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REGISTERED CHARITY NUMBER: 1127952

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2022
FOR
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

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**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

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FOR THE YEAR ENDED 31 MARCH 2022**

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**REPORT OF THE TRUSTEES
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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 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).

FINANCIAL HIGHLIGHTS

The 2021-22 financial year saw National Theatre Wales (NTW) stage its first in-person performances since the COVID-19 pandemic and the restrictions on activity that went with it, whilst the latter months of the year saw NTW's office reopen. However, even after re-opening, the office is operating at lower capacity levels than previously, which means that hybrid working arrangements are common-place for all staff. This has meant that the group's investment in a digital and flexible way of doing business has continued. The group also continues to build upon the efficacy of its business model and robustness of its financial management practices that proved so successful in seeing it through the challenges of the pandemic.

From a financial perspective, the most notable event (other than the re-commencement of production activity) was the commencement of work on *Galwad* - a project forming part of the Unboxed Festival and commissioned by Creative Wales. This is a project far bigger than anything previously undertaken by NTW - involving expenditure in excess of £6m over the 2021-22 and 2022-23 financial years. This project had a major impact on the group's finances for the year, with income of more than £3m being received in the year, and almost £1.6m of that spent by 31 March 2022. As such it has played a major part in a 155% increase on NTW's turnover for the previous year, as well as in the achievement of its targets for income diversification. The submission of an invoice to Creative Wales for some £1.6m (more than £1.9m including VAT) close to the end of the financial year has also had a major impact on the group and Company's balance sheet, meaning both the level of ring-fenced reserves and bank balances are substantially higher than usual.

It should be noted, however, that turnover and income diversification both showed an improvement over the previous year even without *Galwad*.

One indicator where performance was particularly pleasing to note concerned the group's spend on creative and artistic activities, where levels of 82% of total expenditure was achieved. This represents a level of performance that the group has only exceeded once previously in terms of this metric since it was introduced.

Excellent financial management continues to ensure that budgets are adhered to. This has allowed the group to budget to invest some £93k of 'free' reserves as well as spending £377k of designated reserves in support of its activities in 2021-22, whilst still enabling a 'free' reserves balance of some £284k to be carried forward and a further £530k to be designated for reinvestment in 2022-23 and beyond.

The group's budgets for 2022-23 allow for the use of approximately £105k of 'free' reserves during the year, taking the projected value of such reserves at 31 March 2023 to some £179k, in line with the operational limits set out in its Reserves Policy. Alongside these the budgets also allow for the use of some £372k of designated reserves, for the specific purposes for which they have been set aside.

Theatre Tax Relief (TTR) credits of some £148k were generated in the year (although some £52k of these credits are due to be passed to a co-production partner). This takes the total income claimed from this source, over the past eight years that the scheme has been in operation, to some £932k, all of which is reinvested in current and future productions. The 2021-22 claim represents the highest generated by NTW since the 2016/17 financial year. This is partly a consequence of the productions undertaken during the year, but also a change in government policy. In October 2021, the UK Government announced an increase in rates of TTR credits with immediate effect. The rates have doubled for the period until March 2023, before tapering back to previous levels by April 2024.

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OBJECTIVES AND ACTIVITIES

National Theatre Wales was created in 2008 with the overall aim of developing and enriching English language theatre in Wales. Our charitable objects are:

To promote and assist in the advancement of the education of the public so far as this shall be charitable, and in particular, to procure the performance of and increase the understanding of the dramatic arts in all their forms, in Wales and elsewhere primarily through the medium of the English language.

Conceived as a flexible, non-building based, site-specific organisation, the Company was set up with the following key objectives:

- Offer radical and imaginative theatre choices both in the selection of plays and in production styles.
- Connect with Welsh audiences and make world-class theatre more accessible, especially to those who do not currently attend mainstream theatre.
- Introduce more and varied directorial voices.
- Facilitate a spirit of collaboration and coordination.
- Create or broker relationships between playwrights, directors, companies and theatres.
- Drive up quality and excellence.
- Raise the international profile of the best work being created in Wales.
- Focus on the identification and nurturing of talent.
- Reflect and comment upon the culture and society of Wales, past and present.

NTW has presented almost a hundred powerful productions that are nationally significant, ranging from the intimate to the epic. We have created work of lasting impact and global reputation, garnering critical acclaim for notable works such as *The Passion* (2011), *Coriolan(us)* (2012), *Mamet* (2014), *The Insatiable*, *Inflatable Candyfion* (2015), *City of the Unexpected* (2016), *We're Still Here* (2017), *On Bear Ridge* (2019) and *Petula* (2022).

We have established NTW as a radical and innovative national Company with a reputation for:

- Creating exciting new productions in unexpected places on a wide range of scales.
- Bringing dynamic combinations of artists together to challenge and inspire each other.
- Pioneering online initiatives grounded in a user-led digital community.
- Supporting and encouraging artists at a variety of stages in their development, open to emerging artists and new voices.
- Networking UK wide and internationally to achieve a new level of critical and artistic awareness for theatre in and from Wales.
- Expanding definitions of what theatre is and of what a national theatre can be.
- Being a truly national theatre: relevant, accessible and embedded in communities.

NTW continues to focus on the creation of new and truly innovative Welsh work, playing to its strengths in staging site-located, multi-disciplinary productions that take place across Wales and online in addition to theatre-based work.

Our Impact

Since 2008, NTW has engaged with over 324,000 live audiences and over 2.7m through online and television broadcasting engagements, as well as 70,000 community participants. The Company has helped to foster an ambitious theatre culture in Wales and helped to catalyse theatrical activities in Wales beyond its own output.

During 2021-2022, despite the ongoing impact of Covid-19, NTW engaged with over 10,000 community participants through a variety of activities. Highlights include the delivery of 38 sessions of activity to children and young people, such as the development of the *Go Tell the Bees* web app, which saw school pupils work with local theatre makers and artists to reflect on the Pembrokeshire Sea Empress disaster of 1996. Within the first 6 months of its launch, the web app attracted over 6,700 views and continues to serve as a bilingual school educational resource to increase resilience, confidence and the understanding of protecting the environment.

Alongside the delivery of 12 artist residencies, NTW delivered 75 training and workshop sessions to over 2,000 people. As a national company, NTW has the responsibility to ensure crucial topics are explored, discussed and shared throughout Wales and beyond. Company staff, participants, audiences and trustees remained engaged and involved with key conversations on social issues, through a range of events, talks and Q&A sessions. For example, TEAM Panel Chair, **Anastacia Ackers**, participated in a panel event at the 2nd International Arts & Homelessness Summit in October 2021.

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In response to the world's transition to hybrid working, the Company increased its digital presence to heighten reach and improve access to theatre and the arts. During 2021-2022, NTW received 132,000 views on our website and a total of 82,190 engagements with new video content.

2022-2023 will see the Company continue to stretch and further ensure our digital offer is parallel to our sustainability commitments. It will also continue to adhere to the standards and principles of the Theatre Greenbook.

Our Strategy

NTW's 2020-2025 Strategic Plan was developed through a wide-ranging consultation exercise with staff, our Board, and TEAM Panel members, a Theatre Makers Working Group, collaborators and stakeholders, members of our audience and other interested parties. Approved by the Board in March 2020, to take effect from 1 April, it was quickly superseded by the social distancing and other restrictions introduced in response to the COVID-19 pandemic. The Company and the whole sector faced a tumultuous and unclear working environment and it became clear through summer of 2020 that the 2020-2025 Strategic Plan would need an immediate review in consultation across the sector.

This process resulted in the realisation that a shorter-term 2022-2025 version should be created, reflecting the ongoing uncertainty and a renewed vigour to address inequality within the sector and the climate emergency, as heightened by recent global events such as the murder of **George Floyd** and **Breanna Taylor**. Initial work on the new Vision, Mission and Values inform the fully formed 2022-2025 Strategic Plan which was created during 2021-2022. This highlights a shift from place-making to change-making. The paragraphs that follow will outline the strategy.

Our Vision

Making theatre matter as a force for change. Harnessing the power of Wales' stories, people and places to collectively imagine and shape a more equal, sustainable and environmentally just world

Our Mission

We do this by connecting and collaborating with audiences, communities and theatre makers to:

- Tell the stories and amplify the lived experiences of Wales, exploring the challenges of our times to inspire change.
- Place equality, social and environmental justice and well-being at the core of what we do.
- Create essential and extraordinary experiences together that connect us locally, nationally and globally.

Our Values

Our Values are the guiding principles that underpin all our work, practices and working culture.

Connection | We pursue connection through everything we do. We believe in it as a route to shared belonging and collective identity. We convene, gather and listen. We share ideas, stories and imagine futures together.

Courage | We are bold in our ambition, brave in embracing risk and vulnerability to fail as a means to move forward. We stay focused, we recognise that the spaces that feel hard and uncomfortable are often the moments where change happens.

Authenticity | We are open and self-reflective; we challenge our own assumptions and default behaviours and encourage individuals to speak their truth. We make space for individuals to bring their true and whole selves to work with us.

Our Work

We continue to channel our activity through our three fundamentally interconnected areas of work. These feed a centralised approach to engagement that places the audience - the Welsh public - at the heart of what we do. Each area uses the unique skills and practices that exist in the art of theatre making to engage, question and listen to the experiences of the people of Wales:

- **Collaboration:** Through TEAM we continue to develop and deepen our partnerships with communities and individuals across Wales and Internationally. We seek to catalyse change by boosting the power of communities; channelling stories and experiences through a network of voices traditionally excluded from cultural activity.
- **Creative Development:** Our Creative Development programme focuses on opening up pathways and providing support and development opportunities for remarkable theatre makers and collectives.
- **Production:** As a theatre without walls, we are empowered by an incredible mandate to bring performance to new places and in new forms. We are committed to creating popular, accessible, meaningful theatre that connects audiences with the gamut of emotional experience, entertaining and challenging us in equal measure.

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During 2021-2022, NTW started to develop supporting cross-cutting strategies for all three of these core areas of Our Work, with Engagement (Centring Audiences) at their centre. It also convened working groups to develop additional detail needed on Company approaches to certain key strategic priorities. These include:

- Strategic Equalities Plan
- Climate Emergency Strategy
- Young People's Strategy

Our Aims

In order to enact our Vision and Mission and inspire change, we will:

- **Our Ethos:** Create a reflexive culture of listening and belonging across all our work, centring audiences, communities and theatre makers to ensure their needs and perspectives actively shape our decision-making and are represented in all our activities.
- **Our Work:** Produce a world class, cohesive, bold and accessible programme of theatre making, embodied by courageous production, collaboration activity and creative development practice that catalyses and provokes change through transformational experiences.
- **Our Reach:** Build new audiences for theatre in Wales, and make theatre relevant and of deeper impact to more people, especially young people and those who experience racism, ableism and poverty.
- **Our Commitment:** Prioritise anti-discrimination and social justice across all our processes and projects, including a renewed focus on our environmental responsibilities. Building a culture of self-analysis to ensure our decision-making values every activity on its ability to contribute to building a more equal, sustainable and environmentally just Wales.
- **Our Responsibility:** Diversify our income, grow our unrestricted revenue and maximise the impact of the public's investment in the arts through the experiences and opportunities we create for audiences, communities and theatre makers.
- **Our Identity:** Explore national identity to amplify the difference and multiplicity of experiences in Wales and of being Welsh. Examining what it means to be human, here and now, to connect us with a global audience united by universal experiences.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

NTW aims to belong to all the people of Wales, regardless of age, location, or theatre-going habits. The Company aspires to nourish and inspire all the people across Wales and to link the nation with world-class theatre making and cultural aspiration. Not being based in a building enables us and our work to be truly located in the part of Wales where we are making the work, laying roots and leaving our mark before and after the theatre event. Learning and participation is embedded into the core of all our work, and engagement with the community we are working within is key to the entire process of making and performing our work. The work we make is all new, and all inspired by the stories, people, places and dreams - past, present, future - that we encounter, explore and encourage across Wales.

Our capacity to bring people together to create, feel, imagine and be inspired by the stories of Wales, is the fundamental role we can play as its national theatre. Shifting from a founding vision of place-making to change-making, the heart of NTW remains unaltered. We hold a core belief in the power and creativity that exists in our nation's individuals and communities, waiting to be harnessed by theatre. We believe that access to this tool as an expression of experience, story, identity, empathy and shared belonging is a fundamental human right for every person in Wales

We reach beyond borders in our communication about the work, ensuring that once marginalised theatre activity and awareness is pushed onto the radar across the British Isles and internationally. We partner with a huge range of bodies and organisations to push and pull leading theatre practice in and out of Wales, providing the people and artists of Wales with an engaged and informed creative dialogue.

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Our entire operational system is set up to be open and engaged with the public. Our online presence aspires to be the leading National Theatre web resource, based on a truly interactive and conversational relationship with the public. Alongside a conventional website, which offers an extensive range of facilities and uses to the public, we run a social network site where members can speak to one another, share skills and ideas, react to the work, inform us of events, etc. It is a home for our audience in the absence of a building and a major resource of information and activity.

Our office is a shop in a high street arcade in central Cardiff. Pre- and post-pandemic, it has an open door policy and the ability for the public and theatre makers to drop in at any time. We have hot-desk space for artists to congregate, work, get online and operate alongside us, whether they are actively in production with us or not. From March 2020 until 28 February 2022 our office was shut and all staff continued to work from home in accordance with Welsh Government advice in response to the pandemic. Through 2022 and remaining mindful of Covid-19 transmission, our new Creative Development team will review and reset how the office is used by theatre makers and audiences, ensuring it remains of value and relevant in the changing operating environment.

TEAM - the network of community based artists, activists and leaders who support, challenge and advise NTW - also has hubs in both Pembrokeshire and Wrexham. Since 2018, TEAM has worked intensely in these communities through a Paul Hamlyn Foundation funded programme of empowerment, leadership, creative activism and long-term engagement.

ACHIEVEMENTS AND PERFORMANCE

NTWs' 2021 season was significantly affected by the rapidly changing range of restrictions placed on social interaction, aimed at reducing the impact of the Covid-19 pandemic. Theatre in Wales was arguably one of the worst hit artforms, with NHS Covid Passes, capacity restrictions and face masks deterring audiences from attending events and venues.

In spite of these challenges, the Company staged four productions, which all reconceived and adapted original forms and scales to ensure the work breathed life during the pandemic. NTW also ran a series of professional development opportunities which offered entry points, step changes and pathways for theatre makers, many of whom faced serious financial and well-being hardships as the pandemic lockdowns threatened their livelihoods and resilience. Collaboration and TEAM responded quickly to the challenges and ran an impressive array of activity which engaged theatre makers, creative participants and audience members both digitally and, as and when restrictions allowed, in-person.

