

MUSIC THEATRE WALES

England & Wales · Charity number 1039757

Details

Status Registered

Legal form Charitable company

Company number [02815692](#)

Registered 1994-07-27

Register [View on the Charity Commission register](#)

Contact

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Chapter Arts Cardiff Ltd
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Website www.musictheatre.wales

Activities

Objects: TO EDUCATE THE PUBLIC IN GREATER KNOWLEDGE, INTEREST AND APPRECIATION OF OPERA, MUSIC, THEATRE, DRAMA AND DANCE.

Activities: The principal activities of the company continue to be the education of the public in greater knowledge, interest and appreciation of new opera and music theatre including performances, public demonstrations, educational workshops and creative projects with other arts organisations.

Classification

- **How:** Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£374,317	£289,998	-	-
2024-03-31	£329,990	£252,363	-	-
2023-03-31	£303,278	£338,569	-	-
2022-03-31	£247,161	£177,646	-	-
2021-03-31	£350,324	£287,647	-	-

Trustees

Name	Role	Appointed
Kerry Skidmore	Chair	2023-10-02
Christian Morgan Hey		2025-02-17
Dylan Puw Rees		2020-11-01
Elin Wyn Erfyl Jones		2025-02-17
Katherine Mary Parker Macaulay		2025-02-17
Kieran Jones		2022-07-06
Louis John Charles Gray		2020-11-02
Mehdi Razi		2022-09-12
Phillippa Scammell		2020-10-28

MUSIC THEATRE WALES

England & Wales - Charity number 1039757

Accounts

Company registration number: 02815692

Charity registration number: 1039757

Music Theatre Wales

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

HSJ Accountants Ltd
Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

Music Theatre Wales

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Music Theatre Wales

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2025.

OBJECTIVES AND ACTIVITIES

Objects

The company is a charity and the principal activities of the company continue to be the education of the public in greater knowledge, interest and engagement in new opera and music theatre including performances, public talks and demonstrations, educational workshops and creative projects with other arts organisations.

Music. Theatre. Wales.

Re-imagining opera

Music Theatre Wales (MTW) exists to breathe new life into opera, presenting it as storytelling in music and seeking to revitalise opera as an expressive form for anyone. We nurture artists who will create the opera of the future and present opera in imaginative ways that will help change the preconceptions of what opera is and can be.

We are asking: What is Opera? Who is making it? and Who is it for?

Our work has two integrated strands:

Artform Development – driven by diversity and exploring new ways of creating and presenting opera – as live performance in theatres and community spaces, as short form digital work, as street art opera, in Welsh and in collaboration with multiple different partners.

Community Cohesion – offering opera as storytelling in music as a means of expression and creative development for communities who have traditionally been ignored or excluded from opera.

Measures of success in 2024/25

- In Autumn 2023 Arts Council Wales announced the outcome of their Investment Review with MTW receiving continued support as a regularly funded company at least until March 2027 with an annual grant of £216,636. The company's work was praised for the degree of transformation we had already accomplished.
- ACW increased this award by 3.5% to take effect from April 2025, bringing the annual grant to £224,281.
- During 2024/25 MTW has continued to develop our fundraising, attracting an additional £129,600 to support the work already planned.
- Our Future Directions programme planned to take place in Butetown, was shortlisted for the Fedora Prize for Education – a prestigious Europe-wide prize across opera and dance companies. Although we did not win the Prize, we are delighted with the recognition and achievement of getting to the final three companies.
- MTW's Director, Michael McCarthy, was awarded the John Edwards Memorial Award for 2025 by the Welsh Music Guild – the most prestigious non-competitive award given in Wales for services to the nation's music.
- Acclaim for MTW productions has continued:
 - Our new touring production *Bwystfilod Aflan* was a co-commission and co-production with the National Eisteddfod Aberystwyth University Music and presented in partnership with Sinfonia Cymru. *Barn Magazine* proclaimed "A little gem of a show"

Music Theatre Wales

Trustees' Report

- GRIEF – one of the two digital shorts we released in March 2024 – was awarded Best Original Score at the Focus Wales Film Festival.
- interbeing – was included as an online creative asset for the Wales Climate Week by Welsh Government.
- The Jollof House Party Opera and interbeing were both presented by Ty Cerdd as part of their Music and Race Showcase in association with Black Lives in Music. This led directly to BLiM inviting MTW to present the live performance of The Jollof House Party Opera at their annual showcase in London – Classically Black.
- The Things That Go Unnoticed, the first young people's Digital Opera created through our programme
- Future Directions, was selected and presented as part of the Unity Film Festival in Cardiff, showcasing the work of learning disabled, neurodivergent and autistic creatives.
- The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and the trustees consider how planned activities will contribute to the aims and objectives they have set.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2024/25 we continued to develop the artistic programme according to the new Mission established over the previous three years. We remain firmly in line and happy with the changes made. Our creative work has an entirely new outlook and purpose, and the structure of the company reflects this and continues to evolve as the work develops.

At the start of the year we realised that we no longer needed to categorise our work under two strands: New Directions (working with Global Majority artists) and Future Directions (working with young people). These programmes had opened up new ways of making work that place inclusion and equity at the centre of our creative practice. All of our work is aimed at inviting new artists to help us move opera forward as an artform, reaching new audiences and engaging with artists and young people on their own terms and in ways that will take us in new directions, now and in the future.

Creative Work

Throughout the year we have continued working with Renell Shaw on the development of a new stage work for 2027 springing from the story of Yasuke – the first Black Samurai. A contract was issued in June 2023 which took the process to December 2024 when Renell delivered the first draft libretto. We will be issuing a completion contract in early 2025/26 and the work has already attracted funding of £73,000 and become a significant part of the development of a potential partnership with Glyndebourne and Britten Pears Arts/Aldeburgh Festival to support the development of new opera in the UK.

In August and October 2024 we performed our commissioned work Bwystffilod Aflan/Unclean Beasts from composer Conor Mitchell and director/dramaturg Jac Ifan Moore to mark the centenary of Edward Prosser Rhys winning the Crown for his poem Atgof (Memory). Despite being awarded Wales's most prestigious literary prize, the judges also condemned the poem and Prosser Rhys for the inclusion of direct reference to a homosexual affair, resulting in a scandal that carried on in the newspapers for some time and ultimately ended Prosser Rhys's literary career. The new production combined an operatic monologue by Conor Mitchell using verbatim material from the time (in its original Welsh) and a dance piece by Eddie Ladd which presented a contemporary reflection of the original poem. This was a collaboration with the National Eisteddfod (where the production opened) and Aberystwyth University where it was performed as part of a four venue tour around Wales. This was our first Welsh language commission since Y Tŵr in 2017 and we hope it will stimulate further interest in creating new operatic work in Welsh.

Music Theatre Wales

Trustees' Report

It received praise from critics:

The aesthetics, values and purpose of Music Theatre Wales are distinct. Bwystfilod Aflan/ Unclean Beasts is loyal to those qualities; reinvigoration-within-constancy is in full flourishing” - Theatre in Wales.

“The staging was beautifully crafted...the operatic part was exceptionally striking, setting the reactionary critics’ words to Conor Mitchell’s angular, slippery music...A little gem of a show” Barn Magazine

And from audiences:

“Gripping production - and the two elements / two halves blend skilfully. Very nice to hear original contemporary opera in Welsh”.

“Wonderful – the production’s look at the Muni was great; simple elements but extremely effective. The concept of singing the reactive criticism on the poem was brilliant! Congratulations!”

In September 2024 we began our third Future Directions programme in collaboration with Hijinx, running a series of Recruitment Workshops across the borough of Rhondda Cynon Taff in the South Wales Valleys. The programme will conclude in September 2025 when we will show the resulting Digital Opera as part of a public presentation at the Parc and Dare Theatre in Treorchy, alongside work created through our Young Composers Programme (supported by Oxford University) and two new works by Welsh composer Luke Lewis, including a music, video and sound piece built on historic recordings made in the Rhondda and newly commissioned work from Owen Shears.

In January 2024 we began working in the Butetown area of Cardiff at the start of a planned 3-year residency, starting by working in collaboration with the Cardiff City Council arts team Arts Active on a Radical Reading Room project as a way of carefully building trust and establishing communications before we offer to extend our work in the area. We have now expanded the project to include the neighbouring area of Grangetown and in May 2025 we began recruiting for a local Community Producer to help develop community connections and engagement.

Our digital works have continued to make an impact: GRIEF by Connor Allen and Francesca Amewudah-Rivers was selected to open the Focus Wales Film Festival and went on to win Best Original Score; interbeing by Simmy Singh and ASHA was presented as part of Ty Cerdd’s Music and Race in Wales Showcase and was also presented as part of the Welsh Government’s Wales Climate Week. The Jollof House Party Opera was also presented at Music and Race Showcase and at English National Opera’s public symposium Inclusivity in Opera where the music creator Tumi Williams and MTW Director Michael McCarthy spoke. Our first young people’s opera created through Future Directions was selected for the Unity Film Festival in Cardiff, showcasing the work of learning disabled, neurodivergent and autistic creatives.

In October 2024 we launched our newly commissioned Street Art Operas: Out of Time by Claire Victoria Roberts, Lauren Orme and Giselle Ty taking a unique look at the climate crisis; Rahmat-Mercy-Trugaredd by Eadyth, Sam Hussain, Amelia Unity and Jamie TC Panton which explored creativity and the conflicts this can bring as a Muslim woman. These works were shown as part of Llais at the Wales Millenium Centre, with Rahmat-Mercy-Trugaredd also shown at the Music and Race Showcase and at Grange Pavilion Community Centre followed by a community conversation. The impact of these pieces has led to additional funding from Arts Council Wales to support a tour of them around Wales in Summer 2025, specifically targeting non-arts audiences at music festivals and community centres.

Following a proposal from MTW we have been working in partnership with Ty Cerdd to deliver the first ever opera development programme for Welsh language composers and writers. Over a series of intensive workshops, six composers and six writers have collaborated on the development of short works or extracts to explore what it is to create new opera, how opera can become a more flexible form and what the implications are of working in Welsh. The programme has been highly creative and the work-in-progress will be showcased at the National Eisteddfod in August 2025.

Music Theatre Wales

Trustees' Report

We were delighted to collaborate with Sinfonia Cymru on an extension of their Powys Schools Storytelling in Music project by commissioning an operatic moment to add to the performances and introducing an opera singer to the creative process, working with the children to help them perform the song they had created. This collaboration will continue over the coming years and will help us reach a huge number of young children with a real operatic experience that they can relate to.

We are currently leading on the creation of the UK's first Digital Opera Festival – a partnership project with Wales Millennium Centre, Dumbworld (Belfast), Guildhall School of Music and Drama (London), BBC Cardiff Singer of the World – with a plan to present it in Cardiff in October 2026.

MTW has continued to lead and support the development of Opera Forum Wales – a network to develop strong cohesion and sharing across opera makers in Wales. This has reached a new level of participation following the appointment of new General Directors at Welsh National Opera who are actively participating and with whom we are sharing administration.

MTW continues to develop new partnerships to not only provide additional support to help deliver the work we have devised, but crucially to reach new audiences and new artists and to continually inform our work and our understanding of different communities. We are working in partnership with Hijinx, Arts Active, Sinfonia Cymru, Ty Cerdd, Fio, RCT Borough Council, Grange Pavilion and Cardiff Community Housing Association. We are also developing a potential partnership with Glyndebourne and Britten Pears Arts to support the development of new opera across the UK.

During 2023/24 MTW became a member of Black Lives in Music and we continue to benefit from regular health-check meetings with them. In October 2025 BLiM is showcasing the work of Music Theatre Wales by presenting the live performance of The Jollof House Party Opera.

We are continuing to use the Evaluation process developed during intense training provided by Dr Nell Farrallay.

Kathryn Joyce continues as our General Manager and Dylan Jenkins as our first native Welsh speaker as Marketing and Communications Manager. Elayce Ismail continues to work with us as Artistic Associate, providing invaluable artistic support on all our creative projects. She will be continuing to work with MTW through to at least the end of 2027 when she will be directing Yasuke by Renell Shaw. We are continuing to subscribe to an Employee Assistance Programme from Health Assured to provide external support for anyone working with the company in case of work related stress and health issues.

Board development and renewal: Kerry Skidmore took over as Chair in December 2023 and is carefully overseeing a shift in Board culture and processes. As of February 2025 we have three new Trustees under the age of 30 and a Trainee Trustee, and we have Board Leads for Diversity, Safeguarding, Finance, Welsh and Environment.

Music Theatre Wales

Trustees' Report

This work has contributed to the aims and objectives in the following ways:

- Successfully presented two new Street Art Operas from all-female and diverse creative teams.
- Our programme for an inclusive group of young people continues to increase the participation, understanding and engagement in opera.
- We co-produced a radical, new Welsh language work which challenged the stereotypes of opera.
We continue to develop the participation in opera of Global Majority artists, leading to the fundamental repositioning of the company by placing inclusion and equity at the heart of everything we do. We
- continue to draw on the knowledge and experience of Elayce Ismail, as MTW's Artistic Associate, to inform all of our work with her expertise as a theatre director, dramaturg and commissioner and her lived experience.
- We are continuing to explore how we can develop the diversity of the Board
- With Future Directions we are exploring how opera can become more relevant to young creatives and how their work might inform the work we create in the future.
- Changing perceptions about what opera is and who can make it through all our work
- Developing opera as Storytelling in Music with community participants, using it as an expressive for to give more people a voice and an opportunity to explore and tell their own story.
- We continue to develop and seek new partners with whom we can create new work.
- We are investing in our fundraising to ensure we have the resources to deliver our plan

FUTURE PLANS

Music Theatre Wales is re-imagining opera – by exploring new ways of making and presenting opera; collaborating with artists who are new to opera, especially those who have been excluded; expanding the range of music, new ideas and stories opera can embrace; creating work in collaboration with young people and communities and exploring how opera can function as an expression of identity.

Artistic plans for 2025/26 include the presentation of our commissioned Street Art Operas and the commission of two further Street Art Operas.

We will conclude our community residency in Rhondda Cynon Taff and to develop our work across Butetown and Grangetown, presenting our Street Art Operas, a new production of the live version of The Jollof House Party Opera which is also touring in Wales and visiting London, and we will begin work on a co-creation project to make a community opera. Alongside this performance work we will continue to support the development of our next touring production – Yasuke by Renell Shaw.

We are also continuing to participate in wider discussions around the future of opera in the UK, working with Glyndebourne and Britten Pears Arts to explore how we can support the development of new opera across the UK, leading the Opera Forum Wales and as guest speakers at events such as the Laidlaw Conference - The Business of Opera.

Music Theatre Wales

Trustees' Report

Reference and Administrative Details

Charity Registration Number: 1039757
Company Registration Number: 02815692
The charity is incorporated in Wales.
Registered Office: Chapter Arts Centre
Market Road
Canton
Cardiff
CF5 1QE
Independent Examiner: HSJ Accountants Ltd
Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees: E W E Jones (appointed 17 February 2025)
Mr D P Rees
Mr C M Hey (appointed 17 February 2025)
Ms P Scammell
Ms K M P Macaulay (appointed 17 February 2025)
Mr K J Jones
Ms K E Skidmore
Mr L J C Gray
M Razi
Secretary: Ms K Joyce

Music Theatre Wales

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Music Theatre Wales for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

The annual report was approved by the trustees of the charity on 29 July 2025 and signed on its behalf by:



Ms K E Skidmore
Trustee

Music Theatre Wales

Independent Examiner's Report to the trustees of Music Theatre Wales ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Music Theatre Wales are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

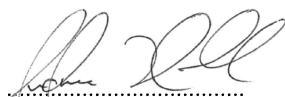
Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of FCCA ACA DChA BFP, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Music Theatre Wales as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Andrew Hill
FCCA ACA DChA BFP

Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

15 August 2025

Music Theatre Wales

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Donations and legacies	3	237,387	44,600	281,987
Charitable activities	4	43,925	-	43,925
Other trading activities	6	14,466	-	14,466
Investment income	7	3,667	-	3,667
Other income	8	30,272	-	30,272
Total income		<u>329,717</u>	<u>44,600</u>	<u>374,317</u>
Expenditure on:				
Charitable activities	9	<u>(265,766)</u>	<u>(24,232)</u>	<u>(289,998)</u>
Total expenditure		<u>(265,766)</u>	<u>(24,232)</u>	<u>(289,998)</u>
Net income		<u>63,951</u>	<u>20,368</u>	<u>84,319</u>
Net movement in funds		63,951	20,368	84,319
Reconciliation of funds				
Total funds brought forward		<u>341,786</u>	<u>9,500</u>	<u>351,286</u>
Total funds carried forward	16	<u><u>405,737</u></u>	<u><u>29,868</u></u>	<u><u>435,605</u></u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Music Theatre Wales

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	225,412	21,875	247,287
Other trading activities	6	17,210	-	17,210
Investment income	7	2,449	-	2,449
Other income	8	63,045	-	63,045
Total income		<u>308,116</u>	<u>21,875</u>	<u>329,991</u>
Expenditure on:				
Charitable activities	9	<u>(239,988)</u>	<u>(12,375)</u>	<u>(252,363)</u>
Total expenditure		<u>(239,988)</u>	<u>(12,375)</u>	<u>(252,363)</u>
Net income		<u>68,128</u>	<u>9,500</u>	<u>77,628</u>
Net movement in funds		68,128	9,500	77,628
Reconciliation of funds				
Total funds brought forward		<u>273,659</u>	-	<u>273,659</u>
Total funds carried forward	16	<u><u>341,787</u></u>	<u><u>9,500</u></u>	<u><u>351,287</u></u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2024 is shown in note 16.

