

Report of the Trustees and
Financial Statements
for the Period 1 April 2021 to 31 August 2022
for
Theatr Clwyd Music Trust Ltd

Haines Watts, Statutory Auditor
Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

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for the Period 1 April 2021 to 31 August 2022**

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Theatr Clwyd Music Trust Ltd
Report of the Trustees
for the Period 1 April 2021 to 31 August 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 April 2021 to 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Theatr Clwyd Music Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. The Charity is registered as a charitable company limited by guarantee, incorporated on 29 July 2020. The charity took over the assets and liabilities of Flintshire Music Service on 1 April 2021.

The Charity was created under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association.

Chair's report

This reports covers the first full trading period of the newly formed Theatr Clwyd Music Trust, a period that covers 18 months to allow our alignment with the academic year.

As readers will see from our review of activities, the timings of forming a new music trust has not been ideal, and alongside a new operating model for schools and families in Flintshire, has posed significant challenges. However, myself and the trustees are pleased with progress and are confident of a bright future for our important work in North East Wales.

Operating as Theatr Clwyd Music trusts offers a unique opportunity for the musical education of young people in North East Wales. Being held and supported by the largest producing theatre in Wales, one of the biggest in the UK, and part of a much wider arts and community offer, will enable young people to receive opportunities and experiences that other music services are unable to offer.

As we look to the future we certainly face challenges as we aim to reduce costs to families and schools, whilst continuing to deliver a stable financial model. The partnership with Flintshire County Council is vital in enabling this transition and we thank both elected members, and officers, for the unstinting support. We also recognise the importance of headteachers and heads of music at the 70 or more schools we work in every week. When leaders in educational establishments have a vision as to how their pupils will benefit from music and creativity, then we are able to support their realisation of that vision. We encourage more schools to use their eFSM funding to allow young people without the means to afford lessons to access the lessons.

The other major partners that allow us to lift the quality of our delivery for young people in Flintshire and North East Wales include Royal Welsh College, the only music conservatoire in Wales; Music Makers; and the Bernadetti Foundation - all of whom deliver training for our Music Associates and deliver work with us in schools in addition to our core programmes.

Finally - with the Welsh Government funding for the National Music Plan, which leaves plenty of room for different use across services in Wales, we will reach thousands of Year 3 pupils over the coming years with free Musical First Experiences. We expect this to increase musical interest and desire for further learning for young people in Flintshire, and we continue to plan for how to offer pathways for the young people excited by their first introductions due to our delivery of this scheme.

The future is bright for Theatr Clwyd Music Trust and we look forward to navigating the challenges ahead.

Liam Evans-Ford
Chair of Theatr Clwyd Music Trust
CEO of Theatr Clwyd

INCORPORATION

The charitable company was incorporated on 7 October 2020.

**Report of the Trustees
for the Period 1 April 2021 to 31 August 2022**

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity is established to advance education in music and other arts, in particular, but not exclusively, by providing workshops and sessions to schools and the wider community.

The trustees have given due consideration to the Charity Commission guidance on the operation of the Public Benefit requirements. Our main activities and who we try to help are described below. All our charitable activities provide education in music and other arts to schools and the wider community to enhance lives, and provide support to those who may be financially disadvantaged. All activities are undertaken to further our charitable purposes for the public benefit.

The strategies employed to achieve the charity's aims and objectives are to:

- To offer a broad range of music lessons on both a group and individual level
- To strive to make music as accessible and affordable as possible
- To focus on developing pathways for young people and the wider community

STRATEGIC REPORT

Achievement and performance

Charitable activities

Summary of the main achievements of the charity, identifying the difference the charity's work has made to the circumstances of its beneficiaries and any wider benefits to society as a whole.

