SHERMAN CYMRU

England & Wales · Charity number 1118364

Details

Other names	CONTEMPORARY THEATRE & NEW WRITING COMPANY
Status	Registered
Legal form	Charitable company
Company number	06002090
Registered	2007-03-13
Register	View on the Charity Commission register

Contact

Address	Sherman Theatre Senghennydd Road Cardiff CF24 4YE
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Activities

Objects: 3. OBJECTSTHE OBJECTS OF THE CHARITY ARE TO PROMOTE AND ENCOURAGE ART AND IN PARTICULAR PERFORMING ART FOR THE BENEFIT OF THE PUBLIC BY THE DEVELOPMENT, PRODUCTION AND PRESENTATION OF NEW WRITING OR WORKS OF ANY FORM, THE PROVISION OF THEATRE FACILITIES AND THE ADVANCEMENT OF EDUCATION OF CHILDREN, YOUNG PERSONS AND ADULTS BY PARTICIPATION IN THE EXPERIENCE OF THEATRE, DRAMA AND THE PERFORMING ARTS.3. AMCANION AMCANION YR ELUSEN YW HYRWYDDO AC ANNOG CELFYDDYD AC YN ENWEDIG CELFYDDYD PERFFORMIO AR GYFER BUDD Y CYHOEDD DRWY DDATBLYGU, CYNHYRCHU A CHYFLWYNO YSGRFENNU A GWEITHIAU NEWYDD O UNRHYW FATH, DARPARU CYFLEUSTERAU THEATR A HYRWYDDO ADDYSG PLANT, POBL IFANC AC OEDOLION DRWY GYMRYD RHAN YN Y PROFIAD O THEATR, DRAMA A'R CELYDDYDAU PERFFOMIO.

Activities: The objects of Sherman Cymru are to promote and encourage art and in particular performing art for the benefit of the public by the development, production and presentation of new writing or works of any form, the provision of theatre facilities and the advancement of education of children, young persons and adults by participation in the experience of theatre, drama and the performing arts.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,623,815	£2,768,067	£3,762,543	31
2024-03-31	£2,594,213	£3,055,655	£3,906,795	35
2023-03-31	£2,412,140	£2,611,206	£4,368,237	38
2022-03-31	£1,988,070	£2,253,711	£4,567,303	29
2021-03-31	£2,212,944	£1,862,449	£4,832,944	25

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Trustees

Name	Role	Appointed
Alexander Samuel Hicks		2023-03-06
Ceri John Davies		2018-04-30
Darren Edward Joyce		2025-03-03
Dr Marta Minier		2021-06-14
Eira Janice Lane		2025-03-03
Helen Ramonde Vallis		2018-05-01
Huw Thomas		2021-06-14
Iftakhar Khan		2022-01-25
Jane Tyler		2023-03-06
Lauren Grace Hamilton		2025-03-03
Llinos Daniel		2019-06-14
Louise Elizabeth Thomas		2023-03-06
Rhian Elizabeth Head		2021-12-13
Roger Tomlinson		2025-03-03

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SHERMAN CYMRU

England & Wales - Charity number 1118364

Accounts

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2025

HSJ Audit Ltd
Severn House
Hazell Drive
Newport
NP10 8FY

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The objects of Sherman Cymru are to promote and encourage art and in particular performing art for the benefit of the public by the development, production and presentation of new writing or works of any form, the provision of theatre facilities and the advancement of education of children, young persons and adults by participation in the experience of theatre, drama and the performing arts.

Our Mission:

To create and curate shared live theatre experiences that inspire people from all backgrounds across South Wales and beyond to make a better world. We believe that access to creativity and self-expression is a right and we strive every day to ensure everyone has the opportunity to be enriched by the art of theatre.

Our Artistic Vision:

Imagine a world made more equitable, more compassionate, more unified by the power of theatre. We are driven to achieve this vision every day. We do this by creating and curating shared live theatre experiences that inspire people from all backgrounds across South Wales to make a better world, in their own way. We believe that access to creativity and self-expression is a right and we constantly strive to ensure everyone has the opportunity to be enriched by the art of theatre.

Our focus on the development and production of new writing, and on nurturing Welsh and Wales-based artists makes us the engine room of Welsh theatre. We tell Welsh stories with global resonance through our Made at Sherman productions, created under our roof in the heart of Cardiff. We're a place for everyone, generating opportunities for the citizens of South Wales to connect with theatre through inspiring and visionary engagement.

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissioners' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The company's strategic aims are:

a. To create and curate exceptional, exciting, high quality theatre experiences in Welsh and English for the enjoyment and stimulation of all ages and backgrounds
b. As a truly bilingual organisation, to make a meaningful and impactful contribution to the Welsh Government's aim of reaching 1 million Welsh speakers by 2050
c. To grow and diversify our audience, increasing our annual average capacity by 8% from the pre-pandemic average of 67% to an average of 72% by the end of 2026/27
d. To strengthen the Sherman's reputation as an iconic, welcoming public building and creative hub in the centre of Cardiff for the local and Wales-wide community
e. To cultivate and nurture a new, diverse generation of theatre makers and arts leaders
f. To work in partnership to engage young people, including those from socially excluded and disadvantaged backgrounds, in high quality, affordable activities in a wide range of theatre making disciplines to help develop their creative, social, personal and economic potential
g. To ensure we have a fully supported workforce and leadership team which is as diverse as the city we represent
h. To grow our digital understanding and capacity and develop new ways of working that exploit modern technologies for artistic, strategic, commercial, communication, and operational purposes
i. To exploit the Sherman's work nationally and internationally for the purpose of building audiences, reputation, and where appropriate, commercial gain
j. To reduce Sherman Theatre's long-term impact on the environment and to aspire to become a model of practice for other arts organisations
k. To maintain a financially stable company and develop a commercially viable and sustainable income generation model which will grow year-on-year across the period of this plan

Each aim has two or three key objectives and three-to-five-year outcomes all contained within the Company Business Plan.

ACHIEVEMENTS AND PERFORMANCE

2024-25 was another successful year for Sherman Theatre. Throughout the year we continued to make and curate uplifting theatre which resonated deeply with ever increasing audiences and was met with acclaim.

We created 4 world premiere productions of plays by Welsh and Wales-based writers. We gave 204 performances of Made at Sherman productions. We staged 7 Made at Sherman productions in total, all created on site at the Sherman, in Cathays, Cardiff. We toured 2 productions across Wales.

Through these events and productions we re-engaged with lapsed audiences and engaged with new audiences which saw overall capacity increase from a pre-pandemic (2019-20) level of 65%, to 67% in 2023-24, and 72% in 2024-25. And for Made at Sherman productions, capacity increased from 67% in 2019-20 to 76% in 2024-25.

We saw record-breaking runs through *Odyssey '84* and *A Christmas Carol*. Whilst over 14,500 children experienced exceptional theatre at the Sherman during Christmas 2024.

- The theatre was nominated for Theatre of the Year at The Stage Awards 2025 for the second consecutive year.
- The theatre was shortlisted in the Sky Arts Awards 2024 – Theatre category.
- Azuka Oforka, writer of *The Women of Llanrumney*, won Best Writer at The Stage Debut Awards 2024.
- *The Women of Llanrumney* was selected in The Stage's list of the top 50 best shows of 2024.
- Joe Murphy and Julia Barry included in The Stage 100 – list of the most influential people in the theatre industry.

SHERMAN THEATRE PRODUCTIONS

Our 2024-25 programme saw a number of exciting productions, tours, new writing, stories rooted within our city.

***The Women of Llanrumney* by Azuka Oforka**
Written by Azuka Oforka, a debut writer who emerged from the Sherman Theatre Unheard Voices programme established by the Literary Team in 2021. This blistering new play, directed by Patricia Logue and featuring a cast including Suzanne Packer, Nia Roberts and Matthew Gravelle garnered overwhelming audience and critical response.

"marks Oforka as an urgent and important voice in Welsh theatre."
****** The Guardian*

"soars in its boldness, a spectacular staging by Patricia Logue."
***** The Stage*

The Women of Llanrumney achieved 100% of target and 100% of survey respondents reported that the production was Good or Very Good. The production was also picked up by Theatre Royal, Stratford East for a revival in 2025.

"Conceptually brilliant, with complex characters and a fearless cast, Azuka Oforka's debut play is a remarkable examination of women under colonialism with contemporary resonance."
****** The Guardian*

RWCMD NEW: *Couple Goals* by Rhiannon Boyle – a co-production with Royal Welsh College of Music and Drama.
Our 9th collaboration with Royal Welsh College of Music and Drama's NEW Festival was ***Couple Goals*** by Rhiannon Boyle. The production played at RWCMD as well as at The Yard in London.

***O.G. Prince of Wales* – supported by National Theatre Wales**
In September 2024 we presented a Concert Performance of ***O.G. Prince of Wales***, a new musical by Seiriol Davies. An original co-commission between Sherman Theatre and National Theatre Wales. NTW supported this enhanced R&D phase which culminated in a public concert performance at Sherman Theatre.

***Iphigenia yn Sblot* - a new Welsh language adaptation of Gary Owen's play, supported by Eisteddfod Genedlaethol Cymru.**
This production opened at the National Eisteddfod in Pontypridd in August 2024 prior to a run at Sherman Theatre and an extensive three-week tour across Wales to the following venues:

- The Arts Wing, Swansea Grand Theatre
- The Met Theatre, Abertillery
- Ffwrnes, Llanelli
- Awel Y Mor, Porthcawl
- Mwldan, Cardigan
- Torch Theatre, Milford Haven
- Theatr Soar, Merthyr Tydfil
- Theatr Brycheiniog, Brecon
- Aberystwyth Arts Centre
- Neuadd Dwyfor, Pwllheli
- Galeri, Caernarfon

All performances were in Welsh, with English language surtitles to support Welsh learners and non-Welsh speakers.

"Emotional, visceral Welsh language adaptation of a modern classic."
***** The Stage*

***Odyssey '84* by Tim Price**
Odyssey'84 demonstrated the appetite of Sherman audiences, existing and new, to see new writing on the main stage. Presented during the 40th anniversary year of the miners' strike, ***Odyssey '84*** by Tim Price and directed by Joe Murphy, allowed us to showcase the very best of Welsh talent both on and off the stage.

A very targeted communications and engagement campaign ensured a wide reach for the production to new audiences from a greater geographical area:

- 39% of bookers were new to Sherman Theatre
- 49% of bookers came from outside of Cardiff
- 96% of survey respondents reported that *Odyssey '84* was good or very good

"...directed with an abundance of heart by Joe Murphy."
******** The Telegraph***

***Little Red Riding Hood / Yr Hugan Fach Goch* by Katie Elin-Salt, with translation by Lily Beau – supported by Theatr Cymru**
This is our regular Christmas production for younger audiences (3-6 years) and their families, performed in Welsh and English with specific provision for Relaxed Performances as well as a BSL interpreted performance. ***Little Red Riding Hood / Yr Hugan Fach Goch*** was directed by Alice Eklund. For the second year there was a Welsh language trainee Assistant Director role fulfilled by Elin Phillips.

This production opened at the Sherman in early November prior to touring to venues throughout SE Wales for three weeks in November 2024 and then returning to finish the run in the Sherman Studio over the Christmas period. At the Sherman the production played to an overall audience of 7,985 (compared to 7,496 in 2023).

***A Christmas Carol* by Gary Owen, a revival of the 2021 production**
We revisited Gary Owen's ***A Christmas Carol***, directed by Joe Murphy, which was originally created in 2021 during the pandemic. Due to the conditions under which it was made and presented in 2021, it was recognised that there were many audiences who hadn't had the opportunity to experience it. It was also noted that those audiences who had seen it previously had responded overwhelmingly positively and would potentially make return visits.

A Christmas Carol (2024) became the highest grossing and most attended show in the Sherman's recent history.

- 41% of bookers were new to Sherman Theatre
- 52% of bookers came from outside of Cardiff

PRODUCTIONS SUPPORTED BY SHERMAN THEATRE

Throughout the course of the year enhanced support has been offered to a number of productions made by Welsh companies:

***Polly and Esther* – the Sherman, Pleasance Edinburgh National Partnership show**
In 2024 Sherman Theatre again worked with the Pleasance as the Welsh venue partner for their Edinburgh National Partnership programme. The show was very well received in Edinburgh and met its sales targets. In addition, Polly and Esther secured a number of additional, paid performance and appearance opportunities across the Festival. Subsequent to their run at the Fringe, Polly and Esther were invited to take the show to Adelaide Fringe Festival in Australia in 2025.

***Splinter* – a production by Red Oak, Sherman Theatre Company in Residence**
Splinter was the first production by Red Oak Theatre Company, one of Sherman Theatre's Companies in Residence. As Company in Residence, the Red Oak team had full access to props and set building resources as well as support from the Literary team, Marketing, Fundraising and Production elements of the Sherman.

***The Misadventures of Pinocchio, The Robot Girl!* by The Bohemians**
In June 2025, the Sherman offered enhanced support to The Bohemians Theatre Company and their actor-musician production of ***The Misadventures of Pinocchio, The Robot Girl!*** This new production not only aligned with the Sherman tradition of actor-musician shows for children and families, but importantly also had a focus on climate change. The team were supported in a variety of areas including the loan of the Sherman van for the tour, and marketing and fundraising support.

CURATED PROGRAMME

FAMILY WORK:
The Bohemians Theatre Company opened their show, ***The Misadventures of Pinocchio: The Radical Robot Girl!*** in the Studio, prior to a tour across Wales.

During the summer, we presented two Welsh language productions for children in the Main House, ***Deiann a Loli*** by Cwmni Fran Wen, and ***Cerdyn Post o Wlad Y Rwla*** from Arad Goch.

Birmingham Stage Company brought the ever-popular ***Horrible Histories: Rotten Royals*** to the Main House in July 2024 for four performances.

In spring 2025 Theatr Iolo rehearsed and opened their show ***Tidy/Taclus*** at Sherman Theatre. Presenting such high quality work for younger audiences, in both Welsh and English, builds on the Sherman Christmas shows and gives audiences opportunities to engage with theatre at other times of the year.

DANCE/PHYSICAL THEATRE:
National Dance Company Wales returned in September 2024 with two performances of ***Frontiers***, as well as matinee of ***Zoetrope*** targeted at families.

WELSH LANGUAGE WORK:
In April Theatr Cymru presented ***Parti Priodas*** by Gruffudd Owen in the Sherman Studio for 6 performances, prior to a tour across Wales. All performances had open captions in English and Welsh.

In June we presented Fran Wen's production of ***Deian a Loli*** on our Main Stage for two performances and in July, Arad Goch brought their production of ***Cerdyn Post o Wlad y Rwla*** to the Main Stage for three performances.

In October 2024, for one night, Theatr Cymru presented the first Welsh language version ***Fy Enw I Yw Rachel Corrie,*** a powerful piece, directed by Steffan Donnelly.

Theatr Cymru's ***Byth Bythoedd Amen*** both rehearsed and opened at the Sherman in January 2025. This was a new piece of work by Mared Jarman. This was a groundbreaking piece of work in the Welsh language that spoke from the lived experience of a disabled person and therefore hugely important for our audiences.

NEW WRITING:

Splinter, written by Gemma Prangle and directed by Nerida Bradley and Matthew Holmquist. Was presented by Sherman Theatre Company in Residence, Red Oak. This ran for 6 performances in the Studio.

Shirley, by Nova Theatre, was written by Lowri Jenkins and directed by Jennifer Fletcher and ran in the Sherman Studio for 8 performances.

We were delighted to welcome back Shon Dale-Jones with two of his shows: ***The Duke,*** and ***Cracking***, both performed in the Studio on consecutive evenings.

MUSIC / COMEDY / CABARET:
A programme of one-night comedy, music and cabaret events often bring in new audiences and also can drive ancillary sales across the café bar.

The comedy programme featured a variety of well-known names:

- *Phil Ellis's Excellent Comedy Show* – Studio (April 2024)
- Daniel Kitson: *Collaborator* – Studio (April 2024)
- Lucy Beaumont: *The Trouble and the Strife* – Main House (May 2024)
- Griff Rhys Jones: *The Cat's Pyjamas* – Main House (April 2024)
- Rosie Holt: *That's Politainment* – Main House (April 2024)
- Miles Jupp: *On I Bang* – Main House (May 2024)
- All Killa No Filla – Main House (May 2024)
- Punt and Dennis – Main House (May 2024)
- Luke Wright's Silver Jubilee – Studio (June 2024)
- Steve Bugeja: *Self Doubt (I Think)* – Studio (June 2024)
- Bilal Zafar: *Imposter* – Studio (June 2024)
- Sofie Hagan: *Will I Ever Have Sex Again* – Main House (July 2024)
- Fern Brady: *I Gave you Milk To Drink* – Main House (October 2024)
- Garrett Millerick Needs More Space – Studio (November 2024)
- Mark Thomas: *Gaffa Tapes* – Main House (December 2024)
- Andy Zaltzman – *The Zaltgeist* – Main House (January 2025)
- Rob Auton: *The Eyes Open and Shut Show* – Studio (February 2025)
- Richard Herring: *Can I Have My Ball Back?* – Main House (March 2025)
- Angela Barnes: *Angst* – Main House (March 2025)
- Jenny Éclair: *Jokes, Jokes, Jokes, Live* – Main House (March 2025)

We also presented the following one-night events, which were a combination of cabaret, talks and an evening with style events:

- *Ginger Johnson Blows Off!* – Main House (November 2024)
- Jay Rayner: *Nights Out At Home* - Live – Main House (November 2024)

OPERA:
In October, Music Theatre Wales presented a brand new Welsh language opera, ***Bwstiod Afilan*** with music by Conor Mitchell and directed by Jac Ifan Moore. This was a National Eisteddfod commission with Music Theatre Wales and Aberystwyth University Music Centre.

COMMUNITY AND AMATEUR:

In April 2024, over three days young people from eight different youth theatre groups from across Wales and the South West participated in workshops, performances and social activities with Sherman Youth Theatre presenting *The Periodicals* by Sian Owen.

Throughout July we also had a number of events from the Creative Engagement team at the Sherman. Our Sherman Players (our amateur group for ages 18+) performed *Our Country's Good*, directed by Francesca Pickard. Our final performances in July were by our integrated Youth Theatre group – 60 young people between the ages of 8 and 17 performed ***Have Your Welsh Cake and Eat It*** , written by Lowri Morgan and Davina Moss, on the stage of the Studio.

In March 2025, Sherman Youth Theatre presented *The Pilot,* written by Jen Lunn with contributions from the Introduction to Playwriting cohort. They performed in the Studio across three evenings in March 2025 and then again at the Sherman NT Connections Festival in April 2025.

In September, National Youth Arts Wales brought us a new production written by Mared Llywelyn and Steven Kavuma and co-produced by National Youth Theatre of Wales, Theatr Cymru and Fio. The production showcased a 24 strong cast featuring some of Wales's most talented young performers aged 16 – 22.

The relationship between Sherman Theatre and Royal Welsh College of Music and Drama continued to grow and develop and throughout the year. As well as the Sherman involvement in NEW, the theatre also hosted two of the College productions. Our co-production of *Couple Goals* by Rhiannon Boyle was performed at RWCMD and at The Yard, London. In May, their Musical Theatre students presented *Sweet Charity* in the Main House, which included a gala performance attended by Dame Shirley Bassey. And in July the Musical Theatre students also presented ***Little Women: The Broadway Musical*** in the Main House.

A new relationship saw the students of Wales Academy of Voice and Dramatic Arts present ***Jekyll and Hyde*** in the Studio.

ARTIST DEVELOPMENT

The Sherman Literary team has continued to make an impact through 2024-25, not simply with the writers who are working directly with the Sherman, but also across the sector in Wales. Since its inception in 2021, the team has engaged with writers at every career stage. The success of Unheard Voices led to two commissions to writers whose voices are not regularly heard on stages across Wales, and the UK. The first of these, ***The Women of Llanrumney*** by Azuka Oforka has had unprecedented success.

Across 2024-25, the Literary Team achieved the following, supporting writers and audiences across Wales.

- 132 writers participated in a total of 61 workshops across three core writer development initiatives including delivery of 33 workshop sessions across three terms of the Introduction to Playwriting programme for writers age 15-18.
- 28 sessions with the following writers participating in the EXPERIMENT programme, offering them the opportunity to research and develop their work: Juliette Manon, Emily Burnett, Neon Candle, and a collective comprising of Fflamingo, Hijinx Theatre (House of Deviant and Vaguely Artistic) and Gagglebabble.
- 75 one-to-one Pit Stop Sessions

- Feedback for 60 scripts submitted via the Open Script submission programme.
- Reading and feedback for a further 107 scripts, 57 of which were not commissioned or programmed by the Sherman (demonstrating the aim and impact of wider support across the sector).
- Dramaturgical support for 14 Sherman Theatre commissioned writers.
- Dramaturgical support to R&Ds of six pieces of new writing

The Literary Manager was the dramaturg for *Scene/Change*, a groundbreaking new playwriting programme for Welsh and Wales-based writers of South Asian heritage.

The Literary Associate provided dramaturgical support to Leila Navabi's debut play with Theatr Cymru, and for Taking Flight's early sharing of *The Mab*.

The department also supported applications to the Peter Schaffer Prize and Peggy Ramsay Award for two writers to develop their work.

CRAIDD

Sherman Theatre is a core partner of the Craidd initiative which aims to make the Welsh Theatre sector the most inclusive sector in the world by placing deaf, disabled and neurodivergent artists and theatremakers at the heart of our mainstream work.

Craidd is already making seismic shifts across the sector and as an organisation, the Sherman has seen significant change in approach and thinking to ensure the best experience is provided for audiences, visitors, artists, and people working within the building.

There has been a programme of training activity across the team and the different areas of the organisation.

The organisation has been able to access capital funds to support the improvement of facilities at the Sherman, specifically the introduction of an assistive listening system and hearing loops placed in key areas of the building.

CREATIVE ENGAGEMENT

The Sherman has a variety of open access opportunities for young people and non-professional development.

Sherman Youth Theatre and Sherman Players groups offer regular opportunities for people to get involved in activities that encourage creative expression. All groups are open access (no auditions) and there are bursaries and other support mechanisms for people who may face barriers to accessing this provision.

Introduction to Playwriting

A core part of our Creative Engagement work is our Introduction to Playwriting programme supported by Moondance Foundation. In 2024-25, Introduction to Playwriting participants explored different writing tools and techniques. The cohort have been working with professional writer Jen Lunn to co-write ***The Pilot***, which was performed by the older Youth Theatre Group (Group 4). This is a production that focuses on climate change – an important topic for young people. It has been hugely beneficial for these young writers to have a voice in the development of the play as well as expanding their writing skills.

The Story Project – Collaboration with The Wallich
This is a two-year project which aims to expand the reach of the arts in Wales and establish creative pathways for individuals within a culture of shared learning through collaboration between Welsh art makers and people with lived experience of homelessness, and to support the creation of work informed by real stories.

Sherman Theatre's involvement in The Story Project has enabled the organization to learn more about how we can work closely with, and support, people who have experienced homelessness. Participants in the project have subsequently been invited to join the Sherman team as volunteers, to participate in the Sherman Players programme, and to take to the stage as part of the community chorus of ***Odyssey '84***.

Tales and Tea – supported by the Gwendoline and Margaret Davies Charity.
Through the Tales and Tea initiative we provide a daytime performance for audience members who prefer not to venture out to the theatre in the evening. The project aims to promote wellbeing through the opportunity to see a brand new piece of writing, share thoughts and feedback, chat and meet others in a supported, friendly environment. Each performance comprises of a rehearsed reading in either the Sherman Studio or Main House theatre, a post show Q&A session with the writer, director, and cast, followed by tea, cake and an opportunity to socialise.

The audience age ranges from 50 to 80+. Performances are held on a quarterly basis, both at Sherman Theatre and, where possible, in community venues. All performances have BSL interpretation and are relaxed, Dementia Friendly performances. We offer a subsidised ticket rate of £5 at the Sherman and offer our community based performances free of charge.

The Tales and Tea season began with a preview performance of Paul Jenkins piece, *Moscow Love Story* on 26 April. ***Moscow Love Story*** went on to be performed at the Edinburgh Festival Fringe for two weeks in August 2024.

In June 2024 we presented an extended edition of Tales and Tea when we read the new play by Tim Price, ***Odyssey '84,*** both at the Sherman as well as a day in the community at The Big Pit. The production was set at the heart of the Miners' Strike of 1984 and shone a light on the experiences, not only of the miners, but of their wives and families. It was therefore vital to engage with ex-mining communities, whose feedback and contributions to the script were invaluable.

COMMUNITY COLLABORATIONS
Sherman Theatre is part of a number of initiatives which offer a variety of opportunities to meet and engage with new visitors to the Sherman including: Repair Café Wales, Chatty Café, Greening Cathays, and Tempo Time Credits.

Hosting Repair Café Cathays benefits the hyper-local Cathays community. It also brings new people into the Sherman building, reinforcing the position of the theatre as a civic resource, and it supports the organisation's sustainability agenda by reminding people of the power of repairing, reusing and repurposing.

The theatre held a series of Sanctuary Sessions throughout January, February and March as well as presenting the annual Sanctuary Celebration event, an important part of the theatre's calendar as a Theatre of Sanctuary. Through this, the theatre has been able to engage with more Refugees and Asylum Seekers who have become further involved with the Sherman as participants and volunteers.

ORGANISATION

The Theatre is committed to strengthening the inclusive and welcoming environment of the theatre. To achieve this, the organisation has developed a strong induction and in-house training programme to develop the Sherman team. There is a rolling programme of training for all staff and volunteers which includes, but it not limited to: anti-racism training, dementia awareness training, LGBTQIA+ awareness training, Displaced People In Action (DPIA) training, and deaf awareness training.

Over 2024-25 Sherman Theatre employed 174 individual freelancers over more than 300 employment opportunities. These roles have included: youth theatre facilitators, actors, designers, stage managers, marketing, fundraising, carpenters, technicians, and others.

SUSTAINABILITY

The Sherman is committed to creating an ethical and values-led approach to sustainability promoted via the work on the stages and through all engagement with artists, practitioners, audiences and participants.

- Carbon Literacy training is being rolled out to all staff.
- A Climate Justice Champion has been identified on the Board of Trustees
- The Theatre Green Book is firmly embedded into production and operations practices
- There will be a team of Sustainability Champions established to lead on these key areas and to keep the organisation accountable and on track.
- The theatre is committed to creating an Environmental Action Plan

FINANCIAL REVIEW

These accounts cover the period from 1 April 2024 to 31 March 2025.

During the year the charity continued to receive ongoing revenue investment from the Arts Council of Wales (ACW).

Restricted Fund projects:
In addition, during the year the charity received grant aid from the following trusts and foundations for Restricted Fund projects:

During the year, the charity gratefully received the following restricted funds:

- **Arts Council of Wales (Create) - £45,999** to support the continuation of the Literary Department to March 2025
- **Arts Council of Wales (Housemates 2025) - £64,741** to support the revival and tour of Housemates 2025
- **Cardiff Council - £2,000** to support the delivery of Sanctuary Sessions
- **Cardiff University - £5,950** to Sherman Theatre activity as part of the Greening Cathays Project
- **Craidd - £5,000** to improve backstage way finding as recommended by the Access Audit
- **For Cardiff - £1,450** contribution towards the annual Festival of Sanctuary

- **Moondance Foundation - £40,170** final year of three-year funding for continuation of Introduction to Playwriting initiative, working with young people aged 15 – 18.
- **National Theatre Connections Festival – £8,500** to support the delivery of the annual National Theatre Connections Festivals
- **National Theatre Wales - £48,547** to support the delivery of the concert performance of O. G. Prince of Wales
- **Oakdale Trust - £1,000** to support schools to attend Christmas Shows
- **Simon Gibson Trust – £3,000** to support the delivery of Deaf Theatre Club
- **Theatr Cymru - £3,000** to support the Welsh Language trainee Assistant Director for the Studio Christmas Show
- **Theatres Trust - £20,000** for the replacement of lighting across performance spaces

Unrestricted Income from commercial hiring/letting out of our auditorium and rehearsal spaces, and our bar and café, amounted to £238,723.

Resources Expended:
Expenditure totalled £2,768,067 in the year.

Staff levels were 21 (including 2 funded posts).

The Charity continues to hold a term loan with the Royal Bank of Scotland. Within the Balance Sheet given on page 26 and 27 the loan balance outstanding is split between creditor payments due within one year and creditor payments due after more than one year. Following the process to confirm the loan agreement under Section 124(2) of The Charities Act 2011 during the 2014-year and the consequent change to the rate of interest paid the company is pleased to report the diminishing level of the total loan.

FUNDS:
We closed the year with an in-year operating deficit in unrestricted funds of (£377).

INVESTMENT POWERS AND POLICY

Under its Memorandum and Articles of Association the charity has a range of powers to invest its funds.

Sherman Cymru Productions Ltd:

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

During this year, the company received £199,881 (2024: £215,486) under the Theatre Production Tax Relief.

As at 31 March 2025 the charity was owed £199,881 from Sherman Cymru Productions Limited.

At the year end the charity had no further investments other than monies held in interest earning accounts at Barclays Bank PLC and a holding account with Royal Bank of Scotland.

TANGIBLE FIXED ASSETS

Details of movements in tangible fixed assets are shown in Note 15 to the financial statements.

RESERVES POLICY

The trustees agreed at a Finance Committee meeting on 3 September 2024 to a reserves policy that general reserves, after excluding restricted funds and any transfers to designated funds, should be in the region of £300,000.

The purpose of these reserves are to cushion the potential impact of any major unforeseen or unexpected expenditure and to ensure that any significant shortfall in short-term income, e.g. the income generated from ticket sales, doesn't affect the charity's financial viability. The charity aims to achieve this level of general reserves within the next three financial years.

At 31 March 2025 the charity had free reserves (excluding restricted funds and fixed assets) of £658,873 (2024: £587,099).

Transfers and Reserves:

A budget item was added in February 2015 for Transfers. The practice of designating reserves continues.

Allowing for the agreed setting aside of the £300k, for the General Reserves Policy, would leave a balance of £358,873. The Trustees agreed to assign the free reserves to designated funds as outlined below:

- £13,873 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture
- £180,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption

KEY MANAGEMENT PERSONNEL

The executive team consists of the Artistic Director (leading on Artistic Policy) and the Chief Executive.

The Senior Management team (SMT) comprises the above two Directors working with a team of five Senior Managers to deliver the strategies, policies and aims of the company through its artistic programming.

The Senior Management Team are:

Head of Finance & Administration, Head of Marketing and Communications, Head of Production and Planning, Head of Fundraising and Development, and Head of Operations.

Trustees set the remuneration for the executive team. The executive team review and recommend rates of pay, salaries and wages for the SMT and all staff through the HR & Governance Committee who will make recommendation to the Finance Committee before a full recommendation is made to the Board for ratification. Certain posts/roles are governed by union agreements – recognised unions are EQUITY, the union for actors, stage managers and creative teams (Designers, Lighting Designers, choreographers, Fight Directors, et al), and BECTU the union representing most theatre

technicians and some FOH staff. The company is committed to paying the MRSL 2 rate for creative teams.

Pension arrangements, annual leave terms, and all other contract terms are the same for all staff including the executive team. We do not operate a performance related pay scheme, nor do we have any bonus scheme. There are no incremental pay awards – although the Board undertake an annual review.

Each year the Artistic Director and Chief Executive and all staff participate in performance appraisals, the executive team appraisals being undertaken by the Chair of the Board.
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	Employer NI	Employer Pension	Total 2025	Total 2024
£324,059	£35,933	£8,550	**£368,542**	£360,900

In April 2024 a company pay increase was awarded for all posts up to and including the Senior Management Team this financial year in response to the cost-of-living crisis.

FUTURE PLANS

Sherman Cymru's Business Plan is updated and re-issued regularly, setting out plans for the forthcoming three years. The theatre has recently appointed a new Artistic Director who will join the organisation in January 2026. This will mark a new chapter for the organisation and there will be a significant review of the Business Plan.

Following the successful outcome of the Investment Review in 2023, we have secured multi-year funding for the next 3-6 years. That said there is ongoing uncertainty about the level of funding that we will receive in the future.

Despite this element of ongoing uncertainty, our core priorities over the next years are to ensure:

- we produce and curate high quality work that is relevant to the citizens of Cardiff and beyond. This vision is reflected across all work at the Sherman and underpins all artistic decision-making. Strong, clear and forthright artistic leadership is supported by the ambition of the Executive and Senior Management Team (SMT) and a honed, skilled team of staff members empowered to fulfil the mission;
- the company is in the best possible position to take full advantage of the Theatre Production Tax Relief Scheme;
- parsimonious use of all the company's resources at all times so the company can achieve its aim to be more financially stable and less reliant on grants, and in the short-term to reduce the reliance on ACW advance grant;
- we invest in CPD for our staff to build a knowledgeable and highly skilled team driving forward the ambition of the company;
- we choose our partners and collaborators with care – ensuring buy-in to the company's ambition from all parties primarily through confirming artistic compatibility and financial viability of companies and projects before proceeding;
- we strengthen and add to the skills of the board of trustees through public advertising, and the re-introduction of the trainee trustee mentoring scheme, all with the aim to have a board working to its optimum level of support;

- we respond to opportunities to tour the company's work further afield, ensuring that the best new work made in Wales is seen by audiences across the UK and when possible/invited, internationally;
- we continue to ensure that we are looking ahead and developing a robust and resilient organisation for the future. This includes constant analysis of our infrastructure and its fit for purpose; finding future proof solutions to meet our digital requirements; and striving to identify additional streams for income generation within our defined business model.
- we strive for continuous improvement in minimising the impact of our work on our environment and prioritise sustainability across all areas of our activities.

