

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

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 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

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#### 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

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#### 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

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#### 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**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Bankers**

Lloyds Bank  
31 Queen Street  
Cardiff  
CF10 5AG

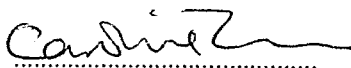
**Solicitors**

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

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### 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 £
<b>INCOME AND ENDOWMENTS FROM</b>					
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>
<b>Total</b>		<b>316,983</b>	<b>33,341</b>	<b>350,324</b>	<b>651,572</b>
<b>EXPENDITURE ON</b>					
Raising funds	7	-	-	-	6,125
<b>Charitable activities</b>	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>
<b>Total</b>		<u>247,574</u>	<u>40,073</u>	<u>287,647</u>	<u>818,817</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>69,409</b>	<b>(6,732)</b>	<b>62,677</b>	<b>(167,245)</b>
Transfers between funds	19	<u>(7,316)</u>	<u>7,316</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>62,093</b>	<b>584</b>	<b>62,677</b>	<b>(167,245)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>97,864</u>	<u>78,894</u>	<u>176,758</u>	<u>344,003</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>159,957</u></b>	<b><u>79,478</u></b>	<b><u>239,435</u></b>	<b><u>176,758</u></b>

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 £
<b>FIXED ASSETS</b>					
Tangible assets	15	3,782	-	3,782	5,638
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	17	(8,142)	-	(8,142)	(8,473)
<b>NET CURRENT ASSETS</b>		<u>156,175</u>	<u>79,478</u>	<u>235,653</u>	<u>171,120</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>159,957</u>	<u>79,478</u>	<u>239,435</u>	<u>176,758</u>
<b>NET ASSETS</b>		<u>159,957</u>	<u>79,478</u>	<u>239,435</u>	<u>176,758</u>
<b>FUNDS</b>	19				
Unrestricted funds				159,957	97,864
Restricted funds				<u>79,478</u>	<u>78,894</u>
<b>TOTAL FUNDS</b>				<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.

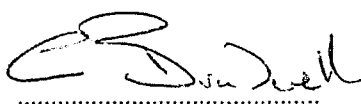
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

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 on .....11.10.21..... 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**

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	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	84,326	(226,776)
Tax paid		<u>-</u>	<u>25,538</u>
<b>Net cash provided by (used in) operating activities</b>		<u>84,326</u>	<u>(201,238)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(3,052)	(2,232)
Sale of tangible fixed assets		-	2,844
Interest received		<u>52</u>	<u>129</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(3,000)</u>	<u>741</u>
<b>Change in cash and cash equivalents in the reporting period</b>		81,326	(200,497)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>88,645</u>	<u>289,142</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<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	(331)	(5,908)
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

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#### 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.

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

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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.



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
Mystica 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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
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>
<b>Total</b>	392,191	259,381	651,572
 <b>EXPENDITURE ON</b>			
Raising funds	6,125	-	6,125
<b>Charitable activities</b>			
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>
<b>Total</b>	277,833	540,984	818,817
 <b>NET INCOME/(EXPENDITURE)</b>	114,358	(281,603)	(167,245)
<b>Transfers between funds</b>	<u>(337,064)</u>	<u>337,064</u>	<u>-</u>
<b>Net movement in funds</b>	(222,706)	55,461	(167,245)
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	320,570	23,433	344,003
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u>97,864</u>	<u>78,894</u>	<u>176,758</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 £
<b>COST</b>				
At 1 April 2020	46,614	4,368	12,979	63,961
Additions	-	674	2,378	3,052
Disposals	(46,614)	(4,368)	(11,805)	(62,787)
At 31 March 2021	-	674	3,552	4,226
<b>DEPRECIATION</b>				
At 1 April 2020	46,614	2,363	9,346	58,323
Charge for year	-	555	2,073	2,628
Eliminated on disposal	(46,614)	(2,907)	(10,986)	(60,507)
At 31 March 2021	-	11	433	444
<b>NET BOOK VALUE</b>				
At 31 March 2021	-	663	3,119	3,782
At 31 March 2020	-	2,005	3,633	5,638

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	62,609	13,722
	<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 £
<b>Unrestricted funds</b>				
General fund	37,864	69,409	(7,316)	99,957
Designated contingency fund	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	97,864	69,409	(7,316)	159,957
<b>Restricted funds</b>				
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
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	316,983	(247,574)	69,409
<b>Restricted funds</b>			
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)
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted Funds</b>				
General fund	260,570	114,358	(337,064)	37,864
Designated contingency fund	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	320,570	114,358	(337,064)	97,864
<b>Restricted Funds</b>				
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
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	392,191	(277,833)	114,358
<b>Restricted funds</b>			
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)
<b>TOTAL FUNDS</b>	<u><u>651,572</u></u>	<u><u>(818,817)</u></u>	<u><u>(167,245)</u></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.