Review of activities

April 2021 marked the culmination of several challenges that faced since the start of the pandemic. Throughout this period Theatr Clwyd Music strived to keep delivering high quality musical experiences for young people. The impact on numbers learning a musical instrument during this period had been devastating with our numbers dropping from close to 2,500 pre pandemic to less than 500. In April 2021 lessons and ensemble sessions were still only available online, so we were delighted to be planning on returning to schools in September 2021. This return to schools was an immediate success so that in October 2021, 875 young people were receiving small group or individual lessons on a wide range of instruments and voice rising to over a 1000 by January 2022. We ran projects in 5 schools who didn't have small group or individual lessons in their school, but who had received tuition prior to the pandemic. These schools also had a high proportion of learners who qualified as eFSM. 35 pupils from these schools had multiple lessons a week from April to June 2022.

We have continued to encourage young musicians to undertake external examinations with the Associated Board of the Royal Schools of Music and Trinity College of Music examination boards. 87 young musicians have passed both digital and 'in person' examinations during this period, achieving the highest standards including 5 distinctions at Grade 8.

We ran several 'whole class' projects during this period. From September 2021 until July 2022, we ran whole class projects in 3 settings. This resulted in 94 pupils receiving weekly lessons on violins and cellos. From September to December 2021, we ran a singing project for 83 Foundation Phase learners in one school culminating in creating a film of them singing which was shared with all families. From May to July 2022, we ran two further whole class sessions in two schools and a further 59 pupils benefitted from weekly sessions.

Musical Pathways, our out of school hours lessons has a small but committed following receiving weekly lessons. When we started this in September 2021, 51 people were receiving online individual lessons.

From May 2021 we piloted the return of in person ensembles. We started with Choir and String Orchestra and the choir took part in a televised event from Llangollen International Eisteddfod in July 2021. In September 2021, 3 new ensembles and the piloted choir and string ensembles started in person weekly rehearsals albeit with small numbers participating. The numbers participating varied between 50 and 80 during this period. All ensembles performed in showcases across two nights in April 2022. The ensembles continued rehearsing weekly until the end of July 2022.

Theatr Clwyd Music Trust Ltd
Report of the Trustees
for the Period 1 April 2021 to 31 August 2022

STRATEGIC REPORT

Achievement and performance

Fundraising activities

Across May and June 2021, we ran a digital Eisteddfod and received more than 300 entries, which were individually adjudicated with all participants receiving written feedback. 15 were chosen to give 'in person' performances to a socially distanced audience in the Anthony Hopkins Theatre at Theatr Clwyd.

Our partnership work with Royal Welsh College of Music and Drama continued to flourish during this period. 7 professional teaching placements for Royal Welsh College of Music undergraduates working alongside two experienced Theatr Clwyd Music Trust team members reached its culmination in July 2021. This provided huge insights into pedagogy, developments in music education and practical experience of teaching young musicians.

We also welcomed 'The Flying Bedroom' (7 undergraduates from both music and drama departments at the college) Team to perform at the Family Arts Festival in July 2021 and a second visit in September 2021 touring primary schools. In March 2022 a brass quintet toured schools and finally in June 2022 Blue Summer (a jazz and soul band) performed in the 'Mix' and toured schools. More than 2000 young people saw these young musicians perform in 18 different venues across Flintshire.

In February and March 2022, 14 young musicians from Flintshire had three intensive weekend sessions working with Royal Northern College of Music tutors and undergraduates. This culminated with informal performances in the studios at the college.

Winter of Wellbeing Funding 2021-22

As a response to the pandemic, Welsh Government made grant funding available to councils under the banner of 'Winter of Wellbeing' to provide a range of activities for children and young people to support their emotional and physical health. Some of this funding was directed toward music services. Theatr Clwyd Music Trust used this grant money to fund:

A rock and pop project in conjunction with the Royal Northern College of Music for 12 gifted young musicians which provided wonderful experiences, future music pathways and networking with industry professionals.

Free lessons for 15 weeks in a number of Flintshire Schools. These were all schools that had tuition with us prior to COVID-19 but were either still having no tuition or a significant reduction on pre-COVID hours. Numbers of learners receiving tuition in these schools during this time was 165.