Alongside these works, the Company initiated a rigorous redevelopment of its audience development and operational platforms and processes, with multiple large, organisationally-redefining projects in train throughout the year. These will see fruition in 2022-2023 and will support NTW to build strength and depth across its functions.

Production

Go Tell The Bees

This 45 minute film developed in partnership with the Pembrokeshire community *Go Tell The Bees* was the finale of five years of Paul Hamlyn Foundation funded Collaboration / TEAM activity there and evolved out of the pre-pandemic intention to present the work as a live production. Shot in late April 2021, it was co-created by 7 artists with 61 creative contributors and 70 musicians working across 24 locations with 400 cast members and 12 community groups including the VC Gallery, Get the Boys a Lift and St. David's Bluetits Chill Swimmers. *Go Tell The Bees* included original music by **John Lawrence** and **Jess Ward**, and animation and design by **Gemma Green-Hope** and **Tom Frost**.

The film was launched at screenings at Manorbier Castle on 7 - 9 May, with over 400 people attending over the weekend. A further 3 screenings took place outdoors at Pembroke Castle, Bubbleton Farm and Pencarnan Campsite, St. David's in September with a live introduction by **Phil Okwedy** and performances from groups and individuals involved in the film. Each location had a capped capacity due to the Covid-19 restrictions, and in challenging and ever changing weather conditions, we saw additional audiences of over 800 at these screenings.

Local media coverage was strong, with the screenings covered on Pure West Radio and all local newspapers, and the trailer shared at all Torch Theatre screenings in September. The film was platformed online in October and received another 700 views during this month.

"The film and the exhibition made me feel luckier than ever before to live where I live. As a family, it made us all want to go home and plant seeds. It was very special to see so many faces I knew in the film, I feel like the film belongs to us. It feels like the National Theatre of Wales have created this film and have given it as a present to the people of Manorbier and Pembrokeshire. I can't wait to watch it again."

- **Audience feedback**

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“So pleased we came down to see the film and all the work TEAM has led. Really a great demonstration of the power of art to mobilise and communicate”

- **Peter Davies**, Chair of WCVA and former Sustainable Futures Commissioner for Wales

Possible

Possible is an inventive blend of live and digital work written and performed by **Shôn Dale-Jones**. A playful, honest and heartfelt piece of storytelling, *Possible* blurred reality with a kaleidoscopic dreamscape of animation and film by **Bear Thompson**, underscored with original music performed live by **John Biddle**. It explored love, creativity and finding the courage to explore the past, in order to shape the future.

First produced as a live stream in June, it was then made available as a digital piece during the Edinburgh Fringe hosted by Pleasance Theatre. Later in the year, *Possible* toured 10 mid-scale venues in Wales reaching a live audience of over 600 people. The show contended with the introduction of NHS Covid Passes midway through the tour, ongoing public reluctance to visit indoor spaces due to resurgent infection rates, and high sickness rates amongst theatre marketing teams. Shôn appeared on the *BBC Wales Arts Show* and the production received a 4-star review in *The Guardian*.

“Perfectly judged, unabashedly authentic and vulnerably autobiographical” ★★★★★

- *The Guardian*

“*Possible* has the energy of a production full of hope”

- *Buzz Magazine*

Dat's Love & Other Stories

Captured in three parts, over three nights, **Rakie Ayola** was filmed by **Simon Clode** performing intimate readings from **Leonora Brito**'s short story collection *Dat's Love*. These perceptive and spirited narratives explore life, love and family from the point of view of Black and Mixed Race women from Cardiff Docks and beyond. Rooted in the unique culture of Cardiff's Butetown, Brito's free-thinking, free-talking characters bring their own perspectives to subjects as diverse as motherhood, unemployment, nightclubs, death and **Winston Churchill**.

Rakie's readings featured original music from **Imran Khan** and illustrations by Butetown artist **Kyle Legall**. They were included as part of the BBC's Culture in Quarantine season on BBC Radio 4, in *Light's Up: Stripe by Stripe and Other Stories* hosted by Butetown comedian **Leroy Brito** and produced with BBC Cymru Wales.

FRANK

Working with Jones Collective and Plastique Fantastique, in partnership with Natural Resources Wales, *FRANK* was realised as a digital piece following adaptation from an originally developed in-situ immersive production. The film was inspired by, and created with, poet and real-life snake anti-venom factory worker, **Frank Thomas**. Contained within the sterile environment of his work, Frank struggled to make peace with the recent death of his father. Unsatisfied with his job, he revisits memories in a hope of changing his future and putting to rest a complex father-son relationship.

Filed in the autumn, it premiered at Chapter Arts Centre, Cardiff, in February with a well-attended Q&A. The film was made available online for free via our website and AM for a month. It was well received and has the potential for future life.

“*FRANK* is good. It's very good. It's well-written and well-realised, beautifully shot, and well-acted, and manages to create eleven minutes of depth and nuance; it is honestly moving, visually strong, and like all good short films, lingers like a flash in the darkness”

- *Wales Arts Review*

Petula

Petula, NTWs' co-production with Theatr Genedlaethol Cymru and August 012, was in production in Spring 2022 and toured/was planned to tour 6 mid-scale venues in Wales through March-April. Directed by **Mathilde Lopez** and translated/adapted by **Daf James** from **Fabrice Melquiot**'s extraordinary play, the show supported the re-opening of venues following the gradually reducing social distancing restrictions imposed during the Covid-19 pandemic.

A fluid multi-lingual (Welsh/English/French) work, it thematically addressed mental health and well-being, particularly in the young and the aftermath of trauma. Lead character Pwdin Evans - played by **Dewi Wykes** - struggles to deal with his ridiculous parents, step-parents, the weight of his teenage worries, gravity - so he launches himself into space in search of answers and his missing cousin Petula - played by **Kizzy Crawford**.

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A panel of 12 young campaign advisors gave feedback on the initial campaign artwork and helped develop ideas for creative content. Advanced press coverage included pieces in *The Stage* and *Whatsonstage*, *Golwg*, *Buzz*, *Cardiff Times*, *Cardiff Life*, *Barn* and both *Radio Cymru* and *Radio Wales*, with the *Observer* and *Guardian* running positive reviews. *Petula* faced ongoing audience hesitancy to return to theatres, and a series of stringent processes to minimise the risk of infection - including cast and crew bubbles - were strictly adhered to. In spite of this, audience numbers to year end hit over 1,200 and the reviews were glowing. *Petula* was nominated for the 'Best Show for Children and Young People' category in the 2022 UK Theatre Awards, and **Dewi Wykes** was nominated for 'Best Performer in a Play' in the 2022 *The Stage* Debut Awards.

A story that could be Roald Dahl or early Spielberg...this production is nothing if not unique" ★★★★★
- *The Stage*

"The action may be absurd but the trauma and confusion of growing up are totally realistic"
- *The Observer*

"Funny enough to make me laugh so much I started to worry about needing a new ribcage"
- *Nation.cymru*

Galwad

In March 2021 NTW learned that the consortium bid to DCMS for Festival 2022 / Unboxed was successful. Working across broadcast media, digital and live platforms, *Galwad* will be an immersive and highly ambitious transmedia endeavour. Led by NTW with partners the Centre of Alternative Technology, Clwstwr, Disability Arts Cymru, Ffilm Cymru, Frân Wen and Sugar Creative, the project also includes broadcast partners S4C and Sky Arts. Collective Cymru was established as the body tasked with development and delivery, and a team of freelancers and a tiered governing structure was assembled through the summer.

Autumn saw the project embark on a 'world-building' process (where fictional, but plausible worlds are imagined for film or gaming), with 120 participants drawn from 5 communities across Wales, community partners CellB, Citizens Cymru, Disability Arts Cymru, Ethnic Minorities Youth Support Team (EYST) and Merthyr Tydfil Leisure Trust, and from a wide range of global expertise in the climatic, technological and social conditions of the next thirty years. Functioning as an engagement process, the main purpose of world-building was to generate the imagined base of our 2052 world. Led by **Alex McDowell**, production designer of *Minority Report*, and Experimental Design Studio, the resulting digital resource drove the next phase of authorship across all platforms which continued through the Spring.

The thematic focus of *Galwad* is change, climate, community and possibility. The story will attempt to reframe feelings of despair and inertia about climate change into a space where individual and collective action and possibility can be more clearly imagined and experienced.

Creative Development

Springboard

NTWs' *Springboard* bursaries supported 10 artists from demographics that are currently underrepresented in the arts (**Steph Back**, **Idrissa Camara**, **Chris Tally Evans**, **Sara Hartel**, **Sam Hickman**, **Hanan Issa Jeremy Linnell**, **Kel Matsena**, **Durre Shahwar** and **Anushiye Yarnell**), financing and developing small-scale research projects with mentoring and producing support. The projects ranged from: developing a play about the uncomfortable relationship women of colour have with the idea of nature; making a short documentary film about Black men's identity, flowers and vulnerability; starting a recurring Queer cabaret in the Sherman foyer; developing an online live and interactive solo show about dating, the management vocabulary used when talking about relationship, and love when you have panic attack; writing and workshoping a street game with young people in Barry; making three micro filmed pieces created by and with disabled artists about corruption or alcohol but not about disability, between Wales and Brasil; talking to children about darkness, fear and death with story-telling, dancing and gardening; and developing a disabled-led workshop/course to teach able theatre makers to work with disabled artists on and back-stage.

Hen Wlad Ein Plant / Land of Our Children

Supported by an Arts Council Wales Connect & Flourish grant, Natural Resources Wales (NRW), Gentle/Radical and NTW collaborated to offer and manage eight residencies to artists whose practice involve communities and/or who were interested in investigating the notions of people and place and the future of these relationships in the light of climate emergency. The eight artists (**Rebecca Smith Williams** - Taffs Well; **Lisa Heledd Jones** - Glyndyfrdwy; **Justin Teddy Cliffe** - Newport; **Lal Davies** - Gellifor; **Catriona James** - Pengam Permanent Allotments, Cardiff; **Manon Steffan Ros** - Tywyn; **Georgina Biggs** - Cardiff Bay; and **Cerian Wilshere-Davies** - Swansea) proposed hyper-local creative enquiries exploring their direct surroundings. Drawing on the Welsh tradition of 'ein milltir sgwâr' (our square mile), projects ranged from their front doors, adjacent streets or catchment areas, engaging the people who live there in a conversation about their relationship with their environment and future coexistence.

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Each artist was matched with mentors and interacted with scientists to help them explore how the hyperlocal lens brings new perspectives to the way we see and talk about the future of our communities and our natural environment. The eight resulting projects covered subjects such as: the loss of shared spaces; power, value, ownership and trust; and the connections between lived disabled experiences and unstable environmental contexts, with an eye on locating power and changing how power works. The ideas and approaches generated by these residencies were collated by NRW to inform and guide the development of the environmental policies in Wales.

Associate Director Placement

Fahadi Mukulu continued his year-long Associate Director placement, co-hosted between NTW and Common Wealth Theatre, and supported by a Weston Jerwood Creative Bursary. This placement was designed to promote entry into and skills development for young creatives and leaders from traditionally marginalised contexts. The placement was temporarily paused as Fahadi entered Higher Education. Fahadi resumed his role in Summer 2021 and in Spring 2022, and will return again in later 2022.

Am Ddrama / Play On

In February - March 2022 NTW held the first submission window for our new open playwright's submission project in partnership with Theatr Genedlaethol Cymru and Theatr Clwyd. Providing a crucial entry point to the industry for Welsh playwrights, this first phase of *Am Ddrama / Play On* acted as a pilot, aimed at learning how to most effectively run it in future years. 65 plays were submitted, read by our panel of dramaturgs, literary translators, actors, writers and activists (**Charles O'Rourke, Lowri Izzard, Mary Davies, Melangell Dolma, Yasmin Begum** and **Rahim El Habachi**) and given feedback. Of these plays, 8 were recommended to the partner theatres for further reading.

Am Ddrama / Play On will run with a second submission window in late 2022, with 12 theatre makers engaged as readers. All will benefit from ongoing training and mentorship to develop their own dramaturgical skills.

Lagos

A series of digital writer's workshops ran from September to December 2021, in partnership with Lagos Theatre Festival (LTF) and supported by The British Council (BC). Three early career Welsh writers and three early career Nigerian writers were reciprocally mentored by a Nigerian and a Welsh writer. The project focused on skills development and increasing reciprocal awareness of other cultures. There are plans to mount a reading of at least one Welsh and one Nigerian play at the LTF's next iteration, providing future opportunity to connect.

Commissions and R&Ds

NTW has embarked on an ambitious programme of commissioning and development which has engaged a range of Welsh artists from senior figures of international profile through to the brightest voices of an emergent generation. This programme has met and exceeded the targets set out in the 2020-2021 Strategic Equalities Plan while laying the foundations for a programme that seeks to engage with audiences across Wales and internationally over the next three years. As you might expect for a Company with NTWs' remarkable and innovative remit, these commissions and development processes encompass a broad range of starting points, lead artists, methodologies and potential outcomes.

BBC Writer in Residence

Cardiff playwright and actress **Faebian Averies** was announced as the 2020-2021 Writer in Residence on a BBC Radio Wales Arts Show Special in December 2020. She joined NTW in the Summer and worked closely with Director **Mathilde Lopez** to develop *ORION*, a full-length piece of new writing. An R&D for *ORION* with four Welsh actresses is planned for Autumn 2022, with the results staged with an invited audience.

Talent Development

With the support of the Esmée Fairbairn Foundation and the John Ellerman Foundation, the Company is planning to appoint a Creative Development Producer to work alongside the Creative Associate. These two posts will drive the strategy and delivery of Creative Development going forward.

Collaboration (TEAM)

Although originally slated to end in December 2021, the Paul Hamlyn Foundation generously extended funding for TEAM's co-creation project by one year in acknowledgement of the impact of the Covid-19 pandemic. NTW agreed with the Foundation that there would be additional focus on those groups most affected by the pandemic - young people, and those who experience racism, ableism and poverty.