Music Theatre Wales

(Registration number: 02815692) Balance Sheet as at 31 March 2025

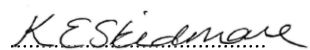
	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	913	640
Current assets			
Debtors	14	73,501	68,831
Cash at bank and in hand		437,494	288,364
		<u>510,995</u>	<u>357,195</u>
Creditors: Amounts falling due within one year	15	<u>(76,303)</u>	<u>(6,548)</u>
Net current assets		<u>434,692</u>	<u>350,647</u>
Net assets		<u>435,605</u>	<u>351,287</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		29,868	9,500
Unrestricted income funds			
Unrestricted funds		<u>405,737</u>	<u>341,787</u>
Total funds	16	<u>435,605</u>	<u>351,287</u>

For the financial year ending 31 March 2025 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 9 to 22 were approved by the trustees, and authorised for issue on 29 July 2025 and signed on their behalf by:



Ms K E Skidmore
Trustee

The notes on pages 12 to 22 form an integral part of these financial statements.

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Charity status

The charity is limited by guarantee, incorporated in Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Chapter Arts Centre
Market Road
Canton
Cardiff
CF5 1QE

These financial statements were authorised for issue by the trustees on 29 July 2025.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Basis of preparation

Music Theatre Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

Going concern

The financial statements have been prepared on a going concern basis.

Following a provisional award as part of the Arts Council Wales Investment Review (on 27 September 2023), MTW's revised funding amount was confirmed on 8 January 2024. This came following the 10.5% cut in funding to ACW made by the Welsh Government and passed on to all successful organisations awarded funding as part of the investment review process.

MTW's amended award of £216,625 will continue on an annual basis through to March 2027. Although this will require some adjustments to budgets and artistic plans over the next 3 years, this (and the continued successful awards received from Trusts and Foundations) nevertheless provides stability and sustainability for the company for the next two years.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

This includes capital grants.

Donations and legacies

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature 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.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Other trading activities

Income from other trading activities includes income received under contract. 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.

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

Investment income

Investment income is recognised on a receivable basis.

Other income

Other income is recognised on a receivable basis.

Expenditure

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

Raising funds

Expenditure on raising funds includes costs of fundraising, advertising, marketing and direct mail materials.

Charitable activities

Expenditure on charitable activities comprises those costs incurred by the charity 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

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 charity and include the accountancy fees and costs linked to the strategic management of the charity.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

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

Tangible fixed assets

Fixed assets are initially recorded at cost, including the estimated cost of any donated assets.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	20% straight line
Instruments and accessories	20% straight line
Office equipment	20% straight line

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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

Pensions and other post retirement obligations

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

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and legacies;				
Donations from individuals	5,751	-	5,751	5,749
Grants, including capital grants;				
Grants from institutions	231,636	44,600	276,236	241,538
	<u>237,387</u>	<u>44,600</u>	<u>281,987</u>	<u>247,287</u>

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

4 Income from charitable activities

Unrestricted funds General £	Total 2025 £
43,925	43,925
	Total 2024 £

5 Grant-making

Analysis of grants

	Grants from institutions 2025 £	2024 £
Analysis		
Arts Council of Wales	225,636	224,663
Ty Cerdd	-	625
Anthem Music Fund	-	1,750
The Boltini Trust	-	5,000
The Fidelio Charitable Truat	-	2,000
MArgaret Davies Charitable Trust	-	3,000
The Hinchrichsen Foundation	-	1,500
Vaughan Williams Foundation	-	3,000
Gwendoline & Margaret Davies Charity	3,000	-
The Radcliffe Trust	3,000	-
Samuel Gardner Memorial Trust	1,000	-
Hodge Foundation	5,000	-
Colwinston Charitable Trust	20,000	-
New College, Oxford	3,600	-
Garfield Weston Foundation	15,000	-
	276,236	241,538

6 Income from other trading activities

	Unrestricted funds General £	Total funds £	Total 2024 £
Trading income;			
Other trading income	14,466	14,466	17,210
	14,466	14,466	17,210

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

7 Investment income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Interest receivable and similar income;			
Interest receivable on bank deposits	3,667	3,667	2,449
	3,667	3,667	2,449

8 Other income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Theatre Tax Relief and Other Income	30,272	30,272	63,045
	30,272	30,272	63,045

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2025 £	2024 £
Production and performance	129,663	-	129,663	91,975
Sales and marketing	15,226	-	15,226	8,283
Commission fees	7,100	-	7,100	16,500
Staff and associated costs	-	111,050	111,050	107,325
Other	-	23,868	23,868	24,802
Depreciation	-	216	216	34
Governance costs	-	2,875	2,875	3,444
	151,989	138,009	289,998	252,363

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2025 £	2024 £
Depreciation of fixed assets	216	34
Independent examiners fees	2,875	2,200
	2,875	2,200

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

11 Staff costs

The aggregate payroll costs were as follows:

	2025	2024
	£	£
Staff costs during the year were:		
Wages and salaries	103,325	101,911
Social security costs	5,296	907
Pension costs	2,429	2,423
	<u>111,050</u>	<u>105,241</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025	2024
	No	No
Number of Employees	<u>3</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Furniture and equipment	Total
	£	£
Cost		
At 1 April 2024	674	674
Additions	489	489
	<hr/>	<hr/>
At 31 March 2025	1,163	1,163
	<hr/>	<hr/>
Depreciation		
At 1 April 2024	34	34
Charge for the year	216	216
	<hr/>	<hr/>
At 31 March 2025	250	250
	<hr/>	<hr/>
Net book value		
At 31 March 2025	913	913
	<hr/>	<hr/>
At 31 March 2024	640	640
	<hr/>	<hr/>

14 Debtors

	2025	2024
	£	£
Prepayments	2,586	2,622
Accrued income	70,344	65,694
VAT recoverable	571	515
	<hr/>	<hr/>
	73,501	68,831
	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other creditors	471	466
Accruals	2,832	6,082
Deferred income	73,000	-
	<hr/>	<hr/>
	76,303	6,548
	<hr/>	<hr/>

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

16 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
<i>General</i>				
General fund	87,782	329,717	(265,766)	151,733
<i>Designated</i>				
Contingency	60,000	-	-	60,000
Street Art Opera	50,780	-	-	50,780
Yasuke - commission and creative fees	73,224	-	-	73,224
Future Directions Butetown	30,000	-	-	30,000
Butetown Community	40,000	-	-	40,000
	254,004	-	-	254,004
Total unrestricted funds	341,786	329,717	(265,766)	405,737
Restricted funds				
RCT Community	2,000	23,600	(3,728)	21,872
Bwystfilod Aflan	4,500	-	(4,500)	-
Future Directions - RCT	3,000	12,000	(7,004)	7,996
Street Art Opera - Wales Tour	-	9,000	(9,000)	-
	9,500	44,600	(24,232)	29,868
Total restricted funds	9,500	44,600	(24,232)	29,868
Total funds	351,286	374,317	(289,998)	435,605

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
<i>General</i>					
General fund	83,659	308,115	(184,564)	(119,428)	87,782
<i>Designated</i>					
Contingency	60,000	-	-	-	60,000
Bwystfilod Aflan - Atgof	25,000	-	(24,428)	(572)	-
Street Art Opera	75,000	-	(24,220)	-	50,780
Yasuke - commission and creative fees	30,000	-	(6,776)	50,000	73,224
Future Directions Butetown	-	-	-	30,000	30,000
Butetown Community	-	-	-	40,000	40,000
	<u>190,000</u>	<u>-</u>	<u>(55,424)</u>	<u>119,428</u>	<u>254,004</u>
Total unrestricted funds	<u>273,659</u>	<u>308,115</u>	<u>(239,988)</u>	<u>-</u>	<u>341,786</u>
Restricted					
Future Directions - 2023	-	2,375	(2,375)	-	-
RCT Community	-	2,000	-	-	2,000
Bwystfilod Aflan	-	14,500	(10,000)	-	4,500
Future Directions - RCT	-	3,000	-	-	3,000
	<u>-</u>	<u>21,875</u>	<u>(12,375)</u>	<u>-</u>	<u>9,500</u>
Total restricted funds	<u>-</u>	<u>21,875</u>	<u>(12,375)</u>	<u>-</u>	<u>9,500</u>
Total funds	<u><u>273,659</u></u>	<u><u>329,990</u></u>	<u><u>(252,363)</u></u>	<u><u>-</u></u>	<u><u>351,286</u></u>

Music Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2025

The specific purposes for which the funds are to be applied are as follows:

Future Directions - 2023

Funding has been received this year from the Foyle Foundation and Ty Cerdd to support the Future Directions project. The project is a young people's programme with a difference, where young people will work in collaboration with professional music-creators, learning from and inspiring each other to explore what opera and music theatre mean for themselves and their communities.

RCT Community

Our work in the RCT area doesn't stop at the Future Directions programme. We are also running a scheme for aspiring young composers. As part of MTW's partnership with Sinfonia Cymru, we are working together to offer an exciting creative opportunity for young people aged 14 to 18, living or attending school in RCT, to create their own original music and hear it performed live by the Sinfonia Cymru ensemble at the Pare and Dare Theatre, Treorchy. We have received £2,000 from the Fidelio Charitable Trust to support this project.

Bwystfilod Aflan

This period saw the commission and initial creation process for Bwystfilod Aflan, a brand new National Eisteddfod commission by MTW and Music@Aber, performed with Sinfonia Cymru. The performance, which premieres at the Eisteddfod Genedlaethol in August 2024, before touring around Wales in October 2024, combines an operatic monologue performed by tenor Elgan Llyr Thomas, and a reflective piece by dancer/actor Eddie Ladd. We have received an individual donation of £5,000 from Philip Carne as well as an additional grant of £5,000 from The Boltini Trust to support this project.

Future Directions - RCT

The Future Directions programme continues in 2024-25 with our project in the Rhondda Cynon Taf area - Future Directions RCT. Funding has been received from The D'Oyly Carte Charitable Trust to support this project. The project is a young people's programme with a difference, where young people in the RCT area will work in collaboration with professional music-creators, learning from and inspiring each other to explore what opera and music theatre mean for themselves and their communities.

17 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2025
	General	Designated		
	£	£	£	£
Tangible fixed assets	913	-	-	913
Current assets	154,123	254,004	102,868	510,995
Current liabilities	(3,303)	-	(73,000)	(76,303)
Total net assets	<u>151,733</u>	<u>254,004</u>	<u>29,868</u>	<u>435,605</u>
	Unrestricted funds		Restricted funds	Total funds at 31 March 2024
	General	Designated		
	£	£	£	£
Tangible fixed assets	640	-	-	640
Current assets	93,691	254,004	9,500	357,195
Current liabilities	(6,548)	-	-	(6,548)
Total net assets	<u>87,783</u>	<u>254,004</u>	<u>9,500</u>	<u>351,287</u>

MUSIC THEATRE WALES

England & Wales - Charity number 1039757

Accounts

REGISTERED COMPANY NUMBER: 02815692 (England and Wales)
REGISTERED CHARITY NUMBER: 1039757

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
MUSIC THEATRE WALES**

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

MUSIC THEATRE WALES

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FOR THE YEAR ENDED 31 MARCH 2024**

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MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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 2024. 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).

OBJECTIVES AND ACTIVITIES

Objects

The company is a charity and the principal activities of the company continue to be the education of the public in greater knowledge, interest and engagement in new opera and music theatre including performances, public talks and demonstrations, educational workshops and creative projects with other arts organisations.

Music Theatre Wales - Re-imagining opera

Music Theatre Wales (MTW) exists to breathe new life into opera, presenting it as storytelling in music and seeking to revitalise opera as an expressive form for anyone. We nurture artists who will create the opera of the future and present opera in imaginative ways that will help change the preconceptions of what opera is and can be. We are asking: What is Opera? Who is making it? and Who is it for?

Our work has two integrated strands:

Artform Development - driven by diversity and exploring new ways of creating and presenting opera - as live performance in theatres and community spaces, as short form digital work, as street art opera, in Welsh and in collaboration with multiple different partners.

Community Cohesion - offering opera as storytelling in music as a means of expression and creative development for communities who have traditionally been ignored or excluded from opera.

OBJECTIVES AND ACTIVITIES

Objects

Measures of success in 2022/23

- In Autumn 2023 Arts Council Wales announced the outcome of their Investment Review with MTW receiving continued support as a regularly funded company at least until March 2027. Following further budget cuts by the Welsh Government, the outcome for MTW is an annual grant of £216,636. The company's work was praised for the degree of transformation we had already accomplished. This funding provides a stable foundation for a three-year plan from April 2024 and provides confidence to the Trusts and Foundations we are applying to for the additional resources we need to be able to deliver on the programme we presented to ACW.
- During 2023/24 MTW has been able to develop our fundraising work, creating a new Fundraising position with Catrin Slater taking the role. During the year we have raised £42,500 from eight different sources for current projects, and we are in dialogue with a number of larger funds for on-going support for Core and particular projects/productions.
- Acclaim for MTW productions has continued: Violet by Tom Coult and Alice Birch was shortlisted for the Classical IVORS Stage Work category. The Scorched Earth Trilogy by Brian Irvine which we showed in Summer 2023 was also shortlisted for the Classical IVORS. GRIEF - one of the two digital shorts we released in March 2024 - was awarded Best Original Score at the Focus Wales Film Festival. interbeing - our other digital short, was featured in Modron Magazine, a Welsh publication for poets and writers who have a particular focus on the environment. GRIEF, interbeing and Perthyn have been shown at Chapter Cinema as part of the Moviemakers series. interbeing and AMAZON will also be shown at Aberystwyth's MusicFest as part of Sinfonia Cymru's Regenerate programme that explores the human impact on the environment. Perthyn - the new digital opera created through our Future Directions programme - was selected for the Focus Wales Film Festival and will also be shown as part of the Unity Film Festival run by Hijinx in November 2024. We are delighted that Wales Millennium Centre will be presenting our newly commissioned Street Art Operas by Welsh creatives in October 2024, taking this part of our work to a new level of exposure.
- Denis & Katya - the opera we co-commissioned and co-produced with Opera Philadelphia in 2020 and which won the Fedora Prize for Opera and for which Philip Venables won an Ivor Novello Award, has continued to receive new productions and during 2023 entered the Top 10 most performed operas by living composers worldwide.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and the trustees consider how planned activities will contribute to the aims and objectives they have set.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2023/24 we continued to develop the artistic programme according to the new Mission established over the previous two years. We remain firmly in line and happy with the changes made. Our creative work has an entirely new outlook and purpose, and the structure of the company reflects this and continues to evolve as the work develops.

During 2023/24 our new programmes have evolved. We started the year with two strands:

New Directions (working with Global Majority artists)

and

Future Directions (working with young people)

Our New Directions programme has already achieved considerable success, with the first three digital pieces created by Global Majority artists reaching a new audience in the UK and audiences in the USA through an exchange with Opera Philadelphia. It has opened a new dialogue with artists who previously had no relationship with opera and has already led to a number of creative outcomes. However, having started New Directions as a specific action programme to help us diversify the artists who have the opportunity to create opera as well as the ways in which it is produced, we have now reached a place where inclusion and equity sit at the heart of everything we do. As a result, we no longer need a specific programme to drive this work forward and New Directions will cease to exist as a separate entity.

In addition, we are also continuing to explore alternative ways of producing and performing new opera, and in 2023/24 this included Street Art Operas as well as performing work of a short duration in unusual locations. All of this work is aimed at inviting new artists to help us move opera forward as an artform, reaching new audiences and engaging with artists and young people on their own terms and in ways that will take us in new directions, now and in the future.

Creative Work

Throughout the year we have been working with Renell Shaw on the development of a new stage work for 2026 springing from the story of Yasuke - the first Black Samurai. A contract was issued in June 2023 which takes the process to December 2024 when Renell is due to deliver a full draft libretto and an indication of the musical treatment with the intention of commissioning completion of the work in March 2025.

At the start of the year we began our second Future Directions programme in collaboration with Hijinx, with a Residency at Aberystwyth Arts Centre hosted by Aberystwyth University. The second residency took place at Atrium, University of South Wales in Cardiff in August, and the resulting digital opera Perthyn was released in December 2024. We launched the new work at a cinema screening in Chapter Arts Centre in Cardiff, with many of the participants, their families and carers and our partners in attendance, with the film receiving an overwhelming and emotional response. Many of the young people shared their experience and comments with the audience and we were also able to undertake our first Evaluation process following intense training and development provided by Dr Nell Farrallay.