The company constantly seeks to improve, to set ourselves targets, to aim high, to self-assess, to produce the highest possible quality and standard of work that it can. The impact of self-assessment/evaluation both individually for members of staff, and collectively in evaluating the produced work, will lead to the highest possible achievements.

The impact of having a programme of work that chimes with the citizens of Cardiff should lead to widening access to the performing arts within our communities and result in a higher number of first-time theatre attenders and attenders generally.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's Risk Register is reviewed throughout the year, by all Committees, who each focus on a particular area and then make recommendations to the Board of Trustees.

Four areas of risk are considered: Governance and Management, Financial, Artistic, Organisational and Operational. All are assessed for both likelihood of occurrence and potential impact, severity of impact and overall gross risk. Mitigating factors are then considered and recorded.

In addition to this main risk register, we also carry out Risk Assessments of every Production we create, every production that we buy in, every activity we undertake to ensure we are providing as safe and risk-free an environment as possible for our audiences, customers, staff and participants.

Liability of members

Sherman Cymru Ltd is a company Ltd by Guarantee with no share capital. Clause 7 of the memorandum of association provides that every member, as defined by Clause 1 of the articles of association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member or within one year of ceasing to be a member. At the year-end there were 15 members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Sherman Cymru is a charity limited by guarantee governed by its Memorandum and Articles of Association dated 17 November 2006. The charity is registered as a charity with the Charity Commission.

APPOINTMENT OF TRUSTEES

As set out in the charity's Articles of Association, trustees are either appointed at an Annual General Meeting, or may be co-opted by the trustees during the year.

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

On election/appointment, each new trustee receives an induction pack, some key organisational policies, and pen pictures of existing trustees and key members of staff. New trustees are briefed by the Chair and the Executive Team comprising of the Artistic Director and Executive Director on the charity's artistic activity and how the Board of Trustees and its Committees work. All trustees are actively encouraged to see the charity's work and to discuss the work they have seen either with fellow trustees, or with the charity's staff.

ORGANISATION

The charity is administered by the Board of Trustees, which can number up to 20 people, who meet on average every twelve weeks. At 31 March 2025, the Board had an Artistic Policy Committee, a Marketing and Fundraising Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 16.

The Chief Executive is accountable for the management of the charity, delegating responsibility through a team of Senior Managers leading their relevant teams. The Artistic Director takes the artistic leadership for the charity.

RELATED PARTIES

There was one related party transaction with Trustees during the year:
Gary Owen (Resigned 23 September 2024), Writer and Royalty fee for "Iphigenia Yn Sblot" £7,000 and Writer and Royalty fee for "A Christmas Carol" £10,630.73

Sherman Cymru commissioned productions of £453,846 (2024: £526,374) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2025 the charity was owed £199,882 (2024: £215,487) from Sherman Cymru Productions Limited. All transactions were at arm's length.

RISK ASSESSMENT

Risk is regularly reviewed by the Board of Trustees as part of business planning processes, with financial risk reviewed and considered by the Board's Committees on an ongoing basis.

AUDITORS

The current Letters of Engagement to appoint HSJ Audit Services as auditors to the charity will be presented at the forthcoming Annual General Meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Ceri Davies	(Chair - from 26 September 2022)
Rhian Head	(Interim Vice Chair - from 26 September 2022 to 02 March 2025)
Louise Thomas	Vice Chair – from 03 March 2025
Nicholas Carlton	(Resigned 23 September 2024)
Llinos Daniel	
Lauren Hamilton	(Appointed 03 March 2025)
Alex Hicks	
Darren Joyce	(Appointed 03 March 2025)
Iftakhar Khan	
David King MBE	(Resigned 23 September 2024)
Janice Lane	(Appointed 03 March 2025)
Marta Minier	
Gary Owen	(Resigned 23 September 2024)
Marc Simcox	
Roger Tomlison	(Appointed 03 March 2025)
Huw Thomas	
Owen Thomas	(Resigned 23 September 2024)
Jane Tyler	
Helen Vallis	

CHARITY SECRETARY
Julia Barry

REGISTERED OFFICE
Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS
Barclays Bank PLC
1 – 5 Working Street
Cardiff
CF10 2DP

AUDITORS
HSJ Audit Limited
Severn House
Hazell Drive
Newport
NP10 8FY

SENIOR STAFF

Joe Murphy	Artistic Director (until 14 March 2025)
Julia Barry	Chief Executive
Mandy Ivory-Castile	Head of Production and Planning
Kevin Burt	Head of Operations
Edward Newsome	Head of Marketing and Communications
Sally Shepherd	Head of Finance and Administration
Emma Tropman	Head of Fundraising and Development

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

The trustees (who are also directors of Sherman Cymru for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The current Letters of Engagement to appoint HSJ Audit Services as auditors to the charity will be presented at the forthcoming Annual General Meeting.

Disclosure of information to auditor

In so far as the trustees are aware:
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report, including the strategic report, was approved by the Board of Trustees.

Approved by the Board of Trustees and signed on behalf of the Board

Trustee .....Ceri Davies

Date: 22/9/25

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

We have audited the financial statements of Sherman Cymru (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report including the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud
As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the group and the sector in which it operates to identify the key laws and regulations affecting the group. As part of this assessment process we discussed with the key laws and regulations with management. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006.

We discussed with management how compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.

Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non- compliance.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, and established that there were none. We also evaluated the risk of fraud through management override including that arising from management's incentives.
We determined that the principal risks were related to the overstatement of profit through overstating revenue or understating expenditure, or through bias in accounting estimates.
In response to the identified risk, as part of our audit work we:

- Performed substantive testing on income and expenditure;
- Used data analytics to test journal entries throughout the year for appropriateness; and
- Reviewed estimates and judgments made in the preparation of the financial statements for any indication of bias and challenged the assumptions used by management in making those estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than not detecting one resulting from error as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Hill

Date 22/9/2025

HSJ Audit Limited
Severn House
Hazell Drive
Newport
NP10 8FY

HSJ Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

	Note	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:					
Donations and legacies	3	**1,269,941**	**232,339**	**1,502,280**	1,355,485
Charitable activities	4	**762,788**	**-**	**762,788**	872,234
Other trading activities	5	**230,716**	**-**	**230,716**	219,745
Other	6	**128,031**	**-**	**128,031**	146,749
Total income and endowments		**2,391,476**	**232,339**	**2,623,815**	2,594,213
Expenditure on:					
Raising funds	7	**62,530**	**-**	**62,530**	53,655
Trading costs	8	**259,537**	**-**	**259,537**	278,335
Charitable activities	9	**2,069,786**	**376,214**	**2,446,000**	2,723,665
Total expenditure		**2,391,853**	**376,214**	**2,768,067**	3,055,655
Net movement in funds	12	**(377)**	**(143,875)**	**(144,252)**	(461,442)
Total funds brought forward	21,22	**1,119,024**	**2,787,771**	**3,906,795**	4,368,237
Total funds carried forward	22,23	**1,118,647**	**2,643,896**	**3,762,543**	3,906,795

The notes on pages 29 to 45 form part of the financial statement

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2025 £	2024 £
Total income of continuing operations	**2,623,815**	**2,594,213**
Total expenditure of continuing operations	**(2,768,067)**	**(3,055,655)**
Net surplus/deficit for the period	**(144,252)**	**(461,442)**

There are no recognised gains and losses for the financial year other than the deficit on the income and expenditure account of -£144,252 after depreciation charges of £294,663

Total income comprises £2,391,476 for unrestricted funds and £232,339 for restricted funds.

A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of the expenditure is provided in the statement of financial activities and notes 7-9.

The summary income and expenditure account is derived from the statement of financial activities which, together with the notes to the financial statements, provides full information on the movements during the year on all the funds of the company.

The notes on pages 29 to 45 form part of the financial statement

BALANCE SHEET - CONSOLIDATED

	Note	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	15		**3,279,712**		3,574,775
Current assets:					
Stocks	17	**25,811**		25,681	
Debtors and prepayments	18	**430,868**		383,062	
Cash at bank and in hand		**567,270**		466,444	
		1,023,949		875,187	
Liabilities:					
Creditors: amounts falling due within one year					
Trade creditors		**115,372**		52,420	
Other creditors	19	**333,453**		338,002	
		448,825		390,422	
Net current assets			**575,124**		484,765
Total assets less current liabilities			**3,854,836**		4059,540
Creditors: amounts falling due after more than one year	20		**(92,293)**		(152,745)
Net assets			**3,762,543**		3,906,795
The funds of the charity:					
Restricted Funds	22		**2,643,896**		2,787,771
Unrestricted funds:	21		**1,118,647**		1,119,024
Total charity funds	23		**3,762,543**		3,906,795

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors and signed on its behalf.

Trustee ..... Jane Tyler Date..... 22/9/25 .....

Company No. 06002090 (England and Wales)

The notes on pages 29 to 45 form part of the financial statement

BALANCE SHEET - CHARITY ONLY

	Note	£	2025 £	2024 £
Fixed assets:				
Tangible assets	15		**3,279,712**	3,574,775
Investments	16		**1**	1
Current assets:				
Stocks	17	**25,811**		25,681
Debtors and prepayments	18	**430,868**		383,062
Cash at bank and in hand		**567,270**		466,444
		1,023,949		875,187
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		**115,372**		52,4201
Other creditors	19	**333,453**		338,002
		448,825		390,422
Net current assets			**575,124**	484,765
Total assets less current liabilities			**3,854,837**	4,059,541
Creditors: amounts falling due after more than one year	20		**(92,293)**	(152,745)
Net assets			**3,762,544**	3,906,796
The funds of the charity:				
Restricted Funds	22		**2,643,896**	2,787,771
Unrestricted funds:	21		**1,118,648**	1,119,025
Total charity funds	23		**3,762,544**	3,906,796

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors and signed on its behalf.

Trustee ..... Jane Tyler Date 22/9/25

Company No. 06002090 (England and Wales)

The notes on pages 29 to 45 form part of the financial statement

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2025 £	2024 £
Net cash provided by operating activities	27	**(105,523)**	(283,321)
Cash flows from investing activities:			
Purchase of property plant and equipment		-	-
Net cash provided by (used in) investing activities		-	-
Cash flows from financing activities:			
Repayments of borrowing		**(56,076)**	(52,471)
Net cash provided by (used in) financing activities		**(56,076)**	(52,471)
Change in cash and cash equivalents in the reporting period		**(100,826)**	(278,222)
Cash and cash equivalents at the beginning of the reporting period		**466,444**	744,666
Cash and cash equivalents at the end of the reporting period	27	**567,270**	466,444

The notes on pages 29 to 45 form part of the financial statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Sherman Cymru is a private company limited by guarantee incorporated in England and Wales registered office Senghennydd Road, Cardiff, CF32 4YE.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sherman Cymru meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis

The charity reported a net deficit on unrestricted funds of (£377) in the year. This charity is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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.

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.

Liabilities policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

Group financial statements
These financial statements consolidate the results of the charity and its wholly owned subsidiary Sherman Cymru Productions Limited.

The particular accounting policies adopted are described below.

Fund accounting
Unrestricted funds are funds which are available for use at the discretion of the charity's members in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources
Trading activities (included within activities in furtherance of the charity's objectives) comprise receipts from performances held during the year and other related income. Monies received in advance of the next financial period are carried forward in the balance sheet.

Tangible fixed assets
Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives as follows:

Major leasehold improvements	25 years
General building improvements	10 years
Fixtures and fittings	5 years
Vehicles	5 years
IT equipment	3 years
All other equipment	5 years

Basis of apportionment
Support costs and management and administration have been allocated to the following categories on a staff cost basis:

Trading Costs
Bar and front house costs

Fundraising activities
Support costs have been allocated to governance costs based on the percentage of governance costs to total costs in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks
Stocks are stated at the lower of cost and net realisable value.

Grants
Revenue grants receivable are accounted for in the period to which they relate. Capital grants are credited to restricted funds on a received basis and released to the income and expenditure account over the remaining lives of the assets to which they relate.

Script commissions
Script commission payments to writers and development costs are treated as prepayments until the accounting period in which the production takes place. Where it is decided not to take a commission

Through to production any commissioning payments and accrued development costs are written back to the financial year in which that decision is made.

Development income
Development income is accounted for in the period in which the related expenditure occurs.

Taxation
As a registered charity, Sherman Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Fundraising	**15,279**	**-**	**15,279**	15,577
Recurrent grants:				
Arts Council of Wales	**1,202,180**	**-**	**1,202,180**	1,165,461
Other grants:				
Arts Council of Wales	**52,482**	**90,576**	**143,058**	80,366
Other	**-**	**141,763**	**141,763**	94,081
	1,269,941	**232,339**	**1,502,280**	1,355,485

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Ticket sales:				
Sherman Cymru productions	**253,101**	**-**	**253,101**	286,279
In House Visiting Companies	**247,043**	**-**	**247,043**	242,683
Communities and Engagement	**5,982**	**-**	**5,982**	6,030
Touring:				
Sherman Cymru productions	**15,293**	**-**	**15,293**	13,259
Co-productions	**-**	**-**	**-**	41,532
Communities and Engagement:				
Participant fees	**33,042**	**-**	**33,042**	29,812
Project income	**-**	**-**	**-**	-
Development & New Writing	**-**	**-**	**-**	451
Hires	**8,007**	**-**	**8,007**	35,416
Publishing	**438**	**-**	**438**	1,285
HMRC Theatre Tax relief	**199,882**	**-**	**199,882**	215,487
	762,788		**762,788**	872,234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Bar and Front of House receipts	**230,716**	**-**	**230,716**	219,745
	230,716	**-**	**230,716**	219,745

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Other income	**128,031**	**-**	**128,031**	146,749
	128,031	**-**	**128,031**	146,749

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Fundraising activities	**62,530**	**-**	**62,530**	53,655
	62,530	**-**	**62,530**	53,655

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2025 £	2024 £
Bar and front of house costs		
Bar and café salaries	**115,782**	127,858
Bar and café purchases	**114,615**	119,248
	230,397	247,106
Other Front of House salaries and costs	**29,140**	31,229
Total bar and Front of House costs	**259,537**	278,335

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Depreciation £	Governance £	Total 2025 £	Total 2024 £
Unrestricted						
Artistic	**768,158**	**485,856**	**45,618**	**-**	**1,299,632**	1,444,806
Marketing	**208,236**	**179,770**	**12,572**	**-**	**400,578**	409,071
Management & Administration	**123,548**	**75,358**	**7,520**	**-**	**206,426**	207,767
Support Costs	**109,434**	**27,385**	**6,441**	**19,890**	**163,150**	159,576
	1,209,376	**768,369**	**72,151**	**19,890**	**2,069,786**	2,221,220
Restricted						
Production & Performances	**-**	**99,171**	**145,157**	**-**	**244,328**	236,244
Marketing	**-**	**-**	**-**	**-**	**-**	914
Management & Administration	**-**	**-**	**-**	**-**	**-**	353
Support Costs	**47,980**	**-**	**70,228**	**-**	**118,208**	257,145
Other costs	**-**	**5,552**	**8,126**	**-**	**13,678**	7,789
	47,980	**104,723**	**223,511**	**-**	**376,214**	502,445
Total Charitable Activity Costs	**1,257,356**	**873,092**	**295,662**	**19,890**	**2,446,000**	2,723,665

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Audit	**9,500**	**-**	**9,500**	13,000
Legal	**447**	**-**	**447**	1,877
Salary	**7,340**	**-**	**7,340**	7,314
Support costs	**2,603**	**-**	**2,603**	3,100
	19,890	**-**	**19,890**	25,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL – GROUP AND CHARITY

None of the trustees received any emoluments from the company during the year (2025: £nil). Two members of the Executive and Senior Management team received remuneration within the £60,000 - £69,999 bracket (2024: Two). Pension contributions were £3,730 (2024: £3,821).

	2025	2024
	£	£
Employee costs during the year:		
Wages and salaries	**790,484**	865,039
Employer's National Insurance contributions	**70,762**	74,394
Employer's Pension contributions	**25,261**	21,639
	886,507	961,072

Employee costs shown above relate to staff paid through payroll. Note 9 contains amounts paid to freelance contracted staff and relates only to staff engaged in charitable activities.

11. STAFF NUMBERS

	2025	2024
Average number of persons employed:	**No.**	No.
Production staff (temporary)	**10**	12
Permanent staff	**21**	23
	31	35

Key Management Personnel
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	**Employer NI**	**Employer Pension**	**Total 2025**	Total 2024
£324,059	£35,933	£8,550	**£368,542**	£360,900

12. NET INCOME/(EXPENDITURE) FOR THE YEAR – GROUP AND CHARITY

	2025	2024
	£	£
Net incoming resources after charging:		
Auditors' remuneration	**9,500**	13,000
Depreciation	**295,663**	301,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. TAXATION – GROUP AND CHARITY

As a registered charity, Sherman Cymru is entitled to exemption from taxation in respect of income and capital gains received with section 478-489 of the Corporation Tax 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

14. CALLED UP SHARE CAPITAL – CHARITY ONLY

The company is limited by guarantee. All members of Sherman Cymru have guaranteed to contribute, in the event of winding-up, an amount not exceeding £1 each. There were 15 members (2024: 15 members) at 31 March 2025.

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Long Leasehold Property Improvements £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or valuation at 1 April 2024	**7,035,361**	**281,051**	**40,000**	**7,356,412**
Additions	-	**600**	-	**600**
Disposals	-	-	-	-
At 31 March 2025	**7,035,361**	**281,651**	**40,000**	**7,357,012**
Accumulated depreciation at 1 April 2024	**3,487,379**	**258,925**	**35,333**	**3,781,637**
Charge for the year	**290,577**	**419**	**4,667**	**295,663**
Eliminated on disposal	-	-	-	-
At 31 March 2025	**3,777,956**	**259,344**	**40,000**	**4,077,300**
Net book value				
At 31 March 2025	**3,257,405**	**22,307**	-	**3,279,712**
At 31 March 2024	**3,547,982**	**22,126**	**4,667**	**3,574,775**

Long leasehold land and buildings with a carrying amount of £3,257,405 (2024: £3,547,982) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

A summary of the trading results is shown below.

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Summary profit and loss account:		
Income	**453,846**	526,374
Administrative expenses	**(653,728)**	(741,861)
Operating loss	**(199,882)**	(216,487)
HMRC Theatre Tax Relief	**199,882**	215,487
Result for the period	**-**	-
The assets and liabilities of the subsidiary were:		
Total assets	199,882	215,487
Amounts falling due within one year	(199,881)	(215,486)
	1	1
Aggregate share capital and reserves	1	1

17. STOCKS – GROUP AND CHARITY

	2025	2024
	£	£
Bar and Front of House	**8,395**	6,743
Production	**10,927**	8,642
Publications	**5,587**	9,315
Other stocks	**902**	981
	25,811	25,681

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Trade debtors	**20,911**	**20,911**	42,144	42,144
Other debtors	**36,415**	**36,415**	38,095	38,095
Taxation and Social Security	**-**	**-**	-	-
HMRC Theatre Tax Relief	**199,882**	**-**	215,487	-
Intercompany balance	**-**	**199,882**	-	215,487
Prepayments	**161,550**	**161,550**	56,181	56,181
Accrued Income	**12,110**	**12,110**	31,155	31,155
	430,868	**430,868**	383,062	383,062

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Other creditors				
Taxation and Social Security	**2,883**	**2,883**	23,248	23,248
Deferred revenue income	**189,028**	**189,028**	104,427	104,427
General accruals	**81,299**	**81,299**	154,459	154,459
Bank Loan	**60,243**	**60,243**	55,868	55,868
Accruals for Redevelopment costs	**-**	**-**	-	-
	333,453	**333,453**	338,002	338,002

Deferred income relates to income received in advance and which relates to future financial period.

	Charity & Group 2025 £	2024 £
Balance as at 1st April 2024	**104,427**	136,066
Income received in the year	**1,128,466**	1,277,986
Released to income	**(1,043,865)**	(1,309,625)
Balance as at 31 March 2025	**189,028**	104,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Bank Loan	**92,293**	**92,293**	152,745	152,745
	92,293	**92,293**	152,745	152,745

The bank loan is secured over the assets of the charity and is repayable in equal monthly instalments.

Repayable by instalments

	Total 2025 £	Total 2024 £
Within one year	**60,244**	55,868
Between 2 and 5 years	**92,293**	152,745
After 5 years	**-**	-
	152,537	208,613

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

	General funds £	Capital funds £	Total Funds 2025 £
Balances Brought Forward	**587,099**	**531,925**	**1,119,024**
Surplus/deficit for the year	**4,623**	**-**	**4,623**
Movement for the year	**72,151**	**(72,151)**	**-**
Designated (Fundraising & Development Support)	**(5,000)**	**-**	**(5,00)**
	658,873	**459,774**	**1,118,647**

Designated Funds

Designated Capital funds, relates to the investment in fixed assets.

Designated Revenue Funds comprises:-

- £13,873 to underwrite the Christmas productions
- £75,000 for Digital Capture
- £180,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2024 £
Balances Brought Forward	588,437	605,565	1,194,002
Surplus for the year	(74,978)	-	(74,978)
Movement for the year	73,640	(73,640)	-
	587,099	531,925	1,119,024

22. RESTRICTED FUNDS – GROUP AND CHARITY

The income funds of Sherman Cymru included in restricted funds comprise the following unexpended balances of capital grants and donations applied for the Building Refurbishment and Redevelopment. The cost of which are being depreciated over the useful life of the asset.

	Balance at 01/04/24 £	Incoming resources £	Expenditure £	Balance at 31/03/25 £
Capital				
Building Refurbishment and Redevelopment	2,682,592	-	(209,190)	2,473,402
Foyer Refurbishment	9,655	-	(9,655)	-
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	4,667	-	(4,667)	-
	2,699,351	-	(223,512)	2,475,839
Revenue funds				
Arts Council of Wales (Create 2023-24)	3,687	1,217	(4,904)	-
Arts Council of Wales (Create 2024-25)	-	44,782	(46,617)	(1,835)
Arts Council of Wales (Iphigenia in Splott Welsh)	22,041	(22,041)	-	-
Arts Council of Wales (RAMPS Cymru)	-	1,877	(1,877)	-
Arts Council of Wales (Housemates 2025)	-	64,741	-	64,741
Cardiff Council	-	2,000	(1,500)	500
Cardiff University	-	5,950	(3,992	1,958
Craidd	-	5,000	-	5,000
Davies M Charity	3,004	211	(3,215)	-
Esmee Fairbairn (Covid Support)	4,200	-	-	4,200
For Cardiff - Festival of Sanctuary	-	1,450	(59)	1,391
Garrick Trust	813	-	-	813
Go Wales	967	-	-	967
Moondance Foundation	53,384	40,170	(31,231)	62,323
National Theatre Connections Festival 2025	(3,347)	6,400	(1,435)	1,618
National Theatre Connections Festival 2026	-	2,100	(150)	1,950
National Theatre Wales	-	48,547	(48,547)	-
Old Vic	3,671	-	(2,660)	1,011
Oakdale Trust	-	1,000	-	1,000
Share Your Passion	-	2,935	(2,205)	730
Simon Gibson Trust	-	3,000	(1,310)	1,690
Theatr Cymru	-	3,000	(3,000)	-
Theatres Trust	-	20,000	-	20,000
	88,420	232,339	(152,702)	168,057
Total Restricted Funds	2,787,771	232,339	(376,214)	2,643,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Arts Council of Wales (Create)
A grant to support the continuation of the Literary Department to March 2025

Arts Council of Wales (Iphigenia yn Sblot)
A grant to support the production and tour of "Iphigenia yn Sblot", also supported by the Eisteddfod Genedlaethol Cymru

Arts Council of Wales (Housemates 2025)
A grant to support the revival and tour of *"Housemates 2025"*

Cardiff Council
A grant to support the delivery of Sanctuary Sessions

Cardiff University
A grant to Sherman Theatre activity as part of the Greening Cathays Project

Craidd
An access and inclusion grant to improve backstage way finding as recommended by the Access Audit

Davies M Charity
A grant to support a programme of Tales and Tea events aimed at reducing feelings of isolation and loneliness in older people

Esmee Fairbairn
A grant received to support the organisation

For Cardiff
A contribution to the annual Festival of Sanctuary

Garrick Trust
A grant to support the development of an emerging designer

Go Wales
A grant to support a technical apprentice in the production department

Moondance Foundation
Final year of a three-year funding for the continuation of the Introduction to Playwriting initiative, working with young people aged 15 – 18

National Theatre
Contribution towards the delivery of the annual National Theatre Connections Festivals

Old Vic
Match funding to support the work of the Literary Department

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Oakdale Trust
A grant to support schools to attend Christmas shows

Share Your Passion
A donation scheme to raise funds for audience engagement

Simon Gibson Trust
A grant to support the delivery of Deaf Theatre Club

Theatr Cymru
A grant to support the Welsh Language trainee Assistant Director for the Studio Christmas Show

Theatres Trust
A grant for the replacement of lighting across performance spaces

Previous year

	Balance at 01/04/23 £	Incoming resources £	Expenditure £	Balance at 31/03/24 £
Capital				
Building Refurbishment and Redevelopment	2,891,782	-	(209,190)	2,682,592
Foyer Refurbishment	20,695	-	(11,040)	9,655
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	12,667	-	(8,000)	4,667
	2,927,581	-	(228,230)	2,699,351
Revenue funds				
Arts Council of Wales (Creative Pathways)	4,017	-	(330)	3,687
Arts Council of Wales (Creative Pathways)	26,916	21,900	(48,816)	-
Arts Council of Wales (Housemates)	19,186	-	(19,186)	-
Arts Council Wales (RAMPS)	83,986	-	(83,986)	-
Arts Council of Wales (Iphigenia yn Sblot))	-	22,041	-	22,041
Davies M Charity	-	5,219	(2,215)	3,004
D'Oyly Carte	4,450	-	(4,450)	-
Esmee Fairbairn (Covid Support)	4,533	-	(333)	4,200
Fenton Arts Trust	280	-	(280)	-
Garrick Trust	-	1,500	(687)	813
Gibbs Trust	2,000	-	(2,000)	-
Go Wales	967	-	-	967
Innovate Trust	7	-	(7)	-
Hodge Foundation	2,358	-	(2,358)	-
Legacy – A Kellaway	1,246	-	(1,246)	-
Moondance Foundation	34,593	40,170	(21,379)	53,384
National Heritage	27,804	24,809	(52,613)	-
National Theatre Connections Festival 2024	-	-	(3,347)	(3,347)
Old Vic	3,671	-	-	3,671
Paul Hamlyn Foundation 2019	30,640	342	(30,982)	-
	246,654	115,981	(274,215)	88,420
Total Restricted Funds	3,174,235	115,981	(502,445)	2,787,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Capital funds £	General funds £	Restricted funds £	Total 2025 £
Group				
Fixed assets	803,873	-	2,475,839	3,279,712
Net current (liabilities)/assets	(251,806)	658,873	168,057	575,124
Long Term liabilities	(92,293)	-	-	(92,293)
	459,774	658,873	2,643,896	3,762,543
Charity				
Fixed assets	803,873	-	2,475,839	3,279,712
Investments	-	1	-	1
Net current (liabilities)/assets	(251,806)	658,873	168,057	575,124
Long Term liabilities	(92,293)	-	-	(92,293)
	459,774	658,874	2,643,896	3,762,544

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted funds £	Restricted funds £	Total 2024 £
Group			
Fixed assets	875,424	2,699,351	3,574,775
Net current assets	396,345	88,420	484,765
Long Term liabilities	(152,745)	-	(152,745)
	1,119,024	2,787,771	3,906,795
Charity			
Fixed assets	875,424	2,699,351	3,574,765
Investments	1	-	1
Net current assets	396,345	88,420	484,765
Long Term liabilities	(152,745)	-	(152,745)
	1,119,025	2,787,771	3,906,796

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

Sherman Cymru commissioned productions of £453,846 (2024: £526,374) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2025 the charity was owed £199,882 (2024: £215,487) from Sherman Cymru Productions Limited. All transactions were at arm's length.

There was one related party transactions during the year (2024:3)
Gary Owen (Resigned 23 September 2024), Writer and Royalty fee for "Iphigenia Yn Sblot" £7,000 and Writer and Royalty fee for "A Christmas Carol" £10,630.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASES – CHARITY ONLY

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:

	2025	2024
	£	£
Plant and equipment:		
Fall due within 1 year	**14,760**	19,305
Fall due within 2 – 5 years	**15,417**	21,698
	30,177	41,003

26. PENSIONS – GROUP AND CHARITY

Sherman Cymru is fully compliant with Auto Enrolment and operates a qualifying workplace pension scheme with Legal & General. Contribution during the period were £25,262 (2024: £21,639). The outstanding balance at the year-end was £3,699 (2024: £4,015).

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

	2025	2024
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**(144,252)**	(461,441)
Adjustments for:		
Depreciation charges	**295,663**	301,870
(Increase)/decrease in stocks	**(130)**	7,579
(Increase)/decrease in debtors	**(47,806)**	(102,543)
Increase/(decrease) in creditors	**2,048**	(28,784)
Net cash provided by/(used in) operating activities	**(105,523)**	(283,321)
Analysis of Cash and Cash Equivalents		
Cash in hand	**567,270**	466,444
Total Cash and Cash Equivalents	**567,270**	466,444

Analysis of Net Debt:

	At 1 April 2024	Cashflows	At 31 March 2025
	£	£	£
Cash	466,444	(100,827)	365,617
Bank loans falling due within one year	(55,868)	(4,376)	(60,244)
Bank loans falling due after more than one year	(152,745)	60,452	(92,293)
	257,831	(44,751)	213,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2024

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Income and endowments from:			
Donations and legacies	1,239,504	115,981	1,355,485
Charitable activities	872,234	-	872,234
Other trading activities	219,745	-	219,745
Other	146,749	-	146,749
Total income and endowments	2,478,232	115,981	2,594,213
Expenditure on:			
Raising funds	53,655	-	53,655
Trading costs	278,335	-	278,335
Charitable activities	2,221,220	502,445	2,723,665
Total expenditure	2,553,210	502,445	3,055,655
Net movement in funds	(74,978)	(386,464)	(461,442)
Reconciliation of Funds			
Total funds brought forward	1,194,002	3,174,235	4,368,237
Total funds carried forward	1,119,024	2,787,771	3,906,795

SHERMAN CYMRU

England & Wales - Charity number 1118364

Accounts

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The objects of Sherman Cymru are to promote and encourage art and in particular performing art for the benefit of the public by the development, production and presentation of new writing or works of any form, the provision of theatre facilities and the advancement of education of children, young persons and adults by participation in the experience of theatre, drama and the performing arts.

Our Mission:

We make and curate exciting theatre for Cardiff audiences. We develop and nurture the work of Welsh and Wales based artists. We generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

Our Artistic Vision:

Imagine a world made more equitable, more compassionate, more unified by the power of theatre. We are driven to achieve this vision every day. We do this by creating and curating shared live theatre experiences that inspire people from all backgrounds across South Wales to make a better world, in their own way. We believe that access to creativity and self-expression is a right and we constantly strive to ensure everyone has the opportunity to be enriched by the art of theatre.

Our focus on the development and production of new writing, and on nurturing Welsh and Wales-based artists makes us the engine room of Welsh theatre. We tell Welsh stories with global resonance through our Made at Sherman productions, created under our roof in the heart of Cardiff. We're a place for everyone, generating opportunities for the citizens of South Wales to connect with theatre through inspiring and visionary engagement.

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissioners' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The company's strategic aims are:

a. To create and curate exceptional, exciting, high quality theatre experiences in Welsh and English for the enjoyment and stimulation of all ages and backgrounds
b. As a truly bilingual organisation, to make a meaningful and impactful contribution to the Welsh Government's aim of reaching 1 million Welsh speakers by 2050
c. To grow and diversify our audience, increasing our annual average capacity by 8% from the pre-pandemic average of 67% to an average of 72% by the end of 2026/27
d. To strengthen the Sherman's reputation as an iconic, welcoming public building and creative hub in the centre of Cardiff for the local and Wales-wide community
e. To cultivate and nurture a new, diverse generation of theatre makers and arts leaders
f. To work in partnership to engage young people, including those from socially excluded and disadvantaged backgrounds, in high quality, affordable activities in a wide range of theatre making disciplines to help develop their creative, social, personal and economic potential
g. To ensure we have a fully supported workforce and leadership team which is as diverse as the city we represent
h. To grow our digital understanding and capacity and develop new ways of working that exploit modern technologies for artistic, strategic, commercial, communication, and operational purposes
i. To exploit the Sherman's work nationally and internationally for the purpose of building audiences, reputation, and where appropriate, commercial gain
j. To reduce Sherman Theatre's long-term impact on the environment and to aspire to become a model of practice for other arts organisations
k. To maintain a financially stable company and develop a commercially viable and sustainable income generation model which will grow year-on-year across the period of this plan

Each aim has two or three key objectives and three to five year outcomes all contained within the Company Business Plan.