Go Tell The Bees - Beyond the Film

As the culmination of five years of Collaboration / TEAM activity in Pembrokeshire, there were numerous additional activities which contributed to the *Go Tell The Bees* finale including:

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- *Exhibition:* To accompany the film, an exhibition was created by over 500 school children and 35 artists including ceramicist **Mena Evans**, Sand Palace Arts, **Lloyd the Graffiti** and poet **Kerry Steed**. Over 10 schools participated from across the county
- *App:* A project app was developed with the 51 pupils of Manorhier Primary School by artist **Natasha Bigford**, featuring stories by **Neil Bebber** and **Phil Okwedy**
- *Learning Hive:* An online collection of knowledge, information, activity and inspiration was compiled, offering young people a space for learning and linked to Curriculum 2022
- *Audio-Poem:* Created with secondary school pupils throughout Pembrokeshire, the *Go Tell the Bees* Audio-Poem was based on a narrative developed through creative writing sessions led by local poet **Kerry Steed**

Far Apart UK

Far Apart UK approached NTW TEAM to take part in research on how the Covid-19 pandemic has impacted the ways arts organisations work with young people, and in particular how the transition to digital platforms has affected art workers and the young people they work with. Starting in January, it ran until October and brought People's Palace Projects and the Unit for Social and Community Psychiatry (Queen Mary University of London) with 5 arts organisations in the UK (including NTW). The study used mixed methods, combining artistic workshops with semi-structured interviews and artistic workshops, and employed 2 young ambassadors to spread the word about the project and act as youth champions. In June and July, NTW surveyed 30 young people about their interactions with arts organisations and the impact this has had on their mental resilience during lockdown. We then facilitated art workers to work with 10 young people over 3 days at Tŷ Pawb, Wrexham. The sessions focused on creativity throughout the pandemic and took inspiration from visual artist **Bedwyr Williams'** exhibition *Milque Toast*. Each participant recorded a piece to camera to showcase their contributions to the research.

Roundhouse Poetry Slam

The Roundhouse UK Poetry Slam is a performance competition for emerging spoken word artists under 30 years old, across the UK. This year NTW TEAM supported North Wales arts organisations Voicebox Spoken Word to encourage more spoken word artists in Wales to take part in the Slam. This project saw themed workshops that aligned with the TEAM Wrexham project, as well as supporting emerging Welsh language spoken word artists to attend heats, refine their craft and take part in a nationally recognised poetry slam.

Simple Acts Programme

In late May, NTW TEAM and Pembrokeshire mental health charity Get the Boys a Lift developed a project within Counterpoint Arts' *Simple Acts Programme*, which seeks to inspire individuals to use small, everyday actions to inspire change. A design competition was launched with 7 artists from Pembrokeshire were commissioned to design logos for hoodies based on each of the 7 Simple Acts, and they produced a short film to share their creative process - aimed at inspiring competition entrants to design their own logos.

Homelessness Project

In June NTW TEAM worked with Wrexham Council's homeless team to develop a range of activities in two hostels. A mural was created in one which was officially unveiled by the Mayor of Wrexham.

Art in the Heart of Town

Working alongside local artists and community organisations, NTW TEAM held a creative event in the community hub Yellow & Blue with individuals experiencing homelessness in Wrexham. We offered workshops, free haircuts and food. The event was attended by over 100 people.

Creu Gyda'n Gilydd/Together We Create

Creu Gyda'n Gilydd/Together We Create is an ambitious long-term project which brings arts and non-arts partners together with the communities of Penrhys and the surrounding Rhondda Cynon Taf area. It seeks to unite local stakeholders, creative practitioners, and the community to collectively explore the hopes, needs and desires in everyday life, using the arts as a tool for self-empowerment and social change. NTW were pivotal in the setup of this ambitious project. The next phase of the project will be led by the communities themselves.

TEAM Event in Narberth

In February we held a creative writing workshop for young people in year 5 and 6 with Children's Laureate **Connor Allen**. The evening event was hosted by musician and creative practitioner **Molara Awen**, with performances by **Ali Goolyad**, **Phil Okwedy** and **Connor Allen**. Live artwork was created by **Cara Gaskell**, **Anwen Walters** and **Diana Brook**.

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Mic Drop

NTW TEAM ran a performance masterclass in Wrexham covering hip hop, acting and spoken word. The session was aimed at engaging emerging artists and building our north Wales network.

Audiences

Brand & Web Development

Having completed the distilling and refinement of our articulation of Mission, Vision & Values, in November, the Company commissioned a brand specialist who supported us in taking that work into a consultative test phase, engaging stakeholders and audiences in a process focused on assessing current brand perception in relation to the newly refined identity statements. They worked with NTW to develop renewed descriptors and tone of voice and imagery guidelines as a first phase of our brand review. This work will segue into an integrated, phased web redevelopment in 2022-2023, which will extend its exploration and discovery phase with audiences and stakeholders, to a review of visual identity.

CRM: Spektrix

The Company worked closely with Spektrix on the migration of its box office data from Tessitura and conducted a period of data checking and staff training. Having conducted a series of discovery sessions with staff for the team at Spektrix to really understand how the system can best serve our needs, the Company will next turn to organisationally embedding the system.

Operations

HR and Well-being

Staff were surveyed in December regarding professional development needs and well-being, with a view to developing a 2022-2023 Training Plan and new Well-being Policy respectively. The majority of 2021-2022 saw all staff working exclusively from home aside from during the delivery of artistic activities, with hybrid home/office working initiated in February following strict Covid-19 guidelines. As experienced globally, two years of intermittent lockdowns has led to high levels of social isolation and anxiety over personal, familial and professional circumstances and futures. The Company ran a Mental Health First Aid course for staff and freelancers, and offered a range of mental health support on individual bases to support the management of this. The new Well-being Policy will provide a collectively devised action plan aimed at reducing low staff well-being long-term.

The PDR (Performance Development Review) process was updated in September and PDRs conducted with all staff through the autumn. The PDR outcomes fed into both the 2022-2023 Training Plan and the targets outlined in NTWs' 2022-2023 Revenue Funding Agreement. Further updates to the HR Handbook - NTWs' suite of HR policies - will provide a more coherent approach to HR and support the development of processes and policies to respond to any identified needs as we adapt to the new operating climate.

A Dignity & Respect Policy was developed and implemented, and Tonic Theatre ran a Dignity at Work training session for the Company in October to support its messaging and application. This was followed by NTW signing up to UK Theatre's 10 Principles for creating safe and inclusive working spaces, and another Company-wide training session by Tonic Theatre on Anti-Racism and Allyship. The Company also updated its short-listing and interview matrix to ensure candidate potential was being scored alongside experience, one of the many tactics NTW is adopting to drive organisational diversity and inclusion.

Governance

Following discussion over the functionality of the Board, and the findings from the Governance Confidence Survey and Board Skills Audit which was distributed in early 2022, NTW devised a 2022-2023 Governance Plan. It aims to:

- Increase trustees' sense of value, being understood and heard, affinity with NTW and integration and engagement within the Company;
- Increase the visibility and impact of the Board across the sector, with decision-makers and with audiences;
- Increase the Board's effectiveness at supporting the delivery of the 2022-2025 Strategic Plan and the development of the 2023 Arts Council Wales Investment Review submission.

The key actions which will be taken to achieve these aims include: several phased trustee recruitment drives focused on increasing Board diversity and leading to the appointment of the new Chair later in 2022; a refreshed Governance Induction Pack and training programme linked to NTWs' strategic priorities and governance specifically; a 3-year Governance Manifesto; direct involvement in stakeholder engagement and media work; and greater opportunity to collaborate with staff from all teams.

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Monitoring, Evaluation and Reporting

The development of the 2022-2025 Strategic Plan and the 2022-2023 Strategic Equalities Plan enabled NTW to add strategic clarity to its progress measurables and build this into the Arts Council Wales Revenue Funding Agreement. 2022-2023 will see the development of a new Monitoring, Evaluation and Reporting system which will seek, record and analyse data on a range of areas at both organisational and project scales, including: progress on targets and KPIs; learning points; risk; audience and stakeholder feedback, interests, needs and behaviours; and strategic insight. The reporting mechanism will stretch internally and externally, ensuring the right information reaches and informs the right staff and stakeholders, and allowing us to more comprehensively measure and accelerate our long-term impact.

Fundraising

The Company was successful in securing three of large grants this year:

- The **John Ellerman Foundation** awarded NTW **£120,000** over the next three years to support the dramaturgical development of new commissions, projects and talent development initiatives through the foundation of a new and diverse group of four Associate Dramaturgs; and to commission and support the development of ambitious international collaborations.
- The **Esmée Fairbairn Foundation** awarded the Company a Main Grant of **£100,000** over the next two years towards planned Talent Development work, including the appointment of two posts to drive the strategy and delivery of Creative Development going forward. NTW also secured a grant of **£40,000** in July from their Reinventing Performing Arts Fund towards the redevelopment of the NTW online community pages.

Work on relaunching Individual Giving and corporate sponsorship initiatives is pending the launch of the new NTW website.

The group developed their 2022-2025 Fundraising Strategy and 2022 Ethical Fundraising Policy during the autumn. The Development philosophy over the next three years will see a move away from the diversification of income streams and instead, optimisation of those areas of greatest opportunity and where NTW has been strongest in recent years: Trust & Foundation grants; Long-term corporate relationships; Commercial activity; and Individual Giving (large and small donations).

FINANCIAL REVIEW

The statement of financial activities for the group is shown on page 27. During the year, the group made a surplus on unrestricted funds of £13,945 (2021: £368,368). This wasn't an unexpected outcome for a year in which the Company's production activity recommenced in front of audiences, following the impact of the COVID-19 pandemic, and the group set about applying the funds that had built up during the hiatus caused by the pandemic.

As at 31 March 2022, the group's free reserves amounted to £283,806 (2021: £251,901). This figure remains above the guideline level set in the group's Reserves Policy (see later in the report). The group's budget strategy for 2022-23 currently projects the application of £105,219 of free reserves, in support of its activities, which will lead to a forecast balance of some £178,000 by the end of the financial year, which is below the target set in the Policy but in accordance with its operational limits. The restoration of the balance towards the target is a priority for the use of funds that do become available during the 2022-23 financial year.

Also included within the total for General Reserves, as shown in the balance sheet on page 28, are designated reserves of £529,763 (2021: £545,523).

The group's financial results have allowed it to designate funds at the end of the financial year for agreed purposes. These designations amount to £321,027 in total, with most of that amount being set aside to support productions, creative development and marketing (website and brand development) purposes, as well as the development of a Young People's Strategy. During 2021-22 designated funds brought into the year were applied to the value of £376,787, displaying the group's rapid re-investment of funds set aside in this manner. Such funds were applied for a number of purposes, including predominantly productions, creative development and marketing once more, with a further application of note being funds used to support the Company's *Springboard* bursaries initiative for under-represented artists. At this point, it should be noted that the group's plans for 2022-23 project further application of these funds in support of its budget strategy, with a forecast year-end balance of designated funds of approximately £137,000.

The balance of General Reserves of £6,680 (2021: £8,880) is accounted for by a fixed asset related designated fund, which matches the net book value of fixed assets in the balance sheet.

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The financial year 2021-22 saw Corporation Tax-related Theatre Tax Relief (TTR) credits continue to contribute to the group's finances. The claims are submitted via the Company's wholly-owned subsidiary, NTW Productions Limited, with this year's claim relating to the productions of *Possible* and *Petula*. This year's accounts recognise an amount of £95,854 being claimed in this regard (2021: £46,802), though the total value of the credit being claimed is £147,467, with the balance being due to Theatr Genedlaethol Cymru in accordance with Memorandum of Understanding between the two organisations relating to their co-production of *Petula*. As is always the case with TTR, the claim has yet to be submitted to, or settled by, HMRC at the time of accounts production. This means that there must still be considered an element of uncertainty in terms of the quantification of this relief.

The applications of reserves and the designations of funds referred to in this report reflect NTWs' continuing policy to prioritise reinvestment in creative activities in the use of any available reserves. The level of reserves remains an achievement in the light of the challenges of the pandemic and the funding reductions that have occurred in recent years and owes much to robust financial management - although the caveats regarding the value of TTR credits need to be considered when viewing this level of reserves.

The financial year 2021-22 saw NTW continue to receive core grant from ACW as part of the latter's commitment to funding NTW as part of its Arts Portfolio Wales group of annually funded organisations, to which it commits funding from its Welsh Government support, with the level of such funding continuing to be subject to annual confirmation. The current round of funding commitment continues to the end of 2023-24, with NTW due to make its submission for future funding as part of ACWs' Investment Review. That submission is due to be made by April 2023, with the outcome expected to be notified around September 2023. ACWs' maintenance of its funding commitments throughout the period of the pandemic, together with the underlying strength of the group's finances and its (non building-based) operating model, have been key components in emerging from the challenges faced. For 2021-22, ACW provided core support to NTW to the value of £1.624m (2020-21 £1.624m).

In 2021-22 the Company continued to be successful in obtaining other specific grant funding from a number of sources, including charitable foundations and public bodies, to finance a range of projects and initiatives. In 2021-22, such grants totalled £207,970 (2021: £179,685).

The most significant element of this funding was provided by the Paul Hamlyn Foundation (PHF), a charitable trust that has long been supportive of the Company's activities. Funding from PHF for the Company's TEAM programme amounted to £91,370 during the year (2021: £99,795). The current funding approval with PHF was due to run for a four-year period, ending December 2021, but was subsequently extended for a further year, to help the Company manage the impact of delays caused by the pandemic. The funding will now cease with effect from December 2022, albeit that the funding for 2022 is at a lower level of £65,000. This will mark the conclusion of this stage of the Company's funding relationship with PHF, a relationship that has been in place since the 2009-10 financial year and that will have seen PHF provide funding totalling some £1.067m towards the Company's Collaboration activities (via TEAM) by the time it ends. The length and harmony of the relationship is testimony to the reputation and approach of both organisations. The Company is extremely grateful to PHF for the support it has provided, drawing funding into the Welsh economy as a result, and is pleased that the organisations continue to maintain a positive relationship, with conversations continuing to be had to discuss how the relationship can be maintained in future, and in what form.

The 2021-22 financial year also saw the re-establishment of the Company's funding relationship with the Esmée Fairbairn Foundation (EFF) - another long term relationship for which NTW is extremely grateful. A relationship that on this occasion commenced during the 2011/12 financial year, and saw more than £800k of grant received over the years that followed to support NTW's creative development activities, re-emerged with the receipt of a £40k grant from EFF's Reinventing Performing Arts Fund. This funding, aimed at helping organisations recover from the impacts of the pandemic, will be used to help the Company re-imagine its online community presence. It follows a grant of £46,992 provided in the previous financial year to assist with pandemic response. In addition, before the conclusion of the 2021/22 financial year, NTW discovered that it had been successful in obtaining funding of £50k per annum from EFF, to fund creative development activities during the 2022-23 and 2023-24 financial years.

Specific project funding continued to be received in 2021-22 relating to the *Far Apart but Close at Heart* UK project funded via People's Palace Projects (2022: £18,600; 2021: £8,000). This is a multi-partner research study the Company is taking part in. It is led by People's Palace Projects, in conjunction with the Unit for Social and Community Psychiatry at Queen Mary University of London, Battersea Arts Centre, Contact Theatre Manchester, Dirty Protest and Royal Theatre Stratford East. This project is also run in parallel with a sister project in Latin America.