In Summer 2023 we presented The Scorched Earth Trilogy - a trilogy of street art operas created by Dumbworld in Ireland. Michael McCarthy had seen the first Street Art Opera created by Dumbworld and Irish National Opera at an international festival and immediately identified how they could help attract new artists to creating opera. MTW presented the trilogy in collaboration with Cardiff Singer of the World in Bangor, Haverfordwest and Cardiff. Following the presentation we ran a day of insight and training with Dumbworld for Welsh artists, with the intention of commissioning two new pieces. The open call for submissions attracted 26 exciting proposals and the commissioned works will be shown in autumn 2024.

In January 2024 we began working in the Butetown area of Cardiff at the start of a planned 3-year residency. This has come about in response to a commission by the Royal Opera House of a new opera based on the book The Fortune Men by Nadifa Mohamed which follows the true story of a Somali seaman living in Butetown who was wrongly convicted and hung for the murder of a local shopkeeper in the 1950s. Although Nadifa Mohamed conducted extensive research and made many personal connections in Butetown when writing the book, there has been no engagement with the community on the development of the opera. MTW had already identified that we wanted to develop a relationship with the Butetown community and when ROH asked if we were able to co-produce the piece (which we are not in a position to do) we proposed working on the ground to foster a relationship between community and the opera that is about them. We have started this by working in collaboration with the Cardiff City Council arts team Arts Active on a Reading Room project as a way of carefully building trust and establishing communications before we offer to extend our work in the area.

In March 2024 we launched two new digital shorts as part of our New Directions programme, creating opportunities for Global Majority artists to create opera. GRIEF was created by Connor Allen and Francesca Amewudah-Rivers and interbeing by Simmy Singh and ASHA. Both pieces are powerful, compelling and relevant and demonstrate how much potential there is for re-imagining the way opera is made. The films remain live on our website and we are continuing to find new outlets for them, with GRIEF also selected to open the Focus Wales Film Festival and going on to win Best Original Score.

In early 2023 we commissioned a new work from composer Conor Mitchell and director/dramaturg Jac Ifan Moore to mark the centenary of Edward Prosser Rhys winning the Crown for his poem *Atgof* (Memory). Despite being awarded Wales's most prestigious literary prize, the judges also condemned the poem and Prosser Rhys for the inclusion of direct reference to a homosexual affair, resulting in a scandal that carried on in the newspapers for some time and ultimately ended Prosser Rhys's literary career. In modern terms this would be seen as the poet being "cancelled" and we aim to demonstrate that not much has changed. The new production will combine an operatic monologue by Conor Mitchell using verbatim material from the time (in its original Welsh) and a dance piece by Eddie Ladd which presents a contemporary reflection of the original poem. This is a collaboration with the National Eisteddfod and Aberystwyth University and the production will also tour in Wales in October 2024. It is our first Welsh language commission since *Y Twr* in 2017 and we hope it will stimulate further interest in creating new operatic work in Welsh.

During the year Michael McCarthy has provided mentoring support to Gareth Churchill and Kaite O'Reilly on the development of a new opera based on Kaite's play about Frida Kahlo, and to a variety of artists who are keen to explore ways of creating opera. He is also providing support to Buxton Festival as they develop their own new short works scheme, calling on his experience with MTW and as Dramaturg for Scottish Opera's *5:15 Operas Made in Scotland*.

MTW continues to develop new partnerships to not only provide additional support to help deliver the work we have devised, but crucially to reach new audiences and new artists and to continually inform our work and our understanding of different communities. We are working in partnership with Hijinx, Arts Active, the Royal Opera House, Sinfonia Cymru, Ty Cerdd, RCT Borough Council, National Eisteddfod and Aberystwyth University. In July 2024 we announced a new long-term partnership between MTW and Sinfonia Cymru.

During 2023/24 MTW became a member of Black Lives in Music and we continue to benefit from regular health-check meetings with them.

In March 2023 Åsa Malmstrom left her role as General Manager. Fortunately, Kathryn Joyce was able to take on the role as we were in the throes of the ACW Investment Review application. Dylan Jenkins, our first native Welsh speaker, joined the company in January 2024 to take up the role of Marketing and Communications Manager after Rachel Kinchin left the company in December 2023. Elayce Ismail continues to work with us as Artistic Associate, providing invaluable artistic support on all our creative projects. She will be continuing to work with MTW through to at least the end of 2026 when she will be directing *Yasuke* by Renell Shaw. We are continuing to subscribe to an Employee Assistance Programme from Health Assured to provide external support for anyone working with the company in case of work related stress and health issues.

During 2023/24 our Chair Christine Bradwell retired and was replaced by Kerry Skidmore. Handover was conducted over a period of around 6 months with Kerry taking on the role in December 2023. We are continuing to develop the way the Board works and now have Board Leads for Diversity, Safeguarding, Finance and Environment.

This work has contributed to the aims and objectives in the following ways:

- Created a new digital work that has opened up creative options for additional artists.
- Commissioned two new Street Art Operas from all-female and diverse creative teams.
- Our work with young people has led to the creation of a new programme which will increase the participation, understanding and engagement in opera.
- We co-produced the commissioned opera *Violet* ensuring the audiences were given an experience to enrich their experience of opera and bringing a new work into the repertoire.
- Through *New Directions* we have been developing the participation in opera of Global Majority artists, leading to the fundamental repositioning of the company by placing inclusion and equity at the heart of everything we do. We continue to draw on the knowledge and experience of Elayce Ismail, as MTW's Artistic Associate, to inform all of our work with her expertise as a theatre director, dramaturg and commissioner
- We are continuing to explore how we can develop the diversity of the Board
- With *Future Directions* we are exploring how opera can become more relevant to young creatives and how their work might inform the work we create in the future.
- We continue to develop and seek new partners with whom we can create new work.
- We are investing in our fundraising to ensure we have the resources to deliver our plan

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

Financial review

The Statement of Financial Activities is set out on page 7 of the financial statements. A summary of the financial results and the work of the company are set out below.

Results

In the year to which this report relates, we raised and earned income totalling £329,990 and incurred expenditure in the year of £252,363, giving a surplus of £77,627. This included a theatre tax relief claim of £59,475. We achieved a year-end position of £351,286.

Investment and management policy

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

Reserves policy

We have continued the process of building up our reserves. At 31 March 2024, the level of unrestricted reserves are £341,786, £60,000 represent cash-backed reserves that have been designated as contingency funds. An additional £194,004 has been designated towards specific projects.

FUTURE PLANS

Music Theatre Wales is re-imagining opera - by exploring new ways of making and presenting opera; collaborating with artists who are new to opera, especially those who have been excluded; expanding the range of music, new ideas and stories opera can embrace; creating work in collaboration with young people and communities and exploring how opera can function as an expression of identity.

Artistic plans for 2024/25 include the performance of our joint commission with the National Eisteddfod - Bwystfilod Aflan - and touring it in Wales, and the presentation of our newly commissioned Street Art Operas. Alongside this performance work we will continue to support the development of our next touring production - Yasuke by Renell Shaw.

We will be delivering a 3-stranded Residency in Rhondda Cynon Taff supporting young composers, performing a music and video work set in Treorchy and delivering our next Future Directions programme, and our 3-year Residency in Butetown, Cardiff will continue in association with the Royal Opera House.

We are also continuing to participate in wider discussions around the future of opera in the UK, leading the Opera Forum Wales and as guest speakers at the Laidlaw Opera Trust summit - The Business of Opera.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Music Theatre Wales is a company limited by guarantee and a registered charity. Its governing documents are its Memorandum and Articles of Association, adopted on incorporation in 1993 and amended by special resolution in December 2017.

Recruitment and appointment of new trustees

Trustees are appointed or removed or retire by resolution of the trustees at Board meetings or Annual General Meeting.

Organisational structure

The Board of Trustees administers the company. Day to day control of operations is delegated to the Director. He works closely with the General Manager. Freelance staff are contracted to provide specific services, including artistic lead on New Directions and the lead creative and producing role for Future Directions, as well as marketing (notably digital marketing), PR and other functions as necessary.

Induction and training of new trustees

New trustees are provided with information about the company and the opportunity to meet with the Chair and key employees. Trustees are also urged to make use of the training and advice available for trustees provided on-line by the Charity Commission.

Risk management

A risk register is in place. This identifies the types of risk the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risk. As part of this process the Board of Trustees will continue to review the adequacy of the company's internal controls and ensure they conform to guidelines issued by the Charity Commission.

MUSIC THEATRE WALES

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02815692 (England and Wales)

Registered Charity number
1039757

Registered office
Chapter Arts Centre
Market Road
Canton
Cardiff
County of Cardiff
CF5 1QE

Trustees

C Bradwell	Former Chair	resigned 18 December 2023
K Skidmore	Chair	appointed 2 October 2023
A P Followell		resigned 2 October 2023
C M Edwards		resigned 28 May 2024
L J Gray		
D P Rees		
P Scammell		
A F Pool		
K Jones		
M Razi		

Senior management team

M McCarthy Artistic Director / CEO

Company Secretary

K R Joyce

Independent Examiner

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

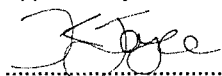
Solicitors

Geldards
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Bankers

Lloyds Bank
31 Queen Street
Cardiff
CF10 5AG

Approved by order of the Board of Trustees on **29 October 2024** and signed on its behalf by:



.....
K R Joyce - Secretary

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MUSIC THEATRE WALES**

Independent examiner's report to the trustees of Music Theatre Wales ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

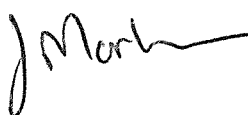
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Julia Mortimer FCCA

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
CARDIFF
CF23 8RS

Date: 1 November 2024

MUSIC THEATRE WALES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	225,411	21,875	247,286	260,624
Other trading activities	4	17,210	-	17,210	42,145
Investment income	5	2,449	-	2,449	509
Other income	6	63,045	-	63,045	-
Total		<u>308,115</u>	<u>21,875</u>	<u>329,990</u>	<u>303,278</u>
EXPENDITURE ON					
Charitable activities	7				
Advancing education of the public in the appreciation of new opera and music theatre		<u>239,988</u>	<u>12,375</u>	<u>252,363</u>	<u>338,569</u>
NET INCOME/(EXPENDITURE)		68,127	9,500	77,627	(35,291)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>273,659</u>	-	<u>273,659</u>	<u>308,950</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>341,786</u></u>	<u><u>9,500</u></u>	<u><u>351,286</u></u>	<u><u>273,659</u></u>

The notes form part of these financial statements

MUSIC THEATRE WALES

**BALANCE SHEET
31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	14	640	-	640	-
CURRENT ASSETS					
Debtors	15	64,331	4,500	68,831	6,009
Cash at bank		283,364	5,000	288,364	273,074
		<u>347,695</u>	<u>9,500</u>	<u>357,195</u>	<u>279,083</u>
CREDITORS					
Amounts falling due within one year	16	(6,549)	-	(6,549)	(5,424)
NET CURRENT ASSETS		<u>341,146</u>	<u>9,500</u>	<u>350,646</u>	<u>273,659</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>341,786</u>	<u>9,500</u>	<u>351,286</u>	<u>273,659</u>
NET ASSETS		<u>341,786</u>	<u>9,500</u>	<u>351,286</u>	<u>273,659</u>
FUNDS	18				
Unrestricted funds				341,786	273,659
Restricted funds				9,500	-
TOTAL FUNDS				<u>351,286</u>	<u>273,659</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2024 and were signed on its behalf by:

K E Skidmore

.....
K E Skidmore - Trustee

The notes form part of these financial statements

1. STATUTORY INFORMATION

Music Theatre Wales is a registered charity and private company limited by guarantee and has no share capital incorporated in Wales in the United Kingdom. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE. The nature of the charitable company's operations and principal activities is disclosed within the Report of the Trustees.

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

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

Going concern

Following a provisional award as part of the Arts Council Wales Investment Review (on 27 September 2023), MTW's revised funding amount was confirmed on 8 January 2024. This came following the 10.5% cut in funding to ACW made by the Welsh Government and passed on to all successful organisations awarded funding as part of the investment review process.

MTW's amended award of £216,625 will continue on an annual basis through to March 2027. Although this will require some adjustments to budgets and artistic plans over the next 3 years, this (and the successful awards received from Trusts and Foundations within the last 6 months) nevertheless provides stability and sustainability for the company for the next three years.

Income

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

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature 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 other trading activities includes income received under contract. 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 is recognised on a receivable basis.

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

Expenditure on raising funds includes costs of fundraising, advertising, marketing and direct mail materials.

Expenditure on charitable activities comprises those costs incurred by the charity 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 charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are initially recorded at cost, including the estimated cost of any donated assets.

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

Instruments and accessories	- 20% on a straight line basis
Fixtures and fittings	- 20% on a straight line basis
Office equipment	- 20% on a straight line basis

Taxation

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

Financial instruments

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

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

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

MUSIC THEATRE WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	5,749	1,055
Grants	241,537	259,569
	<u>247,286</u>	<u>260,624</u>

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

	2024	2023
	£	£
Arts Council of Wales	224,662	231,627
Garfield Weston Foundation	-	10,000
RVW Trust	-	2,000
PRS Foundation	-	2,500
Other	-	400
Ernst von Siemens Music Foundation	-	5,042
Ty Cerdd	625	2,750
Anthem Music Fund	1,750	5,250
The Boltini Trust	5,000	-
The Fidelio Charitable Trust	2,000	-
Margaret Davies Charitable Trust	3,000	-
The Hinrichsen Foundation	1,500	-
Vaughan Williams Foundation	3,000	-
	<u>241,537</u>	<u>259,569</u>

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Other earned income	17,210	42,145

5. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	2,449	509

6. OTHER INCOME

	2024	2023
	£	£
Other income	3,570	-
Theatre tax relief	59,475	-
	<u>63,045</u>	<u>-</u>

Other income of £3,570 relates to refund received relating to lease of copier.

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	116,758	135,605	252,363

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Production and performance	91,975	202,864
Sales and marketing	8,283	14,577
Commission fees	16,500	5,874
	<u>116,758</u>	<u>223,315</u>

9. SUPPORT COSTS

	Staff and associated costs £	Other £	Depreciation £	Governance costs £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	107,325	24,802	34	3,444	135,605

10. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Depreciation - owned assets	34	-
Independent examination fees	2,200	2,000

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 or for the year ended 31 March 2023.

Trustees' expenses

Expenses of £465 (2023: £294) were paid to four (2023 - four) trustees in the year in respect of travel costs.

12. STAFF COSTS

	2024 £	2023 £
Wages and salaries	102,713	89,414
Social security costs	907	3,929
Other pension costs	2,423	2,105
	<u>106,043</u>	<u>95,448</u>

MUSIC THEATRE WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

12. STAFF COSTS - continued

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

	2024	2023
Average number of employees	3	3
	<u>3</u>	<u>3</u>

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

Total key management personnel remuneration paid in the year was £57,309 (2023: £52,913).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	243,082	17,542	260,624
Other trading activities	42,145	-	42,145
Investment income	509	-	509
Total	<u>285,736</u>	<u>17,542</u>	<u>303,278</u>
EXPENDITURE ON			
Charitable activities			
Advancing education of the public in the appreciation of new opera and music theatre	259,176	79,393	338,569
NET INCOME/(EXPENDITURE)	26,560	(61,851)	(35,291)
RECONCILIATION OF FUNDS			
Total funds brought forward	247,099	61,851	308,950
TOTAL FUNDS CARRIED FORWARD	<u>273,659</u>	<u>-</u>	<u>273,659</u>

14. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
Additions	674
DEPRECIATION	
Charge for year	34
NET BOOK VALUE	
At 31 March 2024	<u>640</u>
At 31 March 2023	<u>-</u>

MUSIC THEATRE WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
VAT	515	3,639
Prepayments and accrued income	68,316	2,370
	<u>68,831</u>	<u>6,009</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other creditors	467	-
Accruals and deferred income	6,082	5,424
	<u>6,549</u>	<u>5,424</u>

17. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	<u>525</u>	<u>1,658</u>

Operating lease payments recognised as an expense in the year were £6,648 (2023: £6,948).