ACHIEVEMENTS AND PERFORMANCE

2023-24 saw Sherman Theatre celebrate its 50th Birthday, marked by some significant co-productions, a large-scale community production and a number of celebratory events. Through these events and productions we re-engaged with lapsed audiences and engaged with new audiences which saw overall capacity increase from a pre-pandemic (2019-20) level of 65% to 67% in 2023-24, and for Made at Sherman productions, capacity increased from 67% in 2019-20 to 75% in 2023-24.

In September 2023, we received the outcome of the ACW Investment Review and were awarded Multi-Year Funding status continuing with the same level of annual investment each year.

The theatre was nominated for Theatre of the Year at The Stage Awards 2023:

"... a theatre making work that is both firmly rooted in its local community but of a genuinely world-class standard."
The Stage, December 2023

SHERMAN THEATRE PRODUCTIONS AND CO-PRODUCTIONS

2023 saw Sherman Theatre celebrate 50 years since it first opened. Our programme for the year saw a number of exciting co-productions, new writing, stories rooted within our city and a large scale community production.

Romeo & Julie by Gary Owen
Our co-production with the National Theatre of Gary Owen's reimagining of Romeo and Juliet was initially meant to open in 2020 but had been postponed due to the pandemic. It finally opened at the National Theatre in February 2023 and ran until 1 April 2023, subsequently transferring to Sherman Theatre where it ran from 13 – 29 April 2023. The run played to a capacity of 88% over 19 performances and reached 162% of the financial target.

The production was written by Gary Owen and directed by Rachel O'Riordan and featured Rosie Sheehy, Callum Scott Howells, Catrin Aron, Anita Reynolds and Paul Brennan in the cast.

"It's packed with its own poetry, gorgeous as a shimmer of iridescent oil in dirty gutter water. And O'Riordan's production – lean, unsparing, fizzing with feeling – hits us dead-on in the heart."
****** The Stage*

RWCMD NEW: Mad Margot by Rebecca Hammond
Our collaboration with Royal Welsh College of Music and Drama's NEW Festival was ***Mad Margot*** by Rebecca Hammond, directed by Jac Ifan Moore. The production played at RWCMD as well as at The Yard in London.

IMRIE by Nia Morais, a co-production with Fran Wen
Our co-production with Frân Wen of Nia Morais's Welsh Language play ***Imrie*** played at Sherman Theatre in the Studio from 11 – 20 May 2023 prior to a three week tour across Wales to: Pontardawe Arts Centre; Aberystwyth Arts Centre; Galeri, Caernarfon; Theatr Clwyd, Mold; Pontio, Bangor; Torch, Milford Haven; The Riverfront, Newport; Ye Egin, Carmarthen; and Garth Olwg, Pontypridd.

Elan Davies became the first Welsh language winner of The Stage Debut Award for her performance in *Imrie*.

"A refreshing and stirring piece of theatre."
***** The Stage*

"Mae Imrie yn stori am hud a rhyfeddod i unrhyw un."
Entertainment South Wales

Housemates by Tim Green, a co-production with Hijinx In October 2023, *Housemates,* by Tim Green in a co-production between Sherman Theatre and Hijinx, captivated audiences and played to nightly standing ovations.

In the 1970s, just a few metres from the Sherman Theatre's doors, a revolution started. It was a revolution that rocked the world. It began when Alan, a young man born with Down's syndrome, crashed into the life of Cardiff University student Jim. Alan had lived as a resident in Ely Hospital since childhood; all he wanted was to live in a house and be in a band. Jim wanted to make a difference in the world but didn't know how. Together with their friends, they embarked on an experiment that transformed how things were done, how people were treated and who got to tell you how to live. This was the beginning of the end of institutionalised care and the birth of Supported Living.

Throughout the creation of this show, the brilliant minds of Hijinx's neurodivergent artists were not just consulted but deeply involved in shaping the story and taking charge in key production roles.

"A gloriously uplifting play... A production that radiates warmth, wit and humanity."
******** The Stage***

"... and astounding story, entertainingly and movingly realised."
******* The Guardian***

Hansel and / a Gretel by Katie Elin-Salt, with translation by Branwen Davies
This is our regular Christmas production for younger audiences (3-6 years) and their families, performed in Welsh and English with specific provision for Relaxed Performances as well as a BSL interpreted performance. **Hansel and / a Gretel** was directed by joe Murphy, with design by Hayley Grindle, lighting design by Ceri James, and composition by Lynwen Haf Roberts and cast members, Elin Phillips, James Ifan and Mari Fflur. This production also toured to venues throughout SE Wales for three weeks in November 2023 prior to the full run in the Sherman Studio over the Christmas period. At the Sherman the production played to an overall audience of 7,496 (compared to 7,584 in 2022) reaching 82% of its financial target. The tour did very well, playing to over 1,500 people across South East Wales.

Peter Pan by Catherine Dyson, a co-production with Theatr Iolo
This was a co-production with Theatr Iolo, with specialist support from NoFitState. Written by Catherine Dyson with a new score by Gwyneth Herbert, and directed by Lee Lyford. This production continued the popular Actor/Musician format and included spectacular flying sequences supported by the team from NoFitState. The run included a Relaxed Performance, two Captioned Performances, and a BSL interpreted performance. The cast featured Emily Burnett, Rebecca Hayes, Peter Mooney, Kevin McIntosh, Kieron Self, Rebecca Killick, Owen Alun, Alex Murdoch, and Lynwen Haf Roberts, with Edward Lee and Elinor O'Leary as apprentice actors. The production played to 15,677 people (compared to 11,662 people in 2022), and was hugely well received by audiences and critics alike.

"Magical."
******* The Guardian***

"... a moving, thought-provoking show which will have you laughing out loud one minute and wiping a tear from your eye the next."
Cardiff Mummy Says

The Wife of Cyncoed by Matt Hartley
Originally commissioned in 2018, we staged *The Wife of Cyncoed* in the Studio in Spring 2024, directed by Hannah Noone and starring Vivien Parry. The production played to 100% of capacity, with both audience and critical acclaim.

"The Sherman Theatre has a proud legacy of telling stories for the people of Cardiff, and this is a grippingly good piece of theatre.
Parry's performance alone is worth seeing, but coupled with Hartley's superbly sharp dialogue this a must-see production..."
******** The Morning Star***

PRODUCTIONS SUPPORTED BY SHERMAN THEATRE

CHOO CHOO! (Or ... Have You Ever Thought About *** ****** ****? (Cos I Have)) – Stammermouth Theatre**
2023 saw the second year of the Sherman Theatre's involvement with the Pleasance Edinburgh National Partnership scheme. Created to support individuals and companies from across the UK to take their work to the Edinburgh Festival Fringe, Sherman Theatre is now the Welsh partner for the Pleasance. We supported Stammermouth Theatre to take ***Choo Choo!*** to the Fringe through offering rehearsal space, marketing, technical, producing, and fundraising support and preview performances at the Sheman in advance of the show heading to Edinburgh. The show was hugely successful and was awarded The Scotman's Fringe First Award and The Mental Health Foundation Award.

Sprinkles by Katie Elin-Salt
In December 2023, we supported a production of ***Sprinkles*** through a variety of in-kind support including rehearsal space, marketing and technical support. The show played on top of our set for *Hanssel and/a Gretel* and ticket income was donated to a number of charitable organisations.

CURATED PROGRAMME

FAMILY WORK:
In June, we presented ***Pinocchio*** by Little Angel Theatre in the Studio for two performances.

We were pleased to present Remarkable Rhythm, a dance theatre show for young people 7+ and their families by Krystal Lowe for 2 performances in the Studio over June half-term.

We presented Birmingham Stage Company's ***Horrible Histories: Barmy Britain*** in the Main House in September 2023 for five performances.

During the Easter Holidays, we presented *Charlie Cook's Favourite Book* in the Main House for five performances.

DANCE/PHYSICAL THEATRE:
National Dance Company Wales returned in May 2023 with one performance of ***Pulse***, as well as an evening to celebrate its 40th anniversary, *Gathering*. They also presented a Discover Dance matinee for children and young people and their families.

WELSH LANGUAGE WORK:
In July, we presented Cwmni Theatr Arad Goch's production of ***Jemima,*** *made for schools and families* on our Main Stage for two performances.

In September 2023 Theatr Clwyd's new Welsh language adaptation of the hit show *Fleabag* played the Main House for four performances.

We presented *Rhinoseros* by Theatr Genedlaethol Cymru in the Main House for four performances in October 2023. Theatr Genedlaethol Cymru then returned to the Sherman in the spring with four performances of *Ie, Ie, Ie* in the Studio in February 2024 and one scratch performance of *Kiki Cymraeg* in March 2024.

NEW WRITING:

Made in (India) Britain by Rinkoo Barpaga – an award-winning, coming-of-age story performed in BSL played for two performances in the Studio in April 2023.

We were delighted to present *The Mistake,* an urgent new play by Michael Mears, following its hugely successful Edinburgh run, in September 2023. This played for one performance in our Studio.

In October 2023, we presented a new play by Owen Thomas, Carwyn, in the Studio for three performances.

National Theatre Wales presented *Feral Monster* by Bethan Marlow in the Main House in February 2024.

MUSIC / COMEDY / CABARET:
A programme of one-night comedy, music and cabaret events often bring in new audiences and also can drive ancillary sales across the café bar.

The comedy programme featured a variety of well-known names:

- Tom Davis: *Work in Progress* – Studio (April 2023)
- Tim Key: *Mulberry* – Main House (May 2023)
- Nick Mohammed: *Mr Swallow* – Main House (May 2023)
- Mark Steel: An Evening and a Little Bit of Morning with Mark Steel – Main House (May 2023)
- Suzi Ruffell: *Snappy* – Main House (June 2023)
- Daniel Kitson – Studio (June 2023)
- Josie Long: *Re-Enchantment* – Main House (September 2023)
- Jordan Gray: *Is It A Bird?* – Studio (September 2023)
- Bridget Christie: *Who Am I?* – Main House (September 2023)
- Steve Hall and Steve Williams – Studio (November 2023)
- John Kearns: *The Varnishing Days* – Main House (February 2024)
- Miles Jupp: *On I Bang* – Main House (February 2024)
- Count Arthur Strong... *And It's Goodnight From Him* – Main House (February 2024)

We also presented the following one-night events, which were a combination of cabaret, talks and an evening with style events:

- *Danny Beard: Live* – Main House (June 2023)
- Caitlin Moran: *What About Men?* – Main House (July 2023)

- Richard Coles: *Borderline National Trinket* – Main House (September 2023)
- Richard Herring: RHLSTP – Main House (March 2024)

COMMUNITY AND AMATEUR:

As part of the 50th Anniversary celebrations, Sherman Theatre welcomed a vibrant network of Youth Theatre companies from across Cardiff and South Wales to take part in our Youth Theatre Festival in April 2023. Over three days young people from eight different youth theatre groups from across Wales and the South West participated in workshops, performances and social activities with Sherman Youth Theatre presenting *Ghost Cities* by Gary Owen.

Throughout July we also had a number of events from the Creative Engagement team at the Sherman. Our Sherman Players (our amateur group for ages 18+) performed The London Merchant, directed by Gareth Warren. Our final performances in July were by our integrated Youth Theatre group – 60 young people between the ages of 8 and 17 performed *Stolen Stories* on the stage of the Studio.

In February 2024, Sherman Youth Theatre presented *The Periodicals,* written by Sian Owen and directed by Alice Eklund. They performed in the Studio across three evenings in February 2024 and then again at the Sherman NT Connections Festival in April 2024.

Love Cardiff; 50 Years of Your Stories

The production of ***Love Cardiff; 50 Years of Your Stories*** was a unique collaboration that not only shared the stories of five different Cardiff communities but also the, largely unknown, background of the Sherman Brothers, Harry and Abe. They were the children of Russian/Jewish immigrants, who rose from humble beginnings to become influential community figures. Their profitable businesses made them very wealthy, but they were determined to share that good fortune with the city they called home and their philanthropy led to the building of the theatre that bears their name.

We worked closely with the ***Jewish History Association of South Wales*** to construct an accurate and detailed timeline of the brothers' lives, which also acted as a plotted history of the city itself. The narrative of the Sherman brothers was rehearsed over the final three weeks of the project with two professional actors, one of whom authentically represented the Jewish community. It provided a holding structure through which the stories of the other communities could be explored in a fluid and reflective way. The result was a show that told the story of Cardiff and its communities, past and present, celebrating the richness of cultural diversity and the contribution of immigrants, which has long been essential to the development and fabric of the city.

Love Cardiff: 50 Years of Your Stories played for three performances in August 2023 to extremely enthusiastic and supportive audiences. There was a further performance as part of our Community Celebration Day activities, featuring younger performers from within *Waulah Cymru*.

In September, National Youth Arts Wales brought us a new version of *Under Milk Wood / Dan Y Wenallt* developed for the National Youth Theatre Wales Ensemble 2023, showcasing the best emerging talent in Wales.

The relationship between Sherman Theatre and Royal Welsh College of Music and Drama continued to grow and develop and throughout the year, as well as the Sherman involvement in NEW, the theatre also hosted two of the College productions. Our co-production of *Mad Margot* by Rebecca Hammond and directed by Jac Ifan Moore was performed at RWCMD and at The Yard, London. In June, their Musical Theatre students presented *Women on the Verge of a Nervous Breakdown* in the Main House. In March 2024, RWCMD Opera students occupied the Main House for a number of weeks leading up to their performances of an opera double bill: *Gianni Schicchi* by Puccini and *La bella dormente nel bosco (The Sleeping Beauty) by Respighi,* conducted by Carlo Rizzi and directed by Caroline Clegg.

ARTIST DEVELOPMENT

Building on the impact achieved during its pilot year a new programme of activity was introduced during this second year of Literary department activity. The programme, which will now form the core of all upcoming Literary activity year on year, was developed in consultation with our writing community and focused on supporting writers from entry level through to R&D.

- Running over nine months the EXPLORE programme is an open access opportunity that comprises of monthly introductory workshops on writing for theatre. Three of the EXPLORE participants have gone on to be commissioned for Sherman SHOUT/BLOEDD scratch nights and a number of them have sent in full scripts to our Unsolicited Programme.
- The EXPAND programme is skills-based training strand to elevate the skills and craft of emerging artists. EXPAND is aimed towards creatives who already have a good grasp of what it takes to write a play. The application process required the participant to confirm they had already written one full play but it did not have to be produced. Workshops are taught by creatives from the industry (employing 10 freelance creatives) who have specific experience in that field as well as some sessions being taught by the Literary Manager and Artistic Director.
- Supporting three writers each year, EXPLODE is an R&D outcome-based development strand focused on elevating the capability of mid-career artists. During year two Mari Izzard, Connor Allen and Ciaran Fitzgerald were supported through placement on EXPLODE. Both Mari and Connor finished the year with a sharing of their work (employing five freelance creatives). Due to ill health Ciaran was unable to complete the programme and will instead have the opportunity to join the cohort for 2024.

Ongoing support for writers was provided via weekly PIT STOP sessions and through opportunities to submit scripts through our Unsolicited Scripts programme.

Across the year the Literary department provided dramaturgical support for eight Made at Sherman productions that will be seen onstage during the 2023/2024 artistic programme. Amongst these is Serman's critically acclaimed co-production of *Housemates* with Hijinx and Tim Green, and *IMRIE* the debut Welsh language play of our writer in residence Nia Morais (co-production with Fran Wen). The department also continued to support Creative Engagement through the delivery of the Introduction to Playwriting programme, Youth Theatre festival workshops and Tales & Tea sessions.

A project highlight was the introduction of SHOUT! a series of events showcasing new writing and amplifying the work of under-represented communities. Five SHOUT/BLOEDD scratch nights were held over the course of the year, each one platforming a different community such as: LGBTQIA+ , deaf, disabled and neurodivergent communities, refugee and asylum seekers and global majority artists. When working with these communities the Literary Team offered one writer of each group the role of guest curator to support and aid the team in locating other creatives to take part. The

SHOUT model was also adapted for the National Eisteddfod in the summer of 2023 where the entire event was delivered in Welsh.

Project activity:

- 23 writers submitted unsolicited scripts and received feedback from the team.
- 42 writers met with the team through the weekly Pit Stops sessions.
- The team delivered one Sherman Scribblers session. In consultation with the group, the decision was taken to incorporate this activity into the wider Literary programme moving forwards, with writers having the opportunity to take part in future EXPLORE or EXPAND workshops to develop their writing.
- Delivery of two Tales and Tea performances for older audience members.
- The Literary Team increased their support for the Introduction to Playwriting (ITP) programme, attending weekly workshop session with the young writers and leading on the dramaturgy for the Writers Room Commission.
- The Literary Team supported creative engagement around the upcoming autumn Made at Sherman production, *Odyssey '84*, meeting with colleagues at Big Pit to plan a future Tales and Tea session with older members of the local community.
- Providing dramaturgical support for five Sherman commissioned writers, alongside early stage dramaturgical conversations with a further three writers.
- Supporting Sherman R&Ds for EXPLODE writers, Connor Allen, Mari Izzard, Ciaran Fitzgerald.
- Providing dramaturgical support to R&Ds of six pieces of new writing.
- Continued development of partnership with Bad Wolf, facilitating introductions with writers associated with the Sherman.
- Working with Eisteddfod Genedlaethol Cymru to get our Welsh language *Iphigenia yn Sblot* ready for this year's Eisteddfod (Pontypridd 2024).

CREATIVE ENGAGEMENT

Introduction to Playwriting

A core part of our Creative Engagement work is our Introduction to Playwriting programme supported by Moondance,

Weekly sessions during the spring term of 2023 focused on the development of a new piece of writing for Sherman Theatre's 50th anniversary Youth Festival in April. Performed by Sherman's Youth Theatre group 4 (ages 11-15), *Ghost Stories* was a new take on Gary Owen's *Ghost Story* (which premiered in Cardiff in 2004), incorporating brand new material written by our Introduction to Playwriting participants. Gary also joined the group for a guest writer session.

During the summer term the group explored writing audio dramas, receiving a brief to create their own plays based on real-life observation and lived experience. The audio dramas were performed by professional actors, directed by professional directors, and recorded and professionally produced by Music Composer and Producer Branwen Munn and Sound Designer Christopher Young. They were launched in November 2023 as the *Listen Up! Act II* collection.

During the autumn term the weekly sessions focused on autobiographical writing, with guest tutor Tori Lyons working with the group to write their own monologues. At the end of the term the Sherman Players (our non-professional acting group for ages 18+) performed the group's work, alongside monologues from the Sherman back catalogue, to a public and invited audience.
The Writers Room commission launched in November 2023, seeking to pair a professional writer with the group to collaborate on the creation of a new play. Writers were invited to apply for the commission via open call out and a total of four writers pitched their ideas to the group. The group

selected to work with playwright Jennifer Lunn who began working with the group in January 2024 on the development of a new play to be performed by Sherman's Youth Theatre as their annual production in spring 2025.

For group member Corb Davies it was an award-winning autumn term as he became the recipient of the Shakespeare Schools Foundation *What you Will* award, a new creative competition for children and young people to celebrate 400th anniversary of Shakespeare's First Folio. Writers were tasked with creating a new speech for either a major or minor character in a Shakespeare play. Corb's work created a new speech for *Innogen* from *Much Ado About Nothing* and won the 17-21 age group category. Sherman Theatre's Literary Manager, Davina Moss accompanied Corb to collect his award at a Celebration Gala at the Criterion Theatre in London on the 27th of November.

Across the term the group benefitted from attending performances of new writing at every stage of its development. This included *Housemates, SHOUT, Sprinkles, Peter Pan,* and *Scene/Change.*
October 2023- *Housemates*, Sherman Theatre's autumn main house show/ co-production with Hijinx

It was important that group had the collective experience of seeing such a diverse range of shows which they could then discuss during their weekly sessions, alongside seeing their own work being performed. They were also able to attend post-show discussions and Q&As with panels including writers, performers and directors.

Community Production

Following initial conversations with communities over the preceding months, brokered by writer and Associate Artist Paul Jenkins, ***Love Cardiff; 50 Years of Your Stories*** officially launched with a *Community Meet & Greet* in May 2023. This event saw representatives from our community groups come together at the Sherman to meet one another and hear about the plans for the project, including how we would work together and how the community stories would be presented within the framework of the story of the Sherman Brothers, whose generosity facilitated the original construction of the building.

The groups involved in the project were:

- **Kurdish All Wales Association/KAWA** (Large group, predominantly made up of refugees and asylum seekers)
- **Cathay's Day Provision** (Learning disabled and/or neurodivergent adults)
- **Waulah Cymru** (Multi-generational group, representing a five-hundred strong community of Pakistani heritage)
- **Members of Cardiff's Deaf Community** (Recruited through Deaf Hub Wales)
- **The Welsh Ballroom Community** (An LGBTQIA+ group who perform at *alternative balls* – 80% of the group have intersecting protected characteristics relating to both race and gender)

Over a period of 12 weeks, we worked with these groups in a workshop format to explore what they wanted to say about their communities focusing on three key questions:

- *How does your community define itself?*
- *What does the city of Cardiff offer, or provide for your community/group?*
- *What does your group/community give back to the city?*

Each group worked in a slightly different way depending on their level of experience and specific needs. Where possible, a facilitator was recruited from within the community itself to lead the

creative process, as was the case with *KAWA* and both the *Deaf* and *Ballroom* communities. For *Cathays Day Provision*, we recruited a facilitator, with experience of working with neurodivergent adults and mentoring, who could not only support the group but help to upskill the staff at the local community centre, who were keen to develop tools and techniques for theatre-making. As *Waulah Cymru* had an existing relationship with the theatre and had worked with the Creative Engagement team previously, their sessions were facilitated directly by the core creative team. Each group included a community catalyst who acted as a liaison point for disseminating information and communicating with the groups and many people attended sessions and contributed to the development of the work, even though they could not, or chose not, to participate in a final performance. A small team of BSL interpreters supported the work with the *Deaf Community* and helped to ensure that the performance was accessible to d/Deaf audience members.

In addition to the involved and embedded work with our five selected communities, we wanted to ensure that this project provided an opportunity for even more of Cardiff's communities to be celebrated. To create this platform, we devised a community celebration event, featuring an exhibition of our core communities, alongside images of other local groups, organisations and charities. We also commissioned a new piece of artwork by a celebrated local artist, that incorporated a collage of images shared by community leaders. The following organisations contributed to the event, which was attended by a diverse range of Cardiff residents and families.

- Aubergine Café (Neurodivergent led)
- Cathays Community Centre
- Edible Cardiff
- Everyman Theatre
- EYST (Ethnic Youth Support Team)
- Foodbank Cardiff
- Forget Me Not Chorus (Dementia Choir)
- Goldies (Choral performance group)
- Green Squirrel (Community Resilience Eco-Project)
- Grow Cardiff (Gardening and Wellbeing group)
- Harris Hussain
- River Music
- Sahar Saki (Artist)
- Samarpan Nrithyalaya (Performer/Dancer)
- Sherman Players
- Sherman Youth Theatre
- St Andrews Church
- Stacey Blythe (Musician)
- TGP Cymru (Children and Families Support Group)
- Theatre Café
- Unify Creative (Artis)
- YMCA

Our Community Celebration Day involved workshops in Indian Dancing, Welsh Language Storytelling through Music, African Drumming and Persian Calligraphy. It also showcased intergenerational choirs and culturally diverse musicians and dancers. There were drop-in activities in our foyer and there was a pop-up cinema showing community short films, submitted via an open call. We also provided a prayer room and a simple lunch for all visitors and contributors. More than

150 people attended the event and the feedback was very positive in regard to how multi-cultural, welcoming and celebratory the event had been.

There followed an evening of LGBTQIA+ curated activity, delivered in association with the *Theatre Café* and the *Welsh Ballroom Community*, including films, performances and panel-led Q&A's. The two partner organisations had not met previously, but went on to collaborate, staging a subsequent event at the church which houses the *Theatre Café* a few weeks later. This demonstrates how the event at the Sherman supported the development of new relationships between community groups and organisations, something that many of our community partners commented on and felt very positive about.

Our activities were fully accessible and supported by a BSL interpreter, which meant that the Deaf attendees from our core community activity could also participate in the discussions and impromptu performances, which featured as part of this special evening.

The Story Project – Collaboration with The Wallich
This is a two-year project which aims to expand the reach of the arts in Wales and establish creative pathways for individuals within a culture of shared learning through collaboration between Welsh art makers and people with lived experience of homelessness, and to support the creation of work informed by real stories.

Throughout 2023, Sherman Theatre supported the planning phase of the project, followed by a ten-week pilot project with the Cardiff group which culminated in a sharing at the Sherman Theatre of 13 December 2023.

In February 2024, we began the first ten-week programme to enable the creation of a mini theatre company to create a short piece of theatre.

Tales and Tea
Through the Tales and Tea initiative we provide a daytime performance for audience members who prefer not to venture out to the theatre in the evening. The project aims to promote wellbeing through the opportunity to see a brand new piece of writing, share thoughts and feedback, chat and meet others in a supported, friendly environment. Each performance comprises of a rehearsed reading in either the Sherman Studio or Main House theatre, a post show Q&A session with the writer, director, and cast, followed by tea, cake and an opportunity to socialise.

The audience age ranges from 50 to 80+. Performances are held on a quarterly basis, both at Sherman Theatre and, where possible, in community venues. All performances have BSL interpretation and are relaxed, Dementia Friendly performances. We offer a subsidised ticket rate of £5 at the Sherman and offer our community based performances free of charge.

The Tales and Tea season began with a preview performance of Katie-Elin Salt's festive play, *Sprinkles* on the 15th of November. *Sprinkles* went on to be performed as a programmed script in hand reading in December, performed on the set of our under 7s Christmas show in the Sherman Studio.

On the 26th of January, the Tales and Tea audience had the opportunity to experience an exclusive reading of our spring Made at Sherman production, *The Wife of Cyncoed,* written by Matt Hartley and performed by Vivien Parry, ahead of its world premiere performances in March.

FINANCIAL REVIEW

These accounts cover the period from 1 April 2023 to 31 March 2024.

During the year the charity secured ongoing revenue investment from the Arts Council of Wales (ACW).

Restricted Fund projects:
In addition, during the year the charity received grant aid from the following trusts and foundations for Restricted Fund projects:

- Paul Hamlyn Foundation for the Sherman 5 project
- £317,000 over four years (2019 – 2023) from Paul Hamlyn Foundation More & Better fund to support the development of the Sherman 5 initiative
- In agreement with funders, the initiative was extended to the end of July 2023 to take into account the hiatus in activity during the pandemic. Funding therefore ceased on 31 July 2023.

This major award for the charity has significantly helped drive forward the Sherman's social impact and underscore its commitment to audience development.

During the year, the charity gratefully received the following restricted funds:

- **Arts Council of Wales (Creative Pathways) - £21,900** to support the continuation of the Literary Department between November 2023 and March 2024 whilst we awaited the outcome of the Investment Review.
- **Arts Council Wales (Iphigenia yn Sblot)** - **£22,041** initial payment for the production and tour of Iphigenia yn Sblot, which was also supported by Eisteddfod Genedlaethol Cymru.
- **Davies M Charity** - **£5,000** to support a programme of Tales and Tea events aimed at reducing feelings of isolation and loneliness in older people.
- **Garrick Trust** - **£1,500** to support the development of an emerging designer.
- **Moondance Foundation** - **£40,170 –** Second year of three year funding for continuation of Introduction to Playwriting initiative, working with young people aged 15 – 18.
- **National Lottery Heritage Fund** - **£24,809** – Second payment towards a large scale community production and associated activities.

Unrestricted Income from Trading – predominantly from the commercial hiring/letting out of our auditorium and rehearsal spaces and our bar and café, amounted to £255,161.

Resources Expended:
Expenditure totalled £3,055,655 in the year. Staff levels were 23 (including 2 funded posts).

The Charity continues to hold a term loan with the Royal Bank of Scotland. Within the Balance Sheet given on page 28 and 29 the loan balance outstanding is split between creditor payments due within one year and creditor payments due after more than one year. Following the process to confirm the loan agreement under Section 124(2) of The Charities Act 2011 during the 2014-year and the consequent change to the rate of interest paid, the company is pleased to report the diminishing level of the total loan.

FUNDS:
We closed the year with an in-year operating deficit in unrestricted funds of £74,978.

INVESTMENT POWERS AND POLICY

Under its Memorandum and Articles of Association the charity has a range of powers to invest its funds.

Sherman Cymru Productions Ltd:

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

During this year, the company received £215,486 (2023: £132,435) under the Theatre Production Tax Relief.

As at 31 March 2024 the charity was owed £215,486 from Sherman Cymru Productions Limited.

At the year end the charity had no further investments other than monies held in interest earning accounts at Barclays Bank PLC and a holding account with Royal Bank of Scotland.

TANGIBLE FIXED ASSETS

Details of movements in tangible fixed assets are shown in Note 15 to the financial statements.

RESERVES POLICY

The trustees agreed at a Finance Committee meeting on 3 September 2024 to a reserves policy that general reserves, after excluding restricted funds and any transfers to designated funds, should be in the region of £300,000.

The purpose of these reserves are to cushion the potential impact of any major unforeseen or unexpected expenditure and to ensure that any significant shortfall in short-term income, e.g. the income generated from ticket sales, doesn't affect the charity's financial viability. The charity aims to achieve this level of general reserves within the next three financial years.

At 31 March 2024 the charity had free reserves (excluding restricted funds and fixed assets) of £587,099 (2023: £588,437).

Transfers and Reserves:

A budget item was added in February 2015 for Transfers. The practice of designating reserves continues.

Allowing for the agreed setting aside of the £300k, for the General Reserves Policy, would leave a balance of £287,099. The Trustees agreed to assign the free reserves to designated funds as outlined below:

- £7,099 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption
- £5,000 to support a dedicated Individual Giving Fundraising effort

KEY MANAGEMENT PERSONNEL

The executive team consists of the Artistic Director (leading on Artistic Policy) and the Chief Executive.

The Senior Management team (SMT) comprises the above two Directors working with a team of five Senior Managers to deliver the strategies, policies and aims of the company through its artistic programming.

The Senior Management Team are:

Head of Finance & Administration, Head of Marketing and Communications, Head of Production and Planning, Head of Fundraising and Development, and Head of Operations.

Trustees set the remuneration for the executive team. The executive team review and recommend rates of pay, salaries and wages for the SMT and all staff through the HR & Governance Committee who will make recommendation to the Finance Committee before a full recommendation is made to the Board for ratification. Certain posts/roles are governed by union agreements – recognised unions are EQUITY, the union for actors, stage managers and creative teams (Designers, Lighting Designers, choreographers, Fight Directors, et al), and BECTU the union representing most theatre technicians and some FOH staff. The company is committed to paying the MRSL 2 rate for creative teams.

Pension arrangements, annual leave terms, and all other contract terms are the same for all staff including the executive team. We do not operate a performance related pay scheme, nor do we have any bonus scheme. There are no incremental pay awards – although the Board undertake an annual review.

Each year the Artistic Director and Chief Executive and all staff participate in performance appraisals, the executive team appraisals being undertaken by the Chair of the Board.
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	Employer NI	Employer Pension	Total 2024	Total 2023
£317,743	£35,042	£8,115	**£360,900**	£349,824

A company pay increase was awarded for all posts up to and including the Senior Management Team this financial year in response to the cost of living crisis.

FUTURE PLANS

Sherman Cymru's Business Plan is updated and re-issued annually, setting out plans for the forthcoming three years.

Following the successful outcome of the Investment Review, we have secured multi-year funding for the next 3-6 years. That said there is ongoing about the level of funding that we will receive in the future.

Despite this element of ongoing uncertainty, our core priorities over the next years are to ensure:

- we produce and curate high quality work that is relevant to the citizens of Cardiff and beyond. This vision is reflected across all work at the Sherman and underpins all artistic decision-making. Strong, clear and forthright artistic leadership is supported by the ambition of the Executive and Senior Management Team (SMT) and a honed, skilled team of staff members empowered to fulfil the mission;
- the company is in the best possible position to take full advantage of the Theatre Production Tax Relief Scheme;
- parsimonious use of all the company's resources at all times so the company can achieve its aim to be more financially stable and less reliant on grants, and in the short-term to reduce the reliance on ACW advance grant;
- we invest in CPD for our staff to build a knowledgeable and highly skilled team driving forward the ambition of the company;
- we choose our partners and collaborators with care – ensuring buy-in to the company's ambition from all parties primarily through confirming artistic compatibility and financial viability of companies and projects before proceeding;
- we strengthen and add to the skills of the board of trustees through public advertising, and the re-introduction of the trainee trustee mentoring scheme, all with the aim to have a board working to its optimum level of support;
- we respond to opportunities to tour the company's work further afield, ensuring that the best new work made in Wales is seen by audiences across the UK and when possible/invited, internationally;
- we continue to ensure that we are looking ahead and developing a robust and resilient organisation for the future. This includes constant analysis of our infrastructure and its fit for purpose; finding future proof solutions to meet our digital requirements; and striving to identify additional streams for income generation within our defined business model.
- we strive for continuous improvement in minimising the impact of our work on our environment and prioritise sustainability across all areas of our activities.

The company constantly seeks to improve, to set ourselves targets, to aim high, to self-assess, to produce the highest possible quality and standard of work that it can. The impact of self-assessment/evaluation both individually for members of staff, and collectively in evaluating the produced work, will lead to the highest possible achievements.