New funding received during the year related to grants from the John Ellerman Foundation (JEF) and British Council. The grant from JEF (2022 £40,000; 2021 £nil) is the first of a three year programme of support for NTWs' dramaturgical development of new commissions and projects and talent development initiatives. The funding from British Council (2022 £8,000; 2021 £nil) related to its Go Digital: Sub Saharan Africa/Wales programme and was used to fund a writers' development programme for Welsh and Nigerian writers, run in collaboration with Lagos Theatre Festival.

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NTW also holds residual funds from a number of previous funding approvals that are gradually being fully utilised.

In the context of ring-fenced funding, it is necessary to highlight one source of such funding that came in the form of a commissioning fee, as opposed to a grant. NTW heads up a partnership of organisations, collectively known as Collective Cymru, that came together to deliver a project known as *Galwad* as part of the Unboxed Festival. Having received fees of £99,957 in 2020-21 for the purposes of working up a full business case bid for the project, Collective Cymru was commissioned by Creative Wales and the Unboxed Festival to deliver the project, culminating in Autumn 2022. The commission involved development work taking place throughout 2021-22 and continuing into 2022-23. The total fee received in 2021-22 amounted to £3,042,128, with funding of a similar magnitude to be received in 2022-23. The financial significance of this project in the context of NTW cannot be overestimated, with the scale of the fee being larger than the group's turnover in all but one year of its existence.

Another project attracting fee income for NTW was *Hen Wlad Ein Plant*, a Natural Resources Wales (NRW) initiative, supported by an ACW Connect & Flourish grant. NTW received a fee of £4,999 (2021: £nil) to manage the project on behalf of NRW, in conjunction with Gentle/Radical, as well as £6,350 (2021: £nil) to reimburse project costs.

A final source of restricted funding received during the 2021-22 financial year was 'top up' contributions totalling £4,500 (2021: £nil) relating to the National Companies' consultancy project funds administered by NTW on behalf of the group of ACW-funded National Companies.

As at 31 March 2022, restricted funds of £1,625,030 (2021: £116,271) were being carried forward. This exceptional amount is a result of the timing of payments from Creative Wales relating to *Galwad*. At the request of Creative Wales, an invoice for some £1.607m was raised in March 2022, contributing substantially to the balance carried forward. The value of that invoice, which amounted to £1.928m including VAT, also contributed to year-end bank balances being significantly higher than usual (£2.769m at 31 March 2022, compared to £1.054m at 31 March 2021), with there being limited opportunity to spend during the three week period between invoice being raised and year-end.

It is anticipated that many existing ring-fenced reserves are likely to be fully applied by 31 March 2023, as previously approved projects move towards their planned conclusion. Budget forecasts indicate a balance of some £21,000 likely to remain.

The group continues to seek to develop its income streams through developing relationships that will encourage sponsorship and other forms of fundraising, and seeking grants from other funding bodies, in addition to increasing the level of income generated through box office receipts. Income from sources other than ACW core funding was much higher at £3,591,831, than it had been in 2020-21 (£421,312). This was due to the *Galwad* commissioning fee income. However, even when that exceptionally large item is excluded, this indicator still exhibited growth to £549,703, as the artistic programme started to recover from the impacts of the pandemic.

Diversification of funding sources, so that core funding represents 60% or less of total income, represents one of the group's strategic targets. During 2021-22 some 69% of funding was obtained from such sources, which is the best performance of this indicator in any year of the group's operation. This performance is, of course, again influenced by the presence of the *Galwad* commissioning fee income. When that fee is taken out of the calculation the percentage reduces to some 25%, which is an improvement on the 21% achieved in 2020/21, though below the 40% target that has been achieved in some previous years.

At £3.693m the group's expenditure levels have increased markedly, again thanks to *Galwad*, with expenditure having grown by some 120% over the £1.678m achieved in 2020/21 - a year when the impact of the pandemic restrictions suppressed activity levels. Exclusion of the *Galwad* spend reveals a total expenditure in other areas of £2.136m, still a growth of some 27% over 2020/21.

Within its turnover, the focus of the group's expenditure will continue to be on its production, artist development and engagement related activities. During 2021-22 expenditure on creative and artistic activities accounted for some 82% of total expenditure. This level of performance, although influenced by *Galwad*, is well above most previous years (2021: 71%) clearly demonstrating the group's commitment to investing in the art form and the sector post pandemic.

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Reserves Policy

In accordance with good corporate governance and Charity Commission guidelines, the group has always maintained a target minimum level for free reserves.

The group holds reserves for a number of reasons. They help provide short-term cash-flow to allow expenditure to be incurred ahead of income being received; they can provide contingency to help mitigate the impact of unexpected/unforeseen expenditures; they assist budget management, by allowing pressures to be dealt with, or investment in services made, whilst a longer-term solution is found; and they can help commitments to be met in the event of a cessation of funding.

In summary, the holding of reserves helps to provide liquidity, security and underwriting. It provides transparency that provides increased accountability to funders and stakeholders and gives them confidence in the financial management of an organisation. In doing so it makes a positive contribution to the reputation of the organisation in terms of it being seen to manage funds properly and prudently.

The group's current Reserves Policy was set following an evaluation process taking into account a number of factors including an assessment of three month's spend, identified areas of financial risk and the 'run off' costs that would need to be met should the group cease trading due to a loss of core funding. Following this review, the group revised its target level accordingly (from £150,000), and now operates with a target level for free reserves of £200,000, comprising a General Reserve of £150,000 and a Working Reserve of £50,000. The General Reserve is intended to be the Company's core reserve, providing a contingency in the event of any unforeseen events, and any decision on the use of this reserve rests with the trustees. The Working Reserve is intended to provide the scope to manage short term budgetary issues on a day to day basis, without having to obtain specific authorisation from trustees, and is managed by the Senior Leadership Team within these parameters.

The review of the group's Reserves Policy also encompassed a codification of the process for the management of all the group's reserves.

The group keeps its target levels, and performance against them, under regular review. The sufficiency or otherwise of reserves levels are the subject of regular reports to trustees and form an integral part of budget processes. The group is also committed to a thorough re-assessment of the target levels on a regular basis.

Within the context of its Reserves Policy, the core of the group's philosophy and priority will continue to be to re-invest any available reserves in its artistic and creative activities.

As mentioned earlier in this report, the level of free reserves as at 31 March 2022 is in excess of the group's target figure. The extent to which the target is exceeded is considered reasonable and within the group's financial parameters, with the application of reserves approved as part of the 2022-23 budget strategy bringing their level below the target level, but within operational parameters.

Pension

The Company has in place a group personal pension scheme, on a defined contribution basis, administered by Royal London (formerly Scottish Life). The Company makes agreed employer contributions to the scheme, on a monthly basis.

These were at a rate equivalent to 5% of gross salary throughout the 2021-22 as they were in 2020-21.

With the Company having reached its staging date for pension auto enrolment as at 1 April 2017, all staff are eligible to join the scheme in accordance with the regulations applying to auto enrolment. From that date, all eligible staff have been automatically enrolled into the Company scheme, following an initial period of postponement that accords with the regulations. They do have the opportunity to subsequently opt out if they wish, and similarly to opt to join the scheme sooner if they meet the statutory criteria. They also have the option of requesting to join if they don't meet the statutory criteria but wish to be part of the scheme.

Company employer contribution rates remain at 5% following the introduction of auto enrolment. Initially employee rates remained discretionary, as the employer contribution exceeded (2017-18) the minimum combined level (2%) required by The Pensions Regulator, whilst in 2018-19 it equated with the regulatory minimum level (which was being increased on a phased basis). However, as from 1 April 2019, the Pensions Regulator's minimum requirement increased to 8% which has meant that, with effect from that date, employees are now required to make a minimum 3% contribution.

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During 2021-22 contributions were made in respect of all eligible staff joining the scheme. Where staff have yet to join the scheme, it has been the Company's practice to set aside a provision to fund such costs when they do become due. With the introduction of auto enrolment such instances have become minimal, potentially occurring only where either the financial year end falls within the midst of an employee's postponement period or the employee's circumstances fall outside of the criteria for auto enrolment. Where the individual's status is likely to be determined within a twelve-month period from the balance sheet date backdated contributions are accrued for. Where it may be beyond that time, a provision is set aside. As at 31 March 2022 a nil provision (2021: £nil) set aside for this purpose was in place.

As at 31 March 2022, 32 staff were members of the Company pension scheme, equating to all those eligible to be so at that point in time. As of that date, there were eight employees who were not a member of the scheme due to being within their postponement period and who joined the scheme at the conclusion of their postponement during the 2022-23 financial year.

The Company also makes contributions to the defined contribution scheme administered by Aviva on behalf of Equity, where it employs actors and stage managers who are members of the scheme. In accordance with industry conditions of service, and auto enrolment guidelines, the Company made a contribution equivalent to 5% in the 2021-22 financial year, the same as in 2020-21, where it was applicable to do so. Scheme members contributed at a rate of 3% (3% in 2020/21).

Strategic Planning and Development (including business planning)

The group operates on a three-year planning cycle, with annual review and adjustments. Strategic planning is initiated and signed off by the Board of Trustees at all stages, with input from key partners including Arts Council Wales (ACW), Welsh Government and the theatre sector, and through assessment of the wider context for growth and development. Strategic plans combine a core of financially sustainable good practice with a context of visionary new thinking, in line with the founding spirit of the group.

NTW has in place a fully adopted Strategic Plan covering the period 2020-2025 - the latest in a series of such plans that the group has put in place since its founding. The Plan includes a consideration of the group's plans, ambitions and objectives, the details of which are set out elsewhere in this report. It is an important tool for monitoring and evaluation of performance and forms a centrepiece around which other documents are set, including the group's budgets. As explained earlier in this report, the group reviewed the Strategic Plan in the light of developing circumstances, and concluded that a shorter-term 2022-2025 version should be created to respond to the dramatically altered operating climate we now face. That Plan was developed during 2021-2022 financial year, and takes effect from April 2022. It outlines our shift from place-making to change-making.

Policies, Plans, Supporting Strategies and Procedures

Along with the development of the 2022-2025 Strategic Plan, 2021 saw the Operations Team start a review of all NTW policies, plans and supporting strategies and procedures with a view to comprehensive update and identification of any gaps. The Company strives in all cases to generate resources which demonstrate best practice and can be used by other companies. The 2022-2025 Fundraising Strategy and 2022 Ethical Fundraising Policy were created in the autumn, followed by updates to the Sickness Absence Policy. Work will continue through 2022-23 focusing first on the highest risk strategies, policies and plans. We will also develop an audit system which better tracks necessary updates, progress made and compliance.

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.

A risk assessment and risk management policy has been developed by the group. The policy comprises a matrix of identifiable risks, which are ranked according to their assessed probability and potential impact. This assessment takes into account the controls and mitigations that the group has in place to deal with the risks.

The policy analyses potential risks into five main areas, sub-divided into further categories. These are:

- External (public relations; political and environmental)
- Operational (staffing and human resources; financial; technological; building)
- Artistic and Production
- Governance
- Legal and Compliance (litigation; health and safety; compliance)

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The areas of the group's operation identified as being of higher risk, via the risk assessment process, are kept under close review by the Company's Senior Leadership Team. Relevant risk factors are identified and appropriate means of mitigation put in place, where it is possible to do so. Risk management is also the subject of regular reports to each meeting of the People & Policies Subcommittee.

NTWs' risk management system will be developed within the Monitoring, Evaluation & Reporting project slated for 2022-2023. This will see a comprehensive Risk Register which is calibrated against the trustees' latest appetite for risk. The nature, responsibility for and regularity of updates to the register will relate to both the implicit and residual of each risk's rating, as well as the proximity this analysis lies from the relevant appetite rating trustees have determined.

Risk analysis to year-end identified that the most significant areas of risk relate to artistic programming and staff capacity, income generation and audiences; the organisational restructure; the ongoing impact of the COVID-19 pandemic; and over-reliance on ACW funding.

Artistic Programming & Staff Capacity

The award of funding towards *Galwad*, as part of the Unboxed Festival, has seen Collective Cymru take on the development and delivery of a major project in scale and ambition. Whilst NTW is engaged in Collective Cymru's governing structures only, a number of staff have been seconded to work on the project. The Company has been operating both backfill and direct recruitment arrangements - all fully funded by Collective Cymru - in order to mitigate against the possibility of this impacting on its core activities. Any additional costs incurred by NTW in delivering these support arrangements are also being funded by recharge to *Galwad*.

The governance arrangements of the project ensure oversight on the project. NTWs' Artistic Director/CEO is a member of *Galwad*'s Creative Executive, which is answerable to a Project Committee, which is chaired by an NTW trustee. The Chair of the Project Committee reports to NTWs' Chair of Trustees on a monthly basis, and the progress of the project is a standing item on the agenda of all NTW Board meetings and of the Finance Subcommittee. The Company's Executive Producer/Deputy CEO attends the Project Committee meetings, and other Senior Leadership Team members attend other subcommittee meetings e.g. Legacy and Young Company. The NTW Board also continues to scrutinise its own programme to quickly identify and act upon timescale, quality and ambition slippage.

Income Generation & Audiences

The legacy of the COVID-19 restrictions, including the introduction and the withdrawal of COVID passes and increased safety concerns about mutations, continue to be significant and ongoing threats to the non-achievement of box office and fundraising targets, both of which are important components of the budget and of NTW delivering on its remit.

The Audiences Team is involved early in programming discussions to ensure that strong marketing and engagement campaigns are delivered. These are subsequently evaluated for success with learning applied to the next show in development. The Audiences Team is also involved in discussion on pricing strategy. Audience engagement forms a key element of the 2022-2025 Strategic Plan moving forward, and NTW intends to build in clearer and more innovative processes for audience engagement earlier on in the creation of its work. It is crucial that the Company's programme of work maintains an artistic vision which balances audience satisfaction, income targets and funder expectations. Likewise that it reflects the diversity of experience and cultures that exist within Wales.

Focusing on other risk mitigation tactics, the recently developed 2022-2025 Fundraising Strategy provides greater focus than in previous years. It moves away from the diversification of income streams and instead optimising those areas of greatest opportunity and where NTW has been strongest in recent years: Trust & Foundation grants; Long-term corporate relationships; Commercial activity; and Individual Giving (large and small donations). The pandemic has changed the landscape for fundraising and it is vital that the Company's plans reflect that.

Organisational Restructure

2021-2022 saw a relatively high staff turnover which was echoed across the economy as the employment market opened up following the reduction of COVID-19 social restrictions and impact of Brexit. For NTW, this was compounded by the formation of the new Senior Leadership Team in 2020-2021 following the first phase of the organisational restructure. The Executive Producer/Deputy CEO is set to leave NTW in April 2022, and the proposed second restructure, which was agreed by trustees after staff consultation, will see the creation of Executive Director/Deputy CEO and Director of Producing roles, and the redundancy of the Director of Operations role as a result.