18. MOVEMENT IN FUNDS

	At 1/4/23	Net movement	Transfers between	At
	£	in funds	funds	31/3/24
		£	£	£
Unrestricted funds				
General fund	83,659	123,551	(119,428)	87,782
Designated fund - contingency	60,000	-	-	60,000
Designated fund - Bwystfilod Aflan - Atgof	25,000	(24,428)	(572)	-
Designated fund - Street Art Opera	75,000	(24,220)	-	50,780
Designated fund - Yasuke - commission and creative fees	30,000	(6,776)	50,000	73,224
Designated fund - Future Directions				
Butetown	-	-	30,000	30,000
Designated fund - Butetown Community	-	-	40,000	40,000
	<u>273,659</u>	<u>68,127</u>	<u>-</u>	<u>341,786</u>
Restricted funds				
RCT Community	-	2,000	-	2,000
Bwystfilod Aflan	-	4,500	-	4,500
Future Directions - RCT	-	3,000	-	3,000
	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>9,500</u>
TOTAL FUNDS	<u>273,659</u>	<u>77,627</u>	<u>-</u>	<u>351,286</u>

18. 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	308,115	(184,564)	123,551
Designated fund - Bwystfilod Aflan - Atgof	-	(24,428)	(24,428)
Designated fund - Street Art Opera	-	(24,220)	(24,220)
Designated fund - Yasuke - commission and creative fees	-	(6,776)	(6,776)
	<u>308,115</u>	<u>(239,988)</u>	<u>68,127</u>
Restricted funds			
Future Directions - 2023	2,375	(2,375)	-
RCT Community	2,000	-	2,000
Bwystfilod Aflan	14,500	(10,000)	4,500
Future Directions - RCT	3,000	-	3,000
	<u>21,875</u>	<u>(12,375)</u>	<u>9,500</u>
TOTAL FUNDS	<u>329,990</u>	<u>(252,363)</u>	<u>77,627</u>

Comparatives for movement in funds

	At 1/4/22 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	97,099	94,660	21,900	213,659
Designated fund - contingency	60,000	-	-	60,000
Designated fund - Violet by Tom Coult	90,000	(68,100)	(21,900)	-
	<u>247,099</u>	<u>26,560</u>	<u>-</u>	<u>273,659</u>
Restricted funds				
Violet by Tom Coult	50,639	(50,639)	-	-
Future Directions - 2023	11,212	(11,212)	-	-
	<u>61,851</u>	<u>(61,851)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>308,950</u>	<u>(35,291)</u>	<u>-</u>	<u>273,659</u>

18. 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	285,736	(191,076)	94,660
Designated fund - Violet by Tom Coult	-	(68,100)	(68,100)
	<u>285,736</u>	<u>(259,176)</u>	<u>26,560</u>
Restricted funds			
Violet by Tom Coult	9,542	(60,181)	(50,639)
Future Directions - 2023	8,000	(19,212)	(11,212)
	<u>17,542</u>	<u>(79,393)</u>	<u>(61,851)</u>
TOTAL FUNDS	<u>303,278</u>	<u>(338,569)</u>	<u>(35,291)</u>

Restricted Funds**Future Directions - 2023**

Funding has been received this year from the Foyle Foundation and Ty Cerdd to support the Future Directions project. The project is a young people's programme with a difference, where young people will work in collaboration with professional music-creators, learning from and inspiring each other to explore what opera and music theatre mean for themselves and their communities.

RCT Community

Our work in the RCT area doesn't stop at the Future Directions programme. We are also running a scheme for aspiring young composers. As part of MTW's partnership with Sinfonia Cymru, we are working together to offer an exciting creative opportunity for young people aged 14 to 18, living or attending school in RCT, to create their own original music and hear it performed live by the Sinfonia Cymru ensemble at the Parc and Dare Theatre, Treorchy. We have received £2,000 from the Fidelio Charitable Trust to support this project.

Bwystfilod Aflan

This period saw the commission and initial creation process for Bwystfilod Aflan, a brand new National Eisteddfod commission by MTW and Music@Aber, performed with Sinfonia Cymru. The performance, which premieres at the Eisteddfod Genedlaethol in August 2024, before touring around Wales in October 2024, combines an operatic monologue performed by tenor Elgan Llyr Thomas, and a reflective piece by dancer/factor Eddie Ladd. We have received an individual donation of £5,000 from Philip Carne as well as an additional grant of £5,000 from The Boltini Trust to support this project

Future Directions - RCT

The Future Directions programme continues in 2024-25 with our project in the Rhondda Cynon Taf area - Future Directions RCT. Funding has been received from The D'Oyly Carte Charitable Trust to support this project. The project is a young people's programme with a difference, where young people in the RCT area will work in collaboration with professional music-creators, learning from and inspiring each other to explore what opera and music theatre mean for themselves and their communities.

Designated Funds**Future Directions Butetown**

A young people's programme which brings together neurotypical and neurodivergent, learning disabled and autistic people age 16 - 25. It is an invitation to create storytelling in music and to make a new digital opera. It is a continuous programme that sits at the heart of the company's main activity. The digital operas the Young Company creates, in collaboration with the professional facilitators, are presented as one of our core productions on our website to be shared far and wide, seeking new audiences and finding new ways to surprise and excite the audiences who already love our work. As part of our wider programme of activity in the Butetown area of Cardiff, we will be running a Future Directions project in the area over the period September 2024 to September 2025.

18. MOVEMENT IN FUNDS - continued

Yasuke

We have embarked on an ambitious commission from the IVOR-winning composer and musician Renell Shaw to create a new work exploring the contemporary implications of the real life legend of Yasuke - a C17th African man who ended up becoming a Samauri: A story of migration and cultural diversity, adaptation, acceptance and strength. The score will be for an ensemble cast, with a mix of African and Japanese musicians alongside musicians from Sinfonia Cymru (as part of our ongoing partnership), and the production will be designed to be performed in a variety of spaces.

Butetown Community

Working in collaboration with Arts Active Trust, Hijinx and the Royal Opera House, we have started a long-term project working with people in Butetown and South Cardiff to explore the creative and expressive potential of opera as storytelling in music across the community.

Initiated by the commission of a new opera based on Nadifa Mohamed's novel The Fortune Men, which explores the horrific miscarriage of justice inflicted on Mahmood Hussein Mattan in Tiger Bay in the 1950s, we are running a series of projects and community conversations to build a creative link between the opera and the community whose story it is.

Work began in January 2024 with a Reading Room project led by a group of local young people, reading and responding to Nadifa Mohamed's award-winning book and opening up a wider discussion. The Reading Room project will lead to further creative work, to be led and developed locally with our support, and will include developing a conversation with the creative team leading on the new opera.

19. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £2,423 (2023: £2,105)). Contributions outstanding at the year end amounted to £467 (2023: £423)

20. RELATED PARTY DISCLOSURES

There were no related party transactions requiring disclosure in the year ended 31 March 2024.

MUSIC THEATRE WALES

England & Wales - Charity number 1039757

Accounts

REGISTERED COMPANY NUMBER: 02815692 (England and Wales)
REGISTERED CHARITY NUMBER: 1039757

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
MUSIC THEATRE WALES**

MHA
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

MUSIC THEATRE WALES

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 2023. 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).

OBJECTIVES AND ACTIVITIES

Objectives

Music Theatre Wales (MTW) is a charity and the principal activities of the company continue to be the education of the public in greater knowledge, interest and engagement in new opera and music theatre including performances, public talks and demonstrations, educational workshops and creative projects with other arts organisations.

Music Theatre Wales - Re-imagining opera

Vision: A future Wales where opera gives voice to expression, identity and diversity, as storytelling in music for all.

Mission: We are asking: What is opera? Who is creating it? And Who is it for? We are working with artists and communities who have been excluded from opera to create work in their own image, connecting the personal and local with the wider world. We are making new forms of opera and presenting it in unusual ways and locations that will change the audiences for and the perception of opera. We are making opera that reflects and explores the world as it is now, not as it once was. We are re-imagining opera

Aims: We are forming programmes and creative partnerships that enable artists and communities to develop their own creativity through storytelling in music. We are growing relationships with our communities that will inform our strategic development and the artistic work we produce, and which will bring opera into the lives of people across Wales and beyond. All of our work celebrates the expressive power of opera as storytelling in music.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Objectives

Measures of success in 2022/23

- In December 2022 we received a grant of £10,000 from the Garfield Weston Foundation to support our work during the calendar year 2023. We regard this as a strong endorsement of the change of direction the company has taken since 2020 and an indication that they would like to help us continue beyond the ACW Investment Review which will be announced in September 2023. We can re-apply for future funding from Garfield Weston in January 2024. We also received funding from Anthem Music Fund for Wales and from Ty Cerdd and several private donations to mark 40 years of work.
- In June 2022 we premiered VIOLET by Tom Coult and Alice Birch in a co-production with Britten Pears Arts, opening the Aldeburgh Festival and touring to a further four venues including Hackney Empire (where the performance was co-produced by the Royal Opera House) and Buxton Festival. The opera and its production were a phenomenal success, garnering rave reviews across the National Press: "The best new British opera in years" - 5* The Telegraph, "An accomplished and fascinating new work" - 5* The Stage, "This heady, intense opera whips away any doubts about post-Covid insecurities and only affirms Music Theatre Wales' position in music-making" Buzz magazine. We played to a live audience of 2,383 and the opera was also broadcast on BBC Radio 3 reaching an audience of 60,000 - 70,000. We also reached 30,000 people via Twitter alone.

The production received three award nominations: UK Theatre Award for Outstanding Achievement in Opera; World Premiere at the International Opera Awards (the only UK company in this category) and The Southbank Sky Arts Awards.

Violet was also recognised in the 2023 Critics' Circle Awards where Tom Coult was awarded the Young Talent - Composer Award, following the success of Alex Ho in 2022 with reference to his MTW commission AMAZON.

Violet has now received two further productions: At Theater Ulm in Germany and in Paris by L'Aurore Boréale.

- In March 2023 we presented the newly created live production of The House of Jollof Opera by Tumi Williams, in a co-production with Global Majority led theatre company Fio. This new work perfectly demonstrated the potential impact of our New Directions programme, inviting Global Majority artists to create new operatic work that combines music and story in a way that is true to them as artists and people. The impact on entirely new audiences was immediate and joyous. The production was featured on both BBC Wales TV News and ITV Wales News.
- In January 2023, MTW released our fourth digital opera, this time created by the first Young Company from our programme Future Directions. The work was presented on screen to a live audience at Chapter Arts Centre in June 2023.

Denis & Katya - the opera we co-commissioned and co-produced with Opera Philadelphia and which won the Fedora Prize for Opera and for which Philip Venables won an Ivor Novello Award, has continued to receive productions across Europe, and in May 2023 our co-production with Opera Philadelphia was presented by Pittsburgh Opera as part of the Opera America annual conference.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and the trustees consider how planned activities will contribute to the aims and objectives they have set.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2022/23 we continued to develop the artistic programme according to the new Vision, Mission and Aims established over the previous two years. We remain firmly in line and happy with the changes made. Our creative work has an entirely new outlook and purpose, and the structure of the company reflects this and continues to evolve as the work develops.

Both of our new programmes are now established and delivering exciting new work:

New Directions (working with Global Majority artists)

and

Future Directions (working with young people)

We are also continuing to explore alternative ways of producing and performing new opera, and in 2023 this will include **Street Art Operas** as well as performing work of a short duration in unusual locations. All of this work is aimed at inviting new artists to help us move opera forward as an artform, reaching new audiences and engaging with artists and young people on their own terms and in ways that will take us in new directions, now and in the future.

New Directions has already achieved considerable success, with the first three digital pieces created by Global Majority artists reaching a new audience in the UK and audiences in the USA through an exchange with Opera Philadelphia where we also showed some of their digital work. It has opened a new dialogue with artists who previously had no relationship with opera and has already led to a number of creative outcomes:

During the year we commissioned and produced a new 15-minute live version of The House of Jollof Opera, performing it in community venues as a pop-up food and music event. It worked brilliantly as an opera and as a community sharing with the serving of Jollof Rice at the end of the performance. There is considerable interest in staging further performances, including collaborating with a commercial Street Food Festival promoter.

Throughout the year we have been in discussion with Renell Shaw to commission a new stage work for 2026 and a contract will be issued in June 2023.

After extensive research into artists, two new Digital Shorts were commissioned in February 2023 for release later in the year, including Welsh artists Simmy Singh (working with Myah Jeffers) and Connor Allen (working with Francesca Amewudah-Rivers). We are delighted that Elayce Ismail is continuing as Artistic Associate at MTW with leadership responsibility for New Directions. She will also work as Dramaturg and Director on the new work by Renell Shaw.

In January 2023 we released the first digital opera created through Future Directions and began work on the second programme. This programme is now a formal partnership with Hijinx, bringing our work to an entirely new group of young people with learning disabilities and/or autism. Hijinx are keen to showcase this work at an international conference for young people's theatre.

Much of the year has been focussed on developing a creative plan for the company through to March 2027 which clearly expresses the new direction of the company. This also enabled us to submit a fully developed application to the Arts Council of Wales for their Investment Review. We will be working in partnership on almost all of our projects, including with Tŷ Cerdd, Sinfonia Cymru, RCT Borough Council, Aberystwyth Music Centre, Bangor University and Hijinx. Later in 2023 we will also be announcing a new strategic partnership with another Welsh organisation.

In June 2022 we celebrated the 40th anniversary of the start of the company's work, when founding directors Michael McCarthy and Michael Rafferty staged their first opera - The Lighthouse by Peter Maxwell Davies - as Cardiff New Opera Group. The event took place at the Sherman Theatre after the Cardiff performance of Violet, and we received many emails and video notes from composers and colleagues.

In September 2022 Caroline Tress left her role as General Manager to become Chief Executive of Sinfonia Cymru and was replaced by Åsa Malmstrom. In November 2022 our Digital and Marketing Officer Sarah Chew left for a full time job and was replaced by Rachel Kinchin.

During 2022/23 one Trustee retired, and we recruited one new Trustee - Mehdi Razi. We are continuing to explore developing the diversity of the Board and we are working with Black Lives in Music to support this agenda.

This work has contributed to the aims and objectives in the following ways:

- Created a new digital work that has opened up creative options for additional artists.
- Our work with young people has led to the creation of a new programme which will increase the participation, understanding and engagement in opera.
- We co-produced the commissioned opera Violet ensuring the audiences were given an experience to enrich their experience of opera and bringing a new work into the repertoire.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

- Through New Directions we are developing the participation in opera of Global Majority artists, and are drawing on the knowledge and experience of Elayce Ismail, as MTW's Artistic Associate, to inform this work with her expertise as a theatre director, dramaturge and commissioner.
- We are also actively exploring how we can develop the diversity of the Board.
- With Future Directions we are exploring how opera can become more relevant to young creatives and how their work might inform the work we create in the future.
- We continue to develop and seek new partners with whom we can create new work.

FINANCIAL REVIEW

Financial review

The Statement of Financial Activities is set out on page 8 of the financial statements. A summary of the financial results and the work of the company are set out below.

Results

In the year to which this report relates, we raised and earned income totalling £303,278 and incurred expenditure in the year of £338,569, giving a deficit of £35,291. We achieved a year-end position of £273,659.

Investment and management policy

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

Reserves policy

We have continued the process of building up our reserves. At 31 March 2023, the level of unrestricted reserves are £273,659, £60,000 represent cash-backed reserves that have been designated as contingency funds and £130,000 represents reserves that have been designated for future projects.

FUTURE PLANS

Music Theatre Wales is continuing to evolve the new approach we initiated in 2020. We are re-imagining opera – by exploring new ways of making and presenting opera; collaborating with artists who are new to opera, especially those who have been excluded; expanding the range of music, new ideas and stories opera can embrace; creating work in collaboration with young people and communities and exploring how opera can function as an expression of identity. Our focus is also much more strongly on working in Wales and with Welsh artists.

Artistic plans for 2023/24 include the commission and presentation of two new Street Art Operas by Welsh artists and the creation and performance on tour of a new Welsh language production exploring the centenary of the poem Atgof which won the Chair at the National Eisteddfod in 1924. We also planning the next Future Directions programme working with young people in collaboration with Hijinx.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Music Theatre Wales is a company limited by guarantee and a registered charity. Its governing documents are its Memorandum and Articles of Association, adopted on incorporation in 1993 and amended by special resolution in December 2017.

Recruitment and appointment of new trustees

Trustees are appointed or removed or retire by resolution of the trustees at Board meetings or Annual General Meeting.

Organisational structure

The Board of Trustees administers the company. Day to day control of operations is delegated to the Director. He works closely with the General Manager. Freelance staff are contracted to provide specific services, including artistic lead on New Directions and the lead creative and producing role for Future Directions, as well as marketing (notably digital marketing), PR and other functions as necessary.