The impact of having a programme of work that chimes with the citizens of Cardiff should lead to widening access to the performing arts within our communities and result in a higher number of first-time theatre attenders and attenders generally.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's Risk Register is reviewed throughout the year, by all Committees, who each focus on a particular area and then make recommendation to the Board of Trustees.

Five areas of risk are considered: Governance and Management, Financial, Artistic, Organisational, Operational. All are assessed for both likelihood of occurrence and potential impact, severity of impact and overall gross risk. Mitigating factors are then considered and recorded.

In addition to this main risk register, we also carry out Risk Assessments of every Production we create, every production that we buy in, every activity we undertake to ensure we are providing as safe and risk-free an environment as possible for our audiences, customers, staff and participants.

Liability of members

Sherman Cymru Ltd is a company Ltd by Guarantee with no share capital. Clause 7 of the memorandum of association provides that every members, as defined by Clause 1 of the articles of association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member or within one year of ceasing to be a member. At the year-end there were 15 members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Sherman Cymru is a charity limited by guarantee governed by its Memorandum and Articles of Association dated 17 November 2006. The charity is registered as a charity with the Charity Commission.

APPOINTMENT OF TRUSTEES

As set out in the charity's Articles of Association, trustees are either appointed at an Annual General Meeting, or may be co-opted by the trustees during the year.

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

On election/appointment, each new trustee receives an induction pack, some key organisational policies, and pen pictures of existing trustees and key members of staff. New trustees are briefed by the Chair and the Executive Team comprising of the Artistic Director and Executive Director on the charity's artistic activity and how the Board of Trustees and its Committees work. All trustees are actively encouraged to see the charity's work and to discuss the work they have seen either with fellow trustees, or with the charity's staff. In 2019/20 the company reintroduced a scheme for Trainee Trustees with a view to particularly encouraging, training and supporting people from diverse backgrounds to become trustees in the voluntary sector. However, the impact of Covid-19 has meant that scheme has been temporarily suspended.

ORGANISATION

The charity is administered by the Board of Trustees, which can number up to 20 people, who meet on average every twelve weeks. At 31 March 2024, the Board had an Artistic Policy Committee, a Marketing and Fundraising Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 16.

The Chief Executive is accountable for the management of the charity, delegating responsibility through a team of Senior Managers leading their relevant teams. The Artistic Director takes the artistic leadership for the charity.

RELATED PARTIES

There were three related party transaction with Trustees during the year:
Owen Thomas – Writer Fee £400, (2023: £250) (see Note 24)
Gary Owen – Royalty Fee (*Romeo & Julie)* - £13,784
Capital Law – Professional HR Advice - £1,193 (Huw Thomas, Trustee, is employed by Capital Law)

Sherman Cymru commissioned productions of £526,374 (2023: £347,880) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2024 the charity was owed £215,487 (2023: £132,436) from Sherman Cymru Productions Limited. All transactions were at arm's length.

RISK ASSESSMENT

Risk is regularly reviewed by the Board of Trustees as part of business planning processes, with financial risk reviewed and considered by the Board's Finance and HR & Governance Committees on an ongoing basis.

AUDITORS

The current Letters of Engagement to appoint Azets Audit Services as auditors to the charity will be presented at the forthcoming Annual General Meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Ceri Davies	(Chair - from 26 September 2022)
Rhian Head	(Interim Vice Chair - from 26 September 2022)
Nicholas Carlton	
Llinos Daniel	
Alex Hicks	
Iftakhar Khan	
David King MBE	
Marta Minier	
Gary Owen	
Marc Simcox	
Huw Thomas	
Louise Thomas	
Owen Thomas	
Jane Tyler	
Helen Vallis	

CHARITY SECRETARY
Julia Barry

REGISTERED OFFICE
Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS
Barclays Bank PLC
1 – 5 Working Street
Cardiff
CF10 2DP

AUDITORS
Azets Audit Services
Ty Derw
Lime Tree Court, Cardiff Gate Business Park
Cardiff
CF23 8AB

SENIOR STAFF

Joe Murphy	Artistic Director
Julia Barry	Chief Executive
Mandy Ivory-Castile	Head of Production and Planning
Kevin Burt	Head of Operations
Edward Newsome	Head of Marketing and Communications
Sally Shepherd	Head of Finance and Administration
Emma Tropman	Head of Fundraising and Development

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

The trustees (who are also directors of Sherman Cymru for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor
The current Letters of Engagement to appoint Azets Audit Services as auditors to the charity will be presented at the forthcoming Annual General Meeting.

Disclosure of information to auditor
In so far as the trustees are aware:
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report, including the strategic report, was approved by the Board of Trustees.

Approved by the Board of Trustees and signed on behalf of the Board

Trustee .....Ceri Davies
Date: 23 September 2024

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

We have audited the financial statements of Sherman Cymru (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report including the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at:https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Howells
Senior Statutory Auditor
Azets Audit Services
Chartered Accountants
Statutory Auditor

Date 23 September 2024

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

	Note	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:					
Donations and legacies	3	**1,239,504**	**115,981**	**1,355,485**	1,485,578
Charitable activities	4	**872,234**	**-**	**872,234**	623,971
Other trading activities	5	**219,745**	**-**	**219,745**	141,700
Other	6	**146,749**	**-**	**146,749**	160,891
Total income and endowments		**2,478,232**	**115,981**	**2,594,213**	2,412,140
Expenditure on:					
Raising funds	7	**53,655**	**-**	**53,655**	49,323
Trading costs	8	**278,335**	**-**	**278,335**	215,400
Charitable activities	9	**2,221,220**	**502,445**	**2,723,665**	2,346,483
Total expenditure		**2,553,210**	**502,445**	**3,055,655**	2,611,206
Net movement in funds	12	**(74,978)**	**(386,464)**	**(461,442)**	(199,066)
Total funds brought forward	21,22	**1,194,002**	**3,174,235**	**4,368,237**	4,567,303
Total funds carried forward	22,23	**1,119,024**	**2,787,771**	**3,906,795**	4,368,237

The notes on pages 31 to 48 form part of the financial statement

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2024 £	2023 £
Total income of continuing operations	**2,594,213**	**2,412,140**
Total expenditure of continuing operations	**(3,055,655)**	**(2,611,206)**
Net surplus/deficit for the period	**(461,442)**	**(199,066)**

There are no recognised gains and losses for the financial year other than the deficit on the income and expenditure account of -£461,442 after depreciation charges of £301,870

Total income comprises £2,478,232 for unrestricted funds and £115,981 for restricted funds.

A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of the expenditure is provided in the statement of financial activities and notes 7-9.

The summary income and expenditure account is derived from the statement of financial activities which, together with the notes to the financial statements, provides full information on the movements during the year on all the funds of the company.

BALANCE SHEET - CONSOLIDATED

	Note	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	15		**3,574,775**		3,876,645
Current assets:					
Stocks	17	**25,681**		33,260	
Debtors and prepayments	18	**383,062**		280,519	
Cash at bank and in hand		**466,444**		744,666	
		875,187		1,058,445	
Liabilities:					
Creditors: amounts falling due within one year					
Trade creditors		**52,420**		64,341	
Other creditors	19	**338,002**		293,913	
		390,422		358,254	
Net current assets			**484,765**		700,191
Total assets less current liabilities			**4,059,540**		4,576,836
Creditors: amounts falling due after more than one year	20		**(152,745)**		(208,599)
Net assets			**3,906,795**		4,368,237
The funds of the charity:					
Restricted Funds	22		**2,787,771**		3,174,235
Unrestricted funds:	21		**1,119,024**		1,194,002
Total charity funds	23		**3,906,795**		4,368,237

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors on 23 September 2024 and signed on its behalf.

Trustee ..... Jane Tyler

Company No. 06002090 (England and Wales)

The notes on pages 31 to 48 form part of the financial statement

BALANCE SHEET - CHARITY ONLY

	Note	£	2024 £	2023 £
Fixed assets:				
Tangible assets	15		**3,574,775**	3,876,645
Investments	16		**1**	1
Current assets:				
Stocks	17	**25,681**		33,260
Debtors and prepayments	18	**383,062**		280,519
Cash at bank and in hand		**466,444**		744,666
		875,187		1,058,445
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		**52,420**		64,341
Other creditors	19	**338,002**		293,913
		390,422		358,254
Net current assets			**484,765**	700,191
Total assets less current liabilities			**4,059,541**	4,576,837
Creditors: amounts falling due after more than one year	20		**(152,745)**	(208,599)
Net assets			**3,906,796**	4,368,238
The funds of the charity:				
Restricted Funds	22		**2,787,771**	3,174,235
Unrestricted funds:	21		**1,119,025**	1,194,003
Total charity funds	23		**3,906,796**	4368,238

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors on 23 September 2024 and signed on its behalf.

Trustee ..... Jane Tyler

Company No. 06002090 (England and Wales)

The notes on pages 31 to 48 form part of the financial statement

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2024 £	2023 £
Net cash provided by operating activities	27	**(283,321)**	(33,884)
Cash flows from investing activities:			
Purchase of property plant and equipment		-	396
Net cash provided by (used in) investing activities		-	396
Cash flows from financing activities:			
Repayments of borrowing		**(52,471)**	(52,955)
Net cash provided by (used in) financing activities		**(52,471)**	(52,955)
Change in cash and cash equivalents in the reporting period		**(278,222)**	(13,553)
Cash and cash equivalents at the beginning of the reporting period		**744,666**	731,113
Cash and cash equivalents at the end of the reporting period	27	**466,444**	744,666

The notes on pages 31 to 48 form part of the financial statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Sherman Cymru is a private company limited by guarantee incorporated in England and Wales registered office Senghennydd Road, Cardiff, CF32 4YE.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sherman Cymru meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis

The charity reported a net deficit on unrestricted funds of -£74,978 in the year. This charity is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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.

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.

Liabilities policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

Group financial statements
These financial statements consolidate the results of the charity and its wholly-owned subsidiary Sherman Cymru Productions Limited.

The particular accounting policies adopted are described below.

Fund accounting
Unrestricted funds are funds which are available for use at the discretion of the charity's members in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources
Trading activities (included within activities in furtherance of the charity's objectives) comprise receipts from performances held during the year and other related income. Monies received in advance of the next financial period are carried forward in the balance sheet.

Tangible fixed assets
Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives as follows:

Major leasehold improvements	25 years
General building improvements	10 years
Fixtures and fittings	5 years
Vehicles	5 years
IT equipment	3 years
All other equipment	5 years

Basis of apportionment
Support costs and management and administration have been allocated to the following categories on a staff cost basis:

Trading Costs
Bar and front house costs

Fundraising activities
Support costs have been allocated to governance costs based on the percentage of governance costs to total costs in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks
Stocks are stated at the lower of cost and net realisable value.

Grants
Revenue grants receivable are accounted for in the period to which they relate. Capital grants are credited to restricted funds on a received basis and released to the income and expenditure account over the remaining lives of the assets to which they relate.

Script commissions
Script commission payments to writers and development costs are treated as prepayments until the accounting period in which the production takes place. Where it is decided not to take a commission

Through to production any commissioning payments and accrued development costs are written back to the financial year in which that decision is made.

Development income
Development income is accounted for in the period in which the related expenditure occurs.

Taxation
As a registered charity, Sherman Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Fundraising	**15,577**	**-**	**15,577**	10,578
Recurrent grants:				
Arts Council of Wales	**1,165,461**	**-**	**1,165,461**	1,167,014
Other grants:				
Arts Council of Wales	**58,466**	**21,900**	**80,366**	153,593
Other	**-**	**94,081**	**94,081**	154,393
	1,239,504	**115,981**	**1,355,485**	1,485,578

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Ticket sales:				
Sherman Cymru productions	**286,279**	**-**	**286,279**	160,708
In House Visiting Companies	**242,683**	**-**	**242,683**	259,130
Communities and Engagement	**6,030**	**-**	**6,030**	7,252
Touring:				
Sherman Cymru productions	**13,259**	**-**	**13,259**	12,750
Co-productions	**41,532**	**-**	**41,532**	-
Communities and Engagement:				
Participant fees	**29,812**	**-**	**29,812**	35,735
Project income	**-**	**-**	**-**	-
Development & New Writing	**451**	**-**	**451**	471
Hires	**35,416**	**-**	**35,416**	13,915
Publishing	**1,285**	**-**	**1,285**	1,574
HMRC Theatre Tax relief	**215,487**	**-**	**215,487**	132,436
	872,234		**872,234**	623,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Bar and Front of House receipts	**219,745**	-	**219,745**	141,700
	219,745	-	**219,745**	141,700

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Other income	**146,749**	-	**146,749**	160,891
	146,749	-	**146,749**	160,891

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Fundraising activities	**53,655**	-	**53,655**	49,323
	53,655	-	**53,655**	49,323

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2024 £	2023 £
Bar and front of house costs		
Bar and café salaries	**127,858**	103,864
Bar and café purchases	**119,248**	86,973
	247,106	190,837
Other Front of House salaries and costs	**31,229**	24,563
Total bar and Front of House costs	**278,335**	215,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Depreciation £	Governance £	Total 2024 £	Total 2023 £
Unrestricted						
Artistic	**836,297**	**559,868**	**48,641**	**-**	**1,444,806**	1,269,796
Marketing	**188,680**	**209,175**	**11,216**	**-**	**409,071**	368,077
Management & Administration	**130,149**	**69,858**	**7,760**	**-**	**207,767**	178,913
Supprt Costs	**103,215**	**25,047**	**6,023**	**25,291**	**159,576**	104,644
	1,258,341	**863,948**	**73,640**	**25,291**	**2,221,220**	1,921,430
Restricted						
Production & Performances	**-**	**128,933**	**107,311**	**-**	**236,244**	93,397
Marketing	**-**	**499**	**415**	**-**	**914**	11,543
Management & Administration	**-**	**193**	**160**	**-**	**353**	1,660
Support Costs	**137,982**	**2,358**	**116,805**	**-**	**257,145**	244,994
Other costs	**-**	**4,251**	**3,538**	**-**	**7,789**	73,459
	137,982	**136,234**	**228,229**	**-**	**502,445**	425,053
Total Charitable Activity Costs	**1,396,323**	**1,000,182**	**301,869**	**25,291**	**2,723,665**	2,346,483

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Audit	**13,000**	**-**	**13,000**	13,325
Legal	**1,877**	**-**	**1,877**	630
Salary	**7,314**	**-**	**7,314**	6,858
Support costs	**3,100**	**-**	**3,100**	2,604
	25,291	**-**	**25,291**	23,417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL – GROUP AND CHARITY

None of the trustees received any emoluments from the company during the year (2024: £nil). Two members of the Executive and Senior Management team received remuneration within the £60,000 - £69,999 bracket (2023: Two). Pension contributions were £3,821 (2023: £3,807).

	2024	2023
	£	£
Employee costs during the year:		
Wages and salaries	**865,039**	874,841
Employer's National Insurance contributions	**74,394**	77,803
Employer's Pension contributions	**21,639**	20,233
	961,072	972,877

Employee costs shown above relate to staff paid through payroll. Note 9 contains amounts paid to freelance contracted staff and relates only to staff engaged in charitable activities.

11. STAFF NUMBERS

	2024	2023
Average number of persons employed:	**No.**	No.
Production staff (temporary)	**12**	14
Permanent staff	**23**	24
	35	38

Key Management Personnel
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	**Employer NI**	**Employer Pension**	**Total 2024**	Total 2023
£317,743	£35,042	£8,115	**£360,900**	£349,824

12. NET INCOME/(EXPENDITURE) FOR THE YEAR – GROUP AND CHARITY

	2024	2023
	£	£
Net incoming resources after charging:		
Auditors' remuneration	**13,000**	13,325
Depreciation	**301,870**	309,027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. TAXATION – GROUP AND CHARITY

As a registered charity, Sherman Cymru is entitled to exemption from taxation in respect of income and capital gains received with section 478-489 of the Corporation Tax 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

14. CALLED UP SHARE CAPITAL – CHARITY ONLY

The company is limited by guarantee. All members of Sherman Cymru have guaranteed to contribute, in the event of winding-up, an amount not exceeding £1 each. There were 15 members (2024: 15 members) at 31 March 2024.

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Long Leasehold Property Improvements £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or valuation at 1 April 2023	**7,035,361**	**281,051**	**40,000**	**7,356,412**
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	**7,035,361**	**281,051**	**40,000**	**7,356,412**
Accumulated depreciation at 1 April 2023	**3,194,877**	**257,557**	**27,333**	**3,479,767**
Charge for the year	**292,502**	**1,368**	**8,000**	**301,870**
Eliminated on disposal	-	-	-	-
At 31 March 2024	**3,487,379**	**258,925**	**35,333**	**3,781,637**
Net book value				
At 31 March 2024	**3,547,982**	**22,126**	**4,667**	**3,574,775**
At 31 March 2023	**3,840,484**	**23,494**	**12,667**	**3,876,645**

Long leasehold land and buildings with a carrying amount of £3,547,982 (2023: £3,840,484 have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

A summary of the trading results is shown below.

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Summary profit and loss account:		
Income	**526,374**	347,880
Administrative expenses	**(741,861)**	(480,316)
Operating loss	**(215,487)**	(132,436)
HMRC Theatre Tax Relief	**215,487**	132,436
Result for the period	**-**	-
The assets and liabilities of the subsidiary were:		
Total assets	215,487	132,436
Amounts falling due within one year	(215,486)	(132,435)
	1	1
Aggregate share capital and reserves	1	1

17. STOCKS – GROUP AND CHARITY

	2024	2023
	£	£
Bar and Front of House	**6,743**	9,463
Production	**8,642**	10,915
Publications	**9,315**	11,914
Other stocks	**981**	968
	25,681	33,260

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade debtors	**42,144**	**42,144**	37,772	37,772
Other debtors	**38,095**	**38,095**	45,820	45,820
Taxation and Social Security	**-**	**-**	-	-
HMRC Theatre Tax Relief	**215,487**	**-**	132,436	-
Intercompany balance	**-**	**215,487**	-	132,436
Prepayments	**56,181**	**56,181**	64,491	64,491
Accrued Income	**31,155**	**31,155**	-	-
	383,062	**383,062**	280,519	280,519

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Other creditors				
Taxation and Social Security	**23,248**	**23,248**	28,528	28,528
Deferred revenue income	**104,427**	**104,427**	136,066	136,066
General accruals	**154,459**	**154,459**	68,609	68,609
Bank Loan	**55,868**	**55,868**	52,485	52,485
Accruals for Redevelopment costs	**-**	**-**	8,225	8,225
	338,002	**338,002**	293,913	293,913

Deferred income relates to income received in advance and which relates to future financial period.

	Charity & Group 2024 £	2023 £
Balance as at 1st April 2023	**136,066**	74,387
Income received in the year	**1,277,986**	1,771,933
Released to income	**(1,309,625)**	(1,710,254)
Balance as at 31 March 2024	**104,427**	136,066

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Bank Loan	**152,745**	**152,745**	208,599	208,599
	152,745	**152,745**	208,599	208,599

The bank loan is secured over the assets of the charity and is repayable in equal monthly instalments.

Repayable by instalments

	Total 2024 £	Total 2023 £
Within one year	**55,868**	52,485
Between 2 and 5 years	**152,745**	208,599
After 5 years	**-**	-
	208,613	261,084

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

	General funds £	Capital funds £	Total Funds 2024 £
Balances Brought Forward	**588,437**	**605,565**	**1,194,002**
Surplus/deficit for the year	**(74,978)**	**-**	**(74,978)**
Movement for the year	**73,640**	**(73,640)**	**-**
	587,099	**531,925**	**1,119,024**

Designated Funds

Designated Capital funds, relates to the investment in fixed assets.

Designated Revenue Funds comprises:-

- £7,099 to underwrite the Christmas productions
- £5,000 to support Fundraising and Development
- £75,000 for Digital Capture
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2023 £
Balances Brought Forward	593,142	682,859	1,276,001
Surplus for the year	(81,999)	-	(81,999)
Movement for the year	77,294	(77,294)	-
	588,437	605,565	1,194,002

22. RESTRICTED FUNDS – GROUP AND CHARITY

The income funds of Sherman Cymru included in restricted funds comprise the following unexpended balances of capital grants and donations applied for the Building Refurbishment and Redevelopment. The cost of which are being depreciated over the useful life of the asset.

	Balance at 01/04/23 £	Incoming resources £	Expenditure £	Balance at 31/03/24 £
Capital				
Building Refurbishment and Redevelopment	2,891,782	-	(209,190)	2,682,592
Foyer Refurbishment	20,695	-	(11,040)	9,655
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	12,667	-	(8,000)	4,667
	2,927,581	-	(228,230)	2,699,351
Revenue funds				
Arts Council of Wales (Creative Pathways)	4,017	-	(330)	3687
Arts Council of Wales (Creative Pathways)	26,916	21,900	(48,816)	-
Arts Council of Wales (Housemates)	19,186	-	(19,186)	-
Arts Council Wales (RAMPS)	83,986	-	(83,986)	-
Arts Council Wales (Iphigenia yn Sblot)	-	22,041	-	22,041
Davies M Charity	-	5,219	(2,215)	3,004
D'Oyly Carte	4,450	-	(4,450)	-
Esmee Fairbairn (Covid Support)	4,533	-	(333)	4,200
Fenton Arts Trust	280	-	(280)	-
Garrick Trust	-	1,500	(687)	813
Gibbs Trust	2,000	-	(2,000)	-
Go Wales	967	-	-	967
Innovate Trust	7	-	(7)	-
Hodge Foundation	2,358	-	(2,358)	-
Legacy – A Kellaway	1,246	-	(1,246)	-
Moondance Foundation	34,593	40,170	(21,379)	53,384
National Heritage	27,804	24,809	(52,613)	-
National Theatre Connections Festival 2024	-	-	(3,347)	(3,347)
Old Vic	3,671	-	-	3,671
Paul Hamlyn Foundation 2019	30,640	342	(30,982)	-
	246,654	115,981	(274,215)	88,420
Total Restricted Funds	3,174,235	115,981	(502,445)	2,787,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Arts Council of Wales (Creative Pathways)
Support for the continuation of the Literary Programme responding to a gap in Wales' theatre ecology, laying foundations for a permanent Literary Department to create world-class, bi-lingual new writing for Cardiff, Wales, and everyone.

Arts Council of Wales (Creative Pathways)
To support the continuation of the Literary Department between November 2023 and March 2024 whilst we awaited the outcome of the Investment Review.

Arts Council of Wales (Housemates)
A grant to support the R&D phase of our co-creation with Hijinx Theatre Company, working with neuro-diverse actors.

Arts Council of Wales (RAMPS)
A Connect and Flourish grant to support a development year of the RAMPS Cymru initiative across the five partner organisations: Sherman Theatre, Theatr Clwyd, Pontio, Torch Theatre, and Royal Welsh College of Music and Drama.

Arts Council of Wales (Iphigenia yn Sblot)
A grant to support the production and tour of "Iphigenia yn Sblot", which will also be supported by the Eisteddfod Genedlaethol Cymru.

Davies M Charity
A grant to support a programme of Tales and Tea events aimed at reducing feelings of isolation and loneliness in older people.

D'Oyly Carte
A grant to contribute towards the costs of the Sherman Youth Theatre Festival 2024.

Esmee Fairbairn – Covid Support
A grant received to support the organization whilst it worked through the uncertain times of Covid, utilized to support the Heart of Cardiff programme.

Fenton Arts Trust
A grant to support trainee Assistant Director and trainee Designer on Youth Theatre production of *"Ghost Cities"*.

Garrick Trust
A grant to support the development of an emerging designer.

Gibbs Trust
Match funding for the ACW grant for Housemates

Go Wales
A grant to support a technical apprentice in the production department.

Hodge Foundation
A grant to support the Christmas Schools Appeal in 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Legacy – A Kellaway
A legacy donation to support the work of the Creative Engagement team utilized on Youth Theatre Festival 2024.

Moondance Foundation
Year 2 of a three year funding for the continuation of the Introduction to Playwriting initiative, working with young people aged 15 – 18.

National Lottery Heritage Fund
To support a large scale community production and associated activities in the Theatre's 50th anniversary year.

National Theatre
Contribution towards the National Theatre Connections Festival hosted by Sherman Theatre and involving schools and youth theatre groups.

Old Vic
Match funding to support the work of the Literary Department.

Paul Hamlyn Foundation
A More & Better grant to support the continuation and enhancement of the Sherman 5 initiative until 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Previous year

	Balance at 01/04/22 £	Incoming resources £	Expenditure £	Balance at 31/03/23 £
Capital				
Building Refurbishment and Redevelopment	3,100,972	-	(209,190)	2,891,782
Foyer Refurbishment	35,238	-	(14,543)	20,695
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	20,667	-	(8,000)	12,667
	3,159,314	-	(231,733)	2,927,581
Revenue funds				
Arts Council of Wales (Creative Pathways)	18,594	3,020	(17,597)	4,017
Arts Council of Wales (Creative Pathways)	-	44,742	(17,826)	26,916
Arts Council of Wales (Housemates)	14,528	15,075	(10,417)	19,186
Arts Council Wales (RAMPS)	-	90,756	(6,770)	83,986
Darkley Trust	-	2,500	(2,500)	-
D'Oyly Carte	-	4,500	(50)	4,450
Esmee Fairbairn (ITP)	14,865	-	(14,865)	-
Esmee Fairbairn (Covid Support)	9,201	-	(4,668)	4,533
Fenton Arts Trust	-	3,000	(2,720)	280
Gibbs Trust	2,000	-	-	2,000
Go Wales	967	-	-	967
Innovate Trust	437	-	(430)	7
Hodge Foundation	-	5,000	(2,642)	2,358
Legacy – A Kellaway	1,246	-	-	1,246
Lloyd Webber Foundation	1,546	-	(1,546)	-
Moondance Foundation	-	40,170	(5,577)	34,593
National Heritage	-	27,804	-	27,804
National Theatre Connections Festival 2020	35	-	(35)	-
National Theatre Connections Festival 2024	2,999	-	(2,999)	-
Old Vic	10,000	-	(6,329)	3,671
Paul Hamlyn Foundation 2019	52,840	71,419	(93,619)	30,640
Philip Carne	1,024	-	(1,024)	-
Stage One Producers	1,706	-	(1,706)	-
	131,988	307,986	(193,320)	246,654
Total Restricted Funds	3,291,302	307,986	(425,053)	3,174,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Capital funds £	General funds £	Restricted funds £	Total 2024 £
Group				
Fixed assets	**875,424**	**-**	**2,699,351**	**3,574,775**
Net current (liabilities)/assets	**(190,754)**	**587,099**	**88,420**	**484,765**
Long Term liabilities	**(152,745)**	**-**	**-**	**(152,745)**
	531,925	**587,099**	**2,787,771**	**3,906,795**
Charity				
Fixed assets	**875,424**	**-**	**2,699,351**	**3,574,775**
Investments	**-**	**1**	**-**	**1**
Net current (liabilities)/assets	**(190,754)**	**587,099**	**88,420**	**484,765**
Long Term liabilities	**(152,745)**	**-**	**-**	**(152,745)**
	531,925	**587,100**	**2,787,771**	**3,906,796**

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted funds £	Restricted funds £	Total 2024 £
Group			
Fixed assets	949,064	2,927,581	3,876,645
Net current assets	453,538	246,654	700,192
Long Term liabilities	(208,599)	-	(208,599)
	1,194,003	3,174,235	4,368,238
Charity			
Fixed assets	949,064	2,927,581	3,876,645
Investments	1	-	1
Net current assets	453,538	246,654	700,192
Long Term liabilities	(208,599)	-	(208,599)
	1,194,004	3,174,235	4,368,239

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

Sherman Cymru commissioned productions of £526,374 (2023: £347,880) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2024 the charity was owed £215,487 (2023: £132,436) from Sherman Cymru Productions Limited. All transactions were at arm's length.
There were three related party transactions during the year:

- Gary Owen – Writer and Royaltie fee for *"Romeo and Julie"* £13,784
- Owen Thomas – Contribution to Sherman Scribblers and 50th Anniversary £400 (2023: £250)
- Capital Law – Professional HR Advice £1,193 (Huw Thomas, Trustee is employed by Capital Law)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASES – CHARITY ONLY

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:

	2024	2023
	£	£
Plant and equipment:		
Fall due within 1 year	**19,305**	14,989
Fall due within 2 – 5 years	**21,698**	4,716
	41,003	19,705

26. PENSIONS – GROUP AND CHARITY

Sherman Cymru is fully compliant with Auto Enrolment and operates a qualifying workplace pension scheme with Legal & General. Contribution during the period were £21,639 (2023: £20,233). The outstanding balance at the year-end was £4,015 (2023: £4,348).

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

	2024	2023
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**(461,441)**	(199,064)
Adjustments for:		
Depreciation charges	**301,870**	309,027
(Increase)/decrease in stocks	**7,579**	1,308
(Increase)/decrease in debtors	**(102,543)**	(91,835)
Increase/(decrease) in creditors	**(28,785)**	(53,320)
Net cash provided by/(used in) operating activities	**(283,321)**	(33,884)
Analysis of Cash and Cash Equivalents		
Cash in hand	**466,444**	744,666
Total Cash and Cash Equivalents	**466,444**	744,666

Analysis of Net Debt:

	At 1 April 2023	**Cashflows**	**At 31 March 2024**
	£	**£**	**£**
Cash	744,666	(278,222)	466,444
Bank loans falling due within one year	(52,485)	(3,383)	(55,868)
Bank loans falling due after more than one year	(208,599)	55,854	(152,745)
	483,582	(225,751)	257,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2023

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Income and endowments from:			
Donations and legacies	1,177,592	307,986	1,485,578
Charitable activities	623,971	-	623,971
Other trading activities	141,700	-	141,700
Other	160,891	-	160,891
Total income and endowments	2,104,154	307,986	2,412,140
Expenditure on:			
Raising funds	49,323	-	49,323
Trading costs	215,400	-	215,400
Charitable activities	1,921,430	425,053	2,346,483
Total expenditure	2,186,153	425,053	2,611,206
Net movement in funds	(81,999)	(117,067)	(199,066)
Reconciliation of Funds			
Total funds brought forward	1,276,001	3,291,302	4,567,303
Total funds carried forward	1,194,002	3,174,235	4,368,237

SHERMAN CYMRU

England & Wales - Charity number 1118364

Accounts

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2023

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2023 which are also prepared to meet the requirements for a strategic and directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The objects of Sherman Cymru are to promote and encourage art and in particular performing art for the benefit of the public by the development, production and presentation of new writing or works of any form, the provision of theatre facilities and the advancement of education of children, young persons and adults by participation in the experience of theatre, drama and the performing arts.

Our Mission:

We make and curate exciting theatre for Cardiff audiences. We develop and nurture the work of Welsh and Wales based artists. We generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

Our Artistic Vision:

Imagine a world made more equitable, more compassionate, more unified by the power of theatre. We are driven to achieve this vision every day. We do this by creating and curating shared live theatre experiences that inspire people from all backgrounds across South Wales to make a better world, in their own way. We believe that access to creativity and self-expression is a right and we constantly strive to ensure everyone has the opportunity to be enriched by the art of theatre.

Our focus on the development and production of new writing, and on nurturing Welsh and Wales-based artists makes us the engine room of Welsh theatre. We tell Welsh stories with global resonance through our Made at Sherman productions, created under our roof in the heart of Cardiff. We're a place for everyone, generating opportunities for the citizens of South Wales to connect with theatre through inspiring and visionary engagement.

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissioners' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The company's strategic aims are:

a. To create and curate exceptional, exciting, high quality theatre experiences in Welsh and English for the enjoyment and stimulation of all ages and backgrounds
b. As a truly bilingual organisation, to make a meaningful and impactful contribution to the Welsh Government's aim of reaching 1 million Welsh speakers by 2050
c. To grow and diversify our audience, increasing our annual average capacity by 8% from the pre-pandemic average of 67% to an average of 72% by the end of 2026/27
d. To strengthen the Sherman's reputation as an iconic, welcoming public building and creative hub in the centre of Cardiff for the local and Wales-wide community
e. To cultivate and nurture a new, diverse generation of theatre makers and arts leaders
f. To work in partnership to engage young people, including those from socially excluded and disadvantaged backgrounds, in high quality, affordable activities in a wide range of theatre making disciplines to help develop their creative, social, personal and economic potential
g. To ensure we have a fully supported workforce and leadership team which is as diverse as the city we represent
h. To grow our digital understanding and capacity and develop new ways of working that exploit modern technologies for artistic, strategic, commercial, communication, and operational purposes
i. To exploit the Sherman's work nationally and internationally for the purpose of building audiences, reputation, and where appropriate, commercial gain
j. To reduce Sherman Theatre's long-term impact on the environment and to aspire to become a model of practice for other arts organisations
k. To maintain a financially stable company and develop a commercially viable and sustainable income generation model which will grow year-on-year across the period of this plan

Each aim has two or three key objectives and three to five year outcomes all contained within the Company Business Plan.

ACHIEVEMENTS AND PERFORMANCE

This year saw the first full year of being fully open and operational post-pandemic. Audience confidence has been growing gradually against a backdrop of austerity in a cost of living crisis. It has been more vital than ever to ensure accessibility and affordability to our events and activities.