The loss of experience and knowledge, and the appointment of new individuals inevitably creates periods of turbulence at a point when working practices will remain hybrid and planning is still being affected by uncertainty about our operating climate. There is a risk that multiple layers of change creates internal instability and a lack of a sense of collective endeavour.

REPORT OF THE TRUSTEES
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Staff are being monitored on their well-being and the causes of low staff morale. This has informed a new Well-being Policy, which itself is framed on Mind Cymru advice. The policy outlines various proposed actions which can be taken to generate a more unified working culture which is future-focused and stable. These include developing a 'Working Culture Code', more effective collaborative working and management development. After trustee review, the policy will be shared with staff who will actively select which actions will be taken, suggest anything else which has yet to be considered, and take collective responsibility for its delivery. Exit Interviews are now standard practice for all staff who leave, with key points and resulting proposed actions discussed by the Senior Leadership Team.

COVID-19 pandemic

The COVID-19 pandemic, and medical, environmental, societal and economic emergencies, are circumstances that are largely outside of the control of the group. What the group can do is make sure that it takes all reasonable precautions to avoid such incidents and ensure that its systems and processes are set up to deal with their consequences, including operating a robust financial management strategy.

The ways in which NTW is navigating the challenges of the current pandemic with regards creative activity are detailed throughout this report. Internally, with staff health & safety in mind, a regular cycle of reviewing and issuing advice (e.g. home-working, social distancing) and equipment (e.g. masks, hand sanitizer, lateral flow tests) to staff, as well as thinning out the office furniture, capped capacity, entry rota and adapted event risk assessments, is helping to minimise infection and therefore disruption to the group. This provides confidence that the group is able to weather future risks of similar magnitude.

Financial

From a financial viewpoint, there is an ongoing risk that NTW is over-reliant on ACW for core funding in an economic climate less favourable to corporate fundraising than perhaps has been the case for the past 20 years. The delayed 2020 ACW Investment Review process will run in early 2023, with the implementation of the new funding decisions effective from 1 April 2024. Budgets are under increasing pressure from unprecedented inflation forecasts for 2022-2023, which will have an impact across the group.

The earlier Income Generation & Audience risk outlined in this report details the group's efforts to reduce its reliance on public funding via an increased focus on optimising areas of greatest opportunity and where NTW has been strongest in recent years. The 2022-2025 Fundraising Strategy contains clear and ambitious targets to this effect, and progress is monitored quarterly by the Finance Subcommittee. Risk in this area is further mitigated via a robust Reserves Policy and effective budgetary control, as well as the implementation of quarterly refreshed budget modelling scenarios and an imminent Expenditure Analysis aimed at reducing core running costs.

Impact of the COVID-19 Pandemic

The Covid-19 pandemic and associated lockdowns and social distancing restrictions, continued to significantly affect the group's activities and operations in 2021-2022. Specific details, including how the group managed and mitigated these impacts, are featured throughout this report.

Financially, the impact is difficult to quantify since the diverse programme NTW runs means that no two years operating or artistic costs are the same. No staff were furloughed during 2021-2022, and programming was - in contrast to 2020-2021 - alert to the uncertainties of live audiences so activity in the first two quarters was largely digital and/or outdoors, thereby minimising the opportunity for box office income considerably but balanced within original budgets. Nevertheless, the range of unexpected and expected financial implications are broad and include: thinning out office furniture and storing it so the capacity of the premises complied with social distancing guidelines; purchasing lateral flow tests and masks for staff and theatre makers to maintain bubbles for the *Possible* tour and *Petula*; increased recruitment advertising costs as theatre makers and staff moved out of the arts and into less affected sectors; reduced staff and trustee expenses due to ongoing remote-working; and reduced office running costs due to closure. Covid-19 reactive support from Trusts & Foundations (see 'Fundraising' in this report, and the additional year for TEAM activity provided by the Paul Hamlyn Foundation) supported NTWs' income generation during the year. An ongoing commitment by ACW - NTWs' main funder - to continue to offer the revenue funding rates from 2020-2021 provided stability and meant that the Company was able to continue to not apply for additional emergency funding.

Combined with regular budget re-forecasting, close trustee oversight, the approach adopted to the pandemic in 2020-2021, and the healthy cash flow and reserves position, this all meant that NTW remained financially secure and stable enough to not be under any immediate threat due to the operating climate it faced in 2021/2022. NTW continues to monitor its financial circumstances in the light of changing circumstances and has started to produce longer-term budget modelling to quantify and qualify the impact of specific scenarios on the group.

REPORT OF THE TRUSTEES
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Beyond finances, the ongoing effects of the pandemic are manifold and intersectional. At the heart of these challenges for NTW as a Company and for the wider sector are the following key areas:

- Audience - Confidence, economic impact and changes in behaviour. The Company continues to operate in a period of huge uncertainty over audiences, which makes forecasting very challenging. As an industry, NTW can no longer predict behaviour in a way it could a year ago and this uncertainty looks to continue in the foreseeable future. Through partnership and consortium working described below under 'Future Plans', the Company is making steps to address this.
- Partnership building and instability - A huge amount of NTWs' model for the creation and dissemination of work relies on partnership. Both inside and outside of the cultural sector, the ability of organisations to financially invest in projects, and their ability to commit to medium to long-term planning cycles has been greatly affected. This exerts pressures on the Company's ability to form economically effective partnerships, to fundraise in a timely fashion and ultimately to extend the reach and impact of work. This is a complex intersectional challenge that increases the pressure of work on teams.
- Well-being - As an organisation and as a sector, NTW is not alone in dealing with huge well-being challenges internally and externally. Staff teams are individually and collectively subject to enormous and unpredictable pressures that in turn affect Company operation, planning and partnership working. Some of these effects are easily identifiable and addressable but most are both more subtle and profound.

Remuneration Policy

NTW always seeks to appoint individuals with levels of experience and skills appropriate to the post in question, in order to ensure that the Company delivers to the standards of excellence that would be expected of it as a national Company.

In setting remuneration levels for its staff, the Company takes account of the relevant market rates applicable for such requisite levels of experience and skills, whilst also being cognisant of the fact that it is a charity, and one that attracts significant levels of public and charitable funding. As such it seeks to achieve a balance between fair pay, retaining key staff to ensure the delivery of the charity's aims, the considerations of beneficiaries' needs, and the delivery of value for money in its expenditure on behalf of funders and other stakeholders.

The Company operates with a relatively small core team and assesses the necessity of all posts prior to their creation. The need for posts, and the appropriateness of their pay levels, is reviewed and assessed every time a post becomes vacant, whilst the Company also periodically benchmarks its pay scales against prevailing market rates. All new posts created, and any variations to pay levels, have to be approved by trustees, via the People & Policies Subcommittee.

NTW recognises that its staff are its primary asset in ensuring the delivery of its charitable purpose and is sensitive to broader employment issues. It pays its entire staff at Living Wage levels as a minimum. It abides by all relevant employment legislation and seeks to provide equality of opportunity and maintain workforce diversity.

The key management personnel of the organisation during the year are considered to be the Chief Executive/Artistic Director, and Executive Producer/Deputy CEO. Their pay levels form part of the Staff Costs disclosure (note 14) shown on page 36 of these accounts. The role of Chief Executive/Artistic Director is the most highly paid member of staff.

FUTURE PLANS

2022-2023 will be the first year of the implementation of the 2022-2025 Strategic Plan. Throughout this report, NTW details how new processes, practices and policies, steered by the rationale of the new strategies and plans in place and in development, will action the change needed in order to deliver on the Company's Vision for theatre and for Wales. A new approach to audiences will steer the Company forward, and better interpreting stronger analytics on Welsh audiences is crucial to the success of the years ahead. NTW is currently working with a collective of Welsh venues and theatre companies on a 5-year programme which combines a visionary **new touring model** with **career-changing investments** in emerging Welsh talent from the breadth of our society and full, meaningful, long-term **audience and community participant input** throughout the creative process.

The 5-year programme embeds space for flex, additions and shift, not just in content but also in practice as the sector learns and grows with the fast-changing world and theatre ecology. It takes the sector on a journey towards a Company- and ultimately **sector-changing 'new way' of working** which will see Wales competing on global stages, again not just in the theatre we collectively create but in the realisation of truly reflexive, audience and community-centred praxis. And throughout each element of this approach will be, to varying degrees of emphasis, NTWs' strategic priorities of equality, social and environmental justice and well-being, **cumulatively fused to inspire change** through theatre through the next five years.

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FOR THE YEAR ENDED 31 MARCH 2022

Key to the delivery of this 'new way' are the following projects, slated for completion this year:

- **Lengthening of planning cycles** to enable audience and community participant involvement to be developed as part of the way that creative ideas emerge and grow.
- **Venue agreements** in place to co-commission and co-produce new shows which have Wales and beyond touring cycles built into them, with longer-term commercial viability to reinvest in Welsh theatre. Audience building and shared audience data will be central to the agreements.
- Development of **clearer communication processes** between teams leading to a new philosophy shared across the Company where all departments are part of the organic whole rather than a function to serve one another, often at the end of a process where the need for action is urgent.
- The **'Our Work' Strategy** which sees Audiences as the superstructure for the other three core areas of our work: Collaboration, Creative Development and Production, with digital and international as key strands throughout.
- The **Young People's Strategy** which will rationalise how NTW works with and for young people within the wider offer from across the sector, ensuring it delivers for those individuals who will benefit most from interaction with the Company – e.g. because they've been most adversely hit by the COVID-19 pandemic, face significant barriers to opportunities in both theatre and wider society and/or will benefit from the power of theatre to catalyse change.
- The **new NTW brand and website** which will project its new Values, Vision and Mission and support the projects outlined above to integrate audiences across our work.
- The **Well-being Policy** which is aimed at a long-term culture shift across the Company and enabling staff to flourish and reach their full potential in the time they spend at NTW.
- The **Monitoring, Evaluation & Reporting System** which will enable NTW to more consistently and regularly source, analyse and share information on progress, risks and stakeholder feedback. It will more comprehensively build learning from ours and others' practice into ongoing programming and project development decision-making.
- The **appointment of new roles and supporting expertise** as a completion of the organisational restructure. This includes the Director of Producing, Creative Development Producer and Operations & Social Impact Manager. Experienced external freelancers will offer mentorship to key staff and support in the implementation of this new approach.
- The ongoing **Governance Development** work which will increase trustees' sense of value, being understood and heard, affinity with NTW and integration and engagement within the Company; increase the visibility and impact of the Board across the sector, with decision-makers and with audiences; and increase the Board's effectiveness at supporting the delivery of the 2022-2025 Strategic Plan and the development of the ACW Investment Review submission. This includes the appointment of at least 5 new trustees and a new Chair.

Productions slated for 2022-2023 include:

Circle of Fifths (Spring 2022)

A celebration of life through death led by film and theatre maker **Gavin Porter**. A collective of artists will offer a live documentary performance, told through real life stories, rooted in tradition, music and memory.

Kidstown (Summer 2022)

The first incarnation of three years of children-only arenas for kids to play - like the circus coming to town but no adults are allowed. Artists Nigel Barrett and Louise Mari will run a prototype of the idea which will tour Wales in 2023-2024 and flourish into a staged performance in 2024-2025.

Galwad (Autumn 2022)

The full realisation of the DCMS funded Festival 2022 / Unboxed transmedia project with content across multiple media and digital platforms, broadcast on S4C and Sky Arts, and a live immersive end of week performance in Blaenau Ffestiniog.

A Proper Ordinary Miracle (Winter 2022)

A theatrical journey around Wrexham, shining a light on the politics of place, space and the systems we all play a part in. This show represents the culmination of four years of TEAM working in Wrexham, with the community choosing the themes of home and homelessness as the focus for all co-created initiatives which formed a part of this project.

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Welsh Radical (Spring 2023)

Welsh Radical will connect the history of Welsh radicalism, protest and direct political action to the local, national and global challenges facing us. Part performance, part provocation, part primer, this will be a political arts event across three acts combining work, action and music from a range of emerging and established Welsh artist and activists.

Creative Development projects will include:

Fly the Flag (Summer 2022)

A collaboration between arts organisations and human rights charities which will invite young people to co-create work with leading theatre makers which celebrates and reminds us of the human rights we all share.

Springboard (Winter 2022 / Spring 2023)

The second incarnation of our *Springboard* bursaries which will support more artists who are currently underrepresented in the arts to develop small-scale research projects with mentoring and producing support.

Collaboration (TEAM) activity will include:

TEAM Wrexham

A bespoke programme of activities linked to the theme of home and homelessness will accompany and contribute to the 2022 TEAM Wrexham show *A Proper Ordinary Miracle* (Winter 2022).

Far Apart, But Close at Heart

Far Apart, But Close at Heart will continue in 2022-2023 with an event in Tŷ Pawb, Wrexham to share the positive impact creative engagement has made to local young people throughout the Covid-19 lockdowns.

The Dons

Over 6 weeks, NTW will work with Pembrokeshire boxing coach **Mark Davies** of Tenby Sharks Boxing Club, local Pupil Referral Units and film-maker **Wayne Boucher** to support young people excluded from mainstream education to increase their mental resilience and fitness through boxing, documentary making and collective endeavour.

Dylan Thomas Day

An event will be held in Solva, Pembrokeshire celebrating the life and work of Dylan Thomas, with poetry and storytelling performances from artists including **Phil Okwedy**, **Claire Ferguson-Walker** and **Angharad Tudor**.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The National Theatre of Wales (NTW) was incorporated as a Company limited by guarantee and not having a share capital on 9 September 2008. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs.

Recruitment and Appointment of New Trustees

NTW was established with a core funding commitment from Arts Council of Wales and the Welsh Government. These two bodies advertised and appointed a Chair followed by eight further trustees in 2008. Membership is open to individuals, who apply in the form required by the directors, and are approved by the directors. Membership is non-transferable.

The Company's Articles of Association state that:

A person appointed to the office of director for two consecutive terms shall, at the third Anniversary Board Meeting arising during his/her second term as a director, retire from office as a director and shall therefore be ineligible for re-election as a director for a period of two years unless the Board resolve that he/she may be eligible for re-election as a director for such further period not exceeding three years as the Board in its absolute discretion sees fit.

Where a director is re-elected for a third term pursuant to Article 2 above, he/she shall retire from office as a director by the third Anniversary Board Meeting following the passing of the resolution referred to in that Article. Any director who retires pursuant to this Article shall thereafter be ineligible for re-election as a director (for a period of three years).