Induction and training of new trustees

New trustees are provided with information about the company and the opportunity to meet with the Chair and key employees. Trustees are also urged to make use of the training and advice available for trustees provided on-line by the Charity Commission.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

A risk register is in place. This identifies the types of risk the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risk. As part of this process the Board of Trustees will continue to review the adequacy of the company's internal controls and ensure they conform to guidelines issued by the Charity Commission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02815692 (England and Wales)

Registered Charity number

1039757

Registered office

Chapter Arts Centre
Market Road
Canton
Cardiff
County of Cardiff
CF5 1QE

Trustees

C Bradwell	Chair	
A P Followell		
C White		resigned 6 June 2022
C M Edwards		
L J Gray		
D P Rees		
P Scammell		
A F Pool		
K Jones		appointed 6 July 2022
M Razi		appointed 12 October 2022

Senior management team

M McCarthy Artistic Director / CEO

Company secretary

K R Joyce

Independent examiner

MHA
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Solicitors

Geldards
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Bankers

Lloyds Bank
31 Queen Street
Cardiff
CF10 5AG

MUSIC THEATRE WALES

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Approved by order of the Board of Trustees on 16 October 2023 and signed on its behalf by:



.....
K R Joyce - Secretary

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THEATRE WALES

Independent examiner's report to the trustees of Music Theatre Wales ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

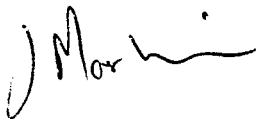
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Julia Mortimer FCCA
MHA
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Date: 26 October 2023

MHA is the trading name of MacIntyre Hudson LLP Limited liability partnership in England & Wales Registered number OC312313

MUSIC THEATRE WALES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	243,082	17,542	260,624	247,112
Other trading activities	4	42,145	-	42,145	24
Investment income	5	<u>509</u>	<u>-</u>	<u>509</u>	<u>25</u>
Total		<u>285,736</u>	<u>17,542</u>	<u>303,278</u>	<u>247,161</u>
EXPENDITURE ON					
Charitable activities	6				
Advancing education of the public in the appreciation of new opera and music theatre		<u>259,176</u>	<u>79,393</u>	<u>338,569</u>	<u>177,646</u>
NET INCOME/(EXPENDITURE)		26,560	(61,851)	(35,291)	69,515
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>247,099</u>	<u>61,851</u>	<u>308,950</u>	<u>239,435</u>
TOTAL FUNDS CARRIED FORWARD		<u>273,659</u>	<u>-</u>	<u>273,659</u>	<u>308,950</u>

The notes form part of these financial statements

MUSIC THEATRE WALES

**BALANCE SHEET
31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
CURRENT ASSETS					
Debtors	13	6,009	-	6,009	16,779
Cash at bank		<u>273,074</u>	<u>-</u>	<u>273,074</u>	<u>296,268</u>
		279,083	-	279,083	313,047
CREDITORS					
Amounts falling due within one year	14	(5,424)	-	(5,424)	(4,097)
		<u>273,659</u>	<u>-</u>	<u>273,659</u>	<u>308,950</u>
NET CURRENT ASSETS					
		<u>273,659</u>	<u>-</u>	<u>273,659</u>	<u>308,950</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>273,659</u>	<u>-</u>	<u>273,659</u>	<u>308,950</u>
NET ASSETS					
		<u>273,659</u>	<u>-</u>	<u>273,659</u>	<u>308,950</u>
FUNDS					
	16				
Unrestricted funds				273,659	247,099
Restricted funds				-	61,851
TOTAL FUNDS					
				<u>273,659</u>	<u>308,950</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 16 October 2023 and were signed on its behalf by:



.....
C Bradwell - Trustee

MUSIC THEATRE WALES

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

1. STATUTORY INFORMATION

Music Theatre Wales is a registered charity and private company limited by guarantee and has no share capital incorporated in Wales in the United Kingdom. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE. The nature of the charitable company's operations and principal activities is disclosed within the Report of the Trustees.

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

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

Going concern

Arts Council Wales announced the outcome of its Investment Review on 27 September 2023. MTW has been offered continued funding through to March 2027 at the same level we have been funded for the last 7 years, conditional on ACW receiving the anticipated settlement from Welsh Government by the end of 2023. Although this will require some adjustments to budgets for the next three years, this nevertheless provides stability and sustainability for the company for the next three years.

Income

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

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature 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 other trading activities includes income received under contract. 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 is recognised on a receivable basis.

Other income is recognised on a receivable basis.

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Expenditure

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

Expenditure on raising funds includes costs of fundraising, advertising, marketing and direct mail materials.

Expenditure on charitable activities comprises those costs incurred by the charity 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 charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are initially recorded at cost, including the estimated cost of any donated assets.

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

Instruments and accessories	- 20% on a straight line basis
Fixtures and fittings	- 20% on a straight line basis
Office equipment	- 20% on a straight line basis

Taxation

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

Financial instruments

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

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

MUSIC THEATRE WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

3. DONATIONS AND LEGACIES			
		2023	2022
		£	£
Donations		1,055	4,270
Grants		<u>259,569</u>	<u>242,842</u>
		<u>260,624</u>	<u>247,112</u>
 Grants received, included in the above, are as follows:			
		2023	2022
		£	£
Arts Council of Wales		231,627	221,342
Garfield Weston Foundation		10,000	-
The Foyle Foundation		-	20,000
RVW Trust		2,000	-
PRS Foundation		2,500	-
Other		400	-
Ernst von Siemens Music Foundation		5,042	-
Tŷ Cerdd		2,750	1,500
Anthem Music Fund		<u>5,250</u>	<u>-</u>
		<u>259,569</u>	<u>242,842</u>
 4. OTHER TRADING ACTIVITIES			
		2023	2022
		£	£
Other earned income		<u>42,145</u>	<u>24</u>
 5. INVESTMENT INCOME			
		2023	2022
		£	£
Deposit account interest		<u>509</u>	<u>25</u>
 6. CHARITABLE ACTIVITIES COSTS			
	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Advancing education of the public in the appreciation of new opera and music theatre	<u>223,315</u>	<u>115,254</u>	<u>338,569</u>

MUSIC THEATRE WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Production and performance	202,864	47,676
Sales and marketing	14,577	18,479
Commission fees	<u>5,874</u>	<u>4,756</u>
	<u>223,315</u>	<u>70,911</u>

8. SUPPORT COSTS

	Staff and associated costs £	Other £	Governance costs £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	<u>95,710</u>	<u>16,990</u>	<u>2,554</u>	<u>115,254</u>

9. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Depreciation - owned assets	-	845
Deficit on disposal of fixed assets	-	2,937
Independent examination fees	<u>2,000</u>	<u>2,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 or for the year ended 31 March 2022.

Trustees' expenses

Expenses of £294 (2022: £73) were paid to four (2022 - one) trustees in the year in respect of travel costs.

11. STAFF COSTS

	2023 £	2022 £
Wages and salaries	89,414	74,806
Social security costs	3,929	2,992
Other pension costs	<u>2,105</u>	<u>1,554</u>
	<u>95,448</u>	<u>79,352</u>

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

	2023	2022
Average number of employees	<u>3</u>	<u>3</u>

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

Total key management personnel remuneration paid in the year was £52,913 (2022: £50,126).

MUSIC THEATRE WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	225,612	21,500	247,112
Other trading activities	24	-	24
Investment income	<u>25</u>	<u>-</u>	<u>25</u>
Total	<u>225,661</u>	<u>21,500</u>	<u>247,161</u>
EXPENDITURE ON			
Charitable activities			
Advancing education of the public in the appreciation of new opera and music theatre	<u>138,519</u>	<u>39,127</u>	<u>177,646</u>
NET INCOME/(EXPENDITURE)	87,142	(17,627)	69,515
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>159,957</u>	<u>79,478</u>	<u>239,435</u>
TOTAL FUNDS CARRIED FORWARD	<u>247,099</u>	<u>61,851</u>	<u>308,950</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
VAT	3,639	6,888
Prepayments and accrued income	<u>2,370</u>	<u>9,891</u>
	<u>6,009</u>	<u>16,779</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Accruals and deferred income	<u>5,424</u>	<u>4,097</u>

15. LEASING AGREEMENTS

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

	2023 £	2022 £
Within one year	1,658	1,948
Between one and five years	<u>-</u>	<u>1,085</u>
	<u>1,658</u>	<u>3,033</u>

Operating lease payments recognised as an expense in the year were £7,158 (2022: £6,948).

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

16. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	97,099	94,660	(108,100)	83,659
Designated fund - contingency	60,000	-	-	60,000
Designated fund - Violet by Tom Coult	90,000	(68,100)	(21,900)	-
Designated fund – Prosser Rhys – Atgof	-	-	25,000	25,000
Designated fund – Street Art Opera	-	-	75,000	75,000
Designated fund – Yasuke – commission and creative fees	-	-	30,000	30,000
	<u>247,099</u>	<u>26,560</u>	<u>-</u>	<u>273,659</u>
Restricted funds				
Violet by Tom Coult	50,639	(50,639)	-	-
Future Directions	11,212	(11,212)	-	-
	<u>61,851</u>	<u>(61,851)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>308,950</u>	<u>(35,291)</u>	<u>-</u>	<u>273,659</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	285,736	(191,076)	94,660
Designated fund - Violet by Tom Coult	-	(68,100)	(68,100)
	<u>285,736</u>	<u>(259,176)</u>	<u>26,560</u>
Restricted funds			
Violet by Tom Coult	9,542	(60,181)	(50,639)
Future Directions	8,000	(19,212)	(11,212)
	<u>17,542</u>	<u>(79,393)</u>	<u>(61,851)</u>
TOTAL FUNDS	<u>303,278</u>	<u>(338,569)</u>	<u>(35,291)</u>

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	99,957	87,142	(90,000)	97,099
Designated fund - contingency	60,000	-	-	60,000
Designated fund - Violet by Tom Coult	-	-	90,000	90,000
	<u>159,957</u>	<u>87,142</u>	<u>-</u>	<u>247,099</u>
Restricted funds				
Violet by Tom Coult	79,478	(28,839)	-	50,639
Future Directions	-	11,212	-	11,212
	<u>79,478</u>	<u>(17,627)</u>	<u>-</u>	<u>61,851</u>
TOTAL FUNDS	<u>239,435</u>	<u>69,515</u>	<u>-</u>	<u>308,950</u>

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

16. 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	225,661	(138,519)	87,142
Restricted funds			
Violet by Tom Coult	-	(28,839)	(28,839)
Future Directions	<u>21,500</u>	<u>(10,288)</u>	<u>11,212</u>
	<u>21,500</u>	<u>(39,127)</u>	<u>(17,627)</u>
TOTAL FUNDS	<u>247,161</u>	<u>(177,646)</u>	<u>69,515</u>

Violet by Tom Coult

Funding received in previous years towards the costs of the production "Violet" and the associated touring costs of England and Wales.

Future Directions

Funding has been received this year from the Foyle Foundation and Ty Cerdd to support the Future Directions project. The project is a young people's programme with a difference, where young people will work in collaboration with professional music-creators, learning from and inspiring each other to explore what opera and music theatre mean for themselves and their communities.

Transfers between funds

A transfer of £21,900 was made during the year from the designated fund for Violet by Tom Coult to the general fund to release the funds previously designated to cover the additional costs that have been incurred as a result of the cancellation of the performance due to Covid-19. The performance took place in June and July 2022; therefore, the designated fund is no longer required.

In addition to the above, the following transfers have been made from the general fund to set aside certain amounts to cover costs for future projects:

- £25,000 has been designated for the Prosser Rhys – Atgof project.
- £75,000 has been designated for the Street Art Opera project.
- £30,000 has been designated for the Yasuke – commission and creative fees project.

17. RELATED PARTY DISCLOSURES

There were no related party transactions requiring disclosure in the year ended 31 March 2023.

MUSIC THEATRE WALES

England & Wales - Charity number 1039757

Accounts

REGISTERED COMPANY NUMBER: 02815692 (England and Wales)
REGISTERED CHARITY NUMBER: 1039757

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
MUSIC THEATRE WALES**

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

MUSIC THEATRE WALES

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the 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).

OBJECTIVES AND ACTIVITIES

Objects

The company is a charity and the principal activities of Music Theatre Wales (MTW) continue to be the education of the public in greater knowledge, interest and engagement in new opera and music theatre including performances, public talks and demonstrations, educational workshops and creative projects with other arts organisations.

Aims

- To enrich, renew and reinvigorate the creation and performance of new opera and music theatre.
- To develop wider participation in new opera, especially from under-presented sectors.
- To build new relationships with communities that will inform our work.
- To be an equitable employer.

Strategy for achieving these aims

We create and select repertoire and engagement programmes that:

- are of outstanding quality,
- are striking in their originality,
- are widely accessible, both live and digital,
- ensure audiences have the opportunity to experience opera and music theatre as a multi-disciplinary artform that has the capacity to embrace an increasingly broad range of musical and theatrical languages,
- expand the musical and operatic experience and expectations of current audiences and develop a taste for the new and unexpected; and
- deliver an unforgettable experience.

We:

- Stimulate innovation and provoke change in the way opera is made and the artists who make it.
- Create new programmes that set out to break the barriers that exist around opera that prevent artists from the broadest range of backgrounds and identity from participating.
- Deliver new work that is defined by excellence and accessibility.
- Work with an increasingly diverse range of freelancers in senior roles, in order to bring their skills and experience to MTW and participate in our continual development.
- Seek support that will bolster the statutory funding we receive and maximise the impact and effectiveness of this funding, enabling us to continue to generate new work, to support artist development, deliver performance and engagement work and develop new performance opportunities.
- Build new partnerships that extend our capacity to create new work and reach more people.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Objects

Measures of success in 2021/22

- In April 2021, we received a grant of £20,000 from the Foyle Foundation to support Future Directions - working with young people to explore their ideas about what opera could be for them. The first programme included two residential workshops in April and August 2022 and will culminate with the release of their own digital opera.
- In Autumn 2021, MTW released 3 digital opera commissions by Global Majority artists, as part of our new programme, New Directions: The House of Jollof Opera, Somehow and Pride (A Lion's Roar). To date, the digital operas have reached an online audience of 35,000 (via social media and YouTube), and a live audience of 300 at cinema and festival screenings.

The House of Jollof Opera was selected to be shown at the Focus Wales Film Festival and subsequently won the Celtic Film Award.

In September 2022, *Somehow* by Krystal S Lowe and Jasmin Kent Rodgman was selected for the Cardiff Mini Film Festival, giving this piece and New Directions increased and on-going public engagement and recognition.

Following a positive response from our colleagues at Opera Philadelphia, our digital operas were presented on their digital platform (to a further audience of 500 viewers) in an exchange with us sharing links to some of their work, bringing an unexpected international profile to this work.

Inspired by our New Directions pieces, BBC Studios have invited us to explore creating an actual TV soap opera.

We have been approached by a major arts venue to explore creating a larger scale hip-hop opera. We are interested, but only when we and the artists are ready - one step at a time.

Denis & Katya - the opera we co-commissioned and co-produced with Opera Philadelphia and which won the Fedora Prize for Opera and for which Philip Venables won an Ivor Novello Award, has received new productions in Montpellier, Hannover, Amsterdam and Cambridge and our production will be seen in Pittsburgh in May 2023.

Alex Ho was awarded the Young Talent Composer Award by The Critics Circle Awards with special reference to AMAZON, commissioned by Music Theatre Wales.

- April 2021 - We received positive Press reaction to the streaming of the opera we had co-commissioned in Welsh in collaboration with Theatr Genedlaethol Cymru: Y Twr by Guto Puw and Gwyneth Glyn. "A real tour de force of performance and ultimately rather moving" Planet Hugill: "the direction by Michael McCarthy is exceptional... those musical motifs by Guto Puw, the rhythm, the lullaby, those lyrical moments - there are so many. And the emotions by the characters are very effective, we see Caryl in tears, the fright on Gwion's face, all very credible." BBC Radio Wales: "The opera is sobering, and it is apposite. [The play] may have been written in the 70s, and premiered pre-Covid, but watching now when, for the past year, our lives have shrunk and we have been forced to think about priorities, makes it all the more moving." Wales Arts Review. It received 507 views.
- The work we first identified for commission in 2017 from Tom Coult and Alice Birch was premiered in June 2022 in partnership with Britten Pears Arts after a two-year delay due to Covid. We are especially delighted that the opera has already been programmed by companies in Germany and France, an all too rare event for a new opera and in such a short time. It is also worth noting that early 2022 was spent re-casting and re-contracting touring venues, artists and crew for Violet as post-Covid diaries meant that most of the original team was unavailable. We were delighted with the final Violet Company and the performance received an exceptional reaction from audience and press with several 5* reviews: "Violet is the best new British Opera in years" (The Telegraph).

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and the trustees consider how planned activities will contribute to the aims and objectives they have set.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

From April 2021 through to the end of March 2022 the situation regarding live performance remained unpredictable and unreliable due to Covid-19. We had however mitigated this uncertainty by planning to only produce digital work during 2021/22 and moving the production of the opera VIOLET from June 2021 to June 2022.

During 2020/21 we had also undertaken a radical review of the work we were creating and the structure of the company, and at the end of 2021/22 we remain firmly in line and happy with the changes made. Our creative work has an entirely new outlook and purpose, and the structure of the company reflects this and continues to evolve as the work develops.

We have started working on two new programmes:

- **New Directions** (working with Global Majority artists); and
- **Future Directions** (working with young people)

We are also continuing to explore alternative ways of producing and performing new opera, and in 2023 this will include **Street Art Operas** as well as performing work of a short duration in unusual locations. All of this work is aimed at inviting new artists to help us move opera forward as an artform, reaching new audiences and engaging with artists and young people on their own terms and in ways that will take us in new directions, now and in the future.

New Directions has already achieved considerable success, with the first three digital pieces created by Global Majority artists reaching a new audience in the UK and with Opera Philadelphia. It has opened a new dialogue with artists who previously had no relationship with opera and has already led to a number of creative outcomes: Commissioning a 15-minute development of one of the pieces; starting a commission process for a longer theatre-based work for 2025; helping us re-imagine not just the artists we work with but also the ways in which opera might be performed.

In addition, our approach to New Directions has been central to a fundamental shift in how we approach the work MTW makes. We are now inviting artists to bring their ideas music, stories and experience to the work they create, moving away from MTW as the curator, and towards facilitator and enabler.

The commission of the 15-minute development of The House of Jollof Opera as a live performance event has also led to a co-commissioning and co-producing partnership with Fio, Wales' global majority led theatre company.