SHERMAN THEATRE PRODUCTIONS AND CO-PRODUCTIONS

As we brought our full programme of work back to our stages for the first time since 2019-20, we were in a position to revisit productions that had been disrupted or completely postponed by the pandemic.

A Hero of the People by Brad Birch

A Hero of the People by Brad Birch and directed by Joe Murphy was initially intended to be part of the 2020 season of work. The enforced hiatus allowed further script development and resulted in a change in title from *An Enemy of the People* to ***A Hero of the People***. The production had an all Welsh or Wales-based cast of Oliver Ryan, Suzanne Packer, Pal Aron, Catrin Stewart and Mared Jarman, and an all Welsh or Wales-based creative team including: Elin Steele, Set and Costume Designer; Sam Alice Jones, Assistant Director; Lucy Rivers, Composer; Katy Morison, Lighting Designer; and Dan Lawrence, Sound Designer. The run played to 73% of total capacity over 16 performances, although did slightly miss the financial target for the production.

"An important reimagining"
******* The Stage***

RWCMD NEW: Jungle Green by Jacob Hodgkinson

Our collaboration with Royal Welsh College of Music and Drama's NEW Festival was ***Jungle Green*** by Jacob Hodgkinson, directed by Matthew Holmquist. For the first time, we not only rehearsed the production at the Sherman, but also presented Jungle Green, as well as one of the other NEW plays on the main stage.

TYLWYTH by Dafydd James, a co-production with Theatr Genedlaethol Cymru

Our co-production with Theatr Genedlaethol Cymru of Dafydd James's ***Tylwyth*** was the final production to be performed on the main stage pre-pandemic. Its subsequent tour was then cancelled. We were therefore delighted to be able to re-mount this production at the Sherman post-pandemic, before it went on to fulfil its full tour across Wales that had previously been cancelled.

A Midsummer Night's Dream by William Shakespeare with new Welsh Language adaptations by Mari Izzard and Nia Morais

We returned to our programming pattern of a Main Stage production of a classic text, viewed through a different lens. Our production of ***A Midsummer Night's Dream*** saw the language of the fairies and the magical forest transposed to Welsh. Emerging Welsh language writers, Mari Izzard and Nia Morais (Sherman Theatre's Writer in Residence) were commissioned to reimagine the text in the Welsh language. The roles of the mechanicals were played by members of our Sherman Players company (our amateur company for all of those over 18). The production had a professional cast of Welsh and Wales-based actors: Sion Ifan, Nia Roberts, Sion Pritchard, Rebecca Wilson, Dena Davies, Hannah McPake, Tom Mumford, Lauren Morais, and Leah Gaffey, and an all Welsh and Wales-based creative team: Nia Morais, Mari Izzard, Joe Murphy, Jac Ifan Moore, Elin Steele, Eadyth Crawford, Ian Barnard, and Andy Pike.

Elen Benfelen / Goldilocks by Elgan Rhys

This is our regular Christmas production for younger audiences (3-6 years) and their families, performed in Welsh and English with specific provision for Relaxed Performances as well as a BSL interpreted performance. **Elen Benfelen / Goldilocks** was directed by Nia Morris, with design by Constance Canavarro, lighting design by Katy Morison, and composition and sound design by Jak Poore. This production also toured to venues throughout SE Wales for three weeks in November 2022 prior to the full run in the Sherman Studio over the Christmas period. At the Sherman the production played to an overall audience of 7,584 (compared to 7,404 in 2021) reaching 127% of its financial target. The tour also did very well, playing to over 1,500 people across South East Wales.

Unfortunately, despite having an understudy in place, cast illness meant the cancellation of a number of performances, leading to refunds having to be issued.

Tales of the Brothers Grimm by Hannah McPake

Written by Hannah McPake with a new score by Lucy Rivers, and directed by Joe Murphy. This production continued the popular Actor/Musician format and included a Relaxed Performance and a two Captioned Performances, and a BSL interpreted performance. The cast featured Hannah McPake, Lily Beau, Alice Eklund, Katie Elin-Salt, Sarah Workman, Kyle Lima, James Ifan, Kieron Self, Bethzienna Williams, and Michael Morgan as apprentice actor. The production played to 11,662 people, and was hugely well received by audiences and critics alike. However, as with *Elen Benfelen/Goldilocks*, ***Tales of the Brothers Grimm*** was affected by non-Covid related illness across multiple members of the cast leading to show cancellations and refunds.

"A quality Christmas gift of a show."
******* The Stage***

"A treat for all the senses"
******** Get The Chance***

Romeo and Julie by Gary Owen

Our co-production with the National Theatre of Gary Owen's reimagining of Romeo and Juliet was initially meant to open in 2020 but had been postponed due to the pandemic. It finally opened at the National Theatre in February 2023 and ran until 1 April 2023, subsequently transferring to Sherman Theatre.

PRODUCTIONS SUPPORTED BY SHERMAN THEATRE

An Audience with Milly Liu by difficult|stage

2022 saw the first year of the Sherman Theatre's involvement with the Pleasance Edinburgh National Partnership scheme. Created to support individuals and companies from across the UK to take their work to the Edinburgh Festival Fringe, Sherman Theatre is now the Welsh partner for the Pleasance. We supported difficult|stage to take ***An Audience with Milly Liu*** to the Fringe through offering rehearsal space, marketing, technical, producing, and fundraising support and preview performances at the Sheman in advance of the show heading to Edinburgh. The show was hugely successful winning the David Johnson Emerging Talent Award.

Songs From Across The Sueniverse by Daf James and Ben Lewis

In February 2023, we supported new production ***Songs From Across The Sueniverse*** through a variety of in-kind support including rehearsal space, marketing and technical support.

CURATED PROGRAMME

FAMILY WORK:

We presented Birmingham Stage Company's ***Horrible Histories*** in the main house during the Easter holidays. During the summer holidays, we presented ***The Amazing Adventures of Little Red*** in the Studio for 2 sold-out performances.

During February half-term, Lyngo Theatre brought us ***Egg & Spoon*** in the Studio. This was followed by Arad Goch presenting ***Ble Mae'r Dail yn y Hedfan / Where the Leaves Blow*** in English and Welsh across four performances.

In the summer, we presented ***The Amazing Adventures of Little Red*** by Ripley Theatre in the Studio for two performances.

DANCE/PHYSICAL THEATRE:
National Dance Company Wales returned in April 2022 with one performance of ***One Another***.

We worked with Alex Parsons to present their physical theatre performance, ***HOUSE,*** which we presented as a curtain raiser in our Studio for four performances of our Main House production of ***A Midsummer Night's Dream.***

WELSH LANGUAGE WORK:
In April 2022 Cwmni Fran Wen's production of ***Ynys Alys*** played the Studio for four performances. They then returned later in the year in February 2023 with ***Croendena*** which performed in the Studio for two performances.

In March, we presented the Theatr Genedlaethol Cymru and Theatr Iolo co-production of ***Pijin/Pigeon*** on our Main Stage for five performances.

NEW WRITING:

Milky Peaks by Sherman Associate Artist, Seiriol Davies, played for four performances on the Main Stage in May 2022.

In August 2022, to coincide with Cardiff Pride, we hosted ***Riot Act*** from Emmerson & Ward Productions, online.

We were delighted to present the Torch Theatre production of *Angel* following its hugely successful Edinburgh run, in October 2022. This played for five performances in our Studio.

In February 2023, Sion Dale-Jones returned to the Sherman for two nights in the Studio with his acclaimed production ***Still Floating***.

OPERA:
Music Theatre Wales made a return to the Sherman in June 2022 with *Violet*, a co-production with the Britten Pears Arts.

MUSIC / COMEDY / CABARET:
A programme of one-night comedy, music and cabaret events often bring in new audiences and also can drive ancillary sales across the café bar.

The comedy programme featured a variety of well-known names:

- Jon Ronson: *Things Fell Apart* – Main House (April 2022)
- Matt Forde: *Clowns to the Left of Me, Jokers to the Right* – Studio (April 2022)
- Count Arthur Strong – Main House (May 2022)
- Jenny Éclair: *Sixty! (FFS)* – Main House (September 2022)
- Jordan Brookes: *This is Just What Happens* - Studio (September 2022)
- Andy Zaltzman: *Satirist For Hire* – Studio (January 2023)
- Mark Watson: *This Can't Be It* – Main House (January 2023)
- Sofie Hagen: *Fat Jokes* – Main House (February 2023)
- Rob Newman: *Live on Stage* – Main House (February 2023)
- Rosie Jones: *Triple Threat* – Studio (March 2023)

We also presented the following one-night events, which were a combination of cabaret, talks and an evening with style events:

- *An Evening with Shane Williams* – Main House (April 2022)
- Lemn Sissay: *My Name is Why* – Main House (June 2022)
- Jinkx Monsoon and Major Scales: *Together Again, Again* – Main House (June 2022)
- The Sam Hickman Variety Hour – Studio (June 2022)
- *The Kitchen Cabinet* – R4 Recording – Main House (February 2023)
- *An Evening Without Kate Bush* – Main House (February 2023)
- Colin Hoult: *The Death of Anna Mann* – Main House (March 2023)

COMMUNITY AND AMATEUR:

Sherman Theatre played host to the NT Connections Festival in April 2022. Over three days young people from eight different youth theatre groups from across Wales and the South West participated in workshops, performances and social activities with Sherman Youth Theatre presenting *Chat Back* by David Judge.

Throughout July we also had a number of events from the Creative Engagement team at the Sherman. Our Sherman Players (our amateur group for ages 18+) gave their first live performance since before the pandemic with their production of *Marian, or the True Tales of Robin Hood* by Adam Szymkowicz, directed by Dafydd Weeks. This production demonstrated the work that this open access group had achieved over the course of the year and was a real celebration of them being able to perform live for the first time since 2019. Our final performances in July were by our integrated Youth Theatre group – 60 young people between the ages of 8 and 17 performed *Treasure Island* on the stage of the Main House. Again, their first live performances since 2019.

In February 2023, Sherman Youth Theatre presented *Ghost Cities* an extension of Gary Owen's Ghost City with additional material by members of the Introduction to Playwriting writers. They performed in the main house across three evenings. Directed by Justin Teddy Cliffe, this piece was subsequently performed at the Sherman Youth Theatre Festival in April 2023.

Across three weekends in June and July 2022, the UpRoar Festival took place in the Studio bringing together performances of work by existing and past participants of our Introduction to Playwriting scheme, supported by Esmee Fairbairn Foundation. UpRoar also offered a platform for underrepresented voices, giving an opportunity for young people who are neurodiverse, LGBTQIA+, or are displaced persons, to take part in a series of writing workshops.

In September, National Youth Arts Wales and Theatr Clwyd brought us the world premiere production of a new show by acclaimed playwrights Alexandria Riley and Gary Owen, written for the National Youth Theatre Wales Ensemble 2022, showcasing the best emerging talent in Wales.

The relationship between Sherman Theatre and Royal Welsh College of Music and Drama continues to grow and develop and throughout the year, as well as the Sherman involvement in NEW, the theatre also hosted four of the College productions. For the first time, Sherman Theatre presented two of the NEW performances at the Sherman on the Main Stage – *Jungle Green* and *Really Bad*. RWCMD Opera students occupied the Main House for a number of weeks leading up to their performances of *The Marriage of Figaro* in April.. In June, their Musical Theatre students presented *Sunday In The Park With George*. In March 2023, RWCMD opera students were back on the main stage with *Dialogues of the Carmelites*, whilst the Richard Burton Company presented *The Welkin* in the Studio.

In October 2022, we hosted a Ukrainian Arts Festival across the Main House, Studio and Foyer, featuring live performance, films, photography exhibition and other activities all by Ukrainian artists with all

proceed going to support Ukrainian charities. Across the weekend we welcomed over 85 Ukrainian refugees into the theatre.

ARTIST DEVELOPMENT

April – August 2022 saw the second half of our pilot year of the Literary department. This team is dedicated to identifying, nurturing and cultivating writers in both languages from grassroots to professional careers. Bringing together a programme of both new and existing initiatives and opportunities for Welsh and Wales-based writers, the project focuses on reaching underrepresented communities, nurturing creative talent and providing high-quality, professional creative development.

All activity undertaken is designed to work towards achieving the following organisational priorities:

- To strengthen the capability and resilience of Welsh theatre with a long-term, strategic approach to developing playwrights, enabling writing talent to thrive across the sector.
- To promote equality in theatre by reaching widely and deeply into communities throughout Cardiff and Wales, empowering people from all walks of life to become playwrights.
- To work effectively and imaginatively with creative partners to ensure sector-wide impact.

This activity included:

- Sherman Writers Group – a nine month writer development programme delivered in English
- Cylch Sqwennu'r Sherman – a nine month writer development programme delivered in Welsh
- Unheard Voices was open to Welsh and Wales-based writers with any level of experience aged 18+ who were one or several of the following: Women; From Diverse Ethnic Communities; LGBTQIA+; D/deaf or disabled. The programme offered the 20 writers the opportunity to develop their writing skills through a series of 12 masterclass session led by key theatre practitioners.

The launch of our Literary Department signified the foundations of a strategic, long-term approach to writer development. Providing a cohesive programme of work that provides a clear progression pathway that individuals can enter at different stages of their writing career, the work of the Literary Department has quickly established itself as a vital function at the heart of Sherman Theatre's artistic process. The pilot phase of the programme, which saw the creation of new initiatives including the Unheard Voices programme, Writers Groups, Pit Stop sessions, Reading Groups and unsolicited script submission opportunities, provided evidence of demand to further develop creative pathways for writers, in both Welsh and English, with over-subscription to all available initiatives.

We secured funding for a second year of the Literary Department with a new team beginning in November 2022. In the first five months, the team developed a new programme in consultation with the writing community:

- EXPLORE – open access introductory workshops on writing for theatre – 120 writers enrolled across four groups and meet on a monthly basis
- EXPAND – skills-based training strand to elevate the skills and craft of emerging artists. 33 writers enrolled on the programme.
- EXPLODE – R&D outcome-based development strand focused on elevating the capability of mid-career artists.

Our long-term aim is to establish a permanent Literary Department to create world-class, bi-lingual new writing at Sherman Theatre. We want writers to see Sherman as a hub, and to utilise the Literary Team as a continuous resource for ongoing support.

CREATIVE ENGAGEMENT & SHERMAN 5

During the cost-of-living crisis, it has been more vital than ever to connect with and support our communities.

Our work with our communities included:

Sherman 5: The continued work of Sherman 5 to engage people facing barriers, supported by the Paul Hamlyn Foundation, changed its focus post-pandemic to support and build the confidence of members to return to the theatre through an established series of events to re-connect with members in person.

The Creative Engagement team has continued to deliver our regular and ongoing participatory sessions all in person for the first time since 2019-20. This activity has included, but has not been limited to:

- Weekly Sherman Theatre Youth Theatre and Sherman Sherbets sessions.
- Weekly Sherman Players sessions (our amateur company made up of community members aged 18 and above).
- A Sherman Youth Theatre production of Gary Owen's *Ghost Cities* in March 2023.
- The first live performance for our full Youth Theatre since 2019 – *Treasure Island*, performed by 60 members of our Youth Theatre ages 8 – 18 on the Main Stage in July 2022.
- The first live performance for our Sherman Players since 2019 – Marian, or the True Tale of Robin Hood.
- Building Tours: Our programme of tours of the theatre and a chat with our Creative Engagement team about how we work and what we do continued in a hybrid format. The ability to deliver this live tour digitally opened up the opportunity to more schools and larger groups to experience this part of our engagement activity.
- Production related work for schools, including Education Resource Packs and workshops. The ever-popular Adopt an Actor initiative at Christmas was re-introduced this year for the first time since 2019..
- Panel discussions: Post-show talks are led by a panel of experts who will discuss the themes of the production that the audience has just seen. Cardiff University often provide academics from different disciplines to participate in these discussions, which are becoming increasingly well-attended.

FINANCIAL REVIEW

These accounts cover the period from 1 April 2022 to 31 March 2023.

During the year the charity benefited from continuing revenue investment from the Arts Council of Wales (ACW).

Restricted Fund projects:
In addition, during the year the charity received grant aid from the following trusts and foundations for Restricted Fund projects:

- Paul Hamlyn Foundation for the Sherman 5 project
- £317,000 over four years (2019 – 2022) from Paul Hamlyn Foundation More & Better fund to support the development of the Sherman 5 initiative
- In agreement with funders, the initiative was extended to the end of July 2023 to take into account the hiatus in activity during the pandemic. Funding therefore ceases on 31 July 2023.

This major award for the charity has significantly helped drive forward the Sherman's social impact and underscore its commitment to audience development.

During the year, the charity gratefully received the following restricted funds:

- **Arts Council of Wales (Housemates)** – a grant of **£15,075** to support the R&D phase of our co-creation with Hijinx Theatre Company, working with neuro-diverse actors.
- **Arts Council of Wales (Creative Pathways)** - **£3,020** for the pilot phase of the Literary Department.
- **Arts Council of Wales (Creative Pathways) - £44,742** to support an additional year of the Literary Department covering salaries and costs of related activities.
- **Arts Council Wales (Ramps Cymru)** - **£90,756** to support the pilot year of the Ramps Cymru project across the five partner organisations – Sherman Theatre, Theatr Clwyd, Torch Theatre, Pontio, Royal Welsh College of Music and Drama.
- **Darkley Trust** - **£2,500** to support Assistant Director on the Main House Christmas production.
- **D'Oyly Carte** - **£4,500** to support the Sherman Youth Theatre Festival in 2023
- **Fenton Arts Trust - £3,000** support of trainee Assistant Director and Designer placement on Youth Theatre production
- **Hodge Foundation** - **£5,000** support of Christmas Schools Appeal 2022
- **Moondance Foundation** - **£40,170** – First year of three year funding for continuation of Introduction to Playwriting initiative, working with young people aged 15 – 18.
- **National Lottery Heritage Fund** - **£27,804** – Supporting a large scale community production and associated activities.

Unrestricted Income from Trading – predominantly from the commercial hiring/letting out of our auditorium and rehearsal spaces and our bar and café, amounted to £141,700.

Resources Expended:
Expenditure totalled £2,611,206 in the year. Staff levels remained at 24 (including 4 funded posts).

The Charity continues to hold a term loan with the Royal Bank of Scotland. Within the Balance Sheet given on page 24 and 25 the loan balance outstanding is split between creditor payments due within one year and creditor payments due after more than one year. Following the process to confirm the loan agreement under Section 124(2) of The Charities Act 2011 during the 2014-year and the consequent change to the rate of interest paid, the company is pleased to report the diminishing level of the total loan.

FUNDS:
We closed the year with an in-year operating deficit in unrestricted funds of £81,999.

INVESTMENT POWERS AND POLICY

Under its Memorandum and Articles of Association the charity has a range of powers to invest its funds.

Sherman Cymru Productions Ltd:

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

During this year, the company received £132,436 (2022: £56,000) under the Theatre Production Tax Relief.

As at 31 March 2023 the charity was owed £132,436 from Sherman Cymru Productions Limited.

At the year end the charity had no further investments other than monies held in interest earning accounts at Barclays Bank PLC and a holding account with Royal Bank of Scotland.

TANGIBLE FIXED ASSETS

Details of movements in tangible fixed assets are shown in Note 15 to the financial statements.

RESERVES POLICY

The trustees agreed at a meeting on 22 October 2012 to a reserves policy that general reserves, after excluding restricted funds and any transfers to designated funds, should be in the region of £250,000.

The purpose of these reserves are to cushion the potential impact of any major unforeseen or unexpected expenditure and to ensure that any significant shortfall in short-term income, e.g. the income generated from ticket sales, doesn't affect the charity's financial viability. The charity aims to achieve this level of general reserves within the next three financial years.

At 31 March 2023 the charity had free reserves (excluding restricted funds and fixed assets) of £588,437 (2022: £593,142).

Transfers and Reserves:

A budget item was added in February 2015 for Transfers. The practice of designating reserves continues.

Due to the circumstances, restrictions and mitigation put in place due to COVID-19 we continue to find ourselves in the unprecedented position of having Unrestricted Free Reserves of £588,437 – historically we have ended the year in a negative position.

Allowing for the agreed setting aside of the £250k, for the historical Reserves Policy, would leave a balance of £338,437.

The Trustees agreed to assign the free reserves to designated funds as outlined below:

- Formal establishment and inclusion in the 2021-22 Report and Accounts of the £250k Reserves Policy.

- £10,883 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption
- £52,555 for the activity surrounding the 50th Anniversary in 2023

KEY MANAGEMENT PERSONNEL

The executive team consists of the Artistic Director (leading on Artistic Policy) and the Chief Executive.

The Senior Management team (SMT) comprises the above two Directors working with a team of five Senior Managers to deliver the strategies, policies and aims of the company through its artistic programming.

The Senior Management Team are:

Head of Finance & Administration, Head of Marketing and Communications, Head of Production and Planning, Head of Fundraising and Development, and Head of Operations.

Trustees set the remuneration for the executive team. The executive team review and recommend rates of pay, salaries and wages for the SMT and all staff through the HR & Governance Committee who will make recommendation to the Finance Committee before a full recommendation is made to the Board for ratification. Certain posts/roles are governed by union agreements – recognised unions are EQUITY, the union for actors, stage managers and creative teams (Designers, Lighting Designers, choreographers, Fight Directors, et al), and BECTU the union representing most theatre technicians and some FOH staff. The company is committed to paying the MRSL 2 rate for creative teams.

Pension arrangements, annual leave terms, and all other contract terms are the same for all staff including the executive team. We do not operate a performance related pay scheme, nor do we have any bonus scheme. There are no incremental pay awards – although the Board undertake an annual review.

Each year the Artistic Director and Chief Executive and all staff participate in performance appraisals, the executive team appraisals being undertaken by the Chair of the Board.

During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	Employer NI	Employer Pension	Total 2023	Total 2022
£306,456	£35,464	£7,904	**£349,824**	£296,274

A company pay increase was awarded for this financial year in response to the cost of living crisis.

FUTURE PLANS

Sherman Cymru's Business Plan is updated and re-issued annually, setting out plans for the forthcoming three years.

It is recognised that there is still a significant amount of uncertainty about the future, and while ACW has confirmed agreement to offer a multi-year funding award of £1,142,749 per annum for an initial 3-year term from April 2024, this is lower than our requested amount which will impact upon our plans and will require an element of flexibility.

Despite this ongoing uncertainty, our core priorities over the next years are to ensure:

- we produce and curate high quality work that is relevant to the citizens of Cardiff and beyond. This vision is reflected across all work at the Sherman and underpins all artistic decision-making. Strong, clear and forthright artistic leadership is supported by the ambition of the Executive and Senior Management Team (SMT) and a honed, skilled team of staff members empowered to fulfil the mission;

- the company is in the best possible position to take full advantage of the Theatre Production Tax Relief Scheme;

- parsimonious use of all the company's resources at all times so the company can achieve its aim to be more financially stable and less reliant on grants, and in the short-term to reduce the reliance on ACW advance grant;

- we invest in CPD for our staff to build a knowledgeable and highly skilled team driving forward the ambition of the company;

- we choose our partners and collaborators with care – ensuring buy-in to the company's ambition from all parties primarily through confirming artistic compatibility and financial viability of companies and projects before proceeding;

- we strengthen and add to the skills of the board of trustees through public advertising, and the re-introduction of the trainee trustee mentoring scheme, all with the aim to have a board working to its optimum level of support;

- we respond to opportunities to tour the company's work further afield, ensuring that the best new work made in Wales is seen by audiences across the UK and when possible/invited, internationally;

- we continue to ensure that we are looking ahead and developing a robust and resilient organisation for the future. This includes constant analysis of our infrastructure and its fit for purpose; finding future proof solutions to meet our digital requirements; and striving to identify additional streams for income generation within our defined business model.

- we strive for continuous improvement in minimising the impact of our work on our environment and prioritise sustainability across all areas of our activities.

The company constantly seeks to improve, to set ourselves targets, to aim high, to self-assess, to produce the highest possible quality and standard of work that it can. The impact of self-assessment/evaluation both individually for members of staff, and collectively in evaluating the produced work, will lead to the highest possible achievements.

The impact of having a programme of work that chimes with the citizens of Cardiff should lead to widening access to the performing arts within our communities and result in a higher number of first-time theatre attenders and attenders generally.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's Risk Register is reviewed throughout the year, by all Committees, who each focus on a particular area and then make recommendation to the Board of Trustees.

Five areas of risk are considered: Governance and Management, Financial, Artistic, Organisational, Operational. All are assessed for both likelihood of occurrence and potential impact, severity of impact and overall gross risk. Mitigating factors are then considered and recorded.

In addition to this main risk register, we also carry out Risk Assessments of every Production we create, every production that we buy in, every activity we undertake to ensure we are providing as safe and risk-free an environment as possible for our audiences, customers, staff and participants.

Liability of members

Sherman Cymru Ltd is a company Ltd by Guarantee with no share capital. Clause 7 of the memorandum of association provides that every members, as defined by Clause 1 of the articles of association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member or within one year of ceasing to be a member. At the year-end there were 15 members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Sherman Cymru is a charity limited by guarantee governed by its Memorandum and Articles of Association dated 17 November 2006. The charity is registered as a charity with the Charity Commission.

APPOINTMENT OF TRUSTEES

As set out in the charity's Articles of Association, trustees are either appointed at an Annual General Meeting, or may be co-opted by the trustees during the year.

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

On election/appointment, each new trustee receives an induction pack, some key organisational policies, and pen pictures of existing trustees and key members of staff. New trustees are briefed by the Chair and the Executive Team comprising of the Artistic Director and Executive Director on the charity's artistic activity and how the Board of Trustees and its Committees work. All trustees are actively encouraged to see the charity's work and to discuss the work they have seen either with fellow trustees, or with the charity's staff. In 2019/20 the company reintroduced a scheme for Trainee Trustees with a view to particularly encouraging, training and supporting people from diverse backgrounds to become trustees in the voluntary sector. However, the impact of Covid-19 has meant that scheme has been temporarily suspended.

ORGANISATION

The charity is administered by the Board of Trustees, which can number up to 20 people, who meet on average every twelve weeks. At 31 March 2023, the Board had an Artistic Policy Committee, a Marketing and Fundraising Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 16.

Board of Trustee meetings are attended, in an observer capacity, by representatives of the Arts Council of Wales (ACW).

The Chief Executive is accountable for the management of the charity, delegating responsibility through a team of Senior Managers leading their relevant teams. The Artistic Director takes the artistic leadership for the charity.

RELATED PARTIES

There was one related party transaction with Trustees during the year, Owen Thomas – Writer Fee £250, (2022: £200) (see Note 24).

Sherman Cymru commissioned productions of £347,880 (2022: £368,160) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2023 the charity was owed £132,436 (2022: £56,000) from Sherman Cymru Productions Limited. All transactions were at arm's length.

RISK ASSESSMENT

Risk is regularly reviewed by the Board of Trustees as part of business planning processes, with financial risk reviewed and considered by the Board's Finance and HR & Governance Committees on an ongoing basis.

AUDITORS

A resolution to reappoint Azets Audit Services as auditors to the charity will be proposed at the forthcoming Annual General Meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Graham Morgan	(Chair – resigned 26 September 2022)
Ceri Davies	(Chair - from 26 September 2022)
Rhian Head	(Interim Vice Chair - from 26 September 2022)
Marlies Hoecherl	(Vice Chair – resigned 26 September 2022)
Nicholas Carlton	
Llinos Daniel	
Rushna Ghaznavi	(Resigned 13 June 2022)
Alex Hicks	(6 March 2022)
Iftakhar Khan	
David King MBE	
Marta Minier	
Gary Owen	
Marc Simcox	
Huw Thomas	
Louise Thomas	(6 March 2022)
Owen Thomas	
Jane Tyler	(6 March 2022)
Helen Vallis	

CHARITY SECRETARY
Julia Barry

REGISTERED OFFICE
Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS
Barclays Bank PLC
1 – 5 Working Street
Cardiff
CF10 2DP

AUDITORS
Azets Audit Services
Ty Derw
Lime Tree Court, Cardiff Gate Business Park
Cardiff
CF23 8AB

SENIOR STAFF

Joe Murphy	Artistic Director
Julia Barry	Chief Executive
Mandy Ivory-Castile	Head of Production and Planning
Pheona Kidd	Head of Operations
Edward Newsome	Head of Marketing and Communications
Sally Shepherd	Head of Finance and Administration
Emma Tropman	Head of Fundraising and Development

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

The trustees (who are also directors of Sherman Cymru for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor
In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees report, including the strategic report, was approved by the Board of Trustees.

Approved by the Board of Trustees and signed on behalf of the Board

Trustee: Ceri Davies
Date: 25 September 2023

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

We have audited the financial statements of Sherman Cymru (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report including the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we

might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Andrew Howells
Senior Statutory Auditor
Azets Audit Services
Chartered Accountants
Statutory Auditor

20/11/23

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies	3	**1,177,592**	**307,986**	**1,485,578**	1,475,798
Charitable activities	4	**623,971**	**-**	**623,971**	362,913
Other trading activities	5	**141,700**	**-**	**141,700**	52,341
Other	6	**160,891**	**-**	**160,891**	97,018
Total income and endowments		**2,104,154**	**307,986**	**2,412,140**	1,988,070
Expenditure on:					
Raising funds	7	**49,323**	**-**	**49,323**	43,529
Trading costs	8	**215,400**	**-**	**215,400**	110,132
Charitable activities	9	**1,921,430**	**425,053**	**2,346,483**	2,100,050
Total expenditure		**2,186,153**	**425,053**	**2,611,206**	2,253,711
Net movement in funds	12	**(81,999)**	**(117,067)**	**(199,066)**	(265,641)
Total funds brought forward	21,22	**1,276,001**	**3,291,302**	**4,567,303**	4,832,944
Total funds carried forward	22,23	**1,194,002**	**3,174,235**	**4,368,237**	4,567,303

The notes on pages 27 to 44 form part of the financial statement

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2023 £	2022 £
Total income of continuing operations	**2,412,140**	**1,988,070**
Total expenditure of continuing operations	**(2,611,206)**	**(2,253,711)**
Net surplus/deficit for the period	**(199,066)**	**(265,641)**

There are no recognised gains and losses for the financial year other than the deficit on the income and expenditure account of -£81,999 after depreciation charges of £309,027

Total income comprises £2,104,154 for unrestricted funds and £307,986 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of the expenditure is provided in the statement of financial activities and notes 7-9.

The summary income and expenditure account is derived from the statement of financial activities which, together with the notes to the financial statements, provides full information on the movements during the year on all the funds of the company.

BALANCE SHEET - CONSOLIDATED

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	15		**3,876,645**		4,185,276
Current assets:					
Stocks	17	**33,260**		34,568	
Debtors and prepayments	18	**280,519**		188,684	
Cash at bank and in hand		**744,666**		731,113	
		1,058,445		954,365	
Liabilities:					
Creditors: amounts falling due within one year					
Trade creditors		**64,341**		35,812	
Other creditors	19	**293,913**		276,384	
		358,254		312,196	
Net current assets			**700,191**		642,169
Total assets less current liabilities			**4,576,836**		4,827,445
Creditors: amounts falling due after more than one year	20		**(208,599)**		(260,142)
Net assets			**4,368,237**		4,567,303
The funds of the charity:					
Restricted Funds	22		**3,174,235**		3,291,302
Unrestricted funds:	21		**1,194,002**		1,276,001
Total charity funds	23		**4,368,237**		4,567,303

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors on 25 September 2023 and signed on its behalf.

(Trustee) ..... David King MBE

Company No. 06002090 (England and Wales)

The notes on pages 27 to 44 form part of the financial statement

BALANCE SHEET - CHARITY ONLY

	Note	£	2023 £	2022 £
Fixed assets:				
Tangible assets	15		**3,876,645**	4,185,276
Investments	16		**1**	1
Current assets:				
Stocks	17	**33,260**		34,568
Debtors and prepayments	18	**280,519**		188,684
Cash at bank and in hand		**744,666**		731,113
		1,058,445		954,365
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		**64,341**		35,812
Other creditors	19	**293,913**		276,384
		358,254		312,196
Net current assets			**700,191**	642,169
Total assets less current liabilities			**4,576,837**	4,827,446
Creditors: amounts falling due after more than one year	20		**(208,599)**	(260,142)
Net assets			**4,368,238**	4,567,304
The funds of the charity:				
Restricted Funds	22		**3,174,235**	3,291,302
Unrestricted funds:	21		**1,194,003**	1,276,002
Total charity funds	23		**4,368,238**	4,567,304

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors on 25 September 2023 and signed on its behalf.

(Trustee) ..... David King MBE

Company No. 06002090 (England and Wales)

The notes on pages 27 to 44 form part of the financial statement

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2023 £	2022 £
Net cash provided by operating activities	27	**(33,884)**	(21,935)
Cash flows from investing activities:			
Purchase of property plant and equipment		**396**	-
Net cash provided by (used in) investing activities		**396**	-
Cash flows from financing activities:			
Repayments of borrowing		**(52,955)**	(54,193)
Net cash provided by (used in) financing activities		**(52,955)**	(51,193)
Change in cash and cash equivalents in the reporting period		**13,553**	(75,831)
Cash and cash equivalents at the beginning of the reporting period		**731,113**	806,944
Cash and cash equivalents at the end of the reporting period	27	**744,666**	731,113

The notes on pages 27 to 44 form part of the financial statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Sherman Cymru is a private company limited by guarantee incorporated in England and Wales registered office Senghennydd Road, Cardiff, CF32 4YE.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sherman Cymru meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis

The charity reported a net surplus on unrestricted funds of £509,153 in the year. This charity is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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.