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

As a result, having stood down and been re-elected to the Board in February 2011, the Company's original trustees were subsequently subject to retirement in accordance with an agreed process of rotation. This occurred over a period of years, concluding in March 2016 with the retirement of the founding Chair of Trustees. This rotation approach ensured a continuity of management during the retirement process. During that process several new trustees were appointed, including a new Chair in December 2016. A new series of retirements and recruitments have taken place on a rotation basis from 2018-19 onwards. As at 31 March 2022 a Board of 11 trustees was in place. The appointment of further trustees may occur as appropriate, taking into account the skills and experience of the individuals concerned.

Welsh Language Standards

NTW is subject to compliance with the Welsh language standards via a compliance notice relating to section 44 of the Welsh Language (Wales) Measure 2011. These standards promote and facilitate the Welsh language and ensure that it is not treated less favourably than the English language in Wales. As part of NTWs' compliance requirements, the standards appear on the Company website along with the Welsh Language Complaints Policy, the Welsh Language Standards Annual Report and the Welsh Language Strategy.

During 2021-2022, 0 complaints were received regarding NTWs' Welsh language standards compliance.

Organisational Structure

The Board of Trustees meets on a quarterly basis, and has established two subcommittees - a Finance Subcommittee and a People & Policies Subcommittee, which both also meet quarterly - with appropriate matters delegated accordingly.

The day-to-day running of the Company is in the hands of a full staff team, headed by the Chief Executive/Artistic Director. A senior leadership team comprising the Artistic Director, Executive Director/Deputy Chief Executive, Director of Audiences, Director of Collaboration and Director of Producing lead the Company. This team has delegated authority from the Board on matters of finance, recruitment, fundraising and artistic activity.

The Company also has a wholly-owned trading subsidiary, called NTW Productions Limited, via which the delivery of its productions is transacted. The Company pays a commissioning fee per production to the trading Company that equates to the cost of producing the show, less any Theatre Tax Relief credit that the subsidiary is entitled to claim for the production (all claims for such credits are processed via the subsidiary for reasons of accounting transparency). The trading Company is overseen via a Board of Directors that currently comprises the Company's Artistic Director, Executive Director and Director of Producing, two trustees (the Chair of the Board of Trustees and the Chair of the Finance Sub Committee), and a non-executive director.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
06693227 (England and Wales)

Registered Charity number
1127952

Registered office
30 Castle Arcade
CARDIFF
CF10 1BW

Trustees

| | | |
|----------|---------------------------|-----------------------------|
| Chair | Clive William Jones | |
| Trustees | Simon Keith Pirotte | |
| | Roger Michael Awan-Scully | Resigned 23 September 2021 |
| | Bedwyr Elias Williams | Resigned 17 March 2022 |
| | Sian Elin Doyle | |
| | Keith Power | Resigned 31 December 2021 |
| | Raidene Carter | Resigned 9 June 2022 |
| | Wayne Boucher | Resigned 17 March 2022 |
| | Anna Arrieta | |
| | Steffan Donnelly | Resigned 9 June 2022 |
| | Miguela Gonzalez | Appointed 31 December 2021 |
| | Robert Edge | Appointed 17 March 2022 |
| | Tafsila Khan | Appointed 17 March 2022 |
| | Stacey Ackers | Appointed 17 March 2022 |
| | Sanjiv Vedi | Appointed 15 June 2022 |
| | Simon Stephens | Appointed 15 September 2022 |
| | Joanne Lilford | Appointed 15 September 2022 |
| | Sharon Gilburd | Appointed 15 September 2022 |

Executive team

| | |
|-----------------------------------|----------------|
| Chief Executive/Artistic Director | Lorne Campbell |
| Executive Producer/Deputy CEO | Lisa Maguire |

Senior Statutory Auditor

Julia Mortimer

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Hugh James
Hodge House
114-116 St. Mary Street
CARDIFF
CF10 1DY

Bank

HSBC
56 Queen Street
CARDIFF
CF10 2PX

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The National Theatre of Wales (Trading as National Theatre Wales) 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 2019 (FRS102);
- 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 operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 group 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 group'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.

Approved by order of the Board of Trustees on 18 January 2023 and signed on its behalf by:

Sir Clive William Jones - Chair

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

Opinion

We have audited the financial statements of The National Theatre of Wales (Trading as National Theatre Wales) and subsidiary for the year ended 31 March 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 group's and parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group and parent 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

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

In auditing the financial statements, we have concluded that the directors' 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent 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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

- 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 group's and parent 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 group or the parent 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.

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

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.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

29 January 2023

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|---|-------|-------------------------|-------------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 3 | 1,664,735 | - | 1,664,735 | 1,712,487 |
| Charitable activities | 5 | | | | |
| Promoting, maintaining, improving and advancing education | | 346,582 | 3,204,599 | 3,551,181 | 332,641 |
| Investment income | 4 | 113 | - | 113 | 259 |
| Total | | <u>2,011,430</u> | <u>3,204,599</u> | <u>5,216,029</u> | <u>2,045,387</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | 7 | 851 | - | 851 | 771 |
| Charitable activities | 8 | | | | |
| Promoting, maintaining, improving and advancing education | | <u>1,996,634</u> | <u>1,695,840</u> | <u>3,692,474</u> | <u>1,677,649</u> |
| Total | | <u>1,997,485</u> | <u>1,695,840</u> | <u>3,693,325</u> | <u>1,678,420</u> |
| NET INCOME/(EXPENDITURE) | | 13,945 | 1,508,759 | 1,522,704 | 366,967 |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | 13,945 | 1,508,759 | 1,522,704 | 366,967 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 806,304 | 116,271 | 922,575 | 555,608 |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>820,249</u></u> | <u><u>1,625,030</u></u> | <u><u>2,445,279</u></u> | <u><u>922,575</u></u> |

The notes form part of these financial statements

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) (REGISTERED NUMBER: 06693227)**

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 31 MARCH 2022**

| | | Group | | Charity | |
|---|-------|------------------|------------------|------------------|------------------|
| | Notes | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | 6,680 | 8,880 | 6,680 | 8,880 |
| Investments | 17 | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| | | 6,680 | 8,880 | 6,681 | 8,881 |
| CURRENT ASSETS | | | | | |
| Debtors: amounts falling due within one year | 18 | 376,833 | 198,991 | 376,883 | 198,991 |
| Cash at bank | | <u>2,768,845</u> | <u>1,053,591</u> | <u>2,768,845</u> | <u>1,053,591</u> |
| | | 3,145,678 | 1,252,582 | 3,145,678 | 1,252,582 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 19 | <u>(707,079)</u> | <u>(338,887)</u> | <u>(707,080)</u> | <u>(338,888)</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>2,438,599</u> | <u>913,695</u> | <u>2,438,598</u> | <u>913,694</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,445,279</u> | <u>922,575</u> | <u>2,445,279</u> | <u>922,575</u> |
| NET ASSETS | | <u>2,445,279</u> | <u>922,575</u> | <u>2,445,279</u> | <u>922,575</u> |
| FUNDS | 21 | | | | |
| Unrestricted funds: (Including designated funds) | | 820,249 | 806,304 | 820,249 | 806,304 |
| Restricted funds | | <u>1,625,030</u> | <u>116,271</u> | <u>1,625,030</u> | <u>116,271</u> |
| NET ASSETS | | <u>2,445,279</u> | <u>922,575</u> | <u>2,445,279</u> | <u>922,575</u> |

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 and authorised for issue by the Board of Trustees on 18 January 2023 and were signed on its behalf by:

Sir Clive William Jones - Chair

The notes form part of these financial statements

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) (REGISTERED NUMBER: 06693227)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | 2021 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>1,718,801</u> | <u>662,377</u> |
| Net cash provided by (used in) operating activities | | <u>1,718,801</u> | <u>662,377</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (4,002) | (1,349) |
| Sale of tangible fixed assets | | 342 | - |
| Interest received | | <u>113</u> | <u>259</u> |
| Net cash provided by (used in) investing activities | | <u>(3,547)</u> | <u>(1,090)</u> |
| Change in cash and cash equivalents in the reporting period | | 1,715,254 | 661,287 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>1,053,591</u> | <u>392,304</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>2,768,845</u> | <u>1,053,591</u> |

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2022 £ | 2021 £ |
|---|------------------|----------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 1,522,704 | 366,967 |
| Adjustments for: | | |
| Depreciation charges | 5,860 | 6,513 |
| Interest received | (113) | (259) |
| Theatre tax relief claim – movement in debtor | (147,467) | 52,707 |
| Decrease/(increase) in debtors | (30,375) | 147,675 |
| (Decrease)/increase in creditors | <u>368,192</u> | <u>88,774</u> |
| Net cash provided by (used in) operating activities | <u>1,718,801</u> | <u>662,377</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/21 £ | Cash flow £ | At 31/3/22 £ |
|--------------------------|------------------|------------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | 1,053,591 | 1,715,254 | 2,768,845 |
| | _____ | _____ | _____ |
| Total | <u>1,053,591</u> | <u>1,715,254</u> | <u>2,768,845</u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. STATUTORY INFORMATION

These financial statements include the consolidated results of The National Theatre of Wales and its trading subsidiary NTW Productions Limited.

The National Theatre of Wales is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is 30 Castle Arcade, Cardiff, CF10 1BW. The nature of the charitable group's and company's operations and principal activities is disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the group's functional currency, and rounded to the nearest pound

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable group, 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.

There have been no material departures from Financial Reporting Standard 102.

Going concern

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the group's financial statements to be prepared on a going concern basis. The trustees have taken steps to minimise the effect on the company and will continue to do so. In the circumstances they have concluded that no adjustments are required to the financial statements at this time.

Income

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

This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or, are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income

Investment income is recognised on a receivable basis.

Other income

Other income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group 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.

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

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the group and include the accountancy fees and costs linked to the strategic management of the group as well as a proportion of salaries based on an approximation of time spent in this area.

Tangible fixed assets

Fixed assets are initially recorded at cost. The value below which fixed assets are not capitalised is £500.

Depreciation is calculated so as to write off the cost of an asset, less its estimate residual value over the useful economic life of the asset as follows:

| | |
|---------------------|---------------------|
| Fixtures & fittings | - 25% straight line |
| Computer equipment | - 33% straight line |

However, where assets are acquired as a result of grant funding they will be depreciated over their useful life, or the period of the grant, whichever is the shorter.

Taxation

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

Funds structure

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the group without further specified purpose and are available as general funds.

Designated funds are funds which have been specifically designated for specific future costs.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Investments

Investments are stated at market value at the balance sheet date

Pension costs and post-retirement benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the statement of financial activities incorporating the income and expenditure account.

Termination payments

The charitable group recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Employee benefits

When employees have rendered service to the group, short-term employee benefits to which employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Creditors are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Provisions

The group commits to providing pensions for all core staff via the group pension scheme. Joining the scheme is subject to auto enrolment regulations. At any point in time a number of eligible employees have yet to join the scheme but when they do employer contributions are backdated to their original start date. Provision is made for the group's potential contribution in respect of these individuals in those instances where a simple accrual is not considered appropriate.

3. DONATIONS AND LEGACIES

| | 2022 | 2021 |
|-----------|------------------|------------------|
| | £ | £ |
| Donations | 660 | 17,313 |
| Grants | <u>1,664,075</u> | <u>1,695,174</u> |
| | <u>1,664,735</u> | <u>1,712,487</u> |

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

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Arts Council of Wales - Core funding | 1,624,075 | 1,624,075 |
| Esmée Fairbairn Foundation | 40,000 | 46,992 |
| Welsh Government Coronavirus Job Retention Scheme | - | 14,107 |
| Cardiff Council Business Rates Relief | <u>-</u> | <u>10,000</u> |
| | <u>1,664,075</u> | <u>1,695,174</u> |

4. INVESTMENT INCOME

| | 2022 | 2021 |
|---------------|------------|------------|
| | £ | £ |
| Bank interest | <u>113</u> | <u>259</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|--|------------------|----------------|
| | £ | £ |
| Theatre tax relief credit | 95,854 | 46,802 |
| Grants | 167,970 | 179,685 |
| Performing and related activities | 3,282,857 | 105,554 |
| Speaker fees | - | 600 |
| National Companies Consultancy Project | <u>4,500</u> | <u>-</u> |
| | <u>3,551,181</u> | <u>332,641</u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

5. INCOME FROM CHARITABLE ACTIVITIES - continued

All income is derived from the single charity activity of 'Promoting, maintaining, improving and advancing education'.

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

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Paul Hamlyn Foundation | 91,370 | 99,795 |
| British Council – Go Digital | 8,000 | - |
| Battersea Arts Centre - The Agency | - | 49,520 |
| Andrew Lloyd Webber Foundation | - | 6,000 |
| Theatre Granit - Creative Europe | - | 12,870 |
| The Bluestone Foundation | - | 2,500 |
| Pembrokeshire Association of Voluntary Services | - | 1,000 |
| People's Palace Projects | 18,600 | 8,000 |
| Welsh Government – Communications Strategy | 10,000 | - |
| John Ellerman Foundation | 40,000 | - |
| | <u>167,970</u> | <u>179,685</u> |

6. RESULT OF PARENT CHARITABLE COMPANY

The total income of the parent charitable company was £5,735,703 and net income was £1,522,704.

7. RAISING FUNDS

Raising donations and legacies

| | 2022 | 2021 |
|-------------------------|------------|------------|
| | £ | £ |
| Fundraising expenditure | <u>851</u> | <u>771</u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

8. CHARITABLE ACTIVITIES COSTS

| | Direct Costs (see note 9) £ | Support costs (see note 10) £ | Totals £ |
|--|--------------------------------------|--|------------------|
| Promoting, maintaining, improving and advancing education | <u>3,161,796</u> | <u>530,678</u> | <u>3,692,474</u> |

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2022 £ | 2021 £ |
|----------------------------------|------------------|------------------|
| Staff costs | 1,096,498 | 748,488 |
| Creative and artistic activities | 1,929,626 | 470,429 |
| Marketing costs | 127,951 | 62,355 |
| Recruitment costs | <u>7,721</u> | <u>8,064</u> |
| | <u>3,161,796</u> | <u>1,289,336</u> |

10. SUPPORT COSTS

| | Staff costs £ | Other costs £ | Depreciation £ | Governance costs £ | Totals £ |
|---|------------------|------------------|-------------------|--------------------------|----------------|
| Promoting, maintaining, improving and advancing education | <u>363,682</u> | <u>110,738</u> | <u>5,860</u> | <u>50,398</u> | <u>530,678</u> |

11. NET INCOME/(EXPENDITURE)

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

| | 2022 £ | 2021 £ |
|---|--------------|--------------|
| Auditors' remuneration | 5,820 | 5,902 |
| Auditors' remuneration for non-audit work | 990 | 1,350 |
| Depreciation - owned assets | <u>5,860</u> | <u>6,513</u> |

12. GRANTS PAYABLE

| | 2022 £ | 2021 £ |
|---|-----------|---------------|
| Promoting, maintaining, improving and advancing education | <u>-</u> | <u>13,500</u> |

The total grants paid to individuals during the year was as follows:

| | 2022 £ | 2021 £ |
|---------|-----------|---------------|
| General | <u>-</u> | <u>13,500</u> |

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 or for the year ended 31 March 2021.

