15		-		(29,507)
Net assets			792,877		840,977
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	726,256		556,837	
General unrestricted funds		66,621		284,140	
			792,877		840,977
			792,877		840,977

The financial statements were approved by the Trustees on 29 October 2024



T Marsh
Trustee

CLWB IFOR BACH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		25,480		(127,941)
Investing activities					
Purchase of intangible assets		(3,984)		-	
Purchase of tangible assets		(206,312)		-	
Net cash used in investing activities			(210,296)		-
Financing activities					
Transfer of bank loans		-		76,934	
Repayment of bank loans		(38,598)		-	
Net cash (used in)/generated from financing activities			(38,598)		76,934
Net decrease in cash and cash equivalents			(223,414)		(51,007)
Cash and cash equivalents at beginning of year			343,993		395,000
Cash and cash equivalents at end of year			120,579		343,993

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Clwb Ifor Bach is a Charitable Incorporated Organisation whose principal office is 11 Womanby Street, Cardiff, CF10 1BR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, 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 financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Capital grants are released to the Statement of Financial Activities in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund. Income from events is recognised at the date the event takes place.

Match funding

Where a project has been undertaken on the condition that the grant funding will be matched by funding from the charity's reserves the income from the grant funder is shown as restricted income and only the expenditure reclaimed by the grant funder is shown as restricted expenditure. That part of the project expenditure which is met by the charity is included within unrestricted expenditure.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Costs associated with events are recognised at the date at which the event takes place.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustee's report and their associated support costs.

Support costs have been allocated between governance costs and other support. Some direct costs have been reclassified to support costs in the current year to better reflect the underlying nature of the expenditure. This change in classification has no impact on the overall financial position and has been made to enhance clarity within the financial statements.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its life, being 10 years from 2018.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Amortisation 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:

Website	3 Years Straight Line
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1.8 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:

Freehold land and buildings	2% Straight Line
Plant and equipment	25% Reducing Balance
Fixtures and fittings	25% Reducing Balance
Computers	25% Reducing Balance

Costs incurred to date associated with the redevelopment project that meet the criteria to be capitalised are classified within tangible fixed assets and are not depreciated.

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

1.9 Impairment of fixed assets

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

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 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.

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.12 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 Leases

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

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Restricted funds	Unrestricted funds
	2023 £	2022 £
Donations and gifts	5,480	430,597

The net assets from Clwb Ifor Bach CIC (Company number 10908973) were transferred to the charitable incorporated organisation on 1 October 2022.

The net assets consisted of unrestricted net assets of £430,597.

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Charitable activities

	2023 £	2022 £
Services and events	68,419	-
Entrance fee income	812,392	199,996
Grants	176,632	76,000
Bar income	769,437	267,979
Venue hire fees	41,908	10,509
Other income	4,000	7,473
	<u>1,872,788</u>	<u>561,957</u>
Analysis by fund		
Unrestricted funds	1,696,156	485,957
Restricted funds	176,632	76,000
	<u>1,872,788</u>	<u>561,957</u>
Government grants		
Welsh Government	125,000	75,000
PRS	1,632	1,000
Cardiff County Council	35,000	-
Architectural Heritage Fund	15,000	-
	<u>176,632</u>	<u>76,000</u>

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Charitable activities

	2023 £	2022 £
Staff costs	346,039	121,827
Depreciation and impairment	40,877	10,169
Stock Purchases	295,740	109,405
Marketing	-	28,612
Performers	452,501	112,677
Event Costs	193,921	66,775
Security Costs	80,861	25,820
Insurance	11,351	2,951
Premise costs	23,749	4,208
Repairs & Maintenance	27,074	7,483
Cleaning	53,914	14,083
Hire of Equipment	22,916	671
Telecommunications	6,051	1,546
Office & Travelling Expenses	34,739	7,548
Computer software, Consumables & Maintenance	15,111	1,951
Entertainment licenses	22,053	11,182
Bank Charges	17,526	5,295
	<u>1,644,423</u>	<u>532,203</u>
Share of support costs (see note 6)	247,757	1,271
Share of governance costs (see note 6)	34,188	13,103
	<u>1,926,368</u>	<u>546,577</u>
Analysis by fund		
Unrestricted funds	1,799,736	470,577
Restricted funds	126,632	76,000
	<u>1,926,368</u>	<u>546,577</u>