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.

Liabilities policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

Group financial statements
These financial statements consolidate the results of the charity and its wholly-owned subsidiary Sherman Cymru Productions Limited.

The particular accounting policies adopted are described below.

Fund accounting
Unrestricted funds are funds which are available for use at the discretion of the charity's members in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources
Trading activities (included within activities in furtherance of the charity's objectives) comprise receipts from performances held during the year and other related income. Monies received in advance of the next financial period are carried forward in the balance sheet.

Tangible fixed assets
Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives as follows:

Major leasehold improvements	25 years
General building improvements	10 years
Fixtures and fittings	5 years
Vehicles	5 years
IT equipment	3 years
All other equipment	5 years

Basis of apportionment
Support costs and management and administration have been allocated to the following categories on a staff cost basis:

Trading Costs
Bar and front house costs

Fundraising activities
Support costs have been allocated to governance costs based on the percentage of governance costs to total costs in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks
Stocks are stated at the lower of cost and net realisable value.

Grants
Revenue grants receivable are accounted for in the period to which they relate. Capital grants are credited to restricted funds on a received basis and released to the income and expenditure account over the remaining lives of the assets to which they relate.

Script commissions
Script commission payments to writers and development costs are treated as prepayments until the accounting period in which the production takes place. Where it is decided not to take a commission

Through to production any commissioning payments and accrued development costs are written back to the financial year in which that decision is made.

Development income
Development income is accounted for in the period in which the related expenditure occurs.

Taxation
As a registered charity, Sherman Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fundraising	**10,578**	-	**10,578**	10,325
Recurrent grants:				
Arts Council of Wales	**1,167,014**	-	**1,167,014**	1,138,383
Other grants:				
Arts Council of Wales	-	**153,593**	**153,593**	148,024
Other	-	**154,393**	**154,393**	179,066
	1,177,592	**307,986**	**1,485,578**	1,475,798

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Ticket sales:				
Sherman Cymru productions	**160,708**	-	**160,708**	117,187
In House Visiting Companies	**259,130**	-	**259,130**	50,898
Communities and Engagement	**7,252**	-	**7,252**	117
Touring:				
Sherman Cymru productions	**12,750**	-	**12,750**	7,100
Co-productions	-	-	-	61,917
Communities and Engagement:				
Participant fees	**35,735**	-	**35,735**	21,169
Project income	-	-	-	-
Development & New Writing	**471**	-	**471**	
Hires	**13,915**	-	**13,915**	48,402
Publishing	**1,574**	-	**1,574**	123
HMRC Theatre Tax relief	**132,436**	-	**132,436**	56,000
	623,971		**623,971**	362,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Bar and Front of House receipts	141,700	-	141,700	52,341
	141,700	-	141,700	52,341

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Other income	160,891	-	160,891	97,018
	160,891	-	160,891	97,018

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fundraising activities	49,323	-	49,323	43,529
	49,323	-	49,323	43,529

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2023 £	2022 £
Bar and front of house costs		
Bar and café salaries	103,864	51,070
Bar and café purchases	86,973	47,546
	190,837	98,616
Other Front of House salaries and costs	24,563	11,516
Total bar and Front of House costs	215,400	110,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Depreciation £	Governance £	Total 2023 £	Total 2022 £
Unrestricted						
Artistic	743,223	474,999	51,574	-	1,269,796	1,039,028
Marketing	186,234	168,592	13,251	-	368,077	260,408
Management & Administration	110,152	60,856	7,905	-	178,913	169,486
Support Costs	62,079	14,584	4,564	23,417	104,644	89,627
	1,101,688	719,031	77,294	23,417	1,921,430	1,558,549
Restricted						
Production & Performances	-	42,478	50,919	-	93,397	74,538
Marketing	-	5,250	6,293	-	11,543	7,991
Management & Administration	-	755	905	-	1,660	18,570
Support Costs	108,785	2,642	133,567	-	244,994	168,679
Other costs	-	33,410	40,049	-	73,459	271,723
	108,785	84,535	231,733	-	425,053	541,501
Total Charitable Activity Costs	1,210,473	803,566	309,027	23,417	2,346,483	2,100,050

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Audit	13,325	-	13,325	8,250
Legal	630	-	630	4,263
Salary	6,858	-	6,858	6,209
Support costs	2,604	-	2,604	2,734
	23,417	-	23,417	21,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL – GROUP AND CHARITY

None of the trustees received any emoluments from the company during the year (2023: £nil). Two members of the Executive and Senior Management team received remuneration within the £60,000 - £69,999 bracket (2022: One). Pension contributions were £3,807 (2022: £1,905).

	2023	2022
	£	£
Employee costs during the year:		
Wages and salaries	**874,841**	668,289
Employer's National Insurance contributions	**77,803**	59,308
Employer's Pension contributions	**20,233**	21,891
	972,877	749,488

Employee costs shown above relate to staff paid through payroll. Note 9 contains amounts paid to freelance contracted staff and relates only to staff engaged in charitable activities.

11. STAFF NUMBERS

	2023	2022
Average number of persons employed:	**No.**	No.
Production staff (temporary)	**14**	6
Permanent staff	**24**	23
	38	29

Key Management Personnel
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	**Employer NI**	**Employer Pension**	**Total 2023**	Total 2022
£306,456	£35,464	£7,904	**£349,824**	£296,274

12. NET INCOME/(EXPENDITURE) FOR THE YEAR – GROUP AND CHARITY

	2023	2022
	£	£
Net incoming resources after charging:		
Auditors' remuneration	**13,325**	8,250
Depreciation	**309,027**	309,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. TAXATION – GROUP AND CHARITY

As a registered charity, Sherman Cymru is entitled to exemption from taxation in respect of income and capital gains received in accordance with section 478-489 of the Corporation Tax 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

14. CALLED UP SHARE CAPITAL – CHARITY ONLY

The company is limited by guarantee. All members of Sherman Cymru have guaranteed to contribute, in the event of winding-up, an amount not exceeding £1 each. There were 15 members (2022: 15 members) at 31 March 2023.

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Long Leasehold Property Improvements £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or valuation at 1 April 2022	**7,035,361**	**280,655**	**40,000**	**7,356,016**
Additions	-	**396**	-	**396**
Disposals	-	-	-	-
At 31 March 2023	**7,035,361**	**281,051**	**40,000**	**7,356,412**
Accumulated depreciation at 1 April 2022	**2,897,488**	**253,919**	**19,333**	**3,170,740**
Charge for the year	**297,389**	**3,638**	**8,000**	**309,027**
Eliminated on disposal	-	-	-	-
At 31 March 2023	**3,194,877**	**257557**	**27,333**	**3,479,767**
Net book value				
At 31 March 2023	**3,840,484**	**23,494**	**12,667**	**3,876,645**
At 31 March 2022	**4,137,873**	**26,736**	**20,667**	**4,185,276**

Long leasehold land and buildings with a carrying amount of £3,840,484 (2022: £4,137,873 have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

A summary of the trading results is shown below.

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Summary profit and loss account:		
Income	**347,880**	368,160
Administrative expenses	**(480,316)**	(424,160)
Operating loss	**(132,436)**	(56,000)
HMRC Theatre Tax Relief	**132,436**	56,000
Result for the period	**-**	-
The assets and liabilities of the subsidiary were:		
Total assets	132,436	56,000
Amounts falling due within one year	(132,435)	(55,999)
	1	1
Aggregate share capital and reserves	1	1

17. STOCKS – GROUP AND CHARITY

	2023	2022
	£	£
Bar and Front of House	**9,463**	9,910
Production	**10,915**	11,980
Publications	**11,914**	10,882
Other stocks	**968**	1,796
	33,260	34,568

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade debtors	**37,772**	**37,772**	61,724	61,724
Other debtors	**45,820**	**45,820**	22,032	22,032
Taxation and Social Security	**-**	**-**	-	-
HMRC Theatre Tax Relief	**132,436**	**-**	56,000	-
Intercompany balance	**-**	**132,436**	-	56,000
Prepayments	**64,491**	**64,491**	44,153	44,153
Accrued Income	**-**	**-**	4,775	4,775
	280,519	**280,519**	188,684	188,684

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Other creditors				
Taxation and Social Security	**28,528**	**28,528**	11,945	11,945
Deferred revenue income	**136,066**	**136,066**	74,387	74,387
General accruals	**68,609**	**68,609**	126,761	126,761
Bank Loan	**52,485**	**52,485**	53,896	53,896
Accruals for Redevelopment costs	**8,225**	**8,225**	9,395	9,395
	293,913	**293,913**	276,384	276,384

Deferred income relates to income received in advance and which relates to future financial periods.

	Charity & Group 2023 £	2022 £
Balance as at 1st April 2022	**74,387**	52,238
Income received in the year	**1,771,933**	1,354,984
Released to income	**(1,710,254)**	(1,332,835)
Balance as at 31 March 2023	**136,066**	74,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Bank Loan	**208,599**	**208,599**	260,142	260,142
	208,599	**208,599**	260,142	260,142

The bank loan is secured over the assets of the charity and is repayable in equal monthly instalments.

Repayable by instalments

	Total 2023 £	Total 2022 £
Within one year	**52,485**	53,896
Between 2 and 5 years	**208,599**	233,958
After 5 years	**-**	26,184
	261,084	314,038

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

	General funds £	Capital funds £	Total Funds 2023 £
Balances Brought Forward	**593,142**	**682,859**	**1,276,001**
Surplus/deficit for the year	**(81,999)**	**-**	**(81,999)**
Movement for the year	**77,294**	**(77,294)**	**-**
	588,437	**605,565**	**1,194,002**

Designated Funds

Designated Capital funds, relates to the investment in fixed assets.

Designated Revenue Funds comprises:-

- £10,883 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption
- £52,555 for the activity surrounding the 50th Anniversary in 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2022 £
Balances Brought Forward	566,864	735,414	1,302,278
Surplus for the year	(26,277)	-	(26,277)
Movement for the year	52,555	(52,555)	-
	593,142	682,859	1,276,001

22. RESTRICTED FUNDS – GROUP AND CHARITY

The income funds of Sherman Cymru included in restricted funds comprise the following unexpended balances of capital grants and donations applied for the Building Refurbishment and Redevelopment, the cost of which are being depreciated over the useful life of the asset.

	Balance at 01/04/22 £	**Incoming resources £**	**Expenditure £**	**Balance at 31/03/23 £**
Capital				
Building Refurbishment and Redevelopment	3,100,972	-	**(209,190)**	**2,891,782**
Foyer Refurbishment	35,238	-	**(14,543)**	**20,695**
Arts Council of Wales – Public Art	2,437	-	-	**2,437**
Foyle Foundation/Garrick Trust-Transit Van	20,667	-	**(8,000)**	**12,667**
	3,159,314	-	**(231,733)**	**2,927,581**
Revenue funds				
Arts Council of Wales (Creative Pathways)	18,594	**3,020**	**(17,597)**	**4,017**
Arts Council of Wales (Creative Pathways)	-	**44,742**	**(17,826)**	**26,916**
Arts Council of Wales (Housemates)	14,528	**15,075**	**(10,417)**	**19,186**
Arts Council Wales (RAMPS)	-	**90,756**	**(6,770)**	**83,986**
Darkley Trust	-	**2,500**	**(2,500)**	-
D'Oyly Carte	-	**4,500**	**(50)**	**4,450**
Esmee Fairbairn (ITP)	14,865	-	**(14,865)**	-
Esmee Fairbairn (Covid Support)	9,201	-	**(4,668)**	**4,533**
Fenton Arts Trust	-	**3,000**	**(2,720)**	**280**
Gibbs Trust	2,000	-	-	**2,000**
Go Wales	967	-	-	**967**
Innovate Trust	437	-	**(430)**	**7**
Hodge Foundation	-	**5,000**	**(2,642)**	**2,358**
Legacy – A Kellaway	1,246	-	-	**1,246**
Lloyd Webber Foundation	1,546	-	**(1,546)**	-
Moondance Foundation	-	**40,170**	**(5,577)**	**34,593**
National Heritage	-	**27,804**	-	**27,804**
National Theatre Connections Festival 2020	35	-	**(35)**	-
National Theatre Connections Festival 2022	2,999	-	**(2,999)**	-
Old Vic	10,000	-	**(6,329)**	**3,671**
Paul Hamlyn Foundation 2019	52,840	**71,419**	**(93,619)**	**30,640**
Philip Carne	1,024	-	**(1,024)**	-
Stage One Producers	1,706	-	**(1,706)**	-
	131,988	**307,986**	**(193,320)**	**246,654**
Total Restricted Funds	3,291,302	**307,986**	**(425,053)**	**3,174,235**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Arts Council of Wales (Creative Pathways – Literary Manager Pilot Programme)
Support for the Literary Manger Pilot Programme responding to a gap in Wales' theatre ecology, laying foundations for a permanent Literary Department to create world-class, bi-lingual new writing for Cardiff, Wales, and everyone.

Arts Council of Wales (Creative Pathways)
Support for Year 2 of the Literary Programme responding to a gap in Wales' theatre ecology, laying foundations for a permanent Literary Department to create world-class, bi-lingual new writing for Cardiff, Wales, and everyone.

Arts Council of Wales (Housemates)
A grant to support the R&D phase of our co-creation with Hijinx Theatre Company, working with neuro-diverse actors.

Arts Council of Wales (RAMPS)
A Connect and Flourish grant to support a development year of the RAMPS Cymru initiative across the five partner organisations: Sherman Theatre, Theatr Clwyd, Pontio, Torch Theatre, and Royal Welsh College of Music and Drama

Ashley Foundation
A grant to support emerging artists to work on projects across the artistic programme.

Darkley Trust
Support of Associate Director on Main Stage Christmas production 2022.

D'Oyly Carte
A grant to contribute towards the costs of the Sherman Youth Theatre Festival 2023.

Esmee Fairbairn - ITP
To support Year 3 of our new initiative, Introduction to Playwriting, to increase access to opportunity through a three-year plan to introduce students (aged 15 – 18) from low income backgrounds to playwriting.

Esmee Fairbairn – Covid Support
A grant received to support the organization whilst it worked through the uncertain times of Covid, utilized to support the Heart of Cardiff programme.

Fenton Arts Trust
A grant to support trainee Assistant Director and trainee Designer on Youth Theatre production of *Ghost Cities.*

Garrick Trust
Support towards advancing the career of an emerging designer, through a project that will provide development opportunities for a talented designer, in the early stages of their career.

Gibbs Trust
Match funding for the ACW grant for Housemates

Go Wales
A grant to support a technical apprentice in the production department.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Innovate Trust
Support for an initiative to develop literacy, oracy and design skills through a playwriting project delivered with Glyncoed Primary School in Llanederyn, Cardiff and their entire year 6 cohort of 55 pupils.

Hodge Foundation
A grant to support the Christmas Schools Appeal in 2022.

Legacy – A Kellaway
A legacy donation to support the work of the Creative Engagement team utilized on Youth Theatre Festival 2023.

Andrew Lloyd Webber Foundation
Grant support for three years to support the Sherman Theatre / RWCMD design graduate opportunity.

Moondance Foundation
Year 1 of a three year grant to support Introduction to Playwriting, to increase access to opportunity through a three-year plan to introduce students (aged 15 – 18) from low income backgrounds to playwriting.

National Lottery Heritage Fund
To support a large scale community production and associated activities in the Theatre's 50th anniversary year.

National Theatre
Contribution towards the National Theatre Connections Festival hosted by Sherman Theatre and involving schools and youth theatre groups.

Old Vic
Match funding to support the work of the Literary Department.

Paul Hamlyn Foundation
A More & Better grant to support the continuation and enhancement of the Sherman 5 initiative until 2022.

Philip Carne
Contribution towards the new Welsh Playwrights Programme and JMK/Sherman Directors Group.

Stage One Producers
Support for a 12 month placement for a Stage One Regional Trainee Producer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Previous year

	Balance at 01/04/21 £	Incoming resources £	Expenditure £	Balance at 31/03/22 £
Capital				
Building Refurbishment and Redevelopment	3,310,162	-	(209,190)	3,100,972
Foyer Refurbishment	50,281	-	(15,043)	35,238
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	28,667	-	(8,000)	20,667
	3,391,547	-	(232,233)	3,159,314
Revenue funds				
Arts Council of Wales (Cultural Recovery 2)	-	102,898	(102,898)	-
Arts Council of Wales (Cultural Recovery 3)	-	30,598	(30,598)	-
Arts Council of Wales (Creative Pathways)	45,178	-	(26,584)	18,594
Arts Council of Wales (Housemates)	-	14,528	-	14,528
Ashley Foundation	3,500	-	(3,500)	-
Esmee Fairbairn (ITP)	30,086	-	(15,221)	14,865
Esmee Fairbairn (Covid Support)	3,370	35,000	(29,169)	9,201
Garrick Trust	750	-	(750)	-
Gibbs Trust	-	2,000	-	2,000
Go Wales	-	3,990	(3,023)	967
Innovate Trust	437	-	-	437
Legacy – A Kellaway	1,246	-	-	1,246
Lloyd Webber Foundation	5,046	-	(3,500)	1,546
National Theatre Connections Festival 2019	17	-	(17)	-
National Theatre Connections Festival 2020	1,669	-	(1,634)	35
National Theatre Connections Festival 2022	-	3,250	(251)	2,999
Old Vic	-	10,000	-	10,000
Paul Hamlyn Foundation 2019	46,796	76,000	(69,956)	52,840
Philip Carne	1,024	-	-	1,024
Stage One Producers	-	23,873	(22,167)	1,706
	139,119	302,137	(309,268)	131,988
Total Restricted Funds	3,530,666	302,137	(541,501)	3,291,302

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Capital funds £	General funds £	Restricted funds £	Total 2023 £
Group				
Fixed assets	949,064	-	2,927,581	3,876,645
Net current (liabilities)/assets	(134,900)	588,438	246,654	700,192
Long Term liabilities	(208,599)	-	-	(208,599)
	605,565	588,438	3,174,235	4,368,238
Charity				
Fixed assets	949,064	-	2,927,581	3,876,645
Investments	-	1	-	1
Net current (liabilities)/assets	(134,900)	588,438	246,654	700,192
Long Term liabilities	(208,599)	-	-	(208,599)
	605,565	588,439	3,174,235	4,368,239

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted funds £	Restricted funds £	Total 2022 £
Group			
Fixed assets	1,025,962	3,159,314	4,185,276
Net current assets	510,181	131,988	642,169
Long Term liabilities	(260,142)	-	(260,142)
	1,276,001	3,291,302	4,567,303
Charity			
Fixed assets	1,025,962	3,159,314	4,185,276
Investments	1	-	1
Net current assets	510,181	131,988	642,169
Long Term liabilities	(260,142)	-	(260,142)
	1,276,002	3,291,302	4,597,304

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

Sherman Cymru commissioned productions of £347,880 (2022: £368,160) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2023 the charity was owed £132,436 (2022: £56,000) from Sherman Cymru Productions Limited. All transactions were at arm's length.

There was one related party transactions during the year, Owen Thomas - Writer Fee £250 (2022: £200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASES – CHARITY ONLY

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:

	2023	2022
	£	£
Plant and equipment:		
Fall due within 1 year	**14,989**	30,277
Fall due within 2 – 5 years	**4,716**	26,133
	19,705	56,410

26. PENSIONS – GROUP AND CHARITY

Sherman Cymru is fully compliant with Auto Enrolment and operates a qualifying workplace pension scheme with Legal & General. Contribution during the period were £20,233 (2022: £21,891). The outstanding balance at the year-end was £4,348 (2022: nil).

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

	2023	2022
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**(199,064)**	(265,641)
Adjustments for:		
Depreciation charges	**309,027**	309,919
(Increase)/decrease in stocks	**1,308**	(7,872)
(Increase)/decrease in debtors	**(91,835)**	14,988
Increase/(decrease) in creditors	**(53,320)**	(73,031)
Net cash provided by/(used in) operating activities	**(33,884)**	(21,637)
Analysis of Cash and Cash Equivalents		
Cash in hand	**744,666**	731,113
Total Cash and Cash Equivalents	**744,666**	731,113

Analysis of Net Debt:

	At 1 April 2022	Cashflows	At 31 March 2023
	£	£	£
Cash	731,113	13,553	744,666
Bank loans falling due within one year	(53,896)	(52,485)	(106,381)
Bank loans falling due after more than one year	(261,084)	52,485	(208,599)
	416,133	13,553	429,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2022

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income and endowments from:			
Donations and legacies	1,173,661	302,137	1,475,798
Charitable activities	362,913	-	362,913
Other trading activities	52,341	-	52,341
Other	97,018	-	97,018
Total income and endowments	1,685,933	302,137	1,988,070
Expenditure on:			
Raising funds	43,529	-	43,529
Trading costs	110,132	-	110,132
Charitable activities	1,558,549	541,501	2,100,050
Total expenditure	1,712,210	541,501	2,253,711
Net movement in funds	(26,277)	(239,364)	(265,641)
Reconciliation of Funds			
Total funds brought forward	1,302,278	3,530,666	4,832,944
Total funds carried forward	1,276,001	3,291,302	4,5687,303

SHERMAN CYMRU

England & Wales - Charity number 1118364

Accounts

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2022

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The objects of Sherman Cymru are to promote and encourage art and in particular performing art for the benefit of the public by the development, production and presentation of new writing or works of any form, the provision of theatre facilities and the advancement of education of children, young persons and adults by participation in the experience of theatre, drama and the performing arts.

Our Mission:

We make and curate exciting theatre for Cardiff audiences. We develop and nurture the work of Welsh and Wales based artists. We generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

Our Artistic Vision:

Based in the heart of Cardiff, Sherman Theatre is Wales' only Theatre of Sanctuary. Everyone is welcome here. We want as many people as possible to enjoy and take part in theatre, and we work hard to break down any barriers stopping that from happening. Our impact starts on our stages but continues way beyond, throughout Cardiff, Wales and the world. By empowering our communities to tell their stories we become a force for empathy, compassion and unity: change the story change the world.

We exist to offer the people of Cardiff enriching emotional experiences that deeply resonate. We work with a diverse range of Welsh and Wales based artists to tell stories that reach and represent a broad audience. Local stories with global resonance.

We are a centre for artistic excellence, creating bold, bilingual and exceptional contemporary theatre. Through our industry-leading outreach work, productions and artist development, we are helping to build a dynamic and resilient Welsh theatre sector.

Our work is full of heart, it's all about feeling and meaning for the people of Cardiff. We sit at the centre of this city, not just geographically but emotionally, artistically and as a community. We are our city, through and through. We are the heart of Cardiff.

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissioners' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The company's strategic aims are:

a. To establish a strong, distinct artistic identity
b. To create a resilient, financially stable company capable of delivering the artistic vision
c. To engage both loyal and new audiences with increased frequency of attendance
d. To actively engage our communities in meaningful participatory relationships
e. To generate opportunities for developing and nurturing the theatre-makers of the future
f. To maintain a resilient, accountable and well-managed company with strong corporate governance
g. To ensure that all staff understand the business aims and objectives and are empowered and motivated to assist the Company to achieve its Mission
h. To develop and implement environmental policies and practices which result in environmental benefit and energy use reduction.

Each aim has two or three key objectives and three to five year outcomes all contained within the Company Business Plan.

ONGOING IMPACT OF COVID-19

The impact of Covid-19 on the operations of Sherman Theatre has been significant. The company has been striving in recent years to stabilise its financial position and to reduce reliance on public subsidy by growing its income generating ability through increased box office, a well-functioning café bar facility, which, pre-Covid, was making a contribution to the running of the organisation, and by generating additional revenue through hiring spaces within the building. The enforced closure of the building throughout the entire year, 2020-21 followed by a tumultuous year of changing restrictions in 2021-22, has meant that conventional income-generating opportunities have been heavily compromised and for significant times, totally absent.

With the ongoing closure at the beginning of 2021-22, we continued to utilise our ACW portfolio funding, which supports the basic running costs of the building. For the costs not covered by this funding we employed the following measures towards sustainability:

- Successful applications to Cultural Recovery Fund 2 and 3.
- Diversified income generating opportunities, specifically through hire of spaces to RWCMD for teaching purposes.
- Working with current and prospective funders to renegotiate grant terms and secure project funding.

At the beginning of the pandemic, we did not know what the future was going to hold for us, with all income generating activities on hold, but with a building to keep maintained and a staff team to support, it was imperative that we put in place as many plans as possible to deal with the uncertainty that we faced. We had four key objectives during this time:

- to protect as many jobs as possible;
- to maintain meaningful engagement with our audiences and communities;
- to support freelance theatre makers;

- and to ensure the financial stability of the organisation.

In May 2021, Sherman Theatre was awarded £102,898 through the second round of Cultural Recovery Funding (administered by ACW). The application submitted was to allow investment in key areas until September 2021, ensuring the financial stability and recovery of the organisation beyond the funding period. This included: an Audience Research and Development project to reconnect with existing audiences and to identify and understand new audiences; preparations to safely re-open to the public; essential maintenance; investment in the Volunteer scheme to ensure a diverse team who reflect the communities of the Sherman; investment in training across the organisation; and an upgrade to connectivity and storage in order to futureproof the organisation.

Sherman Theatre was subsequently awarded a further £30,598 in January 2022 through the third and final round of Cultural Recovery Funding. This was to support the Sherman until February 2022. This funding covered several areas including: support to enable the full re-opening of the café bar following its enforced closure in December 2021; investment in essential maintenance of comms cabinet, to ensure the stable connectivity required to support remote working/operations; restructure of Front of House team; investment in hardware to support checking of Covid passes and remote working capabilities; box office consultancy; and additional cleaning costs.

In July 20201 Sherman Theatre received a grant of £35,000 from the Esmee Fairbairn Foundation from their Reinventing the Performing Arts strand of support funds. This funding allowed Sherman Theatre to implement a number of measures to guard against Covid interruptions throughout the Autumn and Christmas seasons, including: the costs of digital capture of the Autumn Season Radical Reinventions pieces, *A Christmas Carol*, and *The Elves and The Shoemaker / Y Coblynnod a'r Crydd*; the employment of an understudy to work across parts on A Christmas Carol; and financial support to enable the South East Wales tour of *The Elves and the Shoemaker / Y Coblynnod a'r Crydd.*

Our existing relationship with the Royal Welsh College of Music and Drama further developed throughout the pandemic and continued into 2021-22. The College had a requirement for space in order to continue in person teaching with their students within Covid guidelines. We were able to work with them to hire out some of our spaces from September 2020 through to September 2021 which, as well as strengthening the relationship that we have with the RWCMD, also earned us significant income during a period when we had not expected to be able to generate any revenue.

Despite having begun the year in a very difficult and uncertain situation, and having to cease all of our usual activities, operations and income generating activities, the prudent approach that was taken at the outset along with the ability to re-open our doors and invite audiences in once again, resulted in a more positive end of year financial position than expected.

Whilst the organisation faced immediate challenges in 2020-21, those challenges continued throughout 2021-22 and the Sherman is still within a recovery period at the same time as heading into the cost of living crisis. The Board and Executive team are therefore looking at long-term strategies to ensure a robust recovery model which will secure the future of the organisation. This includes, but is not limited to, exploration of new funding avenues, diversification of income streams, and scrutinising, and where possible reducing, costs.

ACHIEVEMENTS AND PERFORMANCE

The impact of COVID-19 on the operations of Sherman Theatre has continued through 2021-22. The building remained closed to the public until September 2021. During the early part of the year, whilst still closed, the Sherman created its first full-length production for digital broadcast, as well as taking some work outdoors across the summer. The building re-opened for live performances in September 2021 and progressed with the Autumn season under ever-changing restrictions, including the introduction of the Covid Pass, changing hospitality rules, and the alterations to social distancing.

Despite the challenges faced since March 2020, the organisation has focused on adapting the work to ensure new ways of delivering on the core purpose – to provide exciting theatre for audiences, to develop and nurture the work of Welsh and Wales based artists and to generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

Through 2021-22 Sherman Theatre evolved and adapted its practices as the restrictions changed and began to lift, to:

- Entertain and engage our audiences
- Support and nurture Welsh and Wales-based artists
- Connect with our communities
- Develop our young people

The delivery methods for both produced and presented work, and all participation activity, moved through three phases across the course of 2021-22:

- **Digital** - having developed ways of producing and presenting work digitally in 2020-21, we embarked upon our first full production, broadcast digitally in May 2021. *The Merthyr Stigmatist* by Lisa Parry was created, rehearsed and filmed at the Sherman Theatre and then broadcast digitally to audiences on demand. Our co-production with RWCMD NEW Festival, Terroir by Jen Lunn and directed by Sara Lloyd, was also digitally broadcast. In addition, we co-presented work online by Theatr Genedlaethol Cymru and Torch Theatre.

  All participation activities, including Youth Theatre, Introduction to Playwriting and Sherman Players, continued online throughout the spring and summer terms.

- **Outdoor** – we took our work outdoors in Summer 2021. Working in collaboration with Theatr Iolo and Cardiff Council, we presented *Claws / Crafangau* by Nia Morais on City Hall Lawns as part of Cardiff Council's Summer of Smiles Festival, as well as at Cardiff West Community High School.

  We were able to provide outdoor participation activities for your young people across the summer, with two weeks of summer school activities.

- **In person** – in September 2021 we re-opened our doors to our audiences and participants. We presented work from visiting companies on our stages as well as a programme of Sherman produced work. The Creative Engagement team ensured a hybrid version of all participation programmes to allow people to choose how they engaged with us. Throughout September to March all activities were subject to ever-changing restrictions, including social distancing, the introduction of Covid passes and further lockdowns which made this period very uncertain.

We were hugely fortunate to receive Cultural Recovery Funding across the year which supported not only our survival through the pandemic, but also ensured that the organisation was post-pandemic ready. The funding supported the following activity, helping to sustain the organisation during extended building closure and to work towards the reinstatement of public performances and in-person activity.

Activity funded included, but was not limited to:

- Investment in a new website and ticketing system (launched in September 2021). This signifies a transformational new chapter in the digital life of the organisation and one which will enable us to achieve our organisational objectives to increase and diversify audiences over the next five to seven years. This new technology also marks a real step-change in our Fundraising and Development capacity underpinning a rigorous and robust new individual giving strategy, whilst also reducing our carbon footprint by optimising paperless communication with customers and audiences.

- Upgrading of technical equipment and production software (including visual, sound recording and editing equipment) to support the development and delivery of audio/digital provision, to extend our reach and ensure accessibility.

- Purchase of captioning equipment and upskilling of staff for in-house delivery, which will enable us to increase access provision for D/deaf audiences. Through the automation of our front door system, we have also been able to improve physical access to the building.

- Investment in screens for office spaces and meeting rooms which have supported a hybrid return to work by ensuring all staff and visitors to the building are protected.

- Investment in audience research and development, which consisted of an external research project and audience development campaign. This was designed to enable us to reconnect with our audiences, both existing and new, and help us to extend our reach by ensuring that we are meeting the needs and requirements of audiences and participants across all communities and backgrounds.

- Work to develop our Volunteer Scheme - after 18 months of closure we needed to re-engage with our existing volunteers and to support and welcome them back into the theatre building as we prepared for re-opening to the public.

- Creative engagement - purchase of equipment to facilitate the delivery of hybrid activities, facilitating a variety of activity including blended youth theatre sessions, virtual building tours and workshops for schools, colleges and community groups.

- Upgrade to connectivity and storage which included an upgrade to our leased line, data centre hosting, firewalls and VPN connectivity. Investment in this area will help to future proof the organisation to optimise the digital opportunities available to us, ensuring we can progress our commitment to embracing the advantages that can be achieved through the digital delivery of our work, enhancing digital engagement with audiences, and continuing to reduce the carbon footprint of the organisation through increased digital communications.

SHERMAN THEATRE PRODUCTIONS AND CO-PRODUCTIONS

We exist to provide our audiences with compelling theatre. With our doors closed in the early part of the year, the virtual world continued to be our stage. Collaboration was key to adapt from the digital stage, to an outdoor environment before we were finally able to return to live events in the theatre in September 2021.

The Merthyr Stigmatist

In April 2021, rehearsals began for the first full production for digital broadcast – *The Merthyr Stigmatist*. In co-production with Theatre Uncut, this play was originally intended to be on our stage in September 2020. The decision was taken to mount this as a full production, filmed by RED90 and broadcast on demand to audiences.

In April 2021 rehearsals began for the first full production that the Sherman team had made since closing in March 2020. This was a co-production with Theatre Uncut of *The Merthyr Stigmatist*, which had been shortlisted for the Theatre Uncut Political Playwriting Award in 2019 and was due to be produced in the Sherman Studio in Autumn 2020. It was important to demonstrate a commitment to the writer, Lisa Parry, and to present this to audiences, albeit through digital channels only. Abergavenny-based company RED90 captured the piece digitally and TicketCo supplied the piece on demand to audiences.

The Merthyr Stigmatist, featured Bethan McLean (in her professional debut) and Bethan Mary-James and was directed by Emma Callender, and was hugely well received by audiences and critics alike.
On demand broadcast of a full theatre piece was a new venture for Sherman Theatre. A target of 500 views was set, with the actual number reaching 473.