Future Directions had a difficult birth due to the impact of Covid. It proved extremely difficult for schools and youth groups to respond with any confidence that they would be able to host the recruiting workshops, and even when workshops did happen, we found a marked lack of confidence amongst young people to participate and commit. Gradually confidence started to return, and we developed a strong connection with Hijinx theatre - the professional theatre company which pioneers, produces and promotes opportunities for actors with learning disabilities and/or autism, and with the youth theatre group Mess up the Mess in Ammanford. The pilot scheme saw MTW work with Theatre Director Jain Boon, Composers Robert Fokkens and Jefferson Lobo and Film-Maker Lleucu Meinir. Following 15 taster workshops all over Wales, working with 100 young people, nine Young Company Members were selected to join MTW's Young Company. The Young Company took part in two 3-day residencies (at Aberystwyth University, April 2022 and Royal Welsh College of Music and Drama, August 2022) and we are planning to release the digital opera they made as part of the company's work during Autumn 2022.

We were delighted when Theatr Genedlaethol Cymru offered to stream the Welsh language opera Y Twr as part of their ETO (Again) programme during lockdown. The streaming went live in April 2021 and was watched by over 500 viewers. Y Twr was the first ever Welsh language opera commissioned for professional live performance which we invited Theatr Genedlaethol Cymru (National Theatre of Wales in Welsh) to co-produce. In June 2022, as part of our 40th Anniversary celebration, the out-going Artistic Director of TGC wrote: Beyond the ease and the pleasure of the collaboration, it was truly an honour and a very emotional experience for me, particularly on the opening night, to hear this work being presented for the first time - this wonderful opera by Guto Puw, and the gorgeous production directed by Michael McCarthy. I can only thank you for that experience, Music Theatre Wales, for your vision, for believing in Guto in the first instance, and for driving this project forward, because it was you that came to Theatr Gen with the idea and asked for our support. So, thank you for your bravery. Thank you for this gift to our language and our culture; and, of course, a very Happy Birthday to you.

During the year we completed the re-structure of MTW with the employment of Caroline Tress in April 2021 to the new role of General Manager and quickly followed this with the creation of a Digital Marketing and Audiences Manager which was filled by Sarah Chew.

During 2021/22, three trustees retired, and we recruited two new trustees in September 2021 and March 2022. We are continuing to explore developing the diversity of the Board and we are working with Black Lives in Music to support this agenda.

The Board undertook EDI training in December 2021.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This work has contributed to the aims and objectives in the following ways:

- Created a new digital work that has opened up creative options for additional artists.
- Our work with young people has led to the creation of a new programme which will increase the participation, understanding and engagement in opera.
- We co-produced the commissioned opera Violet ensuring the audiences were given an experience to enrich their experience of opera and bringing a new work into the repertoire.
- Through New Directions we are developing the participation in opera of Global Majority artists and are drawing on the knowledge and experience of Elayce Ismail, as MTW's Artistic Associate, to inform this work with her expertise as a theatre director, dramaturge and commissioner.
- We are also actively exploring how we can develop the diversity of the Board.
- With Future Directions we are exploring how opera can become more relevant to young creatives and how their work might inform the work we create in the future.
- We continue to develop and seek new partners with whom we can create new work.

FINANCIAL REVIEW

Financial review

The Statement of Financial Activities is set out on page 8 of the financial statements. A summary of the financial results and the work of the company are set out below.

Results

In the year to which this report relates, we raised and earned income totalling £247,161 and incurred expenditure in the year of £177,646, giving a surplus of £69,515. We achieved a year-end position of £308,950; £61,851 of which is restricted for future expenditure on the production of Violet and Future Directions programme. As a result of Covid, the company is in the unusual position of having received financial support relating to Violet well in advance of the premiere of the production, and the company's cash position at the year-end reflects this.

Investment and management policy

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

Reserves policy

We have continued the process of building up our reserves. At 31 March 2022, the level of unrestricted reserves are £97,099. The Board of Trustees have allocated £90,000 into designated funds for the Violet by Tom Coult production. Restricted funds total £61,851 at 31 March 2022. Post year-end, the Board of Trustees have agreed to increase the £30,000 designated fund to £60,000.

FUTURE PLANS

We aim to be flexible and responsive to the changing world around us, working with creative artists who are interested and experienced in working in opera and music theatre in all its various forms, and in the evolution of the artform itself. In the face of questions being raised around the disconnect between the interests of diverse and younger audiences and the stories told within much of the classical opera canon, we are re-thinking what our work is, who it's for and how we make it.

The COVID-19 pandemic has required us to make major adjustments to our plans and we are continuing to not only move the work we had planned to more viable dates, but also take the opportunity to re-design how we operate. This includes accommodating loss of funding from Arts Council England and preparing for the forthcoming Investment Review by the Arts Council of Wales, due to commence in autumn 2021 for implementation in April 2023.

We believe we now have the structure and artistic mission that will sustain the relevance of MTW and the investment of ACW in our work. We have a secure plan in place for activity up to the end of March 2023 and are now in the process of creating a programme that will take us to the end of 2025-26.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Music Theatre Wales is a company limited by guarantee and a registered charity. Its governing documents are its Memorandum and Articles of Association, adopted on incorporation in 1993 and amended by special resolution in December 2017.

Recruitment and appointment of new trustees

Trustees are appointed or removed or retire by resolution of the trustees at Board meetings or Annual General Meeting.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board of Trustees administers the company. Day to day control of operations is delegated to the Director. He works closely with the General Manager. Freelance staff are contracted to provide specific services, including artistic lead on New Directions and the lead creative and producing role for Future Directions, as well as marketing (notably digital marketing), PR and other functions as necessary.

Induction and training of new trustees

New Trustees are provided with information about the company and the opportunity to meet with the Chair and key employees. Trustees are also urged to make use of the training and advice available for trustees provided on-line by the Charity Commission.

Risk management

A risk register is in place. This identifies the types of risk the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risk. As part of this process the Board of Trustees will continue to review the adequacy of the company's internal controls and ensure they conform to guidelines issued by the Charity Commission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02815692 (England and Wales)

Registered Charity number

1039757

Registered office

Chapter Arts Centre
Market Road
Canton
Cardiff
CF5 1QE

Trustees

C Bradwell	Chair	
G Lewis		resigned 7 December 2021
A Kurowski		resigned 7 December 2021
A P Followell		
C White		resigned 6 June 2022
C M Edwards		
L J Gray		
D P Rees		
P Scammell		
A Pool		appointed 13 September 2021
K Jones		appointed 6 July 2022
M Razi		appointed 12 October 2022

Senior management team

M McCarthy Artistic Director / CEO

Company Secretary

C Tress appointed 1 May 2021, resigned 21 September 2022
A Malmsten appointed 21 September 2022

Bankers

Lloyds Bank
31 Queen Street
Cardiff
CF10 5AG

Solicitors

Geldards
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

MUSIC THEATRE WALES

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

REFERENCE AND ADMINISTRATIVE DETAILS

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

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

.....
A Malmsten - Secretary

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MUSIC THEATRE WALES**

Independent examiner's report to the trustees of Music Theatre Wales ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Julia Mortimer FCCA
Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date:

MUSIC THEATRE WALES

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	225,612	21,500	247,112	285,908
Other trading activities	4	24	-	24	7,109
Investment income	5	25	-	25	52
Other income	6	-	-	-	57,255
Total		<u>225,661</u>	<u>21,500</u>	<u>247,161</u>	<u>350,324</u>
EXPENDITURE ON					
Charitable activities					
Advancing education of the public in the appreciation of new opera and music theatre	7	138,519	39,127	177,646	287,647
Total		<u>138,519</u>	<u>39,127</u>	<u>177,646</u>	<u>287,647</u>
NET INCOME/(EXPENDITURE)		87,142	(17,627)	69,515	62,677
RECONCILIATION OF FUNDS					
Total funds brought forward		159,957	79,478	239,435	176,758
TOTAL FUNDS CARRIED FORWARD		<u>247,099</u>	<u>61,851</u>	<u>308,950</u>	<u>239,435</u>

The notes form part of these financial statements

MUSIC THEATRE WALES

**BALANCE SHEET
31 MARCH 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	14	-	-	-	3,782
CURRENT ASSETS					
Debtors	15	11,529	5,250	16,779	73,824
Cash at bank and in hand		<u>239,667</u>	<u>56,601</u>	<u>296,268</u>	<u>169,971</u>
		251,196	61,851	313,047	243,795
CREDITORS					
Amounts falling due within one year	16	(4,097)	-	(4,097)	(8,142)
NET CURRENT ASSETS		<u>247,099</u>	<u>61,851</u>	<u>308,950</u>	<u>235,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>247,099</u>	<u>61,851</u>	<u>308,950</u>	<u>239,435</u>
NET ASSETS		<u>247,099</u>	<u>61,851</u>	<u>308,950</u>	<u>239,435</u>
FUNDS	18				
Unrestricted funds – general				97,099	99,957
Unrestricted funds – designated				150,000	60,000
Restricted funds				<u>61,851</u>	<u>79,478</u>
TOTAL FUNDS				<u>308,950</u>	<u>239,435</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

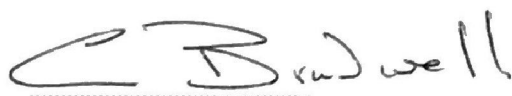
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

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



.....
C Bradwell - Trustee

The notes form part of these financial statements

MUSIC THEATRE WALES

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

1. STATUTORY INFORMATION

Music Theatre Wales is a registered charity and private company limited by guarantee and has no share capital incorporated in Wales in the United Kingdom. The registered office is 33-35 West Bute Street, Cardiff, CF10 5LH. The nature of the charitable company's operations and principal activities is disclosed within the Report of the Trustees.

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

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

Going concern

As a result of the reshaping and refocussing of the company as discussed in the Report of the Trustees, we have been able to reduce the company's overheads and release more money to deliver the artistic vision. During 2023, the Arts Council of Wales will be undertaking a complete review of all funded organisations, a review which had been planned for 2020 but was delayed due to the coronavirus crisis. We have received indications that our funding from ACW will continue through 2022-23 and 2023-24, with the new arts portfolio agreements, post Investment Review, beginning in April 2024.

Income

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

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature 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 other trading activities includes income received under contract. 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 is recognised on a receivable basis.

Theatre Tax Relief income is recognised when the income can be reliably measured, and the probability of future economic inflow is probable.

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

Expenditure on raising funds includes costs of fundraising, advertising, marketing and direct mail materials.

Expenditure on charitable activities comprises those costs incurred by the charity 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 charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are initially recorded at cost, including the estimated cost of any donated assets.

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

Instruments and accessories	- 20% on a straight line basis
Fixtures and fittings	- 20% on a straight line basis
Office equipment	- 20% on a straight line basis

Taxation

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

Financial instruments

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

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

MUSIC THEATRE WALES

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

3. DONATIONS AND LEGACIES	2022	2021
	£	£
Donations	4,270	1,270
Gift aid	-	2
Grants	<u>242,842</u>	<u>284,636</u>
	<u>247,112</u>	<u>285,908</u>

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

	2022	2021
	£	£
Arts Council of Wales	221,342	222,214
The Foyle Foundation	20,000	-
The Boltini Trust	-	5,000
Fidelio Charitable Trust	-	2,000
Ernst von Siemens Music Foundation	-	21,119
The Marchus Trust	-	5,000
Cardiff County Council - business rate relief	-	10,000
Job Retention Scheme	-	19,303
Ty Cerdd	<u>1,500</u>	<u>-</u>
	<u>242,842</u>	<u>284,636</u>

4. OTHER TRADING ACTIVITIES	2022	2021
	£	£
Venue fees and programme sales	-	2,100
Co-production/commission fees	-	4,934
Other earned income	<u>24</u>	<u>75</u>
	<u>24</u>	<u>7,109</u>

5. INVESTMENT INCOME	2022	2021
	£	£
Deposit account interest	<u>25</u>	<u>52</u>

6. OTHER INCOME	2022	2021
	£	£
Gain on sale of tangible fixed assets	-	861
Theatre tax relief	<u>-</u>	<u>56,394</u>
	<u>-</u>	<u>57,255</u>

MUSIC THEATRE WALES

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

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	<u>70,911</u>	<u>106,735</u>	<u>177,646</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Production and performance	47,676	37,881
Sales and marketing	18,479	6,504
Commission fees	<u>4,756</u>	<u>12,000</u>
	<u>70,911</u>	<u>56,385</u>

9. SUPPORT COSTS

	Staff and associated costs £	Other £	Depreciation £	Governance costs £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	<u>80,860</u>	<u>19,799</u>	<u>3,782</u>	<u>2,294</u>	<u>106,735</u>

10. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	845	2,628
Deficit on disposal of fixed assets	2,937	2,280
Independent examination fees	<u>2,000</u>	<u>2,000</u>

11. 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

Expenses of £73 (2021: £Nil) were paid to one trustee in the year in respect of travel costs.

MUSIC THEATRE WALES

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

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	74,806	154,065
Social security costs	2,992	8,900
Other pension costs	<u>1,554</u>	<u>3,122</u>
	<u>79,352</u>	<u>166,087</u>

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

2022	2021
<u>3</u>	<u>4</u>

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

Total key management personnel remuneration paid in the year was £50,126 (2021: £78,340).

Termination payments of £nil (2021: £20,820) were paid in the year.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 MARCH 2021

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	256,917	28,991	285,908
Other trading activities	2,759	4,350	7,109
Investment income	52	-	52
Other income	<u>57,255</u>	<u>-</u>	<u>57,255</u>
Total	<u>316,983</u>	<u>33,341</u>	<u>350,324</u>
EXPENDITURE ON			
Charitable activities			
Advancing education of the public in the appreciation of new opera and music theatre	247,574	40,073	287,647
NET INCOME/(EXPENDITURE)	69,409	(6,732)	62,677
Transfers between funds	<u>(7,316)</u>	<u>7,316</u>	<u>-</u>
Net movement in funds	62,093	584	62,677
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>97,864</u>	<u>78,894</u>	<u>176,758</u>
TOTAL FUNDS CARRIED FORWARD	<u>159,957</u>	<u>79,478</u>	<u>239,435</u>

MUSIC THEATRE WALES

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

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Totals £
COST			
At 1 April 2021	674	3,552	4,226
Disposals	<u>(674)</u>	<u>(3,552)</u>	<u>(4,226)</u>
At 31 March 2022	—	—	—
DEPRECIATION			
At 1 April 2021	11	433	444
Charge for year	135	710	845
Eliminated on disposal	<u>(146)</u>	<u>(1,143)</u>	<u>(1,289)</u>
At 31 March 2022	—	—	—
NET BOOK VALUE			
At 31 March 2022	<u>—</u>	<u>—</u>	<u>—</u>
At 31 March 2021	<u>663</u>	<u>3,119</u>	<u>3,782</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	—	3,230
VAT	6,888	7,985
Prepayments and accrued income	<u>9,891</u>	<u>62,609</u>
	<u>16,779</u>	<u>73,824</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Accruals and deferred income	<u>4,097</u>	<u>8,142</u>

17. LEASING AGREEMENTS

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

	2022 £	2021 £
Within one year	1,948	1,948
Between one and five years	<u>1,085</u>	<u>2,533</u>
	<u>3,033</u>	<u>4,481</u>

Operating lease payments recognised as an expense in the year were £6,948 (2021: £13,448).

18. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	99,957	87,142	(90,000)	97,099
Designated fund - contingency	60,000	-	-	60,000
Designated fund – Violet by Tom Coult	-	-	90,000	90,000
	<u>159,957</u>	<u>87,142</u>	<u>-</u>	<u>247,099</u>
Restricted funds				
Violet by Tom Coult	79,478	(28,839)	-	50,639
Future Directions	-	11,212	-	11,212
	<u>79,478</u>	<u>(17,627)</u>	<u>-</u>	<u>61,851</u>
TOTAL FUNDS	<u>239,435</u>	<u>69,515</u>	<u>-</u>	<u>308,950</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	225,661	(138,519)	87,142
Restricted funds			
Violet by Tom Coult	-	(28,839)	(28,839)
Future Directions	21,500	(10,288)	11,212
	<u>21,500</u>	<u>(39,127)</u>	<u>(17,627)</u>
TOTAL FUNDS	<u>247,161</u>	<u>(177,646)</u>	<u>69,515</u>

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	37,864	69,409	(7,316)	99,957
Designated contingency fund	60,000	-	-	60,000
	<u>97,864</u>	<u>69,409</u>	<u>(7,316)</u>	<u>159,957</u>
Restricted funds				
Violet by Tom Coult	77,359	2,119	-	79,478
Denis & Katya Outreach	1,535	(8,851)	7,316	-
	<u>78,894</u>	<u>(6,732)</u>	<u>7,316</u>	<u>79,478</u>
TOTAL FUNDS	<u>176,758</u>	<u>62,677</u>	<u>-</u>	<u>239,435</u>

MUSIC THEATRE WALES

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

18. 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	316,983	(247,574)	69,409
Restricted funds			
Violet by Tom Coult	32,469	(30,350)	2,119
Denis & Katya Outreach	<u>872</u>	<u>(9,723)</u>	<u>(8,851)</u>
	<u>33,341</u>	<u>(40,073)</u>	<u>(6,732)</u>
TOTAL FUNDS	<u>350,324</u>	<u>(287,647)</u>	<u>62,677</u>

Violet by Tom Coult

Funding received in previous years towards the costs of the production "Violet" and the associated touring costs of England and Wales.