Trustees' expenses

During the year an amount of £183 (2021: £Nil) was paid to 1 (2021: 0) trustees in respect of travel and other expenses.

During the year the following professional fees were paid to trustees for services provided. The fees were paid at a commercial rate.

| | 2022 £ | 2021 £ |
|---------------|--------------|--------------|
| Wayne Boucher | <u>1,000</u> | <u>2,319</u> |
| | <u>1,000</u> | <u>2,319</u> |

Trustees are permitted to receive compensation for professional services rendered to the charity by virtue of clause 5(5)(a)(ii) of the Memorandum of Association.

14. STAFF COSTS

| | 2022 £ | 2021 £ |
|---|------------------|----------------|
| Employee costs during the year | | |
| Wages and salaries | 1,288,610 | 827,582 |
| Employer's National Insurance contributions | 113,920 | 71,202 |
| Pension costs | <u>57,650</u> | <u>35,010</u> |
| | <u>1,460,180</u> | <u>933,794</u> |

| | 2022 | 2021 |
|-----------------------------------|-----------|-----------|
| Number of persons employed | | |
| Permanent staff | 30 | 22 |
| Temporary production staff | <u>3</u> | <u>1</u> |
| | <u>33</u> | <u>23</u> |

The number of employees whose emoluments, as defined for taxation purposes, amounted to a rate of over £60,000 during the year were as follows:

| | 2022 | 2021 |
|-------------------|------|------|
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | - | - |
| £80,001 - £90,000 | 1 | 1 |

All employees earning more than £60,000 were members of the company pension scheme.

Total remuneration benefits paid to key management personnel in the year was £176,646 (2021: £180,022).

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – 31 MARCH 2021

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|---|----------------------------|--------------------------|-----------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 1,712,437 | 50 | 1,712,487 |
| Charitable activities | | | |
| Promoting, maintaining, improving and advancing education | 52,999 | 279,642 | 332,641 |
| Investment income | 259 | - | 259 |
| Other income | - | - | - |
| Total | 1,765,695 | 279,692 | 2,045,387 |
| EXPENDITURE ON | | | |
| Raising funds | 771 | - | 771 |
| Charitable activities | | | |
| Promoting, maintaining, improving and advancing education | <u>1,372,267</u> | <u>305,382</u> | <u>1,677,649</u> |
| Total | 1,373,078 | 305,382 | 1,678,420 |
| NET INCOME/(EXPENDITURE) | 392,657 | (25,690) | 366,967 |
| Transfers between funds | <u>(24,289)</u> | <u>24,289</u> | <u>-</u> |
| Net movement in funds | 368,368 | (1,401) | 366,967 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 437,936 | 117,672 | 555,608 |
| TOTAL FUNDS CARRIED FORWARD | <u><u>806,304</u></u> | <u><u>116,271</u></u> | <u><u>922,575</u></u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

16. TANGIBLE FIXED ASSETS – Group and charity

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|----------------------------|---------------|
| COST | | | |
| At 1 April 2021 | 33,110 | 54,721 | 87,831 |
| Additions | - | 4,002 | 4,002 |
| Disposals | - | (1,540) | (1,540) |
| At 31 March 2022 | <u>33,110</u> | <u>57,183</u> | <u>90,293</u> |
| DEPRECIATION | | | |
| At 1 April 2021 | 32,107 | 46,844 | 78,951 |
| Charge for year | 719 | 5,141 | 5,860 |
| Eliminated on disposal | - | (1,198) | (1,198) |
| At 31 March 2022 | <u>32,826</u> | <u>50,787</u> | <u>83,613</u> |
| NET BOOK VALUE | | | |
| At 31 March 2022 | <u>284</u> | <u>6,396</u> | <u>6,680</u> |
| At 31 March 2021 | <u>1,003</u> | <u>7,877</u> | <u>8,880</u> |

17. FIXED ASSET INVESTMENTS – Charity

| | Shares in group undertakings £ |
|-----------------------------------|---|
| MARKET VALUE | |
| At 1 April 2021 and 31 March 2022 | <u>1</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>1</u> |
| At 31 March 2021 | <u>1</u> |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

NTW Productions Limited:
Nature of business: Theatre production

| | |
|-----------------|----------------|
| Class of share: | % |
| Ordinary | holding 100 |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 144,299 | 930 | 144,299 | 930 |
| Other debtors | 43 | - | 43 | - |
| Accrued income | 18,536 | 10,107 | 18,536 | 10,107 |
| Theatre tax relief recoverable | 194,269 | 46,802 | - | - |
| Prepayments | 19,686 | 141,152 | 19,686 | 141,152 |
| Amounts owed by group undertakings | - | - | 194,269 | 46,802 |
| | <u>376,833</u> | <u>198,991</u> | <u>376,833</u> | <u>198,991</u> |

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 49,528 | 61,027 | 49,528 | 61,027 |
| Social security and other taxes | 35,950 | 16,991 | 35,950 | 16,991 |
| VAT | 358,455 | 19,560 | 358,455 | 19,560 |
| Other creditors | 62,546 | 5,579 | 62,547 | 5,580 |
| Accruals | 151,627 | 57,235 | 151,627 | 57,235 |
| Deferred income | <u>48,973</u> | <u>178,495</u> | <u>48,973</u> | <u>178,495</u> |
| | <u>707,079</u> | <u>338,887</u> | <u>707,080</u> | <u>338,888</u> |

Included within deferred income above is the following:

| | 2022 £ | 2021 £ |
|---|---------------|----------------|
| Paul Hamlyn Foundation Festival 2022 | 48,973 | 75,342 |
| Natural Resources Wales | - | 92,153 |
| British Council – Go Digital | - | 3,000 |
| | <u>-</u> | <u>8,000</u> |
| | <u>48,973</u> | <u>178,495</u> |

The deferred income relates to income received in advance of project delivery. All amounts deferred in the year ended 31 March 2021 were released to the Statement of Financial Activities during the year. All amounts deferred in the year ended 31 March 2022 are new sources of income.

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2022 | 2021 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 31,122 | 18,466 |
| Between one and five years | <u>23,500</u> | <u>14,384</u> |
| | <u>54,622</u> | <u>32,850</u> |

Total operating lease payments recognised as an expense in the year was £37,304 (2021: £39,804).

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

21. MOVEMENT IN FUNDS

| | At 1/4/21 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/22 £ |
|---|----------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 251,901 | 356,592 | (324,687) | 283,806 |
| Designated fund - Fixed assets | 8,880 | (5,860) | 3,660 | 6,680 |
| Designated fund - TEAM | 4,100 | - | - | 4,100 |
| Designated fund - Marketing | 40,683 | (7,956) | 27,500 | 60,227 |
| Designated fund - Core resilience | 12,947 | (2,389) | (2,611) | 7,947 |
| Designated fund - Creative Development | 62,195 | (34,011) | (1,487) | 26,697 |
| Designated fund - Office Improvements | 2,458 | (650) | - | 1,808 |
| Designated fund - Productions | 316,822 | (264,463) | 178,286 | 230,645 |
| Designated fund - Organisational review changes | 35,000 | - | - | 35,000 |
| Designated fund - HR support | 5,746 | (5,746) | - | - |
| Designated fund - CEO support | 2,750 | (2,750) | - | - |
| Designated fund - Creative Development posts | 6,822 | (6,822) | 40,686 | 40,686 |
| Designated fund - Creative Development projects | 6,000 | (2,000) | - | 4,000 |
| Designated fund – Springboard bursaries | 50,000 | (50,000) | 32,210 | 32,210 |
| Designated fund – Festival 2022 Support (Creative Associate) | - | - | 33,443 | 33,443 |
| Designated fund – Young People’s Strategy | - | - | 13,000 | 13,000 |
| Designated fund – Reinventing Performing Arts | - | 40,000 | - | 40,000 |
| | <u>806,304</u> | <u>13,945</u> | <u>-</u> | <u>820,249</u> |
| Restricted funds | | | | |
| Paul Hamlyn Foundation | 56,473 | 4,727 | - | 61,200 |
| Esmée Fairbairn Foundation | 11,322 | (10,532) | - | 790 |
| Arts Council Wales - Ocean Park Creative Collaboration | 1,064 | (1,064) | - | - |
| National Companies Consultancy Project | 19,863 | (12,281) | - | 7,582 |
| Battersea Arts Centre - The Agency | 9,874 | - | - | 9,874 |
| Big Lottery Fund - Access Forum | 2,330 | - | - | 2,330 |
| Mametz real-time digital lesson plans | 2,356 | (975) | - | 1,381 |
| Andrew Lloyd Webber Foundation - Emerging Directors | 6,000 | (2,000) | - | 4,000 |
| People’s Palace Projects (Far Apart UK) | 6,880 | 5,790 | - | 12,670 |
| Bluestone Foundation/Little Green Grant | 109 | - | - | 109 |
| Festival 2022 - Galwad | - | 1,485,094 | - | 1,485,094 |
| John Ellerman Foundation – Associate Dramaturg Programme | - | 40,000 | - | 40,000 |
| | <u>116,271</u> | <u>1,508,759</u> | <u>-</u> | <u>1,625,030</u> |
| TOTAL FUNDS | <u>922,575</u> | <u>1,522,704</u> | <u>-</u> | <u>2,445,279</u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

21. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,971,430 | (1,614,838) | 356,592 |
| Designated fund - Fixed assets | - | (5,860) | (5,860) |
| Designated fund - Marketing | - | (7,956) | (7,956) |
| Designated fund - Core resilience | - | (2,389) | (2,389) |
| Designated fund - Creative Development | - | (34,011) | (34,011) |
| Designated fund - Office Improvements | - | (650) | (650) |
| Designated fund - Productions | - | (264,463) | (264,463) |
| Designated fund - HR support | - | (5,746) | (5,746) |
| Designated fund - CEO support | - | (2,750) | (2,750) |
| Designated fund - Creative Development posts | - | (6,822) | (6,822) |
| Designated fund - Creative Development projects | - | (2,000) | (2,000) |
| Designated fund - Springboard bursaries | - | (50,000) | (50,000) |
| Designated fund – Reinventing Performing Arts | 40,000 | - | 40,000 |
| | <u>2,011,430</u> | <u>(1,997,485)</u> | <u>13,945</u> |
| Restricted funds | | | |
| Paul Hamlyn Foundation | 91,370 | (86,643) | 4,727 |
| Esmée Fairbairn Foundation | - | (10,532) | (10,532) |
| Arts Council Wales – Ocean Park Creative Collaboration | - | (1,064) | (1,064) |
| National Companies Consultancy Project | 4,500 | (16,781) | (12,281) |
| Mametz real-time digital lesson plans | - | (975) | (975) |
| Andrew Lloyd Webber Foundation – Emerging Directors | - | (2,000) | (2,000) |
| People's Palace Projects (Far Apart UK) | 18,600 | (12,810) | 5,790 |
| Festival 2022 – Galwad | 3,042,129 | (1,557,035) | 1,485,094 |
| John Ellerman Foundation – Associate Dramaturg Programme | 40,000 | - | 40,000 |
| British Council – Go Digital | 8,000 | (8,000) | - |
| | <u>3,204,599</u> | <u>(1,695,840)</u> | <u>1,508,759</u> |
| TOTAL FUNDS | <u><u>5,216,029</u></u> | <u><u>(3,693,325)</u></u> | <u><u>1,522,704</u></u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

21. MOVEMENT IN FUNDS – continued

Comparatives for movement in funds

| | At 1/4/20 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/21 £ |
|--|-----------------------|-------------------------------|---------------------------------|-----------------------|
| Unrestricted funds | | | | |
| General fund | 345,110 | 446,561 | (539,770) | 251,901 |
| Designated fund - Fixed assets | 14,044 | (6,513) | 1,349 | 8,880 |
| Designated fund – TEAM | 4,100 | - | - | 4,100 |
| Designated fund - Marketing | 6,150 | (6,150) | 40,683 | 40,683 |
| Designated fund - Core resilience | 7,947 | - | 5,000 | 12,947 |
| Designated fund - Creative Development | 58,127 | (41,241) | 45,309 | 62,195 |
| Designated fund - Office Improvements | 2,458 | - | - | 2,458 |
| Designated fund - Productions | - | - | 316,822 | 316,822 |
| Designated fund - Organisational review changes | - | - | 35,000 | 35,000 |
| Designated fund - HR support | - | - | 5,746 | 5,746 |
| Designated fund - CEO support | - | - | 2,750 | 2,750 |
| Designated fund - Creative Development posts | - | - | 6,822 | 6,822 |
| Designated fund - Creative Development projects | - | - | 6,000 | 6,000 |
| Designated fund - Springboard bursaries | - | - | 50,000 | 50,000 |
| | <u>437,936</u> | <u>392,657</u> | <u>(24,289)</u> | <u>806,304</u> |
| Restricted funds | | | | |
| Paul Hamlyn Foundation | 31,209 | 25,264 | - | 56,473 |
| Esmée Fairbairn Foundation | 50,163 | (38,841) | - | 11,322 |
| Arts Council Wales - Ocean Park Creative Collaboration | 1,064 | - | - | 1,064 |
| National Companies Consultancy Project | 22,663 | (2,800) | - | (19,863) |
| Battersea Arts Centre - The Agency | 6,257 | 3,617 | - | 9,874 |
| Big Lottery Fund - Access Forum | 2,330 | - | - | 2,330 |
| Mametz real-time digital lesson plans | 2,781 | (425) | - | 2,356 |
| EU Creative Europe | 305 | (24,594) | 24,289 | - |
| Andrew Lloyd Webber Foundation - Emerging Directors | 900 | 5,100 | - | 6,000 |
| People's Palace Projects (Far Apart UK) | - | 6,880 | - | 6,880 |
| Bluestone Foundation/Little Green Grant | - | 109 | - | 109 |
| | <u>117,672</u> | <u>(25,690)</u> | <u>24,289</u> | <u>116,271</u> |
| TOTAL FUNDS | <u><u>555,608</u></u> | <u><u>366,967</u></u> | <u><u>-</u></u> | <u><u>922,575</u></u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|--|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,765,695 | (1,319,134) | 446,561 |
| Designated fund - Fixed assets | - | (6,513) | (6,513) |
| Designated fund - Marketing | - | (6,150) | (6,150) |
| Designated fund - Creative Development | - | (41,241) | (41,241) |
| | <u>1,765,695</u> | <u>(1,373,038)</u> | <u>392,657</u> |
| Restricted funds | | | |
| Paul Hamlyn Foundation | 99,794 | (74,530) | 25,264 |
| Esmée Fairbairn Foundation | - | (38,841) | (38,841) |
| National Companies Consultancy Project | - | (2,800) | (2,800) |
| Battersea Arts Centre - The Agency | 49,570 | (45,953) | 3,617 |
| Mametz real-time digital lesson plans | - | (425) | (425) |
| EU Creative Europe | 12,871 | (37,465) | (24,594) |
| Andrew Lloyd Webber Foundation - Emerging Directors | 6,000 | (900) | 5,100 |
| People's Palace Projects (Far Apart UK) | 8,000 | (1,120) | 6,880 |
| Bluestone Foundation/Little Green Grant Festival 2022 | 3,500 | (3,391) | 109 |
| | <u>99,957</u> | <u>(99,957)</u> | <u>-</u> |
| | <u>279,692</u> | <u>(305,382)</u> | <u>(25,690)</u> |
| TOTAL FUNDS | <u><u>2,045,387</u></u> | <u><u>(1,678,420)</u></u> | <u><u>366,967</u></u> |

Designated funds

Designated fund - Fixed Assets

The fund represents the net book value of fixed assets.