Music Services for Pupils with Additional Learning Needs

An area of strong progress for the Music Trust is working with children and young people who have Additional Learning Needs. Previously there was limited interaction with the secondary specialist school Ysgol Maes Hyfryd and none with the primary specialist school, Ysgol Pen Coch. The previous model also made it difficult to integrate and differentiate for learners with ALN in mainstream schools.

The Music Trust has employed a singing/piano teacher who has significant experience of working with children with ALN to deliver this enhanced offer.

A training programme has also been developed to extend the skills of the rest of the Trust's Music Team when they are working with ALN pupils. This current delivery is at no cost to special schools and families and the number of young people disclosing ALN and having small group and individual lessons is 70.

Financial review

Principal funding sources

Theatr Clwyd Music Trust acknowledges the support it receives from Flintshire County Council via the cultural services agreement it holds with Theatr Clwyd Trust.

Total incoming resources for the period ended 31 August 2022 was £1,153,587.

Income from grants for the period ended 31 August 2022 totalled £726,638.

Theatr Clwyd Music Trust Ltd
Report of the Trustees
for the Period 1 April 2021 to 31 August 2022

STRATEGIC REPORT

Financial review

Reserves policy

As at 31 August 2022 Theatr Clwyd Music Trust Limited has unrestricted funds not committed or invested in tangible fixed assets of £107,539.

The target level of free reserves is 3 months worth of unrestricted expenditure, which would accommodate for any unforeseen changes in income streams. Currently the level of free reserves represents 1.5 months of unrestricted expenditure so the target has been achieved in the current financial year.

The reserves policy is reviewed annually when preparing the budget for the forthcoming year.

Principal risks and uncertainties

The Trustees acknowledge the continuing cost of living crisis and the impact that has on family's income. They also recognise that funding for schools has received significant funding cuts which could also impact their contribution towards music tuition.

Financial effects of any significant risks

The Trustees aren't aware of any significant events within the year that would have a detrimental impact on the organisation.

Financial and risk management objectives and policies

The Trust has an established risk register which uses a rating system to assess the level of risk and the likelihood of this risk occurring with identified mitigating actions. The register is reviewed quarterly by the Trustees.

Impact of any material pension liability on the accounts

Employees who transferred under TUPE on 1st April 2021 remain members of the Clwyd Pension Fund (LGPS). At the point of transfer the scheme was closed to new members. Under the terms of our Cultural Service Agreement and the Business Transfer Deed any deficit arising from the pension up to 31 March 2021 remains the responsibility of Flintshire County Council. From 1st April 2021 Flintshire County Council and Theatr Clwyd Music Trust Ltd agreed a risk share approach in respect of future service and deficit payments

Future plans

National Plan for Music Education Wales

Following the publication of a national report which outlined concerns about the demise of council music services across Wales due to funding pressures, and the negative impact this would have on children and young people's access to music tuition, and particularly those from disadvantaged backgrounds, Welsh Government responded positively.

In May 2022 the National Plan for Music Education was announced with new money for music services across Wales - £13.5m over three years. The money allocated to Flintshire is approximately £230k per year to deliver on the key priorities within the national plan.

Direct Debits

In a continued effort to make music tuition as affordable and accessible as possible in September 2022 Theatr Clwyd Music Trust will move to a system where families can spread the cost of their tuition via Direct Debit

Charity's investment policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

The board of trustees of up to 7 members meets 4 times a year to administer the Charity.

A Director of Music is appointed to manage the day to day operations of the charity.

Theatr Clwyd Music Trust Ltd
Report of the Trustees
for the Period 1 April 2021 to 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The full disclosure of all transactions with all recognised related parties in Note 12 of the Financial statements for the period ended 31 August 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

12776979 (England and Wales)

Registered Charity number

1191690

Registered office

Theatr Clwyd
Raikes Lane
Mold
Flintshire
CH7 1YA

Trustees

L T Evans-Ford
Mrs C H Homard
Mrs T Mvula
K H Price

Company Secretary

A Roberts

Auditors

Haines Watts, Statutory Auditor
Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

FUNDS HELD AS CUSTODIAN FOR OTHERS

As at 31 August 2022 the trustees confirmed that there were no funds held as custodian for others.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Theatr Clwyd Music Trust Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Theatr Clwyd Music Trust Ltd

**Report of the Trustees
for the Period 1 April 2021 to 31 August 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

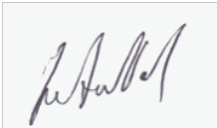
In so far as the trustees are aware:

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

AUDITORS

The auditors, Haines Watts, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 31 May 2023 and signed on the board's behalf by:

A handwritten signature in blue ink, appearing to read 'L T Evans-Ford', is shown within a light blue rectangular box.