"... theatrical magic from the valleys...
A pair of piercing performances give real depth to Lisa Parry's smart two-hander about faith and community... deeply moving"
**** The Guardian

Terroir

Our collaboration with Royal Welsh College of Music and Drama's NEW Festival also went online during this time, with *Terroir* by Jen Lunn, directed by Sara Lloyd.

Crafangau / Claws

Across the summer months, we worked in collaboration with Theatr Iolo and Cardiff Council to present work outdoors. As part of Cardiff Council's Summer of Smiles, Theatr Iolo and Sherman Theatre presented a double bill of work for young people: Theatr Iolo presented *Hoof!* and Sherman Theatre presented *Claws / Crafangau* by Nia Morais. These presentations took place on Theatr Iolo's performance trailer, first on City Hall Lawns, and subsequently at Cardiff West Community High School.

Claws / Crafangau was originally created as part of the Heart of Cardiff audio series in Autumn 2020 and was further developed into a live performance, performed in Welsh and English by Mali Ann Rees for August 2021.

Back In Play Festival

Acknowledging the need to build audience confidence as we re-introduced them to live performances within our spaces, we created a festival of work which focused on:

- Creating a socially distanced, reduced capacity space
- Presenting short pieces of work and giving audiences the opportunity to see as much, or as little as they felt comfortable with

- Building on the Sherman artistic endeavour of presenting familiar and classic titles, told through a new / different perspective
- Providing audiences with a fun and entertaining evening at the theatre
- Showcasing the work of our communities.

The Studio was turned into a cabaret style venue, with audiences being able to sit within their groups, of any size, in a socially distanced manner.

The festival consisted of three strands:

Radical Reinventions
Inspired by classic plays and books, Radical Reinventions was a collection of four short new plays. Radical Reinventions was specially created to reconnect audiences with the joy of live theatre. The plays were written by a fresh and distinctive line-up of emerging and established Welsh and Wales-based writers.

The Messenger
Written and performed by Seiriol Davies
Directed by Joe Murphy
Inspired by Romeo and Juliet by William Shakespeare.

Hamlet Is A F&£$boi
Written and performed by Lowri Jenkins
Directed by Mared Swain
Inspired by William Shakespeare, and other plays

The Love Thief
Written and performed by Rahim El Habachi
Directed by Nerida Bradley
Inspired by Prometheus Bound by Aeschylus

Tilting at Windmills
Written and Directed by Hannah McPake
Performed by Mared Jarman
Inspired by Don Quixote by Miguel Cervantes

All of the Radical Reinventions pieces were digitally captured, thanks to funding from Esmee Fairbairn Foundation, and were subsequently broadcast on demand following the end of the Back In Play Festival.

Comedy Line-up
Across the Friday and Saturday evenings of the Festival, we hosted Comedy Club Nights with some of Wales' best comedians performing in Welsh and English.

Community Work
Showcasing community voices was a hugely important part of this programme and it was vital that it formed a core part of this festival:

Young Queens
We intended to present an evening of inspiring performances by Young Queens in association with Hayaat Women Trust. Through poetry and drama these young Welsh Somali writers and performers were going to share how they see the world and give their take on the complexities of friendship. The evening was also to include a short talk about the Cardiff Somalian community, offering an opportunity to get to better know one of the city's vibrant communities and the young people who are a vital part of it.
Unfortunately the event had to be cancelled due to Covid.

Re:Play
Brand new short plays from emerging young playwrights, each Re:Playing a classic story. From oppressive regimes to darkened corridors, through the eyes of the invisible and those whose voices go unheard, the writers focus on the social injustices we face today in four companion pieces to Radical Reinventions. The writers were all participants from Sherman Theatre's Introduction to Playwriting programme.

Maryland
In a co-production with Jennifer Lunn, in November we presented Maryland written by Lucy Kirkwood and directed by Jennifer Lunn and Alice Eklund. Originally performed at the Royal Court theatre, this was an urgent response to the killings of Sabina Nessa and Sarah Everard.

The Elves and the Shoemaker / Coblynnod a'r Crydd
Having postponed the bilingual Studio Christmas show for ages 3-6 in 2020, it was important to be able to present this show in 2021 both at the Sherman and on tour. *The Elves and the Shoemaker / Y Coblynnod a'r Crydd* was written by Katherine Chandler, translated by Mererid Hopwood and directed by Sara Lloyd.

Funding was secured from Esmee Fairbairn Foundation through their Reinventing the Performing Arts programme, allowing us to subsidise the tour around South East Wales and support those venues who were in a position to present the work to their audiences.

Given the ongoing situation, the capacity of the shows both at the Sherman and on tour was reduced by one third in order to allow social distancing and thereby encourage audience confidence as they returned to live theatre, many for the first time since early 2020.

The return of this part of our programme was much anticipated and it had a hugely successful run at the Sherman. Sadly, due to the changes in restrictions at the end of December we were forced to close the run one week early.

Fortunately, we had been able to create a digital capture of the performance in both languages that we could provide to those audiences who had been disappointed by not being able to attend in person.

A Christmas Carol
Christmas returned to the Main Stage in the form of *A Christmas Carol*, by Gary Owen and directed by Joe Murphy.

All performances contained an element of social distancing, with seats being left between each booking, in addition there were specific socially distanced performances where the full 2m rule was implemented.

Audience confidence was strong and we saw better than expected audience numbers across both the schools performances and the public performances.

Despite the change in restrictions, we were able to continue with this production on the basis of 2m social distancing for all of the post-26 December performances. However, the run was cut short due to a case of Covid within the company.

Again we had been able to create a digital capture of the performance that we could provide to those audiences who had been disappointed by not being able to attend in person.

"A clever, Cardiffian spin on the Christmas classic. Panto tropes are happily pooh-poohed with a gender-swapped Scrooge and properly terrifying puppetry in Joe Murphy's triumphant Dickens redo... Hannah

McPake storms it as Scrooge... this version brims with an irresistible festive charm, and looks absolutely gorgeous."
**** The Guardian

Dance to The Bone

In March 2022 we presented *Dance To The Bone* in a co-production between Ceriann Williams, NeonCandle and Sherman Theatre. This exciting piece of gig theatre was written by Eleanor Yates and Oliver Hoare and directed by Joe Murphy and Matthew Holmquist.

CURATED PROGRAMME

Across the year, alongside the work made at Sherman, we continued to programme work from visiting companies and artists, both digitally and in person.

In April 2021, Josie Long performed a live streamed gig to Sherman audiences who had been due to see her in person at the Sherman. This was a brilliant way of keeping some of our comedy audiences engaged with us and was a very well received event.

In May and June we supported the digital tours of Theatr Genedlaethol's *Pryd Mae'r Haf*, and Torch Theatre's *The Wood*.

As we returned to in-person performances in Autumn 2021 we were delighted to present *Anfamol* by Rhiannon Boyle from Theatr Genedlaethol Cymru, and *Possible* by Sion Dale-Jones from National Theatre Wales. Both of these shows were sold at reduced capacity to enable social distancing as we tried to build confidence in audiences returning to live performance.

Activity picked up pace in early 2022 and we returned to full capacity Main House performances with *Mark Thomas, Flo & Joan, Jay Rayner*, and *La Voix*.

In February half-term we welcomed the return of Lyngo Theatre to our Studio Space with *Tom Thumb*.

In March we presented *Petula* from National Theatre Wales and Theatr Genedlaethol Cymru, as well as *The Marriage of Figaro* from Royal Welsh College of Music and Drama.

ARTIST DEVELOPMENT

The pilot year of the Sherman Theatre's Literary Department, supported by Arts Council Wales, began in August 2021.

This team is dedicated to identifying, nurturing and cultivating writers in both languages from grassroots to professional careers. Bringing together a programme of both new and existing initiatives and opportunities for Welsh and Wales-based writers, the project focuses on reaching underrepresented communities, nurturing creative talent and providing high-quality, professional creative development.

All activity undertaken is designed to work towards achieving the following organisational priorities:

- To strengthen the capability and resilience of Welsh theatre with long-term, strategic approach to developing playwrights, enabling writing talent to thrive across the sector.
- To promote equality in theatre by reaching widely and deeply into communities throughout Cardiff and Wales, empowering people from all walks of life to become playwrights.
- To work effectively and imaginatively with creative partners to ensure sector-wide impact.

Since its launch in August 2021, the Literary Department has engaged, developed or supported an estimated 240 Welsh and Wales-based writers.

The initial town hall meetings, designed as meet & greet sessions to introduce the project and to promote the available opportunities, received 158 sign ups, with 140 individuals attending four open access sessions with members of the team.

We received a total of 90 applications for the 16 places available across our flagship nine month writer development programme, which supported participants to develop an initial pitch idea for a play into a final draft. The programme was offered across two groups, one for writers working in the Welsh language - Cylch Sgwennu'r Sherman and one for writers working in English – Sherman Writers Group. These participant writers represented a diverse range of lived experience, and were from across Wales.

The Unheard Voices programme received 125 applications for 20 available places. The programme was open to Welsh and Wales-based writers with any level of experience aged 18+ who were one or several of the following:
· Women
· From Diverse Ethnic Communities
· LGBTQ+
· D/deaf or disabled

The programme offered the 20 writers the opportunity to develop their writing skills through a series of 12 masterclass session led by key theatre practitioners.

Pit Stop sessions - across the year the team held over 129 one-to-one sessions for Welsh and Wales-based writers to meet and discuss ideas, ask questions and seek advice on their writing. These session were available as face-to-face or online sessions with the overall intention of finding out what writers need, sharing opportunities and contacts, and making new connections.

Open script submission –152 scripts were received across two unsolicited submission periods in October and March. The open submission was an opportunity for writers to submit their work, with every single script receiving feedback from the Literary Team.

The launch of our Literary Department signified the foundations of a strategic, long-term approach to writer development. Providing a cohesive programme of work that provides a clear progression pathway that individuals can enter at different stages of their writing career, the work of the Literary Department has quickly established itself as a vital function at the heart of Sherman Theatre's artistic process. The pilot phase of the programme, which saw the creation of new initiatives including the Unheard Voices programme, Writers Groups, Pit Stop sessions, Reading Groups and unsolicited script submission opportunities, provided evidence of demand to further develop creative pathways for writers, in both Welsh and English, with over-subscription to all available initiatives.

We can already see the impact that having a dedicated and experienced Literary Team has had on the wider organisation, with the integration of the work of the Literary and Creative Engagement departments providing a crucial element of Sherman's grassroots to creative and professional development pathway.

Our long-term aim is to establish a permanent Literary Department to create world-class, bi-lingual new writing at Sherman Theatre. We want writers to see Sherman as a hub, and to utilise the Literary Team as a continuous resource for ongoing support.

In February 2022, working with Pride Cymru, Glitter Cymru, and National Theatre Wales we presented a scratch night of six short plays by a collection of exciting LGBT+ writers and performers. *Out-rage-Us* was celebrated during LGBT+ History Month.

CREATIVE ENGAGEMENT & SHERMAN 5

In these challenging times it has been more vital than ever to stay connected. By picking up the phone, sending letters, emails and using digital media we have worked to keep in touch with and support our communities in advance of being able to welcome them back into the building from September onwards. Amidst all of the challenges, there have also been new opportunities allowing us to connect with new people.

Our work with our communities included:

Sherman 5: The continued work of Sherman 5 to engage people facing barriers, supported by the Paul Hamlyn Foundation, changed its focus through the pandemic to support and engage its members throughout the year. We have called members, ensured there is always someone available to call if they wish simply to have a chat, ensured regular communication and offered a programme of workshops and activities. And as soon as we were able to open our doors, we established a series of events to begin to re-connect with members in person.

Activity across the year included:

- *Theatre in a Box* home crafting activities for Easter holidays distributed to Sherman 5 families.
- Workshops with the One World Choir as part of Refugee Week in June, followed by three online sessions, rehearsals and a live recording. Sherman 5 worked in partnership with the One World Choir to deliver workshops with participating Asylum Seekers and Refugees to create a new song and short documentary film which were released in January 2022.
- Across the summer Sherman Theatre worked in partnership with Theatr Iolo and Cardiff Council, to stage a mini outdoor festival of performances for younger audiences, presenting both a Welsh language piece of new writing and showcasing work created by participants on our Introduction to Playwriting programme (for ages 15-18). The outdoor performances provided an ideal opportunity to engage with our local communities and resulted in the recruitment of new Sherman 5 members.
- In September 2021 a series of welcome back catch ups were held at the Sherman as a way to start reconnecting with members and partner organisations as we prepared to reopen the building to the public. These catch ups were part of our ongoing consultation with individuals and groups to try and ascertain what had changed for them during the pandemic and were a platform on which to start planning for future, more targeted engagement.
- We were able to reinstate our pre-show socials from December 2021, providing activities for members including participants from attending partner groups Oasis (sanctuary seekers) and AP Cymru (neurodiverse families) for performances of both our Christmas season productions, alongside visiting company productions.

Developing, engaging and connecting young people across Cardiff and South Wales is at the core of what we do. When the restrictions came into force we moved quickly to do this work online. Our projects evolved to respond to and meet the needs of young people throughout the crisis.
Throughout the year, our work with young people focused on:

- Continuing our commitment to developing young people into active and socially responsible citizens
- Delivering our existing programmes including Introduction to Playwriting and Youth Theatre online, and subsequently in a hybrid format

- Tackling increased isolation experienced by young people, by ensuring they remain connected with each other
- Evolving projects in response to dialogue with young people and changes in restrictions
- Maintaining a participant-centred approach

The team has continued to deliver our regular and ongoing participatory sessions both online and later in the year in a hybrid format to ensure the widest participation. This activity has included, but has not been limited to:

- Weekly Sherman Theatre Youth Theatre and Sherman Sherbets sessions.
- Weekly Sherman Players sessions (our amateur company made up of community members aged 18 and above).
- A Sherman Youth Theatre production of David Judge's *Chat Back* in March 2022. This piece was commissioned by the National Theatre as one of their 10 new plays for the 2022 NT Connections Festival and this heralded the first live Sherman Youth Theatre production in 2 years.
- Building Tours: Our programme of tours of the theatre and a chat with our creative learning team about how we work and what we do moved online. The ability to deliver this live tour digitally opened up the opportunity to more schools and larger groups to experience this part of our engagement activity.
- Production related work for schools, including Education Resource Packs and workshops. Unfortunately, due to Covid, the ever-popular Adopt an Actor initiative at Christmas was unable to take place this year but will be re-introduced in 2022.
- Panel discussions: Post-show talks are led by a panel of experts who will discuss the themes of the production that the audience has just seen. Cardiff University often provide academics from different disciplines to participate in these discussions, which are becoming increasingly well-attended.

The Introduction to Playwriting Programme entered its third year through the hybrid delivery of workshops, and the creation of digital content by participants, with key highlights including:

- The creation of 13 audio dramas exploring topics including mental health, obsessions with online image and weight, as well as colourism (shared digitally to an invited audience).
- The delivery of play making/writing tutorials led by theatre-makers from across our wider creative community, including representation from different communities (for example, Trans community, diverse ethnic communities) and from writers at various stages in their careers.
- The creation of 11 monologues by participants, which were performed on-site at a local comprehensive school as part of Sherman Theatre's involvement in an outdoor summer festival programme (Listen Up!).
- Four of the participants leaving at the end of the year given the opportunity to write pieces to be performed during Sherman Theatre's main autumn 2021 season (Re:Play).

FINANCIAL REVIEW

These accounts cover the period from 1 April 2021 to 31 March 2022.

During the year the charity benefited from continuing revenue investment from the Arts Council of Wales (ACW).

Restricted Fund projects:
In addition, during the year the charity received grant aid from the following trusts and foundations for Restricted Fund projects:

- Paul Hamlyn Foundation for the Sherman 5 project
  £317,000 over four years (2019 – 2022) from Paul Hamlyn Foundation More & Better fund to support the development of the Sherman 5 initiative

This major award for the charity has significantly helped drive forward the Sherman's social impact and underscore its commitment to audience development.

During the year, the charity gratefully received the following restricted funds:

- **Arts Council of Wales (Cultural Recovery - 2)** – a grant of **£102,898** for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.
- **Arts Council of Wales (Cultural Recovery - 3)** – a grant of **£30,598** for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.
- **Arts Council of Wales (Housemates)** – a grant of **£14,528** to support the R&D phase of our co-creation with Hijinx Theatre Company, working with neuro-diverse actors.
- **Esmee Fairbairn Foundation - £35,000** received from the Reinventing the Performing arts strand of funding to support the Covid recovery.
- **Gibbs - £2,000** as match funding for the ACW grant for Housemates
- **Go Wales - £3,990** to support an apprentice placement within the Production Department for 12 weeks.
- **National Theatre Connections Festival 2022** – a contribution of **£3,250** towards the National Theatre Connections Festival hosted by Sherman Theatre.
- **Old Vic - £10,000 –** match funding to support the work of the Literary Department.
- **Stage One Producers - £23,873 –** support for a 12 month placement for a Stage One Regional Trainee Producer.

Unrestricted Income from Trading – predominantly from the commercial hiring/letting out of our auditorium and rehearsal spaces and our bar and café, amounted to £100,742.

Resources Expended:
Expenditure totalled £2,253,711 in the year. Staff levels remained at 23 (including 5 funded posts).

The Charity continues to hold a term loan with the Royal Bank of Scotland. Within the Balance Sheet given on page 25 and 26 the loan balance outstanding is split between creditor payments due within one year and creditor payments due after more than one year. Following the process to confirm the loan agreement under Section 124(2) of The Charities Act 2011 during the 2014-year and the consequent change to the rate of interest paid, the company is pleased to report the diminishing level of the total loan.

FUNDS:
We closed the year with an in-year operating deficit in unrestricted funds of £26,277.

INVESTMENT POWERS AND POLICY

Under its Memorandum and Articles of Association the charity has a range of powers to invest its funds.

Sherman Cymru Productions Ltd:

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

During this year, the company received £56,000 (2021: Nil (as due to Covid, no physical productions were created)) under the Theatre Production Tax Relief.

As at 31 March 2022 the charity was owed £56,000 from Sherman Cymru Productions Limited.

At the year end the charity had no further investments other than monies held in interest earning accounts at Barclays Bank PLC and a holding account with Royal Bank of Scotland.

TANGIBLE FIXED ASSETS

Details of movements in tangible fixed assets are shown in Note 15 to the financial statements.

RESERVES POLICY

The trustees agreed at a meeting on 22 October 2012 to a reserves policy that general reserves, after excluding restricted funds and any transfers to designated funds, should be in the region of £250,000.

The purpose of these reserves are to cushion the potential impact of any major unforeseen or unexpected expenditure and to ensure that any significant shortfall in short-term income, e.g. the income generated from ticket sales, doesn't affect the charity's financial viability. The charity aims to achieve this level of general reserves within the next three financial years.

At 31 March 2022 the charity had free reserves (excluding restricted funds and fixed assets) of £593,142 (2021: £566,864).

Transfers and Reserves:

A budget item was added in February 2015 for Transfers. The practice of designating reserves continues.

Due to the circumstances, restrictions and mitigation put in place due to COVID-19 we find ourselves in the unprecedented position of having Unrestricted Free Reserves of £598,142 – historically we have ended the year in a negative position.

Allowing for the agreed setting aside of the £250k, for the historical Reserves Policy, would leave a balance of £343,142.

The Trustees agreed to assign the free reserves to designated funds as outlined below:

- Formal establishment and inclusion in the 2021-22 Report and Accounts of the £250k Reserves Policy.
- £15,587 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture

- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption
- £52,555 for the activity surrounding the 50th Anniversary in 2023

KEY MANAGEMENT PERSONNEL

The executive team consists of the Artistic Director (first amongst equals and leading on Artistic Policy) and the Executive Director.

The Senior Management team (SMT) comprises the above two Directors working with a team of four Senior Managers to deliver the strategies, policies and aims of the company through its artistic programming.

The Senior Management Team are:

Head of Finance & Administration, Head of Marketing and Communications, Head of Production and Planning, Head of Fundraising and Development

Trustees set the remuneration for the executive team. The executive team review and recommend rates of pay, salaries and wages for the SMT and all staff through the HR & Governance Committee who will make recommendation to the Finance Committee before a full recommendation is made to the Board for ratification. Certain posts/roles are governed by union agreements – recognised unions are EQUITY, the union for actors, stage managers and creative teams (Designers, Lighting Designers, choreographers, Fight Directors, et al), and BECTU the union representing most theatre technicians and some FOH staff. The company is committed to paying the MRSL 2 rate for creative teams.

Pension arrangements, annual leave terms, and all other contract terms are the same for all staff including the executive team. We do not operate a performance related pay scheme, nor do we have any bonus scheme. There are no incremental pay awards – although all company salaries are predicated on an agreed Salary Scale structure.

Each year the Artistic Director and Executive Director and all staff participate in performance appraisals, the executive team appraisals being undertaken by the Chair of the Board.

During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	**Employer NI**	**Employer Pension**	**Total 2022**	Total 2021
£260,750	£28,661	£6,863	**£296,273**	£237,866

No company pay increase was awarded for this financial year (2021: no increase awarded)

FUTURE PLANS

Sherman Cymru's Business Plan is updated and re-issued annually, setting out plans for the forthcoming three years.

It is recognised that there is still a significant amount of uncertainty about the future, and in particular the next 12 months. Covid continues to impact upon our ability to operate and therefore plans for the next 12 to 18 months are being made to incorporate an element of flexibility and the need to be able to provide both live and digital experiences for our audiences.

Despite this ongoing uncertainty, our core priorities over the next years are to ensure:

- we produce and curate high quality work that is relevant to the citizens of Cardiff and beyond. This vision is reflected across all work at the Sherman and underpins all artistic decision-making. Strong, clear and forthright artistic leadership is supported by the ambition of the Executive and Senior Management Team (SMT) and a honed, skilled team of staff members empowered to fulfil the mission;

- the company is in the best possible position to take full advantage of the Theatre Production Tax Relief Scheme;

- parsimonious use of all the company's resources at all times so the company can achieve its aim to be more financially stable and less reliant on grants, and in the short-term to reduce the reliance on ACW advance grant;

- we invest in CPD for our staff to build a knowledgeable and highly skilled team driving forward the ambition of the company;

- we choose our partners and collaborators with care – ensuring buy-in to the company's ambition from all parties primarily through confirming artistic compatibility and financial viability of companies and projects before proceeding;

- we strengthen and add to the skills of the board of trustees through public advertising, and the re-introduction of the trainee trustee mentoring scheme, all with the aim to have a board working to its optimum level of support;

- we respond to opportunities to tour the company's work further afield, ensuring that the best new work made in Wales is seen by audiences across the UK and when possible/invited, internationally;

- we continue to ensure that we are looking ahead and developing a robust and resilient organisation for the future. This includes constant analysis of our infrastructure and its fit for purpose; finding future proof solutions to meet our digital requirements; and striving to identify additional streams for income generation within our defined business model.

- we strive for continuous improvement in minimising the impact of our work on our environment and prioritise sustainability across all areas of our activities.

The company constantly seeks to improve, to set ourselves targets, to aim high, to self-assess, to produce the highest possible quality and standard of work that it can. The impact of self-assessment/evaluation both individually for members of staff, and collectively in evaluating the produced work, will lead to the highest possible achievements.

The impact of having a programme of work that chimes with the citizens of Cardiff should lead to widening access to the performing arts within our communities and result in a higher number of first-time theatre attenders and attenders generally.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's Risk Register is reviewed throughout the year, initially by the Finance Committee, who will then make recommendation to the Board of Trustees or the relevant committees.

Five areas of risk are considered: Governance and Management, Financial, Artistic, Organisational, Operational. All are assessed for both likelihood of occurrence and potential impact, severity of impact and overall gross risk. Mitigating factors are then considered and recorded.

In addition to this main risk register, we also carry out Risk Assessments of every Production we create, every production that we buy in, every activity we undertake to ensure we are providing as safe and risk-free an environment as possible for our audiences, customers, staff and participants.

Liability of members

Sherman Cymru Ltd is a company Ltd by Guarantee with no share capital. Clause 7 of the memorandum of association provides that every members, as defined by Clause 1 of the articles of association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member or within one year of ceasing to be a member. At the year-end there were 15 members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Sherman Cymru is a charity limited by guarantee governed by its Memorandum and Articles of Association dated 17 November 2006. The charity is registered as a charity with the Charity Commission.

APPOINTMENT OF TRUSTEES

As set out in the charity's Articles of Association, trustees are either appointed at an Annual General Meeting, or may be co-opted by the trustees during the year.

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

On election/appointment, each new trustee receives an induction pack, some key organisational policies, and pen pictures of existing trustees and key members of staff. New trustees are briefed by the Chair and the Executive Team comprising of the Artistic Director and Executive Director on the charity's artistic activity and how the Board of Trustees and its Committees work. All trustees are actively encouraged to see the charity's work and to discuss the work they have seen either with fellow trustees, or with the charity's staff. In 2019/20 the company reintroduced a scheme for Trainee Trustees with a view to particularly encouraging, training and supporting people from diverse backgrounds to become trustees in the voluntary sector. However, the impact of Covid-19 has meant that scheme has been temporarily suspended.

ORGANISATION

The charity is administered by the Board of Trustees, which can number up to 20 people, who meet on average every twelve weeks. At 31 March 2022, the Board had an Artistic Committee, a Business and Development Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 20.

Board of Trustee meetings are attended, in an observer capacity, by representatives of the Arts Council of Wales (ACW).

The Executive Director is accountable for the management of the charity, delegating responsibility through a team of Senior Managers leading their relevant teams. The Artistic Director takes the artistic leadership for the charity.

The impact of the cessation of Cardiff Council's Annual Revenue Grant in April 2014 continued to significantly impact on major elements of the charity's work during 2021-22, particularly in regard to our Artistic and Literary work. The reduced staffing structure necessitated by these constrained financial circumstances continues to limit the output of the charity and impact on the workload for staff.

RELATED PARTIES

There was one related party transaction with Trustees during the year, Owen Thomas – Writer Fee £200, (2021: £750) (see Note 24).

Sherman Cymru commissioned productions of £368,160 (2021: £nil) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2022 the charity was owed £56,000 (2021: £nil) from Sherman Cymru Productions Limited. All transactions were at arm's length.

RISK ASSESSMENT

Risk is regularly reviewed by the Board of Trustees as part of business planning processes, with financial risk reviewed and considered by the Board's Finance and HR & Governance Committees on an ongoing basis.

AUDITORS

A resolution to reappoint Azets Audit Services as auditors to the charity will be proposed at the forthcoming Annual General Meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Graham Morgan	(Chair from 28 September 2020)
Marlies Hoecherl	(Vice Chair from 01 January 2019)
Nicholas Carlton	
Ceri Davis	
Llinos Daniel	
Rushna Ghaznavi	(Resigned 13 June 2022)
Rhian Head	(13 December 2021)
Iftakhar Khan	(25 January 2022)
David King MBE	(Appointed 13 September 2021)
Marta Minier	(Appointed 14 June 2021)
Gary Owen	(Appointed 19 June 2021)
Marc Simcox	
Huw Thomas	(Appointed 16 June 2021)
Owen Thomas	
Helen Vallis	

CHARITY SECRETARY
Julia Barry

REGISTERED OFFICE
Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS
Barclays Bank PLC
1 – 5 Working Street
Cardiff
CF10 2DP

AUDITORS
Azets Audit Services
Ty Derw
Lime Tree Court, Cardiff Gate Business Park
Cardiff
CF23 8AB

SENIOR STAFF

Joe Murphy	Artistic Director
Julia Barry	Executive Director
Mandy Ivory-Castile	Head of Production and Planning
Edward Newsome	Head of Marketing and Communications
Sally Shepherd	Head of Finance and Administration
Emma Tropman	Head of Fundraising and Development

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

The trustees (who are also directors of Sherman Cymru for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor
In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor
In so far as the trustees are aware:
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report, including the strategic report, was approved by the Board of Trustees.

Approved by the Board of Trustees and signed on behalf of the Board

Trustee: Marlies Hoecherl
Date: 26 September 2022

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

We have audited the financial statements of Sherman Cymru (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report including the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditor under [the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA
Senior Statutory Audit
Azets Audit Services
Chartered Accountants
Statutory Auditor

20-10-2022

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	3	**1,173,661**	**302,137**	**1,475,798**	2,093,078
Charitable activities	4	**362,913**	**-**	**362,913**	91,442
Other trading activities	5	**52,341**	**-**	**52,341**	319
Other	6	**97,018**	**-**	**97,018**	28,105
Total income and endowments		**1,685,933**	**302,137**	**1,988,070**	2,212,944
Expenditure on:					
Raising funds	7	**43,529**	**-**	**43,529**	46,047
Trading costs	8	**110,132**	**-**	**110,132**	60,583
Charitable activities	9	**1,558,549**	**541,501**	**2,100,050**	1,755,819
Total expenditure		**1,712,210**	**541,501**	**2,253,711**	1,862,449
Net movement in funds	12	**(26,277)**	**(239,364)**	**(265,641)**	350,495
Total funds brought forward	21,22	**1,302,278**	**3,530,666**	**4,832,944**	4,482,449
Total funds carried forward	22,23	**1,276,001**	**3,291,302**	**4,567,303**	4,832,944

The notes on pages 31 to 47 form part of the financial statement

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2022 £	2021 £
Total income of continuing operations	**1,988,070**	**2,212,944**
Total expenditure of continuing operations	**(2,253,711)**	**(1,862,449)**
Net surplus/deficit for the period	**(265,641)**	**350,495**

There are no recognised gains and losses for the financial year other than the deficit on the income and expenditure account of -£26,277 after depreciation charges of £309,918

Total income comprises £1,685,933 for unrestricted funds and £302,137 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of the expenditure is provided in the statement of financial activities and notes 7-9.

The summary income and expenditure account is derived from the statement of financial activities which, together with the notes to the financial statements, provides full information on the movements during the year on all the funds of the company.

The notes on pages 31 to 47 form part of the financial statement

BALANCE SHEET - CONSOLIDATED

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	15		**4,185,276**		4,495,195
Current assets:					
Stocks	17	**34,568**		26,696	
Debtors and prepayments	18	**188,684**		203,672	
Cash at bank and in hand		**731,113**		806,944	
		954,365		1,037,312	
Liabilities:					
Creditors: amounts falling due within one year					
Trade creditors		**35,812**		107,464	
Other creditors	19	**276,384**		278,058	
		312,196		385,522	
Net current assets			**642,169**		651,790
Total assets less current liabilities			**4,827,445**		5,146,985
Creditors: amounts falling due after more than one year	20		**(260,142)**		(314,041)
Net assets			**4,567,303**		4,832,944
The funds of the charity:					
Restricted Funds	22		**3,291,302**		3,530,666
Unrestricted funds:	21		**1,276,001**		1,302,278
Total charity funds	23		**4,567,303**		4,832,944

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2021, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 26/09/22 and signed on its behalf.

..... (Trustee) DAVID KING MBE

Company No. 06002090 (England and Wales)

The notes on pages 31 to 47 form part of the financial statement

BALANCE SHEET - CHARITY ONLY

	Note	£	2022 £	2021 £
Fixed assets:				
Tangible assets	15		**4,185,276**	4,495,195
Investments	16		**1**	1
Current assets:				
Stocks	17	**34,568**		26,696
Debtors and prepayments	18	**188,684**		203,672
Cash at bank and in hand		**731,113**		806,944
		954,365		1,037,312
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		**35,812**		107,464
Other creditors	19	**276,384**		278,058
		312,196		385,522
Net current assets			**642,169**	651,790
Total assets less current liabilities			**4,827,446**	5,146,986
Creditors: amounts falling due after more than one year	20		**(260,142)**	(314,041)
Net assets			**4,567,304**	4,832,945
The funds of the charity:				
Restricted Funds	22		**3,291,302**	3,530,666
Unrestricted funds:	21		**1,276,002**	1,302,279
Total charity funds	23		**4,567,304**	4,832,945

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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Company No. 06002090 (England and Wales)

The notes on pages 31 to 47 form part of the financial statement

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2022 £	2021 £
Net cash provided by operating activities	27	**(21,935)**	622,440
Cash flows from investing activities:			
Purchase of property plant and equipment		-	-
Net cash provided by (used in) investing activities		-	-
Cash flows from financing activities:			
Repayments of borrowing		**(54,193)**	-
Net cash provided by (used in) financing activities		**(43,869)**	-
Change in cash and cash equivalents in the reporting period		**(75,831)**	622,440
Cash and cash equivalents at the beginning of the reporting period		**806,944**	184,504
Cash and cash equivalents at the end of the reporting period	27	**731,113**	806,944

The notes on pages 31 to 47 form part of the financial statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Sherman Cymru is a private company limited by guarantee incorporated in England and Wales registered office Senghennydd Road, Cardiff, CF32 4YE.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sherman Cymru meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Rounding
Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis
The charity reported a net surplus on unrestricted funds of £509,153 in the year. This charity is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
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.

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.

Liabilities policy
Liabilities are recognised in the Statement of Financial Activities as they become payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

Group financial statements
These financial statements consolidate the results of the charity and its wholly-owned subsidiary Sherman Cymru Productions Limited.

The particular accounting policies adopted are described below.

