

REGISTERED COMPANY NUMBER: 4106014 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER: 1085422

**Report of the Trustees and
Unaudited Financial Statements for the year ended 31st March 2007
for
Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**



Patterson, Jones & Evans
Chartered Accountants
23 College Street
Lampeter
Ceredigion
SA48 7DY

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

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for the year ended 31st March 2007**

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**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Report of the Trustees
for the year ended 31st March 2007**

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31st March 2007. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
4106014 (England and Wales)

Registered Charity number
1085422

Registered office
8a Heol y Gwyddau
Carmarthen
Carmarthenshire
SA31 1RE

Trustees

Danny Kibnde
Stephen Rees
Annette Davies
Rhian Bebb
Jim Blythe
Geraint Hopkins
Meg Browning

- resigned 9/9/2006
- appointed 9/9/2006

Company Secretary
Sian Thomas

COMMENCEMENT OF ACTIVITIES

The charity is a charitable company and was set up on 10th November 2000 when it took over the assets and liabilities of the former 'trac'. It became a registered charity on 7th March 2002.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up.

Recruitment and appointment of new trustees

Members of the board of trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 3.

The minimum number of trustees required is three with no maximum. The Trustees are appointed by the members at the Annual General Meeting or otherwise appointed by the Trustees where there is a vacancy. One third of the Trustees retire at each annual general meeting.

Induction and training of new trustees

All new trustees receive information on their obligations and responsibilities as trustees and receive a full induction to the charity's aims and objectives. Training is made available on trustee roles and responsibilities where it is requested.

Organisational structure

A full time director, appointed by the trustees, manages the day to day operations of the charity with the support of administrative staff.

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Report of the Trustees
for the year ended 31st March 2007**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's principal activity is as a Folk Development Agency for Wales. Its objects are to increase awareness, understanding and confidence in the music, song and dance traditions within Wales, and to raise awareness outside Wales of traditional activities taking place, and to create links with other organisations and participants throughout the world

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Report of the Trustees
for the year ended 31st March 2007**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

trac during this financial year continued to develop a profile and portfolio of projects which will establish the organisation as a brand recognised by both the traditional community and funders for provision of quality events and services

Local Authority partnerships remained important to trac in this period trac continued to build relationships with LEADER groups, Mentrau Iaith, the National History Museum (St Fagans) and others

Three projects continued in 2006/7

Prosiect Penfro continued to work with PLANED, Pembrokeshire County Council, Menter Iaith Penfro and the National History Museum to reintroduce the Museum's collection of songs from Pembrokeshire to their original communities and to develop potential for community enterprise, primarily through tourism opportunities The project participants have now shared their work with private and public sector tourism professionals, Welsh learners and PLANED's Transnational partners (including community development workers from Slovenia, Spain, Ireland and Scotland) The project also expanded to include workshops in five junior schools

In the "Going Public" project trac continues to work with Mick Tems and the National History Museum to secure Mick Tem's collection of SE Wales songs and make them available, at the end of the project, to the general public

Due to other commitments of Denbighshire County Council, the final production of the Gaol Project was postponed but is now scheduled for the 2007/8 financial year

In addition, several new projects were initiated

Carmarthenshire County Council and Diwylliant Byw partnered trac in a project to develop greater participation in traditional Winter customs - notably, Plygain carol singing and the Mari Lwyd A one-day Plygain workshop encouraged the launch of at least one new Plygain service, and participants contributed to already established events The Mari Lwyd workshop was run in 3 junior schools Both sets of workshops will be run again in Autumn 2007

Torfaen County Council worked with trac to lay the groundwork for a junior schools project to take place in the 2007/8 financial year

In addition to project work and research, trac continues to advocate on behalf of the sector in Wales to a variety of governmental and non-governmental organisations

Once again, trac sent a delegate to WOMEX and we continue to believe that Wales should have a presence there representing all Welsh musics

Due in part to trac advocacy, the International Delegation of Celtic Connections 2007 was sponsored by Wales Organised by Wales Arts International, the promotion included a seminar, reception, trade stand and Welsh artists performing on a variety of the Festival stages Response from delegates was enthusiastic, with the result that some artists are receiving enquiries and bookings trac has benefitted from the contacts made at the event