Designated fund - TEAM

The fund represents the value of core funds set aside towards the company's TEAM community engagement programme activities.

Designated fund – Marketing

The fund represents the value of funds set aside to meet website development costs. An additional £27,500 was designated in the current year to provide for website replacement and brand development and impact campaign costs.

Designated fund - Core resilience

The fund represents the value of funds set aside to finance staff and other costs associated with the development and implementation of the company's income generation and diversification strategy.

Designated fund - Creative Development

The fund represents the value of unapplied research and development and commissioning funds to be utilised in support of an enhanced programme of such projects in future years. An additional £56,207 was designated during the year to provide for costs associated with future projects.

Designated fund - Office improvements

The fund represents the value of funds set aside to support essential improvement works and other expenditure relating to the office at 30 Castle Arcade. This includes costs associated with searches for alternative accommodation.

21. MOVEMENT IN FUNDS - continued

Designated fund - Productions

This represents the value of funds set aside to supplement 'in year' funds to enable investment in future years' artistic programmes. An additional £153,286 was designated during the year to support future artistic programmes.

Designated fund - Organisational review changes

The fund represents the value of funds set aside to provide for staffing changes arising from the company's review of its organisation structure.

Designated fund - HR support

The fund represents the value of funds set aside to provide for costs associated with HR consultancy support. The consultant was engaged to provide support prior to the employment of the Director of Operations and these costs relate to residual tasks that assistance was being provided on.

Designated fund - CEO support

The fund represents the value of funds set aside to provide for costs associated with CEO consultancy support. The consultant was engaged to provide support prior to the employment of the Director of Operations and these costs relate to residual tasks that assistance was being provided on.

Designated fund - Creative Development posts

The fund represents the value of funds set aside to provide for freelance support to be engaged to oversee and administer the company's creative development activities during 2021/22 and 2022/23. An additional £40,686 was designated during the year to provide for third year funding of the post of Creative Development Producer.

Designated fund - Creative Development projects

The fund represents the value of funds set aside to provide match funding for the Emerging Directors programme - matching the final year funding approval from the Andrew Lloyd Webber Foundation.

Designated fund - Springboard bursaries

The fund represents the value of funds set aside to support the company's Springboard Bursaries programme, which was introduced in 2021/22 to assist freelancers. During the year, an additional £32,210 was designated to support the programme in 2022/23.

Designated fund – Festival 2022 – Galwad

The fund represents the value of funds set aside during the year to provide funding towards salary costs associated with the post of Creative Associate.

Designated fund – Young People's Strategy

The fund represents the value of funds set aside during the year to support the costs of the work that the charity is incurring in respect of the Young People's Strategy. £10,000 towards a consultation event being staged in October 2022 and £3,000 towards an educational resources pilot in Wrexham.

Designated fund – Reinventing Performing Arts

This funding, provided by the Esmée Fairbairn Foundation aimed at helping organisations recover from the impacts of the pandemic, will be used to help NTW re-imagine its online community presence.

21. MOVEMENT IN FUNDS - continued

Restricted funds

The **Paul Hamlyn Foundation** supports the company's 'TEAM' programme, the role of which is to develop relationships within communities, and thereby promote National Theatre Wales and develop interest in theatre.

Esmée Fairbairn Foundation

This funding has been provided to contribute towards the company's creative development programme for artists working across Wales.

Arts Council Wales - Ocean Park Creative Collaboration - This funding stream exists to help foster the development of creative partnerships between arts organisations and schools. This grant funded a collaboration between Ocean Park Academy, located in Cardiff, and NTW. The project took place between January and June 2017.

National Companies Consultancy Project

This project is a jointly funded initiative involving the eight national arts organisations in Wales, as designated by the Arts Council of Wales - the first time that they have all come together in this way. The companies taking part, other than NTW, are BBC National Orchestra of Wales, Ffilm Cymru Wales, Literature Wales, National Dance Company Wales, Theatr Genedlaethol Cymru, Wales Millennium Centre and Welsh National Opera. Each organisation is contributing to the project financially and/or in kind, and the funding is being used to pay for the services of a consultant, who has been engaged to provide the companies with advice in a number of areas. These areas include building resilience and growth in the wider arts sector; developing audience diversity and inclusivity; identifying ways in which to lead on supporting the professional development of artists; and how to increase the international profile and market opportunities for Wales. The project documents were signed in March 2017, with the work taking place throughout 2017/18 and 2018/19 and continuing into 2019/20 and beyond.

Battersea Arts Centre - The Agency

The Agency is a creative entrepreneurial programme, that seeks to use the arts to assist and encourage young people, in local disadvantaged communities, to develop their creative ideas into business opportunities. It is a partnership involving NTW, Battersea Arts Centre (BAC), Contact Theatre, People's Palace projects and FabLab Belfast, with funding provided by the Big Lottery Fund. The purpose of the partnership is to continue running an existing project in London (BAC) and Manchester (Contact) and replicate and run the programme in Wales (NTW) and Northern Ireland (FabLab).

Big Lottery Fund - Access Forum

This funding has been provided via the Big Lottery Fund's 'Awards for All' programme. Its purpose is to fund a series of Forum events being held across Wales. The Forum exists to bring together organisations, artists and individuals from across Wales to work together in removing barriers to accessing the arts faced by people with disabilities.

Mametz real-time digital lesson plans

This represents a combination of funding from two sources - the Colwinston Trust, and the Welsh Government's WW1 Activity Fund. The purpose of the funding is to enable the development of real-time, digital lesson plans related to NTW's 2014 production 'Mametz', which now forms part of the A level Drama and Theatre Studies syllabus in Wales. The aim of these plans is to provide an insight to aid both teachers and students.

Andrew Lloyd Webber Foundation - Emerging Directors

This funding contributes towards the costs of NTW's Emerging Directors Programme. This programme has the primary aim of giving talented and promising individuals the opportunity to work alongside experienced directors.

21. MOVEMENT IN FUNDS - continued

People's Palace Projects (Far Apart UK)

This funding relates to 'Far Apart but Close at Heart UK', a multi-partner research study that the company is taking part in. The study is led by People's Palace Projects (who provide the funding to NTW), in conjunction with the Unit for Social and Community Psychiatry at Queen Mary University of London. Other companies taking part in the study, which aims to explore how arts organisations in the UK are using online platforms and other means to support the mental health of young people during a global pandemic, include Battersea Arts Centre, Contact Theatre Manchester, Dirty Protest and Royal Theatre Stratford East. This project is run in parallel with a sister project in Latin America.

Bluestone Foundation/Little Green Grant

This funding comprises two small grants. One, in the sum of £2,500, was provided by the Bluestone Foundation. The other (Little Green Grant), in the sum of £1,000, was provided by the Pembrokeshire Association of Voluntary Services. Together they were utilised to fund the design and construction of 'mission boards' related to Simple Acts - a call for social change, which was a central thread throughout all of the Go Tell The Bees activity. (Simple Acts encourages people to perform seven activities - Simple Acts - as part of their daily lives to help improve the environment and the world around us. These activities are 'plant a seed', 'learn one new thing about nature', 'take a walk', 'connect with someone new', 'consume a little less', 'be kind to your neighbour' and 'consider the stars').

Festival 2022 - Galwad

NTW heads up a partnership of organisations, collectively known as Collective Cymru, that came together to submit a bid to Festival 2022 (since renamed the Unboxed Festival). The organisations involved include Centre of Alternative Technology, Clwstwr, Disability Arts Cymru, Ffilm Cymru, Frân Wen and Sugar Creative, whilst community partners are CellB, Citizens Cymru, Disability Arts Cymru, Ethnic Minorities Youth Support Team (EYST) and Merthyr Tydfil Leisure Trust. During the 2020/21 financial year the company received a commissioning fee from Festival 2022 for the purposes of working up a full business case bid for a project culminating in the Autumn of 2022. Notification was received in March 2021 that the bid had been successful and work on the project (now known as 'Galwad') commenced with effect from April 2021. The project will culminate in a series of events to be staged in September 2022, with the project itself coming to a conclusion by December 2022.

John Ellerman Foundation – Associate Dramaturg Programme

This funding has been provided to support NTW's dramaturgical development of new commissions and projects, and talent development initiatives.

British Council – Go Digital

This funding was provided to fund a writers' development programme for Welsh and Nigerian writers, run in collaboration with Lagos Theatre Festival.

Restricted funds in prior period

EU Creative Europe

This project took place over three years and was developed in association with partner organisations in France (Theatre Granit Scene National de Belfort), Portugal (Dupla Cena) and Romania (Asociatia Colectiv A), with the French partner being the project lead. The project incorporated a series of workshops and laboratories that aim to provide an opportunity for artists to gain an insight into live arts and transmedia creation. The project concluded during the 2020/21 financial year, with just the final audit and settlements remaining, which will take place during 2021/22.

21. MOVEMENT IN FUNDS - continued

Transfers between funds

Transfers totalling £321,027 have been made between the general fund and 9 designated funds, as follows:

- Marketing: The Board has reviewed and identified an additional £27,500 of funds to be held for website replacement and brand development and impact campaign costs.
- Core Resilience: The Board has reviewed and £2,611 of funds have been identified as no longer being required and has therefore been transferred back to general funds.
- Creative development: The Board has reviewed and identified £56,207 of funds to be used towards the costs of future projects. However, £32,210 was then transferred from this fund to the Springboard Bursaries fund and £25,000 was transferred from this fund to the Productions fund to support the Kids Town project. The Board also identified funds of £485 that were no longer required and has therefore been transferred back to general funds.
- Productions: The Board has reviewed and £153,286 of funds have been set aside to invest in future artistic programmes. It was also agreed that an additional £25,000 would be transferred from the Creative Development core fund.
- Creative Development posts: The Board has reviewed and identified £40,686 of funds to provide for freelance support to be engaged to oversee and administer the company's creative development activities during 2022/23.
- Springboard bursaries: The Board has reviewed and £32,210 of funds have been set aside to support the company's Springboard Bursaries programme.
- Festival 2022 Support: The Board has reviewed and £33,443 of funds have been set aside to support the salary costs associated with the post of Creative Associate.
- Young People's Strategy: The Board has reviewed and £13,000 of funds have been set aside to provide funding towards the costs of the work that the charity is incurring in respect of the Young People's Strategy.

A transfer of £3,660 has been made from the general fund to the designated fixed assets fund, representing the value of capitalised spend and disposals.

22. PENSION COMMITMENTS

The group operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions paid by the group to the funds and amounted to £57,650 (2021: £35,010). Contributions outstanding at the year end amounted to £10,508 (2021: £5,087).

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022, that required disclosure (2021: none).

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|---|----------------------------|--------------------------|------------------|
| Fund balances at 31 March 2022 are represented by: | | | |
| Tangible fixed assets | 6,680 | - | 6,680 |
| Current assets | 1,436,982 | 1,708,696 | 3,145,678 |
| Current liabilities | <u>(623,413)</u> | <u>(83,666)</u> | <u>(707,079)</u> |
| Total net assets | <u>820,249</u> | <u>1,625,030</u> | <u>2,445,279</u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

25. SUBSIDIARY COMPANY

The charity owns the whole of the issued ordinary share capital of NTW Productions Limited, a company registered in England and Wales. The subsidiary is commissioned to produce theatrical productions on behalf of the charity. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

| | 2022 | 2021 |
|---|------------------|-----------------|
| | £ | £ |
| Turnover | 467,938 | 340,342 |
| Cost of sales | (615,405) | (387,144) |
| Gross profit | <u>(147,467)</u> | <u>(46,802)</u> |
| Administrative expenses | - | - |
| Loss on ordinary activities before taxation | <u>(147,467)</u> | <u>(46,802)</u> |
| Theatre tax relief claim | <u>147,467</u> | <u>46,802</u> |
| Profit for the financial year | <u>-</u> | <u>-</u> |

The aggregate of the assets, liabilities and funds was:

| | 2022 | 2021 |
|---|------------------|-----------------|
| | £ | £ |
| Assets | 194,270 | 46,803 |
| Liabilities | <u>(194,269)</u> | <u>(46,802)</u> |
| Funds (representing 1 ordinary share of £1) | <u>1</u> | <u>1</u> |

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES)**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 660 | 17,313 |
| Grants | <u>1,664,075</u> | <u>1,695,174</u> |
| | 1,664,735 | 1,712,487 |
| Investment income | | |
| Bank interest | 113 | 259 |
| Charitable activities | | |
| Theatre tax relief credit | 95,854 | 46,802 |
| Grants | 167,970 | 179,685 |
| Performing and related activities | 3,282,857 | 105,554 |
| Speaker fees | - | 600 |
| National Companies Consultancy project | <u>4,500</u> | <u>-</u> |
| | 3,551,181 | 332,641 |
| Other income | | |
| Gain on sale of tangible fixed assets | <u>-</u> | <u>-</u> |
| Total incoming resources | 5,216,029 | 2,045,387 |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Fundraising expenditure | 851 | 771 |
| Charitable activities | | |
| Creative and artistic activities - staff costs | 1,096,498 | 748,488 |
| Creative and artistic activities | 1,929,626 | 470,429 |
| Marketing costs | 127,951 | 62,355 |
| Recruitment costs | 7,721 | 8,064 |
| Grants to individuals | <u>-</u> | <u>13,500</u> |
| | 3,161,796 | 1,302,836 |
| Support costs | | |
| Support costs - staff costs | 363,682 | 185,306 |
| Support costs – other costs | 110,738 | 126,178 |
| Support costs - depreciation | <u>5,860</u> | <u>6,513</u> |
| | 480,280 | 317,997 |

This page does not form part of the statutory financial statements

