

REGISTERED COMPANY NUMBER: 02803324 (England and Wales)  
REGISTERED CHARITY NUMBER: 1130052

Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 March 2017  
for  
Cwmni Iaith Cyf

Ashmole & Co.  
Chartered Certified Accountants  
The Old School  
The Quay  
Carmarthen  
Carmarthenshire  
SA31 3LN



Cwmni Iaith Cyf

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for the Year Ended 31 March 2017

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Report of the Trustees  
for the Year Ended 31 March 2017

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 year ended 31 March 2017. 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 2015).

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The Charity's principal aim is to promote, direct and research into matters relevant to the Welsh language in Wales, in addition to regional and minority languages, to promote and extend educational activities, training and development projects within Welsh society and beyond, in connection with the Welsh language and regional and minority languages, to promote and extend public education in language schemes, bilingualism and multilingualism.

### **Public benefit**

The Charity provides a benefit to the public by giving advice, assistance and services on every subject relevant to the promotion and use of regional and minority languages. The trustees have considered the guidelines given by the Charity Commission on public benefit.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

A review of success and performances of the charity was given by the chairman at the annual meeting.

## **FINANCIAL REVIEW**

### **Investment policy and objectives**

The trustees' investment powers are governed by the Memorandum and Articles of Association. The trustees have a policy of keeping any monies by way of liquid assets in short-term, high interest, easily accessible deposit accounts. The trustees are of the opinion that the Charity does not have enough reserves to consider investing in any other ways at present.

### **Reserves policy**

The trustees have established a policy whereby general funds which are not invested or committed to fixed assets should represent between 3 and 6 months of general expenditure, averaging between £30,000 and £60,000 in reserve funds. At this level, the trustees felt the charity would be able to operate in the event of a substantial shortage of income. Currently, on average over the last three years the reserves of the Company run at a deficit of £7,030 (before the deficit in the defined-contributions pension scheme) and this does not meet the target set. The trustees are therefore considering how that target can be fulfilled. There has been a substantial change to income and staffing structure since the Welsh Governments' decision to cancel the TWF project as of the 31st March 2016. The Company incurred large costs due to its cancellation which has had a negative impact on the balance sheet. The loss of the TWF project resulted in a loss of turnover, reducing from £756,000 in 2015-16 to £185,000 in the year ended 31st March 2017. The loss of income and the costs of re-structuring has hence caused a large deficit in the 2016-17 financial statements. The financial statements are prepared on the assumption that the charity will carry on as a going concern.

### **Funds in deficit**

The charity's results are reported in the Statement of Financial Activities on page 8. The net deficit or surplus from ordinary activities, before losses according to insurance statistics on the pension scheme, shows a deficit of £56,888. This is after a loss on the pension scheme of £12,000 (2016 profit of £14,000).

The net income from restricted activities shows a deficit of £8,937 (2016 surplus of £4,215).

The trustees take the view that the pension scheme liabilities have been appropriately allowed for and are confident that the deficit will be wiped out over the long term.

## **FUTURE PLANS**

In briefly, restructuring the staffing plan by reducing the number of employed staff and establish a core team of consultants. The new structure will allow the company to continue to maintain and grow its capacity to carry out projects while keeping control of its costs. The company will prioritize growth, through winning new projects.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is a company limited by guarantee without shares as defined by the Companies Act 2006. It was incorporated on 25th March 1993 and became a registered Charity on the 9th June 2009.

### **Recruitment and appointment of new trustees**

Members of the board of trustees (who are also directors of the charity for the purpose of company's legislation) who served during the year and on the date of the report and noted above. A trustee is appointed by the members in an annual meeting or by the trustees when a post becomes vacant. There must be at least three trustees but there is no maximum.

### **Organisational structure**

A meeting of the board is held every quarter. The trustees have appointed an administrative director to manage the charity's day-to-day activities. The board members guarantee to contribute a maximum of £1 to company's assets should the company be wound up.