As an example, the Celtic Connections presence resulted in trac's Director being invited to address the Traditional Music of Scotland Association's 40th Anniversary conference in the Scottish Parliament trac also took part in a wide range of other events including the National and International Eisteddfodau, Association of Festival Organisers' conference, Voluntary Arts Network UK conference, and others

Ontrac, the in-house magazine, continued to be trac's prime direct-mail marketing resource Edited by trac Administrator, Blanche Rowen, three issues were published during this period, the publication continues to elicit the warmest praise from readers Similarly, the e-bulletin service is well-used and appreciated by recipients and contributors

The trac database has developed and grown and now exceeds 1000 names Proof that the traditional music constituency values this information resource is evidenced by the increasing number of performers and organisations wishing to insert leaflets into Ontrac mailings or distribute information via trac's email lists

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Report of the Trustees
for the year ended 31st March 2007**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

trac appears to be increasingly accepted as a source of expertise by local authorities, tourism bodies, the media, community enterprise groups, small festivals, Llangollen Eisteddfod, etc

trac has continued to work in co-operation with societies representing specific sections of the Tradition including Ciera, Welsh Folk Song Society, Welsh Folk Dance Society, et al. The Advisory Panel has proved invaluable in informing trac's work and, in return, trac has advocated on their behalf with such bodies as the Arts Council and the Welsh Assembly Government

In response to trac's continued advocacy, the Arts Council of Wales offered to dedicate one of its consultation events to examine traditional music. In preparation, trac convened an extended Advisory Panel meeting to submit a paper to the seminar. It was also instrumental in organising guest speakers from Ireland and Scotland, and in publishing the Proceedings. It is generally felt, both at the Arts Council and amongst stakeholders, that this work will have strategic importance in the future.

trac provided assistance to a number of other organisations, including the Llangollen International Music Eisteddfod's Celtic Music day, Pembroke Festival's Fiddle Workshops and Competition, and the Wales Millennium Centre's Foyer Concerts.

In 2006/7 trac also established formal contact with the National Eisteddfod and is now represented on the Standing Committee for Folk Song.

The 2006/7 financial year was the third full year of trac's work to benefit from Arts Council for Wales Revenue funding, as well as Project funding. Applications to ACW for project funding in 2007/8 has now been approved, although this will again require a level of match funding to be found in the next financial year. It should be noted that match funding, apart from Local Authority partnerships, has been difficult. A number of Trusts which traditionally fund the Arts have withdrawn from funding this sector and others concentrate on areas of deprivation, ethnicity and disability.

trac's successes were due to the team work of the Director and the Administrator, assisted by the Board.

FINANCIAL REVIEW

Reserves policy

The results of the charity are shown in the statement for financial activities.

The trustees have a policy whereby the unrestricted funds not committed or invested in fixed assets ('the free reserves') held by the charity should be between 3 and 6 months of expenditure. The present level of reserves available to the charity of £14,359 (2006 £7,625) falls significantly short of this target level.

The trustees accept that the level of free reserves are therefore not adequate to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed. The trustees are therefore considering ways in which additional unrestricted funds will be raised.

Principal funding sources

trac's main funding was again provided by the Arts Council of Wales - both Revenue and Project grants. Other funding included partnership funding from Welsh Amateur Music Federation, Performing Rights Society Foundation and the private sector.

FUTURE DEVELOPMENTS

The Charity has made good progress in proving the positive contribution which can be made by a Folk Development Agency by both direct provision of projects and by contributions to strategy development - within and beyond the Arts community. trac is already established as such within certain sectors, such as Local Government and, to some extent, community development.

At present, the charity is reviewing its business plan with a view to developing long-term core funding from a mix of private and public funding.

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Report of the Trustees
for the year ended 31st March 2007**

FUTURE DEVELOPMENTS

With the growing number of traditional music projects in communities organised by groups apart from trac, there is an increasing potential for offering services such as publishing and training. Specifically, trac is looking towards securing sets of traditional instruments and training tutors to offer an ongoing service for schools and communities.

trac also wishes to progress the idea of a Residential event in the next financial year.