Future Directions

Funding has been received this year from the Foyle Foundation and Ty Cerdd to support the Future Directions project. The project is a young people's programme with a difference, where young people will work in collaboration with professional music-creators, learning from and inspiring each other to explore what opera and music theatre mean for themselves and their communities.

Transfer between funds

A transfer of £90,000 was made during the year from the general fund to the designated fund for Violet by Tom Coult to cover the additional costs that will be incurred as a result of the cancellation of the performance due to Covid-19.

Prior year

Denis & Katya Outreach

Funding received last year towards the young people's consultation and creation project - Denis & Katya Outreach.

19. RELATED PARTY DISCLOSURES

There were no related party transactions requiring disclosure in the year ended 31 March 2022.

MUSIC THEATRE WALES

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

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	4,270	1,270
Gift aid	-	2
Grants	<u>242,842</u>	<u>284,636</u>
	247,112	285,908
Other trading activities		
Venue fees and programme sales	-	2,100
Co-production/commission fees	-	4,934
Other earned income	<u>24</u>	<u>75</u>
	24	7,109
Investment income		
Deposit account interest	25	52
Other income		
Gain on sale of tangible fixed assets	-	861
Theatre tax relief	<u>-</u>	<u>56,394</u>
	<u>-</u>	<u>57,255</u>
Total incoming resources	247,161	350,324
EXPENDITURE		
Charitable activities		
Production and performance	47,676	37,881
Sales and marketing	18,479	6,504
Commission fees	<u>4,756</u>	<u>12,000</u>
	70,911	56,385
Support costs		
Staff and associated costs		
Wages	74,806	154,065
Social security	2,992	8,900
Pensions	1,554	3,122
Staff training	960	1,200
Recruitment expenses	<u>548</u>	<u>450</u>
	80,860	167,737
Other		
Rent, rates and storage	6,000	19,112
Insurance	1,866	4,813
Light and heat	11	806
Telephone	1,548	3,853
Postage and stationery	3,546	3,295
Premises repairs and maintenance	3,044	4,871
Research and development	1,131	95
Carried forward	<u>17,146</u>	<u>36,845</u>

This page does not form part of the statutory financial statements

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

	2022	2021
	£	£
Other		
Brought forward	17,146	36,845
Subscriptions	935	2,840
Accountancy fees	1,604	10,089
Consultancy and legal fees	-	5,641
Bank interest and charges	<u>114</u>	<u>111</u>
	19,799	55,526
Depreciation		
Depreciation	845	2,628
Loss on sale of tangible fixed assets	<u>2,937</u>	<u>3,141</u>
	3,782	5,769
Governance costs		
Independent examination fees	2,000	2,000
Board expenses	<u>294</u>	<u>230</u>
	<u>2,294</u>	<u>2,230</u>
Total resources expended	<u>177,646</u>	<u>287,647</u>
Net income	<u>69,515</u>	<u>62,677</u>

This page does not form part of the statutory financial statements

MUSIC THEATRE WALES

England & Wales - Charity number 1039757

Accounts

REGISTERED COMPANY NUMBER: 02815692 (England and Wales)
REGISTERED CHARITY NUMBER: 1039757

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2021
FOR
MUSIC THEATRE WALES

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

MUSIC THEATRE WALES

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FOR THE YEAR ENDED 31 MARCH 2021**

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MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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 2021. 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).

OBJECTIVES AND ACTIVITIES

Objects

Music Theatre Wales (MTW) is a charity and the principal activities of the company continue to be the education of the public in greater knowledge, interest and engagement in new opera and music theatre including performances, public talks and demonstrations, educational workshops and creative projects with other arts organisations.

Aims

- To enrich, renew and reinvigorate the creation and performance of new opera and music theatre.
- To develop wider participation in new opera, especially from under-presented sectors.
- To build new relationships with communities that will inform our work.
- To be an equitable employer.

Strategy for achieving these aims

We create and select repertoire and engagement programmes that:

- are of outstanding quality.
- are striking in their originality.
- are widely accessible, both live and digital.
- ensure audiences have the opportunity to experience opera and music theatre as a multi-disciplinary artform that has the capacity to embrace an increasingly broad range of musical and theatrical languages.
- expand the musical and operatic experience and expectations of current audiences and develop a taste for the new and unexpected.
- deliver an unforgettable experience.

We:

- stimulate innovation and provoke change in the way opera is made and the artists who make it.
- create new programmes that set out to break the barriers that exist around opera that prevent artists from the broadest range of backgrounds and identity from participating.
- deliver new work that is defined by excellence and accessibility.
- work with an increasingly diverse range of freelancers in senior roles, in order to bring their skills and experience to MTW and participate in our continual development.
- seek support that will bolster the statutory funding we receive and maximise the impact and effectiveness of this funding, enabling us to continue to generate new work, to support artist development, deliver performance and engagement work and develop new performance opportunities.
- build new relationships that extend our capacity to create new work and reach more people.

Measures of success

- In November 2020 Philip Venables won the Best New Stage Work IVOR for Denis & Katya - an MTW commission and production. This followed on from the glowing reviews received by Denis & Katya including 5* in The Times and audience feedback on social media: "Putting it rather emotionally, it's nice to have lived long enough at the age of 85 to see something really as good as that." "What I love about this was that it was new, it was modern. It was a new take on opera. It was about social media; it was about young people." "I was sitting there with my mouth open through the performance - I was gobsmacked" (translated from Welsh).
- April 2020 Opera Magazine review of Denis & Katya: "Venables and Huffman's opera can be seen as homage to the young pair, but its significance lies rather in its examination of an issue at the heart of present-day society: the role of social media, its antisocial element and the question of corporate culpability."
- We were commissioned by HOME - a producing contemporary theatre in Manchester - to make a digital work under lockdown conditions. It was significant to be recognised by a theatre as a contemporary arts producer as opposed to simply an opera company.
- We commissioned two artists of colour to create AMAZON - Alex Ho and Elayce Ismail. They created a short digital work for the Homemakers series at HOME in Manchester and for the London Sinfonietta Youtube channel.
- Wales Art Review printed an in-depth interview with Michael McCarthy on the future of MTW and opera in the UK in January 2021.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Measures of success - continued

- April 2021 - We received positive Press reaction to the streaming of the opera we had co-commissioned in Welsh in collaboration with Theatr Genedlaethol Cymru: Y Twr by Guto Puw and Gwyneth Glyn. "A real tour de force of performance and ultimately rather moving" Planet Hugill; "the direction by Michael McCarthy is exceptional... those musical motifs by Guto Puw, the rhythm, the lullaby, those lyrical moments - there are so many. And the emotions by the characters are very effective, we see Caryl in tears, the fright on Gwion's face, all very credible." BBC Radio Wales; "The opera is sobering and it is apposite. [The play] may have been written in the 70s, and premiered pre-Covid, but watching now when, for the past year, our lives have shrunk and we have been forced to think about priorities, makes it all the more moving." Wales Arts Review
- We created the new role of Artistic Associate to lead on New Directions. We were delighted when Elayce Ismail accepted the role, placing a black artist in a senior position at the heart of MTW.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and the trustees consider how planned activities will contribute to the aims and objectives they have set.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

From April 2020 through to the end of March 2021 no indoor performances were possible due to Covid-19. The immediate implications were the loss of just one performance of the production we had on tour as the Pandemic developed - Denis & Katya by Philip Venables and Ted Huffman, sadly in our home city Cardiff where we were expecting a large audience. We were also forced to suspend the planned production and tour of Violet which was due to open in June 2020 and continue touring in the autumn of 2020. We wanted to do our best to honour our commitment to the freelance artists and staff we had contracted to these projects, and paid the entire Denis & Katya company their full fees and made a contribution to the company of Violet. These financial gestures were warmly greeted.

At the point of lockdown we had also just embarked on our Young Person's Creative and Consultation Programme, inspired by the content of Denis & Katya. Fortunately, the team leading the project quickly agreed to move it online and after a few adjustments, managed to deliver an inspiring and hugely beneficial project - for the young participants and for the participating professional composers/music makers who also experienced unexpected artistic development. This project has inspired the creation of a new programme - Future Directions (see below) and culminated in a short video that captured the spirit and impact of the project which we shared online.

As production and planning drew to a halt, we put two staff on the government furlough scheme - our Marketing and Communications Officer, who subsequently found new employment and resigned from MTW, and our Artistic Administrator and Company Manager whose work was in total suspense. Our Chief Executive, Artistic Director and Office Manager (whose work had become increasingly central) continued working from home. Our freelance PR Officer initially attended weekly online meetings but also decided to stop.

Our initial focus at the start of lockdown was to do our utmost to guarantee the production and tour of Violet. We had already generated sufficient private income to deliver this production, most of which we had already received, and we had a production team and cast in place ready to start. At the point of lockdown we also had two co-producers in place - Britten Pears Arts in Snape and Theater Magdeburg in Germany. The first idea was to open Violet in September 2020 where we had a week-long run provisionally booked at the Linbury Theatre in the Royal Opera House ('ROH'), followed by a short tour. However, it soon became clear that September was not realistic and that ROH's plans were thrown into disarray, so we agreed to find another solution. The next plan was to move the entire production to April 2021, opening in Snape and performing at Hackney Empire in London as a replacement for the Linbury. As the year wore on and further lockdowns and greater uncertainty loomed, we realised that even this plan was far from safe. We did not want to risk the considerable financial loss or personal impact on all the company that would happen if we invested in the rehearsal only to discover we could not perform. We considered creating a combined digital and live event, where we created a digital film that could be presented online as a pre-recorded document, with a full sound recording of the opera, or which could be presented with a concert performance of the opera if we could perform to a live audience. In the end, the creative team and producing companies agreed that the opera would be best served by delaying it until we were confident we could perform it live as it had been intended. The only option was to mount the production at the Aldeburgh Festival in June 2022 and to present a tour immediately following this. One major casualty of this process of delay was the loss of our co-commissioner and co-producer Theater Magdeburg. The financial loss was not significant, but we were sad to lose the opportunity to present the production in Europe. As things stand in May 2021, Violet is scheduled for performance in June 2022, opening at the Aldeburgh Festival. We have retained the full creative team and signed off on the design. Two members of the original cast are no longer available and auditions are being arranged.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The most significant change for MTW resulting from this two-year postponement is that we will no longer continue as lead producer for Violet, with our co-producer Britten Pears Arts taking on this responsibility. This change resulted from our decision to revise the future work of MTW and re-structure the company in response to the changing cultural climate, the changes we had already seen to our support from Arts Council England ('ACE') and the policy changes we are seeing from Arts Council Wales ('ACW'). MTW will however still be producing and presenting the tour.

The work that led us towards the new vision for MTW came early in lockdown as a result of the Manchester venue HOME commissioning us to produce a short digital work for their lockdown programme titled Homemakers - where all the pieces were being created by artists who were working from their own homes. For this piece MTW commissioned the composer Alex Ho and theatre maker Elayce Ismail to collaborate on a work which told some kind of story and which had music at its centre. These artists had not met before and were not aware of each other's work, but Michael McCarthy knew them both and had taken an interest in their work. The resulting digital work AMAZON is a finely crafted piece with Elayce Ismail as writer, narrator and animator and Alex Ho as composer using only found objects around his house with no conventional instruments. MTW also invited associate company the London Sinfonietta to collaborate as co-commissioner, despite the fact it did not include the performance of any musician. Our original agreement was for AMAZON to be presented on the HOME website until the end of 2020. MTW and London Sinfonietta were so pleased with it that it was also shown as part of a day of digital performance presented by London Sinfonietta in October 2020 preceded by a live conversation about the creation of the work. We are proud and delighted that AMAZON is now included in the London Sinfonietta YouTube channel as a free-to-view event.

The creation of AMAZON provided us with a new model for making work from artists we wanted to collaborate with but who may not yet be ready for a full opera. We had previously devised a programme called New Directions that set out to create new pieces through a workshop programme, seeking artists who would be new to opera, but this was an expensive programme and it was not looking like it was realisable. Coming at the same time as Black Lives Matter, AMAZON was being created by diverse artists, both of whom had come to MTW's attention because of their talent. With the opportunity to commission them to actually create a work that was far less costly than the original workshop programme, we realised we could apply this to a development initiative that specifically invited diverse artists to work with us to explore not just who makes new opera but what new opera might become if we embrace the work of established composers and writers who are not from the same stable. In this way we will develop our work, develop our audiences and establish a new role for the company in developing opera as a contemporary artform - true to our origins, building on our skills and experience and true to the times we now live in.

As a result of working on AMAZON we devised a new version of New Directions to work with artists who have been ignored or excluded by opera, predominantly Black, Asian and ethnically diverse artists and disabled artists. To give the programme integrity and to bring the appropriate experience and insight to MTW, we have created the new role of Artistic Associate to lead the programme, a role that was immediately taken by Elayce Ismail. Following an intense period of research into potential artists, New Directions will start with three short digital commissions created by artistic pairings we have put together and we are especially delighted that three of the artists live in Wales. These works will be presented online in September 2021, followed by further commissions including digital and live performance in 2023, with the long term aim being that New Directions artists will be creating new touring work for MTW in the future.

Alongside New Directions we have created a second new programme, inspired by the work we did with young people on the Denis & Katya project - <https://vimeo.com/461879859>. With Future Directions we will bring young people together with professional composers and music makers to collaborate and learn from each other as they create a filmed operatic work. This work will feedback directly to the company, inspiring and informing our future work.

Together, New Directions and Future Directions will form the centre of MTW's work and will become the creative source of our future performance work, enabling us to directly engage with new communities and generate a new audience and new level of engagement in opera and music theatre as a creative form.

Having chosen to focus on New Directions and Future Directions, and move away from the major undertaking of commissioning, producing and touring opera productions until we are in a position to do this with new work that truly responds and speaks to a much broader audience than we have tended to attract, we needed to re-structure the company.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

It was already becoming clear to us that we had built an unsustainable level of overheads and we were concerned that even though we had a relatively small staff, it needed to be re-shaped and reduced. The one sticking point was the production of Violet, but when we realised we could ask our co-producers to take on the role of lead producer, leaving us with the task of presenting the tour, then it became possible to re-image how we would work. As a result, MTW has a completely new structure, with Michael McCarthy taking on the role of Director, working with a new part time post of General Manager and a part time Digital Content and Audiences Manager. All other staff will be freelance, including our Artistic Associate who is leading on New Directions, and the Creative Producer leading on Future Directions. This means we have had to make the posts of Chief Executive and Artistic Administrator redundant and lose the roles of Office Manager and Marketing and Communications Officer, after both employees had left the company for other employment. To make sense of this re-scaling and further reduce overheads, we have moved to a smaller office at Chapter Arts Centre, saving on significant costs for rent, rates, services and IT support. We have also closed our stores, giving the critical touring equipment we had built up over the years to our partners at Britten Pears Arts, ensuring it remains available to other new opera producers, and distributing all the other theatrical supplies to community companies and freelancers. All of the store or office equipment and furniture that we no longer needed has been recycled, with none of it going to landfill. Our overheads have now been reduced by almost 50% compared to 2019-20, and we have increased flexibility to respond to further changes and the capacity to contract freelancers to leading roles within the company as and when we need them.

This new vision for the company means that we no longer believe it is necessary to secure a partnership with another, larger opera company. By moving our work away from producing and touring, to a much deeper and creative form of engagement from which new works will emerge, we no longer need the overheads and producing capacity we had envisaged. By staying independent and much smaller, we have created a new level of resilience that will strengthen MTW as we go forward and removes the vulnerability that dependence on another organisation would bring.

It is our firm belief that this critical and radical re-thinking of MTW puts the company in a much stronger position going forward. We are fully embracing the changes of policy required from us by our principle funders ACW, and we are laying the foundations for a company that will be much more representative of society and will operate with much greater flexibility as we learn from each project and collaborate with an increasingly diverse roster of artists and staff.

This work has contributed to the aims and objectives in the following ways:

- Created a new digital work that has opened up creative options for additional artists.
- Our work with young people has led to the creation of a new programme which will increase the participation, understanding and engagement in opera.
- We have committed to producing the new opera Violet ensuring the work we have commissioned and the artists and staff we have invited to participate is fulfilled.
- We are taking active steps to increase the diversity of our core team and have contracted Elayce Ismail to the role of Artistic Associate.
- We are developing the participation in opera of black, Asian and ethnically diverse artists.
- We continue to develop and seek new partners with whom we can create new work.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Financial review

The statement of financial activities is set out on page 9 of the financial statements. A summary of the financial results and the work of the company are set out below.

Results

In the year to which this report relates, we raised and earned income, including Theatre Tax Relief, totalling £350,324 and incurred expenditure in the year of £287,647, giving a surplus of £62,677. We achieved a year-end position of £239,435, £79,478 of which is restricted for future expenditure on the new production of Violet. As a result of Covid, the company is in the unusual position of having received financial support relating to Violet well in advance of the premiere of the production, and the company's cash position at the year-end reflects this. In addition to the £79,478 of restricted income at the year end, a further £110,000 of expenditure is committed to the production and tour of Violet in 2022.