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	148,396	-	148,396	-	-	-
Accountancy and payroll costs	8,886	-	8,886	1,271	-	1,271
Marketing	76,258	-	76,258	-	-	-
Memberships	1,200	-	1,200	-	-	-
HR costs	10,570	-	10,570	-	-	-
Sundry expenses	2,447	-	2,447	-	-	-
Audit fees	-	12,000	12,000	-	-	-
Independent Examination fees	-	-	-	-	2,750	2,750
Legal & Professional Fees	-	21,178	21,178	-	9,832	9,832
Trustee Expenses	-	1,010	1,010	-	521	521
	<u>247,757</u>	<u>34,188</u>	<u>281,945</u>	<u>1,271</u>	<u>13,103</u>	<u>14,374</u>
Analysed between Charitable activities	<u>247,757</u>	<u>34,188</u>	<u>281,945</u>	<u>1,271</u>	<u>13,103</u>	<u>14,374</u>

Governance costs includes payments to the auditor of £12,000 in respect of audit fees (2022: £2,750 for Independent examination).

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Two trustees were reimbursed for expenses during the year of £1,010 (2022: £521).

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>35</u>	<u>30</u>
Employment costs	2023 £	2022 £
Wages and salaries	459,374	111,257
Social security costs	28,039	8,363
Other pension costs	7,022	2,207
	<u>494,435</u>	<u>121,827</u>

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Employees

(Continued)

Key management personnel

The key management personnel as detailed in the trustees report received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £139,856 (2022: £35,413).

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Intangible fixed assets

	Goodwill £	Website £	Total £
Cost			
At 1 January 2023	11,085	2,213	13,298
Additions - separately acquired	-	3,984	3,984
	<hr/>	<hr/>	<hr/>
At 31 December 2023	11,085	6,197	17,282
	<hr/>	<hr/>	<hr/>
Amortisation and impairment			
At 1 January 2023	528	413	941
Amortisation charged for the year	1,109	1,187	2,296
	<hr/>	<hr/>	<hr/>
At 31 December 2023	1,637	1,600	3,237
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2023	9,448	4,597	14,045
	<hr/>	<hr/>	<hr/>
At 31 December 2022	10,557	1,800	12,357
	<hr/>	<hr/>	<hr/>

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11	Tangible fixed assets	Freehold land and buildings	Redevelop - ment project	Plant and equipment	Fixtures and fittings	Computers	Total
	Cost	£	£	£	£	£	£
	At 1 January 2023	444,916	-	53,539	46,437	8,816	553,708
	Additions	9,100	182,281	7,780	2,700	4,451	206,312
	At 31 December 2023	454,016	182,281	61,319	49,137	13,267	760,020
	Depreciation and impairment						
	At 1 January 2023	2,429	-	3,346	2,902	551	9,228
	Depreciation charged in the year	9,898	-	14,268	11,559	2,856	38,581
	At 31 December 2023	12,327	-	17,614	14,461	3,407	47,809
	Carrying amount						
	At 31 December 2023	441,689	182,281	43,705	34,676	9,860	712,211
	At 31 December 2022	442,487	-	50,193	43,535	8,265	544,480

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11	Tangible fixed assets			(Continued)
12	Stocks		2023	2022
			£	£
	Raw materials and consumables		19,029	21,431
13	Debtors		2023	2022
			£	£
	Amounts falling due within one year:			
	Trade debtors		59,884	62,272
	Other debtors		37	4,961
	Prepayments and accrued income		5,234	19,690
			65,155	86,923
14	Creditors: amounts falling due within one year		2023	2022
		Notes	£	£
	Bank loans	16	38,336	47,427
	Other taxation and social security		10,413	20,447
	Trade creditors		75,602	66,265
	Other creditors		1,791	1,261
	Accruals and deferred income		12,000	3,300
			138,142	138,700
15	Creditors: amounts falling due after more than one year		2023	2022
		Notes	£	£
	Bank loans	16	-	29,507
16	Loans and overdrafts		2023	2022
			£	£
	Bank loans		38,336	76,934
	Payable within one year		38,336	47,427
	Payable after one year		-	29,507

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

16 Loans and overdrafts

(Continued)

The bank loan is secured by a fixed charge over the property at 11 Womanby Street, Cardiff CF10 1BR.