L T Evans-Ford - Trustee

Report of the Independent Auditors to the Members of Theatr Clwyd Music Trust Ltd

Opinion

We have audited the financial statements of Theatr Clwyd Music Trust Ltd (the 'charitable company') for the period ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 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 Report of the Independent Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Theatr Clwyd Music Trust Ltd

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management, those charged with governance around actual and potential litigation and claims.

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Theatr Clwyd Music Trust Ltd**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Francis Murphy (Senior Statutory Auditor)
for and on behalf of Haines Watts, Statutory Auditor
Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

31 May 2023

Theatr Clwyd Music Trust Ltd

**Statement of Financial Activities
for the Period 1 April 2021 to 31 August 2022**

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,153,587	-	-	1,153,587
Investment income	3	16	-	-	16
Total		<u>1,153,603</u>	<u>-</u>	<u>-</u>	<u>1,153,603</u>
EXPENDITURE ON					
Raising funds	4	930,590	-	-	930,590
Other		<u>58,474</u>	<u>-</u>	<u>-</u>	<u>58,474</u>
Total		<u>989,064</u>	<u>-</u>	<u>-</u>	<u>989,064</u>
NET INCOME		164,539	-	-	164,539
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		<u>(57,000)</u>	<u>-</u>	<u>-</u>	<u>(57,000)</u>
Net movement in funds		<u>107,539</u>	<u>-</u>	<u>-</u>	<u>107,539</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>107,539</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>107,539</u></u>

The notes form part of these financial statements

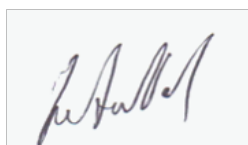
Theatr Clwyd Music Trust Ltd

**Balance Sheet
31 August 2022**

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
CURRENT ASSETS					
Debtors	8	140,143	-	-	140,143
Cash at bank		198,418	-	-	198,418
		<u>338,561</u>	<u>-</u>	<u>-</u>	<u>338,561</u>
CREDITORS					
Amounts falling due within one year	9	(174,022)	-	-	(174,022)
		<u>164,539</u>	<u>-</u>	<u>-</u>	<u>164,539</u>
NET CURRENT ASSETS					
		164,539	-	-	164,539
TOTAL ASSETS LESS CURRENT LIABILITIES		164,539	-	-	164,539
PENSION (LIABILITY)/ASSET	11	(57,000)	-	-	(57,000)
		<u>107,539</u>	<u>-</u>	<u>-</u>	<u>107,539</u>
NET ASSETS					
		107,539	-	-	107,539
FUNDS	10				
Unrestricted funds					107,539
TOTAL FUNDS					<u>107,539</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 31 May 2023 and were signed on its behalf by:



L T Evans-Ford - Trustee

Theatr Clwyd Music Trust Ltd

**Cash Flow Statement
for the Period 1 April 2021 to 31 August 2022**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	198,402
Net cash provided by operating activities		<u>198,402</u>
Cash flows from investing activities		
Interest received		<u>16</u>
Net cash provided by investing activities		<u>16</u>
Change in cash and cash equivalents in the reporting period		<u>198,418</u>
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>198,418</u></u>

The notes form part of these financial statements

Theatr Clwyd Music Trust Ltd

**Notes to the Cash Flow Statement
for the Period 1 April 2021 to 31 August 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	£
Net income for the reporting period (as per the Statement of Financial Activities)	164,539
Adjustments for:	
Interest received	(16)
Increase in debtors	(140,143)
Increase in creditors	174,022
Net cash provided by operations	198,402