Investment and Management policy

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

Reserves policy

We have continued the process of building up our reserves. At 31 March 2021, the level of unrestricted reserves are £159,957. Excluding fixed assets of £3,782 and designated funds of £60,000, the level of free reserves is £96,175.

FUTURE PLANS

We aim to be flexible and responsive to the changing world around us, working with creative artists who are interested and experienced in working in opera and music theatre in all its various forms, and in the evolution of the artform itself. In the face of questions being raised around the disconnect between the interests of diverse and younger audiences and the stories told within much of the classical opera canon, we are re-thinking what our work is, who it's for and how we make it.

The Covid-19 pandemic has required us to make major adjustments to our plans and we are continuing to not only move the work we had planned to more viable dates, but also take the opportunity to re-design how we operate. This includes accommodating loss of funding from Arts Council England and preparing for the forthcoming Investment Review by the Arts Council of Wales, due to commence in autumn 2021 for implementation in April 2023.

We believe we now have the structure and artistic mission that will sustain the relevance of MTW and the investment of ACW in our work. We have a secure plan in place for activity up to the end of March 2023 and are now in the process of creating a programme that will take us to the end of 2025-26.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Music Theatre Wales is a company limited by guarantee and a registered charity. Its governing documents are its Memorandum and Articles of Association, adopted on incorporation in 1993 and amended by special resolution in December 2017.

Recruitment and appointment of new trustees

Trustees are appointed or removed or retire by resolution of the trustees at Board meetings or Annual General Meeting.

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board of Trustees administers the company. Day to day control of operations is delegated to the Director. He works closely with the General Manager. Freelance staff are contracted to provide specific services, including artistic lead on New Directions and the lead creative and producing role for Future Directions, as well as marketing (notably digital marketing), PR and other functions as necessary.

Induction and training of new trustees

New trustees are provided with information about the company and the opportunity to meet with the Chair and key employees. Trustees are also urged to make use of the training and advice available for trustees provided on-line by the Charity Commission.

Risk management

A risk register is in place. This identifies the types of risk the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risk. As part of this process the Board of Trustees will continue to review the adequacy of the company's internal controls and ensure they conform to guidelines issued by the Charity Commission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02815692 (England and Wales)

Registered Charity number

1039757

Registered office

Chapter Arts Centre
Market Road
Canton
Cardiff
CF5 1QE

Trustees

G Lewis	
A Kurowski	
R L John	resigned 5 February 2021
A P Followell	
J R Sturt	resigned 5 November 2020
C Bradwell	
C White	
C M Edwards	appointed 30 October 2020
L J Gray	appointed 2 November 2020
D P Rees	appointed 1 November 2020
P Scammell	appointed 28 October 2020

Senior management team

C Strachan	Chief Executive	resigned 13 January 2021
M McCarthy	Artistic Director / CEO	

Company Secretary

C Strachan	resigned 13 January 2021
C Tress	appointed 1 May 2021

MUSIC THEATRE WALES

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
31 Queen Street
Cardiff
CF10 5AG

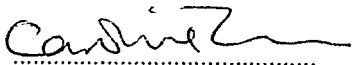
Solicitors

Geldards
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Independent examiner

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

Approved by order of the Board of Trustees on 1/10/21 and signed on its behalf by:



.....
C Tress - Secretary

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THEATRE WALES

Independent examiner's report to the trustees of Music Theatre Wales ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Julia Mortimer FCCA
Watts Gregory LLP
Chartered Accountants
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 10 November 2021

MUSIC THEATRE WALES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	256,917	28,991	285,908	394,339
Other trading activities	4	2,759	4,350	7,109	194,524
Investment income	5	52	-	52	129
Other income	6	<u>57,255</u>	<u>-</u>	<u>57,255</u>	<u>62,580</u>
Total		316,983	33,341	350,324	651,572
EXPENDITURE ON					
Raising funds	7	-	-	-	6,125
Charitable activities	8				
Advancing education of the public in the appreciation of new opera and music theatre		<u>247,574</u>	<u>40,073</u>	<u>287,647</u>	<u>812,692</u>
Total		247,574	40,073	287,647	818,817
NET INCOME/(EXPENDITURE)		69,409	(6,732)	62,677	(167,245)
Transfers between funds	19	<u>(7,316)</u>	<u>7,316</u>	<u>-</u>	<u>-</u>
Net movement in funds		62,093	584	62,677	(167,245)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>97,864</u>	<u>78,894</u>	<u>176,758</u>	<u>344,003</u>
TOTAL FUNDS CARRIED FORWARD		<u>159,957</u>	<u>79,478</u>	<u>239,435</u>	<u>176,758</u>

The notes form part of these financial statements

MUSIC THEATRE WALES

BALANCE SHEET
AT 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	15	3,782	-	3,782	5,638
CURRENT ASSETS					
Debtors	16	73,824	-	73,824	90,948
Cash at bank and in hand		<u>90,493</u>	<u>79,478</u>	<u>169,971</u>	<u>88,645</u>
		164,317	79,478	243,795	179,593
CREDITORS					
Amounts falling due within one year	17	(8,142)	-	(8,142)	(8,473)
NET CURRENT ASSETS					
		<u>156,175</u>	<u>79,478</u>	<u>235,653</u>	<u>171,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>159,957</u>	<u>79,478</u>	<u>239,435</u>	<u>176,758</u>
NET ASSETS					
		<u>159,957</u>	<u>79,478</u>	<u>239,435</u>	<u>176,758</u>
FUNDS					
Unrestricted funds	19			159,957	97,864
Restricted funds				<u>79,478</u>	<u>78,894</u>
TOTAL FUNDS					
				<u>239,435</u>	<u>176,758</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

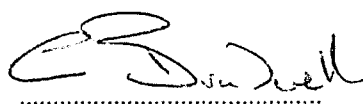
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved and authorised for issue by the Board of Trustees on11.03.21..... and were signed on its behalf by:



C Bradwell - Trustee

The notes form part of these financial statements

MUSIC THEATRE WALES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	84,326	(226,776)
Tax paid		<u>-</u>	<u>25,538</u>
Net cash provided by (used in) operating activities		<u>84,326</u>	<u>(201,238)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,052)	(2,232)
Sale of tangible fixed assets		-	2,844
Interest received		<u>52</u>	<u>129</u>
Net cash provided by (used in) investing activities		<u>(3,000)</u>	<u>741</u>
Change in cash and cash equivalents in the reporting period		81,326	(200,497)
Cash and cash equivalents at the beginning of the reporting period		<u>88,645</u>	<u>289,142</u>
Cash and cash equivalents at the end of the reporting period		<u>169,971</u>	<u>88,645</u>

The notes form part of these financial statements

MUSIC THEATRE WALES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	62,677	(167,245)
Adjustments for:		
Depreciation charges	2,628	2,569
Loss/(profit) on disposal of fixed assets	2,280	(2,844)
Interest received	(52)	(129)
Decrease/(increase) in debtors	17,124	(53,219)
Decrease in creditors	<u>(331)</u>	<u>(5,908)</u>
Net cash provided by (used in) operating activities	<u>84,326</u>	<u>(226,776)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	88,645	81,326	169,971
	<u>88,645</u>	<u>81,326</u>	<u>169,971</u>
Total	<u>88,645</u>	<u>81,326</u>	<u>169,971</u>

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. STATUTORY INFORMATION

Music Theatre Wales is a registered charity and private company limited by guarantee and has no share capital incorporated in Wales in the United Kingdom. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE. The nature of the charitable company's operations and principal activities is disclosed within the Report of the Trustees.

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

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

Going concern

As a result of the reshaping and refocussing of the company as discussed in the Report of the Trustees, we have been able to reduce the company's overheads and release more money to deliver the artistic vision. During 2022, the Arts Council of Wales will be undertaking a complete review of all funded organisations, a review which had been planned for 2020 but was delayed due to the coronavirus crisis. We have received indications that our funding from ACW will continue through 2021-22 and 2022-23 (actual levels of funding yet to be confirmed), with the new arts portfolio agreements, post Investment Review, beginning in April 2023.

2. ACCOUNTING POLICIES - continued

Income

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

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature 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 other trading activities includes income received under contract. 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 is recognised on a receivable basis.

Theatre Tax Relief income is recognised when the income can be reliably measured and the probability of future economic inflow is probable.

Other income is recognised on a receivable basis.

Expenditure

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

Expenditure on raising funds includes costs of fundraising, advertising, marketing and direct mail materials.

Expenditure on charitable activities comprises those costs incurred by the charity 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 charity and include the accountancy fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Fixed assets are initially recorded at cost, including the estimated cost of any donated assets.

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

Instruments and accessories	- 20% on a straight line basis
Fixtures and fittings	- 20% on a straight line basis
Office equipment	- 20% on a straight line basis

Taxation

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

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

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

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

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	1,270	11,712
Gift aid	2	2,105
Grants	<u>284,636</u>	<u>380,522</u>
	<u>285,908</u>	<u>394,339</u>

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

	2021	2020
	£	£
Arts Council of Wales	222,214	283,009
Mystrica Trust	-	5,000
The Boltini Trust	5,000	-
Colwinston Charitable Trust	-	25,000
Arts Council of Wales - Resilience	-	31,066
PRS Foundation	-	2,500
The Leche Trust	-	3,000
Stephen Oliver Trust	-	10,000
Opera Philadelphia	-	20,947
Fidelio Charitable Trust	2,000	-
Ernst von Siemens Music Foundation	21,119	-
The Marchus Trust	5,000	-
Cardiff County Council - business rate relief	10,000	-
Job Retention Scheme	<u>19,303</u>	<u>-</u>
	<u>284,636</u>	<u>380,522</u>

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Venue fees and programme sales	2,100	74,471
Co-production/commission fees	4,934	113,335
Other earned income	75	6,718
	<u>7,109</u>	<u>194,524</u>

5. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>52</u>	<u>129</u>

6. OTHER INCOME

	2021 £	2020 £
Gain on sale of tangible fixed assets	861	2,844
Theatre tax relief	<u>56,394</u>	<u>59,736</u>
	<u>57,255</u>	<u>62,580</u>

7. RAISING FUNDS

Raising donations and legacies

	2021 £	2020 £
Fundraising costs	<u>-</u>	<u>6,125</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	<u>56,385</u>	<u>231,262</u>	<u>287,647</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Production and performance	37,881	460,504
Sales and marketing	6,504	62,794
Commission fees	<u>12,000</u>	<u>39,840</u>
	<u>56,385</u>	<u>563,138</u>

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

10. SUPPORT COSTS

	Staff and associated costs £	Other £	Depreciation £	Governance costs £	Totals £
Advancing education of the public in the appreciation of new opera and music theatre	<u>167,737</u>	<u>55,526</u>	<u>5,769</u>	<u>2,230</u>	<u>231,262</u>

11. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Depreciation - owned assets	2,628	2,569
Deficit\surplus) on disposal of fixed asset	2,280	(2,844)
Independent examination fees	<u>2,000</u>	<u>2,000</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 or for the year ended 31 March 2020.

Trustees' expenses

Expenses of £Nil (2020: £256) were paid to one trustee in the year in respect of travel costs.

13. STAFF COSTS

	2021 £	2020 £
Wages and salaries	154,065	149,834
Social security costs	8,900	11,158
Other pension costs	<u>3,122</u>	<u>3,263</u>
	<u>166,087</u>	<u>164,255</u>

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

2021	2020
<u>4</u>	<u>5</u>

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

Total key management personnel remuneration paid in the year was £78,340 (2020: £50,520).

Termination payments of £20,820 (2020: £Nil) were paid in the year.

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	248,293	146,046	394,339
Other trading activities	81,189	113,335	194,524
Investment income	129	-	129
Other income	<u>62,580</u>	<u>-</u>	<u>62,580</u>
Total	392,191	259,381	651,572
EXPENDITURE ON			
Raising funds	6,125	-	6,125
Charitable activities			
Advancing education of the public in the appreciation of new opera and music theatre	<u>271,708</u>	<u>540,984</u>	<u>812,692</u>
Total	<u>277,833</u>	<u>540,984</u>	<u>818,817</u>
NET INCOME/(EXPENDITURE)	114,358	(281,603)	(167,245)
Transfers between funds	<u>(337,064)</u>	<u>337,064</u>	<u>-</u>
Net movement in funds	(222,706)	55,461	(167,245)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>320,570</u>	<u>23,433</u>	<u>344,003</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>97,864</u></u>	<u><u>78,894</u></u>	<u><u>176,758</u></u>

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

15. TANGIBLE FIXED ASSETS

	Instruments and accessories £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1 April 2020	46,614	4,368	12,979	63,961
Additions	-	674	2,378	3,052
Disposals	<u>(46,614)</u>	<u>(4,368)</u>	<u>(11,805)</u>	<u>(62,787)</u>
At 31 March 2021	<u>-</u>	<u>674</u>	<u>3,552</u>	<u>4,226</u>
DEPRECIATION				
At 1 April 2020	46,614	2,363	9,346	58,323
Charge for year	-	555	2,073	2,628
Eliminated on disposal	<u>(46,614)</u>	<u>(2,907)</u>	<u>(10,986)</u>	<u>(60,507)</u>
At 31 March 2021	<u>-</u>	<u>11</u>	<u>433</u>	<u>444</u>
NET BOOK VALUE				
At 31 March 2021	<u>-</u>	<u>663</u>	<u>3,119</u>	<u>3,782</u>
At 31 March 2020	<u>-</u>	<u>2,005</u>	<u>3,633</u>	<u>5,638</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	-	55,771
Other debtors	3,230	1,792
VAT	7,985	19,663
Prepayments and accrued income	<u>62,609</u>	<u>13,722</u>
	<u>73,824</u>	<u>90,948</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals and deferred income	<u>8,142</u>	<u>8,473</u>

18. LEASING AGREEMENTS

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

	2021 £	2020 £
Within one year	1,948	13,448
Between one and five years	<u>2,533</u>	<u>34,981</u>
	<u>4,481</u>	<u>48,429</u>

Operating lease payments recognised as an expense in the year were £13,448 (2020: £13,448).

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

19. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	37,864	69,409	(7,316)	99,957
Designated contingency fund	<u>60,000</u>	-	-	<u>60,000</u>
	97,864	69,409	(7,316)	159,957
Restricted funds				
Violet by Tom Coult	77,359	2,119	-	79,478
Denis & Katya Outreach	<u>1,535</u>	<u>(8,851)</u>	<u>7,316</u>	<u>-</u>
	78,894	(6,732)	7,316	79,478
TOTAL FUNDS	<u>176,758</u>	<u>62,677</u>	<u>-</u>	<u>239,435</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	316,983	(247,574)	69,409
Restricted funds			
Violet by Tom Coult	32,469	(30,350)	2,119
Denis & Katya Outreach	<u>872</u>	<u>(9,723)</u>	<u>(8,851)</u>
	33,341	(40,073)	(6,732)
TOTAL FUNDS	<u>350,324</u>	<u>(287,647)</u>	<u>62,677</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted Funds				
General fund	260,570	114,358	(337,064)	37,864
Designated contingency fund	<u>60,000</u>	-	-	<u>60,000</u>
	320,570	114,358	(337,064)	97,864
Restricted Funds				
Violet by Tom Coult	23,433	53,926	-	77,359
Intelligence Park	-	(232,997)	232,997	-
Denis & Katya	-	(104,067)	104,067	-
Denis & Katya Outreach	<u>-</u>	<u>1,535</u>	<u>-</u>	<u>1,535</u>
	23,433	(281,603)	337,064	78,894
TOTAL FUNDS	<u>344,003</u>	<u>(167,245)</u>	<u>-</u>	<u>176,758</u>

MUSIC THEATRE WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

19. 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	392,191	(277,833)	114,358
Restricted funds			
Violet by Tom Coult	86,835	(32,909)	53,926
Intelligence Park	81,792	(314,789)	(232,997)
Denis & Katya	75,679	(179,746)	(104,067)
Denis & Katya Outreach	<u>15,075</u>	<u>(13,540)</u>	<u>1,535</u>
	259,381	(540,984)	(281,603)
TOTAL FUNDS	<u>651,572</u>	<u>(818,817)</u>	<u>(167,245)</u>

Violet by Tom Coult

Funding has been received this year and last year towards the costs of the production "Violet" and the associated touring costs of England and Wales.

Denis & Katya Outreach

Funding has been received this year and last year towards the young people's consultation and creation project - Denis & Katya Outreach.

Prior year

Intelligence Park

Funding has been received towards the costs of the production "Intelligence Park".

Denis & Katya

Funding has been received towards the costs of the production "Denis & Katya".

Transfers between funds

A transfer of £7,316 has been made from the general fund to the Denis & Katya Outreach fund to clear the deficit incurred on the production.

20. RELATED PARTY DISCLOSURES

Donations of £Nil (2020: £600) were received from trustees in the year.

During the year no (2020: £100) expenditure was incurred in relation to translation services rendered by trustee, G Lewis for Denis & Katya, there was no balance outstanding at year end (2020: £100).

There were no related party transactions requiring disclosure in the year ended 31 March 2021.