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Restricted funds

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

	Movement in funds			Movement in funds			Transfers	Balance at 31 December 2023
	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023		
	£	£	£	£	£	£	£	£
Welsh Government	75,000	(75,000)	-	125,000	(125,000)	-	-	-
PRS	1,000	(1,000)	-	1,632	(1,632)	-	-	-
Cardiff County Council - Development Grant	-	-	-	35,000	-	(35,000)	-	-
The Architectural Heritage Fund	-	-	-	15,000	-	(15,000)	-	-
Other redevelopment funding/donations	-	-	-	5,480	-	(5,480)	-	-
	<u>76,000</u>	<u>(76,000)</u>	<u>-</u>	<u>182,112</u>	<u>(126,632)</u>	<u>(55,480)</u>	<u>-</u>	<u>-</u>

Welsh Government - funding was provided for the Swn Festival

PRS - funding was provided for the Swn Festival

Other redevelopment funding/donations - funding was provided towards the redevelopment project

The Architectural Heritage Fund - funding was provided towards the redevelopment project

Cardiff County Council - funding was provided towards the redevelopment project

Transfers from restricted funds relate to funding that has been utilised towards the capital costs of the redevelopment project.

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 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 January 2022	Transfers	Balance at 1 January 2023	Movement in funds		Transfers	Balance at 31 December 2023
	£	£	£	Incoming resources	Resources expended	£	£
Intangible Fixed Assets	-	12,357	12,357	3,984	(2,296)	-	14,045
Tangible Fixed Assets	-	544,480	544,480	24,031	(38,581)	-	529,930
Redevelopme nt project	-	-	-	-	-	182,281	182,281
	<u>-</u>	<u>556,837</u>	<u>556,837</u>	<u>28,015</u>	<u>(40,877)</u>	<u>182,281</u>	<u>726,256</u>

Designated funds represent the investment in intangible and tangible fixed assets.

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

19 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2023	£	2023	£	2023	£	2023	£	2023	£	2023	£	2022	£
Fund balances at 31 December 2023 are represented by:														
Intangible fixed assets	-		14,045		-		14,045		-		-		12,357	
Tangible assets	-		712,211		-		712,211		-		-		544,480	
Current assets/(liabilities)	66,621		-		-		66,621		313,647		-		313,647	
Long term liabilities	-		-		-		-		(29,507)		-		(29,507)	
	66,621		726,256		-		792,877		284,140		-		840,977	

CLWB IFOR BACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20 Operating lease commitments

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

	2023 £	2022 £
Within one year	24,384	-
Between two and five years	11,090	-
	<u>35,474</u>	<u>-</u>

21 Related party transactions

The charity received a donation of £nil (2022: £430,597) from Clwb Ifor Bach CIC, which transferred all its activities, assets and liabilities to the charity on 1 October 2022.

22 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(48,100)	445,977
Adjustments for:		
Transfer of goodwill	-	(11,085)
Transfer of intangible assets	-	(2,213)
Transfer of tangible fixed assets	-	(553,708)
Depreciation and impairment of tangible fixed assets	40,877	10,169
Movements in working capital:		
Decrease/(increase) in stocks	2,402	(21,431)
Decrease/(increase) in debtors	21,768	(86,923)
Increase in creditors	8,533	91,273
Cash generated from/(absorbed by) operations	<u>25,480</u>	<u>(127,941)</u>

23 Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	343,993	(223,414)	120,579
Loans falling due within one year	(47,427)	9,091	(38,336)
Loans falling due after more than one year	(29,507)	29,507	-
	<u>267,059</u>	<u>(184,816)</u>	<u>82,243</u>