The primary restraint on development of trac remains staffing levels, a dedicated project worker would facilitate work considerably but financial support for administrators is limited for the foreseeable future.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit 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,
- 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 1985. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

ON BEHALF OF THE BOARD:


Sian Thomas-Secretary

Date 25-09-07

**Chartered Accountants' Report to the Board of Trustees
on the Unaudited Financial Statements of
Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we compiled the financial statements of the charitable company for the year ended 31st March 2007 which comprise the Statement of Financial Activity, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the charitable company's Board of Trustees, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the charitable company's Board of Trustees that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Trustees, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31st March 2007 your duty to ensure that the charitable company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the charitable company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Patterson, Jones & Evans
Chartered Accountants
23 College Street
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SA48 7DY

Date 23/10/07

This page does not form part of the statutory financial statements

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Statement of Financial Activities
for the year ended 31st March 2007**

		Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		60,376	-	60,376	58,920
Activities for generating funds	2	5,924	55	5,979	1,476
Investment income	3	584	-	584	-
Incoming resources from charitable activities					
Charitable projects		<u>300</u>	<u>-</u>	<u>300</u>	<u>34,389</u>
Total incoming resources		67,184	55	67,239	94,785
 RESOURCES EXPENDED					
Charitable activities					
Charitable projects		58,050	14,639	72,689	74,294
Governance costs	5	<u>8,193</u>	<u>6</u>	<u>8,199</u>	<u>10,204</u>
Total resources expended		66,243	14,645	80,888	84,498
 NET INCOMING/(OUTGOING) RESOURCES					
before transfers		941	(14,590)	(13,649)	10,287
Gross transfers between funds	11	4,252	(4,252)	-	-
Net incoming/(outgoing) resources		5,193	(18,842)	(13,649)	10,287
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>10,768</u>	<u>18,842</u>	<u>29,611</u>	<u>19,324</u>
TOTAL FUNDS CARRIED FORWARD		<u>15,962</u>	<u>-</u>	<u>15,962</u>	<u>29,611</u>

The notes form part of these financial statements

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Balance Sheet
At 31st March 2007**

		Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	8	1,603	-	1,603	3,143
CURRENT ASSETS					
Debtors amounts falling due within one year	9	-	-	-	48
Cash at bank and in hand		<u>19,821</u>	<u>-</u>	<u>19,821</u>	<u>28,480</u>
		19,821	-	19,821	28,528
CREDITORS					
Amounts falling due within one year	10	<u>(5,462)</u>	<u>-</u>	<u>(5,462)</u>	<u>(2,060)</u>
NET CURRENT ASSETS		<u>14,359</u>	<u>-</u>	<u>14,359</u>	<u>26,468</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,962</u>	<u>-</u>	<u>15,962</u>	<u>29,611</u>
NET ASSETS		<u>15,962</u>	<u>-</u>	<u>15,962</u>	<u>29,611</u>
FUNDS	11				
Unrestricted funds				15,962	10,768
Restricted funds				<u>-</u>	<u>18,843</u>
TOTAL FUNDS				<u>15,962</u>	<u>29,611</u>

The notes form part of these financial statements

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Balance Sheet - continued
At 31st March 2007**

The charitable company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2007

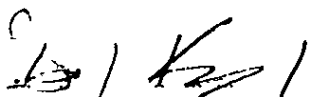
The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31st March 2007 in accordance with Section 249B(2) of the Companies Act 1985

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Section 221 of the Companies Act 1985 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 Section 226 and which otherwise comply with the requirements of the Companies Act 1985 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 VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Trustees on 25/9/07 and were signed on its behalf by


D L M Kilbride -Trustee

The notes form part of these financial statements

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

4. SUPPORT COSTS

	Totals
	£
Governance costs	5,684
Charitable projects	<u>51,160</u>
	<u>56,844</u>

Activity	Basis of allocation
Support/overhead costs	Allocated to governance and charitable projects on the basis of staff time spent on each activity

5. GOVERNANCE COSTS

	2007	2006
	£	£
Trustees' expenses	197	598
Trustee meeting costs	434	238
Accountancy	1,545	3,015
Legal & professional fees	339	340
Support costs	<u>5,684</u>	<u>6,013</u>
	<u>8,199</u>	<u>10,204</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2007	2006
	£	£
Depreciation - owned assets	<u>1,540</u>	<u>1,589</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2007 nor for the year ended 31st March 2006

Trustees' Expenses

	2007	2006
	£	£
Trustees' expenses	<u>197</u>	<u>598</u>

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

8 TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1st April 2006 and 31st March 2007	<u>6,520</u>
DEPRECIATION	
At 1st April 2006	3,377
Charge for year	<u>1,540</u>
At 31st March 2007	<u>4,917</u>
NET BOOK VALUE	
At 31st March 2007	<u>1,603</u>
At 31st March 2006	<u>3,143</u>

9. DEBTORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	<u>-</u>	<u>48</u>

10 CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Social security and other taxes	3,461	-
Accrued expenses	<u>2,001</u>	<u>2,060</u>
	<u>5,462</u>	<u>2,060</u>

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

11 MOVEMENT IN FUNDS

	At 1.4.06 £	Net movement in funds £	Transfers between funds £	At 31.3.07 £
Unrestricted funds				
General fund	10,768	942	4,252	15,962
Restricted funds				
Outreach project	3,261	-	(3,261)	-
Capacity Building	7,955	-	(7,955)	-
Taking Part	7,954	-	(7,954)	-
Ty a Gardd	<u>(327)</u>	<u>(14,591)</u>	<u>14,918</u>	<u>-</u>
	18,843	(14,591)	(4,252)	-
TOTAL FUNDS	<u>29,611</u>	<u>(13,649)</u>	<u>-</u>	<u>15,962</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	67,184	(66,242)	942
Restricted funds			
Ty a Gardd	55	(14,646)	(14,591)
Capacity Building	-	-	-
Taking Part	<u>-</u>	<u>-</u>	<u>-</u>
	55	(14,646)	(14,591)
TOTAL FUNDS	<u>67,239</u>	<u>(80,888)</u>	<u>(13,649)</u>

**Notes to the Financial Statements - continued
for the year ended 31st March 2007**

12 PURPOSES OF RESTRICTED FUNDS

Outreach project

This relates to the provision of specialist training workshops for traditional musician teachers/singers in Wales, funded by Elwa and Arts Training Wales. This has now ceased.

Capacity Building

This relates to Arts Council funded research projects in a number of fields such as the viability of residential events, a survey of relevant activity in Wales, and an exploration of possible changes to the corporate structure of TRAC. This has now ceased.

Taking Part

This relates to a range of activities, funded by an Arts Council grant, which included projects with Local Authorities, introductions to traditional Welsh dance for individuals and dance professionals, and the Wales-Sweden exchange. This has now ceased.

Ty a Gardd

This refers to trac's main current activity, funded by the Arts Council, which includes partnership provision of a variety of folk music and dance projects in communities across Wales.

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Detailed Statement of Financial Activities
for the year ended 31st March 2007**

	2007 £	2006 £
INCOMING RESOURCES		
Voluntary income		
Donations	-	145
Grants	<u>60,376</u>	<u>58,775</u>
	60,376	58,920
Activities for generating funds		
Sponsorships	121	461
Other sundry income	<u>5,858</u>	<u>1,015</u>
	5,979	1,476
Investment income		
Deposit account interest	584	-
Incoming resources from charitable activities		
Grants	<u>300</u>	<u>34,389</u>
Total incoming resources	67,239	94,785
RESOURCES EXPENDED		
Charitable activities		
Freelance staff	6,111	11,709
Other project costs	1,200	728
Marketing & promotion	9,507	7,158
Travel & subsistence	3,537	580
Venue costs	1,078	-
Translation costs	<u>96</u>	<u>-</u>
	21,529	20,175
Governance costs		
Trustees' expenses	197	598
Trustee meeting costs	434	238
Accountancy	1,545	3,015
Legal & professional fees	<u>339</u>	<u>340</u>
	2,515	4,191

This page does not form part of the statutory financial statements

**Traddodiadau Cerdd Cymru/ Music
Traditions Wales (trac) Limited**

**Detailed Statement of Financial Activities
for the year ended 31st March 2007**

	2007	2006
	£	£
Support costs		
Wages	43,600	44,517
Social security	4,295	4,032
Insurance	511	525
Telephone	622	697
Postage and stationery	1,162	2,276
Office costs	1,501	1,709
Travelling & subsistence	3,323	3,764
Subscriptions	248	398
Conference costs	40	390
Recruitment costs	-	235
Bank charges	2	-
Computer equipment	<u>1,540</u>	<u>1,589</u>
	<u>56,844</u>	<u>60,132</u>
Total resources expended	80,888	84,498
	<u> </u>	<u> </u>
Net income/(expenditure)	<u>(13,649)</u>	<u>10,287</u>

This page does not form part of the statutory financial statements