### **Induction and training of new trustees**

When new trustees are appointed, they are provided with information on their duties and responsibilities. This includes training in company procedures and policies including an assessment of their training needs. The charity has a policy of offering specific training to every trustee on his or her role and responsibilities.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Company number**

02803324 (England and Wales)

### **Registered Charity number**

1130052

### **Registered office**

Uned 3  
Parc Busnes Aberarad  
Castell Newydd Emlyn  
Sir Gar  
SA38 9DB

### **Trustees**

R Dafydd	
G Ioan	- appointed 13.7.16
D R Davies	
O Llewelyn	
S Williams	
G Jones	
Cyng A L Jones	
E Lewis	
Dr D Davies	- resigned 13.7.16
Dr S Eaves	- appointed 13.7.16

### **Company Secretary**

Dr K E Jones

Cwmni Iaith Cyf

Report of the Trustees  
for the Year Ended 31 March 2017

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent examiner**

Ashmole & Co.  
Chartered Certified Accountants  
The Old School  
The Quay  
Carmarthen  
Carmarthenshire  
SA31 3LN

**Bankers**

Natwest  
4 Heol Fawr  
Aberteifi  
Ceredigion  
SA43 1NW

Approved by order of the board of trustees on ..... 12 / 7 / 17 ..... and signed on its behalf by:



.....  
G Ioan - Trustee

## Cwmni Iaith Cyf

### Statement of Trustees Responsibilities for the Year Ended 31 March 2017

The trustees (who are also the directors of Cwmni Iaith Cyf 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.

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.

Independent Examiner's Report to the Trustees of  
Cwmni Iaith Cyf

I report on the accounts for the year ended 31 March 2017 set out on pages seven to thirteen.

**Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

**Basis of the independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Independent Examiner's Report to the Trustees of  
Cwmni Iaith Cyf



Carwyn Morgan  
ACCA  
Ashmole & Co.  
Chartered Certified Accountants  
The Old School  
The Quay  
Carmarthen  
Carmarthenshire  
SA31 3LN

Date: 12/7/2017.



Statement of Financial Activities  
for the Year Ended 31 March 2017

	Notes	Unrestricted fund £	Restricted fund £	31.3.17 Total funds £	31.3.16 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Projects		185,739	-	185,739	756,048
Investment income	2	8	-	8	29
<b>Total</b>		<b>185,747</b>	<b>-</b>	<b>185,747</b>	<b>756,077</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Projects		220,835	8,476	229,311	628,705
Other		21,800	461	22,261	167,206
<b>Total</b>		<b>242,635</b>	<b>8,937</b>	<b>251,572</b>	<b>795,911</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(56,888)</b>	<b>(8,937)</b>	<b>(65,825)</b>	<b>(39,834)</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		(153,000)	-	(153,000)	70,000
<b>Net movement in funds</b>		<b>(209,888)</b>	<b>(8,937)</b>	<b>(218,825)</b>	<b>30,166</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>(296,151)</b>	<b>27,316</b>	<b>(268,835)</b>	<b>(299,001)</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(506,039)</b>	<b>18,379</b>	<b>(487,660)</b>	<b>(268,835)</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

	Notes	Unrestricted fund £	Restricted fund £	31.3.17 Total funds £	31.3.16 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	6	700	-	700	1,801
<b>CURRENT ASSETS</b>					
Debtors	7	59,153	8,379	67,532	26,165
Cash at bank and in hand		239	10,000	10,239	76,380
		<u>59,392</u>	<u>18,379</u>	<u>77,771</u>	<u>102,545</u>
<b>CREDITORS</b>					
Amounts falling due within one year	8	(52,131)	-	(52,131)	(27,181)
<b>NET CURRENT ASSETS</b>		<u>7,261</u>	<u>18,379</u>	<u>25,640</u>	<u>75,364</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,961	18,379	26,340	77,165
<b>PENSION LIABILITY</b>	11	(514,000)	-	(514,000)	(346,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u>(506,039)</u>	<u>18,379</u>	<u>(487,660)</u>	<u>(268,835)</u>
<b>FUNDS</b>	10				
Unrestricted funds				(506,039)	(296,151)
Restricted funds				18,379	27,316
<b>TOTAL FUNDS</b>				<u>(487,660)</u>	<u>(268,835)</u>

The notes form part of these financial statements

Cwmni Iaith Cyf

Balance Sheet - continued

At 31 March 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 12/7/17 and were signed on its behalf by:



G Ioan -Trustee

The notes form part of these financial statements

## 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosure paragraph 33.7.

### **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.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

### **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.

### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

**1. ACCOUNTING POLICIES - continued**

**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 Financial Activities in the period to which they relate.

**2. INVESTMENT INCOME**

	31.3.17	31.3.16
	£	£
Deposit account interest	8	29
	<u>8</u>	<u>29</u>

**3. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	31.3.17	31.3.16
	£	£
Other assurance services	2,000	3,000
Depreciation - owned assets	1,352	5,449
Hire of plant and machinery	46,355	32,369
Other operating leases	9,665	60,607
	<u>9,665</u>	<u>60,607</u>