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank	-	198,418	198,418
	-	198,418	198,418
Total	-	198,418	198,418

The notes form part of these financial statements

**Notes to the Financial Statements
for the Period 1 April 2021 to 31 August 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	£
Gifts	4
Grants	726,638
Income	416,691
Miscellaneous income	10,254
	1,153,587

Grants received, included in the above, are as follows:

	£
Other grant income	726,638

**Notes to the Financial Statements - continued
for the Period 1 April 2021 to 31 August 2022**

3. INVESTMENT INCOME

	£
Interest receivable - trading	16
	<u> </u>

4. RAISING FUNDS**Raising donations and legacies**

	£
Support costs	7,008
	<u> </u>

Other trading activities

	£
Staff costs	913,777
Other staff costs	9,805
	<u> </u>
	<u>923,582</u>

Aggregate amounts	<u>930,590</u>
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5. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Raising donations and legacies	7,008	-	-	-	7,008
Other resources expended	47,033	3,570	2,871	5,000	58,474
	<u>54,041</u>	<u>3,570</u>	<u>2,871</u>	<u>5,000</u>	<u>65,482</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 August 2022.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31 August 2022.

7. STAFF COSTS

	£
Wages and salaries	723,614
Social security costs	51,921
Other pension costs	138,242
	<u> </u>
	<u>913,777</u>

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

Employees	<u>31</u>
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No employees received emoluments in excess of £60,000.

**Notes to the Financial Statements - continued
for the Period 1 April 2021 to 31 August 2022**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	51,088
Sundry debtors	84,688
Prepayments and accrued income	4,367
	<u>140,143</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	4,817
Other creditors	18,238
Accruals and deferred income	150,967
	<u>174,022</u>

10. MOVEMENT IN FUNDS

	Net movement in funds £	At 31.8.22 £
Unrestricted funds		
General fund	107,539	107,539
	<u>107,539</u>	<u>107,539</u>
TOTAL FUNDS	<u>107,539</u>	<u>107,539</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,153,603	(989,064)	(57,000)	107,539
	<u>1,153,603</u>	<u>(989,064)</u>	<u>(57,000)</u>	<u>107,539</u>
TOTAL FUNDS	<u>1,153,603</u>	<u>(989,064)</u>	<u>(57,000)</u>	<u>107,539</u>

11. EMPLOYEE BENEFIT OBLIGATIONS

The staff of the charity are members of the Clwyd Pension Fund, the Local Government Pension Scheme, which is administered by Mercer.

It is a defined benefit pension scheme, and its assets are held separately from those of the charity

The pension cost charge represents amounts payable by the charity into the fund of £138,242.

Mercer report a deficit in the fund of £57,000 at the year end, meaning that based on certain assumptions, the fund would unable to meet its liabilities by this amount as and when they fall due in the future, and hence this amount has been provided for in these financial statements

The principal actuarial assumptions made in arriving at the valuation are:

Balance sheet items as at 31 August 2022	£000
Present value of funded benefit obligations	412
Present value of unfunded benefit obligations	0

Notes to the Financial Statements - continued
for the Period 1 April 2021 to 31 August 2022

11. EMPLOYEE BENEFIT OBLIGATIONS - continued

Total present value of benefit obligations	412
Fair value of plan assets	(355)
Unrecognised past service cost	0
Deficit/(surplus)	57

Components of pension costs for period to 31 August 2022

Current service cost	307
Net interest cost	3
Administration expenses	6
Past service cost (gain)	0
Effect of curtailments	0
Effect of settlements	0
Effect of asset ceiling	0
Total pension costs recognised in I&E	316

Statement of other comprehensive income

Remeasurements - net (gain)/loss	(276)
Effect of asset ceiling	0
Total remeasurements (gain)/loss in SOCI (67% of period end liabilities)	(276)

