

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**

	Page
Report of the Trustees	1 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 17
Detailed Statement of Financial Activities	18 to 19

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.

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	7				
Advancing education of the public in the appreciation of new opera and music theatre		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

- 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
and were signed on its behalf by:


C Bradwell - 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 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	1,500	-
	<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	-	-	-
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).

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

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
	159,957	87,142	-	247,099
Restricted funds				
Violet by Tom Coult	79,478	(28,839)	-	50,639
Future Directions	-	11,212	-	11,212
	79,478	(17,627)	-	61,851
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
	21,500	(39,127)	(17,627)
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
	97,864	69,409	(7,316)	159,957
Restricted funds				
Violet by Tom Coult	77,359	2,119	-	79,478
Denis & Katya Outreach	1,535	(8,851)	7,316	-
	78,894	(6,732)	7,316	79,478
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>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	114	111
	<u>19,799</u>	<u>55,526</u>
Depreciation		
Depreciation	845	2,628
Loss on sale of tangible fixed assets	2,937	3,141
	<u>3,782</u>	<u>5,769</u>
Governance costs		
Independent examination fees	2,000	2,000
Board expenses	294	230
	<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