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**5. STAFF COSTS**

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

	31.3.17	31.3.16
Project	3	22
Support	1	2
	<u>4</u>	<u>24</u>

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

## 6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2016	51,191	45,245	96,436
Additions	-	250	250
At 31 March 2017	51,191	45,495	96,686
<b>DEPRECIATION</b>			
At 1 April 2016	50,639	43,995	94,634
Charge for year	138	1,214	1,352
At 31 March 2017	50,777	45,209	95,986
<b>NET BOOK VALUE</b>			
At 31 March 2017	414	286	700
At 31 March 2016	552	1,250	1,802

## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Trade debtors	63,938	20,788
VAT	3,594	5,377
	67,532	26,165

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Bank loans and overdrafts (see note 9)	10,535	-
Trade creditors	35,546	8,681
Social security and other taxes	2,807	10,083
Other creditors	1,243	3,370
Accrued expenses	2,000	5,047
	52,131	27,181

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

**9. LOANS**

An analysis of the maturity of loans is given below:

	31.3.17 £	31.3.16 £
Amounts falling due within one year on demand:		
Bank overdraft	<u>10,535</u>	<u>-</u>

**10. MOVEMENT IN FUNDS**

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
<b>Unrestricted funds</b>			
General fund	(296,151)	(209,888)	(506,039)
<b>Restricted funds</b>			
TWF	27,316	(8,937)	18,379
<b>TOTAL FUNDS</b>	<u>(268,835)</u>	<u>(218,825)</u>	<u>(487,660)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	185,747	(242,635)	(153,000)	(209,888)
<b>Restricted funds</b>				
TWF	-	(8,937)	-	(8,937)
<b>TOTAL FUNDS</b>	<u>185,747</u>	<u>(251,572)</u>	<u>(153,000)</u>	<u>(218,825)</u>

**11. EMPLOYEE BENEFIT OBLIGATIONS**

	31.3.17 £	31.3.16 £
Market value of the assets	2,160,000	1,741,000
Present value of the liabilities	(2,674,000)	(2,087,000)
Deficit in the pension scheme	(514,000)	(346,000)

**12. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2017.

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2017

	31.3.17 £	31.3.16 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Investment income</b>		
Deposit account interest	8	29
<b>Charitable activities</b>		
Fees	108,918	700,451
Research	50,401	23,596
Sundry income	4,085	2,390
Grants	22,335	29,611
	<b>185,739</b>	<b>756,048</b>
<b>Total incoming resources</b>	<b>185,747</b>	<b>756,077</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	89,570	468,202
Social security	6,537	25,264
Pensions	10,098	46,367
Development and research fees	41,940	28,265
Travelling	9,665	60,607
	<b>157,810</b>	<b>628,705</b>
<b>Support costs</b>		
<b>Management</b>		
Wages	18,814	36,566
Social security	1,447	2,574
Pensions	3,329	3,561
Hire of plant and machinery	4,415	4,104
Rates and water	13,553	29,223
Insurance	3,065	2,755
Light and heat	1,846	3,103
Telephone	4,535	12,110
Postage and stationery	1,882	8,888
Advertising	2,992	14,136
Sundries	62	182
Hire of rooms	1,449	6,945
Repairs and renewals	8,001	1,736
Subscriptions	351	1,189
Staff training	-	4,212
Income protection fee	2,243	2,741
Donations	145	218
Carried forward	<b>68,129</b>	<b>134,243</b>

This page does not form part of the statutory financial statements



Detailed Statement of Financial Activities  
for the Year Ended 31 March 2017

	31.3.17 £	31.3.16 £
<b>Management</b>		
Brought forward	68,129	134,243
Translation fees	475	421
Computer maintenance	8,861	9,136
Fixtures and fittings	138	138
Computer equipment	1,214	5,310
Expected return on pension scheme assets	(62,000)	(60,000)
Interest on pension scheme liabilities	74,000	74,000
	<hr/> 90,817	<hr/> 163,248
<b>Finance</b>		
Bank charges	945	968
Exchange rate loss/(profit)	-	(10)
	<hr/> 945	<hr/> 958
<b>Governance costs</b>		
Auditors' remuneration for non audit work	2,000	3,000
	<hr/> 251,572	<hr/> 795,911
<b>Total resources expended</b>		
	<hr/>	<hr/>
<b>Net expenditure</b>	<hr/> (65,825)	<hr/> (39,834)