Asset allocation - £000s	1 April 2021		31 August 2022	
Equities	N/A	N/A	70	19.6%
Government bonds	N/A	N/A	-	0.0%
Other bonds	N/A	N/A	110	31.1%
Property	N/A	N/A	23	6.4%
Cash/liquidity	N/A	N/A	13	3.7%
Other	N/A	N/A	139	39.2%
Total	-		355	

	Unfunded benefits£000	All benefits£000
Change in benefit obligation to 31 August 2022		
Benefit obligation at beginning of period	-	0
Current service cost (42.2% of pay plus interest)	-	307
Interest on pension liabilities	-	11
Member contributions	-	44
Past service cost (gain)	-	0
Remeasurements (liabilities)	-	
Experience (gain)/loss	-	47
(Gain)/loss on financial assumptions	-	(308)
(Gain)/loss on demographic assumptions	-	(4)
Curtailments	-	0
Settlements	-	0
Benefits/transfers paid	-	0
Business combinations	-	315
Benefit obligation at end of period	-	412

Change in plan assets to 31 August 2022

Fair value of plan assets at beginning of period	-	0
Interest on plan assets	-	8
Remeasurements (assets)	-	11
Administration expenses	-	(6)
Business combinations		158
Settlements		0
Employer contributions		140
Member contributions		44

**Notes to the Financial Statements - continued
for the Period 1 April 2021 to 31 August 2022**

11. EMPLOYEE BENEFIT OBLIGATIONS - continued

Benefits/transfers paid	0
Fair value of plan assets at the end of the period	355
Actual Return on plan assets	19
Experience (gain)/loss - Pension increase	2
Experience (gain)/loss - Post September known inflation	45
Experience (gain)/loss - Other	0

"Other" assets include Tactical Asset Allocation 11.1%, Hdge Fund of Funds 6.5%, Impact of Private Equity 10.6%, Infrastructure 4.8%, Timber & Agriculture 0.5%, Private Debt 2.1%

2. Data used in calculations

Investment return data			Whole fund asset details (£m)		
Supplied	2.15%	18 month return to 30 September 2022, as provided by the Fund	- Last actuarial valuation	1,867	31 March 2019
		Removal of 1 month return to 30 September 2022, estimated based on actual Fund asset values			
Adjustment 1	5.45%		- Start of period	2,183	31 March 2021
Adjustment 2	N/A		- End of period	2,340	31 August 2022
Final return applied	7.75%	Net of investment expenses			
Expenses	£6,000	Administration expenses deducted from year end assets			

Employer data	Data supplied	Revised	Notes
Balance sheet items:			
1 April 2021 assets	N/A		
1 April 2021 liabilities	N/A		
Cash flows:			
Pensionable pay	£994,731	£716,955	We have estimated the 17 month data from the 24 month data provided.
Employer normal contributions (% of pay)	£193,972	£139,805	We have estimated the 17 month data from the 24 month data provided.
Employer normal contributions (£ lump sum)	N/A		
Employer other contributions	N/A		
Employee contributions	£60,290	£43,569	We have estimated the 17 month data from the 24 month data provided.
Transfer values received	£428		
Retirement lump sums paid	N/A		
Pensions paid	N/A		
Lump sum death benefits paid	N/A		
Payments on account of leavers	£752	£313	We have estimated the 17 month data from the 24 month data provided.
Recharged benefits (£ for £ basis)	N/A		
Additional pension costs:			
Early retirement - redundancy	N/A		
Early retirement - non-redundancy	N/A		

**Notes to the Financial Statements - continued
for the Period 1 April 2021 to 31 August 2022**

11. EMPLOYEE BENEFIT OBLIGATIONS - continued

Augmentation - redundancy	N/A
Augmentation - non-redundancy	N/A
Membership numbers as at 31 August 2022:	

The membership figures provided are at 31 March 2023, but these do not directly impact our calculations.

Actives	24
Deferreds	8
Pensioners	0
Spouses / dependants	0

Particular events relevant to this employer of which we have been notified:

These figures arise as a result of a transfer that took place on 1 April 2021. The initial effect of the transfer of staff to this employer is shown in the two Business combinations items on page 3, which set out this accounting assets and liabilities at the date of transfer. This is on the basis that the new employer was partially funded on the 2019 actuarial valuation assumptions. The calculation of the asset value is provisional, and will be formalised in advance of next year's figures.

3. Assumptions**Duration information at the end of the accounting period**

Estimated Macaulay duration of liabilities (at later of 31 March 2019 & admission date): 28 years

Duration profile used to determine assumptions: Non-pensioner

Financial assumptions	Beginning of period (p.a.)	End of period (p.a.)
CPI inflation/ CARE benefits revaluation	2.7%	2.8%
Increase in salaries	3.95%	4.05%
Increase in pensions in payment/ deferment	2.8%	2.9%
Discount rate	2.2%	4.3%

Post retirement mortality assumptions (normal health)*

	S3PA CMI 2018 [1.75%] (106%)	S3PA CMI 2021 [1.75%] (106%)
- Non-retired members	males, 93% females	males, 93% females
	S3PA CMI 2018 [1.75%] (100%)	S3PA CMI 2021 [1.75%] (100%)
- Retired members	males, 92% females	males, 92% females

Life expectancy of a male (female)

- future pensioner age 65 in 20 years' time	24.2 (27 years)	24 (26.9 years)
-current pensioner age 65	22.6 (25 years)	22.5 (24.9 years)

* Mortality uses a smoothing parameter of 7.5, no addition to initial improvements and "middle" tables for females

4. Budgeting figures for year commencing 1 September 2022

A - Projected pension cost	£000s	£000s	£000s
Estimated pay:	506		
Service Cost (% of pay)	21.7%		
Implied Service Cost including interest:		112	
Net interest cost		-	
Administration expenses		4	
Total pension cost recognised in I&E			116
B - Projected employer contributions			
Normal contributions *		99	

Theatr Clwyd Music Trust Ltd

Notes to the Financial Statements - continued for the Period 1 April 2021 to 31 August 2022

11. EMPLOYEE BENEFIT OBLIGATIONS - continued

£ for £ recharges	-	
Total employer contributions next year		99
C - Current deficit/(surplus)		57
D - Projected deficit/(surplus) next year		74
This is calculated as C + A - B		

*Based on initial contribution requirements calculated at date of admission. Updated contribution rates are payable from 1 April 2023 based on the 2022 actuarial valuation.

12. RELATED PARTY DISCLOSURES

During the year there were amounts paid to Theatr Clwyd Trust Ltd of £602.23m and donations made from Theatr Clwyd Trust Ltd to Theatr Clwyd Music Trust Ltd of £419,369.64.

Amounts outstanding payable to Theatr Clwyd Trust at 31 August 2022 were £68.15. Amounts owed from Theatr Clwyd Trust Ltd at the year end were £1,389.16.

All transactions between related parties were under normal market conditions.

Theatr Clwyd Music Trust Ltd

**Detailed Statement of Financial Activities
for the Period 1 April 2021 to 31 August 2022**

£

INCOME AND ENDOWMENTS

Donations and legacies

Gifts	4
Grants	726,638
Income	416,691
Miscellaneous income	10,254
	1,153,587

Investment income

Interest receivable - trading	16

Total incoming resources	1,153,603
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EXPENDITURE

Other trading activities

Wages	723,614
Social security	51,921
Pensions	138,242
Other staff costs	9,805
	923,582

Support costs

Management

Insurance	7,727
Telephone	80
Postage and stationery	277
Sundries	30
Exam costs	3,550
Computer costs	7,912
Staff welfare	735
Health and safety	3,872
Sundry expenses	1,111
Subscriptions	588
Travel costs	19,209
Entertainment	1,613
Advertising	437
Production and musician fees	6,900
	54,041

Finance

Bank charges	3,570
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Information technology

Repairs and renewals	2,871
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Governance costs

Accountancy and legal fees	5,000
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This page does not form part of the statutory financial statements

Theatr Clwyd Music Trust Ltd

**Detailed Statement of Financial Activities
for the Period 1 April 2021 to 31 August 2022**

	£
Total resources expended	989,064
Net income	164,539

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