Fund accounting
Unrestricted funds are funds which are available for use at the discretion of the charity's members in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources
Trading activities (included within activities in furtherance of the charity's objectives) comprise receipts from performances held during the year and other related income. Monies received in advance of the next financial period are carried forward in the balance sheet.

Tangible fixed assets
Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives as follows:

Major leasehold improvements	25 years
General building improvements	10 years
Fixtures and fittings	5 years
Vehicles	5 years
IT equipment	3 years
All other equipment	5 years

Basis of apportionment
Support costs and management and administration have been allocated to the following categories on a staff cost basis:

Trading Costs
Bar and front house costs

Fundraising activities
Support costs have been allocated to governance costs based on the percentage of governance costs to total costs in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks
Stocks are stated at the lower of cost and net realisable value.

Grants
Revenue grants receivable are accounted for in the period to which they relate. Capital grants are credited to restricted funds on a received basis and released to the income and expenditure account over the remaining lives of the assets to which they relate.

Script commissions
Script commission payments to writers and development costs are treated as prepayments until the accounting period in which the production takes place. Where it is decided not to take a commission

Through to production any commissioning payments and accrued development costs are written back to the financial year in which that decision is made.

Development income
Development income is accounted for in the period in which the related expenditure occurs.

Taxation
As a registered charity, Sherman Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fundraising	**10,325**	-	**10,325**	9,698
Recurrent grants:				
Arts Council of Wales	**1,138,383**	-	**1,138,383**	1,211,883
Other grants:				
Arts Council of Wales	-	**148,024**	**148,024**	548,491
Other	**24,953**	**154,113**	**179,066**	323,006
	1,173,661	**302,137**	1,475,798	2,093,078

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Ticket sales:				
Sherman Cymru productions	**117,187**	-	**117,187**	6,107
In House Visiting Companies	**50,898**	-	**50,898**	200
Communities and Engagement	**117**	-	**117**	-
Touring:				
Sherman Cymru productions	**7,100**	-	**7,100**	-
Co-productions	**61,917**	-	**61,917**	-
Communities and Engagement:				
Participant fees	**21,169**	-	**21,169**	6,286
Project income	-	-	-	397
Hires	**48,402**	-	**48,402**	78,237
Publishing	**123**	-	**123**	215
HMRC Theatre Tax relief	**56,000**	-	**56,000**	-
	362,913		**362,913**	91,442

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Bar and Front of House receipts	**52,341**	-	**52,341**	319
	52,341	-	**52,341**	319

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Other income	**97,018**	-	**97,018**	28,105
	97,018	-	**97,018**	28,105

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fundraising activities	**43,529**	-	**43,529**	46,047
	43,529	-	**43,529**	46,047

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2022 £	2021 £
Bar and front of house costs		
Bar and café salaries	**51,070**	31,660
Bar and café purchases	**47,546**	15,424
	98,616	47,084
Other Front of House salaries and costs	**11,516**	13,499
Total bar and Front of House costs	**110,132**	60,583

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Depreciation £	Governance £	Total 2022 £	Total 2021 £
Unrestricted						
Artistic	**689,405**	**296,000**	**53,623**	**-**	**1,039,028**	473,237
Marketing	**137,112**	**112,339**	**10,957**	**-**	**260,408**	202,076
Management & Administration	**111,190**	**49,460**	**8,836**	**-**	**169,486**	179,238
Support Costs	**52,232**	**11,669**	**4,270**	**21,456**	**89,627**	69,653
	989,939	**469,468**	**77,686**	**21,456**	**1,558,549**	924,204
Restricted						
Production & Performances	**-**	**42,571**	**31,967**	**-**	**74,538**	51,487
Marketing	**-**	**4,564**	**3,427**	**-**	**7,991**	2,099
Management & Administration	**-**	**10,606**	**7,964**	**-**	**18,570**	8,047
Support Costs	**96,338**	**-**	**72,341**	**-**	**168,679**	266,671
Other costs	**-**	**155,189**	**116,534**	**-**	**271,723**	503,311
	96,338	**212,930**	**232,233**	**-**	**541,501**	831,615
Total Charitable Activity Costs	**1,086,277**	**682,398**	**309,919**	**21,456**	**2,100,050**	1,755,819

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Audit	**8,250**	**-**	**8,250**	6,950
Legal	**4,263**	**-**	**4,263**	1,587
Salary	**6,209**	**-**	**6,209**	6,042
Support costs	**2,734**	**-**	**2,734**	3,392
	21,456	**-**	**21,456**	17,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL – GROUP AND CHARITY

None of the trustees received any emoluments from the company during the year (2020: £nil). One member of the Executive and Senior Management team received remuneration within the £60,000 - £69,999 bracket (2021: One). Pension contributions were £1,950 (2021: £1,807).

	2022	2021
	£	£
Employee costs during the year:		
Wages and salaries	**668,289**	621,797
Employer's National Insurance contributions	**59,308**	54,846
Employer's Pension contributions	**21,891**	17,577
	749,488	694,220

Employee costs shown above relate to staff paid through payroll. Note 9 contains amounts paid to freelance contracted staff and relates only to staff engaged in charitable activities.

11. STAFF NUMBERS

	2022	2021
Average number of persons employed:	**No.**	No.
Production staff (temporary)	**6**	2
Permanent staff	**23**	23
	29	25

Key Management Personnel
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	Employer NI	Employer Pension	Total 2022	Total 2021
£260,750	£28,661	£6,863	**£296,274**	£237,866

12. NET INCOME/(EXPENDITURE) FOR THE YEAR – GROUP AND CHARITY

	2022	2021
	£	£
Net incoming resources after charging:		
Auditors' remuneration	**8,250**	6,950
Depreciation	**309,918**	310,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. TAXATION – GROUP AND CHARITY

As a registered charity, Sherman Cymru is entitled to exemption from taxation in respect of income and capital gains received with section 478-489 of the Corporation Tax 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

14. CALLED UP SHARE CAPITAL – CHARITY ONLY

The company is limited by guarantee. All members of Sherman Cymru have guaranteed to contribute, in the event of winding-up, an amount not exceeding £1 each. There were 11 members (2020: 12 members) at 31 March 2021.

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Long Leasehold Property Improvements £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or valuation at 1 April 2021	**7,035,361**	**280,655**	**40,000**	**7,356,016**
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	**7,035,361**	**280,655**	**40,000**	**7,356,016**
Accumulated depreciation at 1 April 2021	**2,599,401**	**250,087**	**11,333**	**2,860,821**
Charge for the year	**298,087**	**3,832**	**8,000**	**309,919**
Eliminated on disposal	-	-	-	-
At 31 March 2022	**2,897,488**	**253,919**	**19,333**	**3,170,740**
Net book value				
At 31 March 2022	**4,137,873**	**26,736**	**20,667**	**4,185,276**
At 31 March 2021	**4,435,960**	**30,568**	**28,667**	**4,495,195**

Long leasehold land and buildings with a carrying amount of £4,137,873 (2021: £4,435,960 have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

A summary of the trading results is shown below.

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Summary profit and loss account:		
Income	**368,160**	-
Administrative expenses	**(424,160)**	(-)
Operating loss	**(56,000)**	(-)
HMRC Theatre Tax Relief	**56,000**	-
Result for the period	**-**	-
The assets and liabilities of the subsidiary were:		
Total assets	56,000	1
Amounts falling due within one year	(55,999)	(-)
	1	1
Aggregate share capital and reserves	1	1

17. STOCKS – GROUP AND CHARITY

	2022	2021
	£	£
Bar and Front of House	**9,910**	3,605
Production	**11,980**	10,127
Publications	**10,882**	11,313
Other stocks	**1,796**	1,651
	34,568	26,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade debtors	**61,724**	**61,724**	57,859	57,859
Other debtors	**22,032**	**22,032**	14,965	14,965
Taxation and Social Security	**-**	**-**	26,413	26,413
HMRC Theatre Tax Relief	**56,000**	**-**	-	-
Intercompany balance	**-**	**56,000**	-	-
Prepayments	**44,153**	**44,153**	47,596	47,596
Accrued Income	**4,775**	**4,775**	56,839	56,839
	188,684	**188,684**	203,672	203,672

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2020 £
Other creditors				
Taxation and Social Security	**11,945**	**11,945**	-	-
Deferred revenue income	**74,387**	**74,387**	52,238	52,238
General accruals	**126,761**	**126,761**	162,232	162,232
Bank Loan	**53,896**	**53,896**	54,193	54,193
Accruals for Redevelopment costs	**9,395**	**9,395**	9,395	9,395
	276,384	**276,384**	278,058	278,058

Deferred income relates to income received in advance and which relates to future financial period.

	Charity & Group 2022 £	2021 £
Balance as at 1st April 2021	**52,238**	124,941
Income received in the year	**1,354,984**	1,482,198
Released to income	**(1,332,835)**	(1,554,901)
Balance as at 31 March 2022	**74,387**	52,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Bank Loan	**260,142**	**260,142**	314,041	314,041
	260,142	**260,142**	314,041	314,041

The bank loan is secured over the assets of the charity and is repayable in equal monthly instalments.

To mitigate the impact of Covid-19 a Capital Repayment Holiday was agreed for 2021.

Repayable by instalments

	Total 2022 £	Total 2021 £
Within one year	**53,896**	54,193
Between 2 and 5 years	**233,958**	228,509
After 5 years	**26,184**	85,532
	314,038	368,234

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

	General funds £	Capital funds £	Total Funds 2022 £
Balances Brought Forward	**566,864**	**735,414**	**1,302,278**
Surplus/deficit for the year	**(26,277)**	-	**(26,277)**
Movement for the year	**52,555**	**(52,555)**	**-**
	593,142	**682,859**	**1,276,001**

Designated Funds

Designated Capital funds, relates to the investment in fixed assets.

Designated Revenue Funds comprises:-

- £15,587 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption
- £52,555 for the activity surrounding the 50th Anniversary in 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2021 £
Balances Brought Forward	(20,205)	813,330	793,125
Surplus for the year	509,153	-	509,153
Movement for the year	77,916	(77,916)	-
	566,864	735,414	1,302,278

22. RESTRICTED FUNDS – GROUP AND CHARITY

The income funds of Sherman Cymru included in restricted funds comprise the following unexpended balances of capital grants and donations applied for the Building Refurbishment and Redevelopment. The cost of which are being depreciated over the useful life of the asset.

	Balance at 01/04/21 £	Incoming resources £	Expenditure £	Balance at 31/03/22 £
Capital				
Building Refurbishment and Redevelopment	3,310,162	-	(209,190)	3,100,972
Foyer Refurbishment	50,281	-	(15,043)	35,238
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	28,667	-	(8,000)	20,667
	3,391,547	-	(232,233)	3,159,314
Revenue funds				
Arts Council of Wales (Cultural Recovery 2)	-	102,898	(102,898)	-
Arts Council of Wales (Cultural Recovery 3)	-	30,598	(30,598)	-
Arts Council of Wales (Creative Pathways)	45,178	-	(26,584)	18,594
Arts Council of Wales (Housemates)	-	14,528	-	14,528
Ashley Foundation	3,500	-	(3,500)	-
Esmee Fairbairn (ITP)	30,086	-	(15,221)	14,865
Esmee Fairbairn (Covid Support)	3,370	35,000	(29,169)	9,201
Garrick Trust	750	-	(750)	-
Gibbs Trust	-	2,000	-	2,000
Go Wales	-	3,990	(3,023)	967
Innovate Trust	437	-	-	437
Legacy – A Kellaway	1,246	-	-	1,246
Lloyd Webber Foundation	5,046	-	(3,500)	1,546
National Theatre Connections Festival 2019	17	-	(17)	-
National Theatre Connections Festival 2020	1,669	-	(1,634)	35
National Theatre Connections Festival 2022	-	3,250	(251)	2,999
Old Vic	-	10,000	-	10,000
Paul Hamlyn Foundation 2019	46,796	76,000	(69,956)	52,840
Philip Carne	1,024	-	-	1,024
Stage One Producers	-	23,873	(22,167)	1,706
	139,119	302,137	(309,268)	131,988
Total Restricted Funds	3,530,666	302,137	(541,501)	3,291,302

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Arts Council of Wales (Cultural Recovery - 2)
A grant for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.

Arts Council of Wales (Cultural Recovery - 3)
A grant for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2022 and beyond.

Arts Council of Wales (Creative Pathways – Literary Manager Pilot Programme)
Support for the Literary Manger Pilot Programme responding to a gap in Wales' theatre ecology, laying foundations for a permanent Literary Department to create world-class, bi-lingual new writing for Cardiff, Wales, and everyone.

Arts Council of Wales (Housemate)
A grant to support the R&D phase of our co-creation with Hijinx Theatre Company, working with neuro-diverse actors.

Ashley Foundation
A grant to support emerging artists to work on projects across the artistic programme.

Esmee Fairbairn - ITP
To support Year 3 of our new initiative, Introduction to Playwriting, to increase access to opportunity through a three-year plan to introduce students (aged 15 – 18) from low income backgrounds to playwriting.

Esmee Fairbairn – Covid Support
A grant received to support the organization whilst it worked through the uncertain times of Covid, utilized to support the Heart of Cardiff programme.

Garrick Trust
Support towards advancing the career of an emerging designer, through a project that will provide development opportunities for a talented designer, in the early stages of their career.

Gibbs Trust
Match funding for the ACW grant for Housemates

Innovate Trust
Support for an initiative to develop literacy, oracy and design skills through a playwriting project delivered with Glyncoed Primary School in Llanederyn, Cardiff and their entire year 6 cohort of 55 pupils.

Legacy – A Kellaway
A legacy donation to support the work of the Creative Engagement team.

Andrew Lloyd Webber Foundation
Grant support for three years to support the Sherman Theatre / RWCMD design graduate opportunity.

National Theatre
Contribution towards the National Theatre Connections Festival hosted by Sherman Theatre and involving schools and youth theatre groups.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Old Vic
Match funding to support the work of the Literary Department.

Paul Hamlyn Foundation
A More & Better grant to support the continuation and enhancement of the Sherman 5 initiative until 2022.

Philip Carne
Contribution towards the new Welsh Playwrights Programme and JMK/Sherman Directors Group.

Stage One Producers
Support for a 12 month placement for a Stage One Regional Trainee Producer.

Previous year

	Balance at 01/04/20 £	Incoming resources £	Expenditure £	Balance at 31/03/21 £
Capital				
Building Refurbishment and Redevelopment	3,519,352	-	(209,190)	3,310,162
Foyer Refurbishment	65,324	-	(15,043)	50,281
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	36,667	-	(8,000)	28,667
	3,623,780	-	(232,233)	3,391,547
Revenue funds				
Arts Council of Wales (Cultural Recovery)	-	494,899	(494,899)	-
Arts Council of Wales (Under 7s Production)	2,024	-	(2,024)	-
Arts Council of Wales (Creative Pathways)	22,589	22,589	-	45,178
Age UK	500	-	(500)	-
Ashley Foundation	-	5,000	(1,500)	3,500
Awards for All – Community Fund	3,907	-	(3,907)	-
Anonymous donation - TEN	-	5,150	(5,150)	-
Cathays High School	58	-	(58)	-
Esmee Fairbairn (ITP)	14,716	28,340	(12,970)	30,086
Esmee Fairbairn (Covid Support)	-	10,870	(7,500)	3,370
Garrick Trust	1,500	-	(750)	750
Innovate Trust	437	-	(-)	437
Legacy – A Kellaway	-	1,281	(35)	1,246
Lloyd Webber Foundation	1,696	3,800	(450)	5,046
Moondance Foundation	-	19,978	(19,978)	-
National Theatre Connections Festival 2019	603	-	(586)	17
National Theatre Connections Festival 2020	2,539	-	(870)	1,669
Paul Hamlyn Foundation 2019	13,951	80,050	(47,205)	46,796
Philip Carne	1,024	-	(-)	1,024
The College Merthyr Tydfil	-	1,000	(1,000)	-
	65,544	672,957	(599,382)	139,119
Total Restricted Funds	3,689,324	672,957	(831,615)	3,530,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Capital funds £	General funds £	Restricted funds £	Total 2022 £
Group				
Fixed assets	**1,025,962**	**-**	**3,159,314**	**4,185,276**
Net current (liabilities)/assets	**(82,961)**	**593,142**	**131,988**	**642,169**
Long Term liabilities	**(260,142)**	**-**	**-**	**(260,142)**
	682,859	**593,142**	**3,291,302**	**4,567,303**
Charity				
Fixed assets	**1,025,962**	**-**	**3,159,314**	**4,185,276**
Investments	**-**	**1**	**-**	**1**
Net current (liabilities)/assets	**(82,961)**	**593,142**	**131,988**	**642,169**
Long Term liabilities	**(260,142)**	**-**	**-**	**(260,142)**
	682,859	**593,143**	**3,291,302**	**4,567,304**

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted funds £	Restricted funds £	Total 2021 £
Group			
Fixed assets	1,103,648	3,391,547	4,495,195
Net current assets	512,671	139,119	651,790
Long Term liabilities	(314,041)	-	(314,041)
	1,302,278	3,530,666	4,832,944
Charity			
Fixed assets	1,103,648	3,391,547	4,495,195
Investments	1	-	1
Net current assets	512,671	139,119	651,790
Long Term liabilities	(314,041)	-	(314,041)
	1,302,279	3,530,666	4,832,945

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

Sherman Cymru commissioned productions of £368,160 (2021: £nil) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2021 the charity was owed £56,000 (2021: £nil) from Sherman Cymru Productions Limited. All transactions were at arm's length.

There was one related party transactions during the year, Owen Thomas - Writer Fee £200 (2021: £750)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASES – CHARITY ONLY

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:

	2022	2021
	£	£
Plant and equipment:		
Fall due within 1 year	**30,277**	20,888
Fall due within 2 – 5 years	**26,133**	29,641
	56,410	50,529

26. PENSIONS – GROUP AND CHARITY

Sherman Cymru is fully compliant with Auto Enrolment and operates a qualifying workplace pension scheme with Legal & General. Contribution during the period were £21,891 (2021: £17,577). The outstanding balance at the year end was nil (2021: nil).

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

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**(265,641)**	350,495
Adjustments for:		
Depreciation charges	**309,919**	310,150
(Increase)/decrease in stocks	**(7,872)**	4,518
(Increase)/decrease in debtors	**14,988**	(69,417)
Increase/(decrease) in creditors	**(73,031)**	26,694
Net cash provided by/(used in) operating activities	**(21,637)**	622,440
Analysis of Cash and Cash Equivalents		
Cash in hand	**731,113**	806,944
Total Cash and Cash Equivalents	**731,113**	806,944

Analysis of Net Debt:

	At 1 April 2021	Cashflows	At 31 March 2021
	£	£	£
Cash	809,944	(78,831)	731,113
Bank loans falling due within one year	(54,193)	(53,896)	(108,089)
Bank loans falling due after more than one year	(314,041)	53,896	(260,145)
	441,710	(78,831)	362,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2021

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and endowments from:			
Donations and legacies	1,420,121	672,957	2,093,078
Charitable activities	91,442	-	91,442
Other trading activities	319	-	319
Other	28,105	-	28,105
Total income and endowments	1,539,987	672,957	2,212,944
Expenditure on:			
Raising funds	46,047	-	46,047
Trading costs	60,583	-	60,583
Charitable activities	924,204	831,615	1,755,819
Total expenditure	1,030,834	831,615	1,862,449
Net movement in funds	509,153	(158,658)	350,495
Reconciliation of Funds			
Total funds brought forward	793,125	3,689,324	4,482,449
Total funds carried forward	1,302,278	3,530,666	4,832,944

SHERMAN CYMRU

England & Wales - Charity number 1118364

Accounts

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2021

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The objects of Sherman Cymru are to promote and encourage art and in particular performing art for the benefit of the public by the development, production and presentation of new writing or works of any form, the provision of theatre facilities and the advancement of education of children, young persons and adults by participation in the experience of theatre, drama and the performing arts.

Our Mission:

We make and curate exciting theatre for Cardiff audiences. We develop and nurture the work of Welsh and Wales based artists. We generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

Our Artistic Vision:

Based in the heart of Cardiff, Sherman Theatre is Wales' only Theatre of Sanctuary. Everyone is welcome here. We want as many people as possible to enjoy and take part in theatre, and we work hard to break down any barriers stopping that from happening. Our impact starts on our stages but continues way beyond, throughout Cardiff, Wales and the world. By empowering our communities to tell their stories we become a force for empathy, compassion and unity: change the story change the world.

We exist to offer the people of Cardiff enriching emotional experiences that deeply resonate. We work with a diverse range of Welsh and Wales based artists to tell stories that reach and represent a broad audience. Local stories with global resonance.

We are a centre for artistic excellence, creating bold, bilingual and exceptional contemporary theatre. Through our industry-leading outreach work, productions and artist development, we are helping to build a dynamic and resilient Welsh theatre sector.

Our work is full of heart, it's all about feeling and meaning for the people of Cardiff. We sit at the centre of this city, not just geographically but emotionally, artistically and as a community. We are our city, through and through. We are the heart of Cardiff.

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissioners' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The company's strategic aims are:

a. To establish a strong, distinct artistic identity
b. To create a resilient, financially stable company capable of delivering the artistic vision
c. To engage both loyal and new audiences with increased frequency of attendance
d. To actively engage our communities in meaningful participatory relationships
e. To generate opportunities for developing and nurturing the theatre-makers of the future
f. To maintain a resilient, accountable and well-managed company with strong corporate governance
g. To ensure that all staff understand the business aims and objectives and are empowered and motivated to assist the Company to achieve its Mission
h. To develop and implement environmental policies and practices which result in environmental benefit and energy use reduction.

Each aim has two or three key objectives and three to five year outcomes all contained within the Company Business Plan.

ONGOING IMPACT OF COVID-19

The impact of Covid-19 on the operations of Sherman Theatre has been significant. The company has been striving in recent years to stabilise its financial position and to reduce reliance on public subsidy by growing its income generating ability through increased box office, a well-functioning café bar facility, which, pre-Covid, was making a contribution to the running of the organisation, and by generating additional revenue through hiring spaces within the building. The enforced closure of the building throughout the entire year, 2020-21, has meant that conventional income-generating opportunities ceased entirely.

Since closure we have been utilising our ACW portfolio funding, which supports the basic running costs of the building. For the costs not covered by this funding we have employed the following measures towards sustainability:

- Coronavirus Job Retention Scheme.
- Business Rates Relief initiative.
- Deferment of VAT payments.
- To enable some flexibility with existing borrowing we have also negotiated the following short-term solutions with both banking providers:
  - A Capital Repayment Holiday with RBS
  - An increase on overdraft facility with Barclays Bank
- Working with suppliers to reduce the cost of their service provision during this time.
- Successful applications to the ACW Stabilisation Fund and the first round of the Cultural Recovery Fund.
- Diversified income generating opportunities, specifically through hire of spaces to RWCMD for teaching purposes.

- Working with current and prospective funders to renegotiate grant terms and secure project funding.

At the beginning of the pandemic, we did not know what the future was going to hold for us, with all income generating activities on hold, but with a building to keep maintained and a staff team to support, it was imperative that we put in place as many plans as possible to deal with the uncertainty that we faced. We had four key objectives during this time:

- to protect as many jobs as possible;
- to maintain meaningful engagement with our audiences and communities;
- to support freelance theatre makers;
- and to ensure the financial stability of the organisation.

A number of measures were implemented immediately, including the Capital Repayment Holiday on our term loan and an extension of our overdraft facility, as well as ensuring that we could take full advantage of any and all support schemes that were available to us. We worked with suppliers to ensure that where possible, savings were made and/or costs reduced to reflect the situation.

Between 23 March 2020 and 31 October 2020, we furloughed 13 of our 22 staff members, with a further 2 placed on flexi-furlough at times throughout the year. We also furloughed a number of the casual staff from 23 March – 31 August 2020. This enabled us to make a total CJRS claim of £167,537 across the year.

In June 2020, we secured £73,500 from the Arts Council of Wales Stabilisation Fund which provided support for the cash flow position at that point as well as being utilised to support the Heart of Cardiff Programme, providing creative engagements for over 25 freelance artists and theatre makers and engaging with communities across the city; enabling a much needed IT upgrade, supporting remote working practices and ensuring a secure and robust financial management system.

In July 2020, Sherman Theatre received a grant of £19,978 from the Moondance Foundation, to support key elements of the delivery of both autumn 2020 programmes (Heart of Cardiff and Christmas season). Both programmes had been adapted to digital delivery and designed to help us to maintain high quality engagement with our audiences and provide employment and development for our freelance community, during the ongoing lockdown of the Theatre due to the COVID-19 pandemic.

In September 2020, we submitted an application to the Cultural Recovery Fund (administered by ACW) for £494,899. This request was to cover essential expenditure to ensure the survival of Sherman Theatre until 31 March 2021 in light of the significant loss of income over 2020-21. The submission included but was not limited to: staffing costs to the end of March 2021; planned essential building maintenance including repairs to the roof and the repairs and replacement of fire doors throughout the building; Covid preparations to meet the requirements for re-opening; and investment in integrated digital solutions to support alternative ways of delivering work, increasing engagement, analysing audiences and participant behaviours, securing donations, and optimising paperless communication with customers and audiences. This application was successful and all projects have been completed ensuring that Sherman Theatre is post-pandemic ready.

Our existing relationship with the Royal Welsh College of Music and Drama further developed throughout the pandemic. The College had a requirement for space in order to continue in person teaching with their students within Covid guidelines. We were able to work with them to hire out some of our spaces from September 2020 which, as well as strengthening the relationship that we have with the RWCMD, also earned us significant income during a period when we had not expected to be able to generate any revenue.

Despite having begun the year in a very difficult and uncertain situation, and having to cease all of our usual activities, operations and income generating activities, the prudent approach that was taken at the outset in terms of cost savings, capital repayment holidays and use of the furlough scheme, along with opportunities for raising additional funds and income that emerged throughout the year, actually resulted in a more positive end of year financial position than expected.

However, whilst the organisation faced immediate challenges in 2020-21, it is clear that those challenges will continue for some time and that we are looking at a recovery period of years rather than months. The Board and Executive team are therefore looking at long-term strategies to ensure a robust recovery model which will secure the future of the organisation. This includes, but is not limited to, exploration of new funding avenues, diversification of income streams, and scrutinising, and where possible reducing, costs.

ACHIEVEMENTS AND PERFORMANCE

The impact of COVID-19 on the operations of Sherman Theatre has been significant. Despite the challenges faced since March 2020, we have focused on adapting our work to ensure we have found new ways to deliver on our core purpose– to provide exciting theatre for audiences, to develop and nurture the work of Welsh and Wales based artists and to generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

We worked using largely digital means to:

- Entertain and engage our audiences
- Support and nurture Welsh and Wales-based artists
- Connect with our communities
- Develop our young people

Using predominantly digital delivery, we successfully achieved four main phases of activity:

- **Interval-** an immediate response to the challenges thrown up by the crisis. We used our time and expertise to support artists, freelancers, young people and communities through one-to-one mentoring, workshops, skills development, networking opportunities, paid employment and a platform on which to showcase and maintain their individual profile
- **Heart of Cardiff**- a major season of ten new audio dramas and documentaries created by Cardiff writers, telling and celebrating stories of communities across the city. The season was designed to make heard under represented voices and perspectives from across the city and introduce a diverse new range of artists. The audio series was accompanied by large scale creative engagement activity.
- **Advent Calendar**- to celebrate our Christmas season we produced a digital Advent Calendar which included serialised audiobooks of both *A Christmas Carol* and our under 7's show, *The Elves and the Shoemaker*, performed in English and in Welsh. The calendar also included specially recorded videos, music and stories, alongside activities for the whole family to enjoy.
- **Your World, Your Words**- early in 2021, we handed over the microphone to a broad range of communities who had stories to tell and shared their work on our platforms.

Over the 12 months, up until spring 2021, our online theatre was watched or listened to over 46,500 times and we premiered 28 short new plays. We interacted with 275 artists, had 709 interactions with freelance theatre makers and provided 165 paid opportunities for creative freelancers. Moving our creative engagement work online, we worked with 451 young participants, engaged 1,533 participants

through community projects and changed the focus of Sherman 5 activity to ensure we supported and remained connected with our members.

Heart of Cardiff
An open call out to writers across Cardiff to submit a pitch for the *Heart of Cardiff* series resulted in a huge response with over 100 submissions. Ten pitches were selected, with writers including established names, emerging talent and first time writers. Each writer worked with the Sherman team to develop their pitches into scripts, in consultation with members of the communities that each of their pieces focused on.

- *Mr Carlos De Pass* by Kyle Lima
- *Goodbye Memory Lane* by Emma Cooney
- *Crafangau* by Nia Morais
- *Bratiaith* by Mali Ann Rees
- *See For Yourself* by Claire Boot
- *Centre Stage: Stories from Cardiff's LGBTQIA+ Community* by Emily Garside
- *Rodney and the Shrieking Sisterhood* by Hannah McPake
- *Peerless* by Owen Thomas
- *Housemates* by Tim Green
- *See You Later, Meunier* by Aled Wyn Thomas

The full season was presented between October and December 2020, achieving 3,281 views. It was then re-released as a box-set for a limited time in February 2021.

The season provided a strong basis on which to connect, involve and consult with our communities. In addition to each of the writers working within their focus community, a range of resources and activities relating to the plays were created to inspire people to engage with the themes and issues discussed. *Mr Carlos de Pass*, for example, introduced us to a Jamaican man of around 100 years old, living in Butetown. The accompanying creative engagement activity, asked community members to share their memories of Butetown, through photographs and stories, past and present.

The Love Letters to Cardiff project was a writing project which ran alongside the Heart of Cardiff season to engage with older people across the city, including those who are socially isolated and visually impaired. Participants were supported to write 'love letters to Cardiff' which were published online, exchanged between participants and recorded as audio CD and online audio. The CDs have been distributed to registered care homes, to older people in contact with the Local Health Board services for older people with dementia, and via local community groups to isolated older people in a disadvantaged area of Cardiff.

Across the season we were also able to start building new relationships and engaging with groups and communities that we haven't engaged with previously. This included working with Maes y Coed Community Centre (a volunteer run, multi-purpose community centre) the setting for *Goodbye Memory Lane*, and with 15 community-based boxing clubs across Cardiff, as part of the development of *Peerless* (which was based on the story of local boxing legend, Jim Driscoll).

Christmas 2020: For Christmas 2020, we produced a digital Advent Calendar that was sent directly to subscriber's email inboxes each morning between the 1st and 24th December. Once purchased, the content was available to stream until the end of December, giving audiences the option to listen on the day it was released or whenever they preferred.

Due to the ongoing closure of the building, we were unable to stage our Christmas 2020 season and instead presented both our Christmas productions as serialised audiobooks. Performed by Hannah McPake, Gary Owen's adaptation set *A Christmas Carol* in Cardiff in 1843. For our under 7s audience,

we presented a new adaptation of *The Elves and the Shoemaker/ Y Coblynnod a'r Crydd*, written by Katherine Chandler, with Welsh translation by Mererid Hopwood. Forming the basis of Advent Calendar content, these audiobooks were accompanied by a wealth of festive treats and opportunities to take part in additional activities, including:

- Special performances by Michael Sheen, Ruth Jones, Rhys Ifans and Rakie Ayola.
- A Welsh language version of the classic song Feliz Navidad by Eädyth.
- Activity packs and craft workshops.
- Two full programmes to accompany the Christmas audio shows, including games, articles, family activities and behind the scenes content.
- Performances by Sherman Youth Theatre and friends at Hijinx and Everyman Youth Theatre groups.

SHERMAN THEATRE PRODUCTIONS AND CO-PRODUCTIONS

We exist to provide our audiences with compelling theatre. With our doors closed, the virtual world became our stage. Across the year we premiered cutting edge new writing, comedies, haunting rediscovered gems, family entertainment, documentaries, fascinating podcasts and much more.

Our online theatre was watched or listened to over 46,000 times.

We premiered 28 short new plays.

Our audiences enjoyed the following:

- TEN, a season of newly created monologues by Welsh and Wales-based writers
- MUM and DAD, two monologues by Gary Owen, performed by Lynn Hunter and Michael Sheen
- Network Play Readings: our partnership with National Theatre Wales, showcasing exceptional work from Welsh companies
- EIGHT, first time plays from our Introduction to Playwriting participants
- Heart of Cardiff, a major season of ten new audio dramas created by Cardiff writers telling stories of communities across the city
- Tydfil Tales and Tydfil Truths, audio dramas created in partnership with The College Merthyr Tydfil
- An audio version of Nova Theatre's drama Winners
- Playcrush, a lively podcast series in partnership with the Old Vic Theatre, London in which well-known figures talk about their favourite play with Sherman Theatre Artistic Director Joe Murphy
- Our digital advent calendar brought together audio dramas of classic stories, appearances from Ruth Jones, Michael Sheen and Rhys Ifans, music, games and activities to keep our audiences entertained throughout December

"Shout Out to @ShermanTheatre for keeping the drama alive in Cardiff, from free streaming audio http://heartofcardiff.co.uk to their Advent Calendar with some double bills for children then adults"
Roger Tomlinson – Twitter

"@ShermanTheatre thank you so much for the delight that is your advent calendar. It's been a pleasure to receive this every day, and will miss it. Each day has been fabulous and thoughtful. Thank you, thank you." Emma Hardy – Twitter
"Really enjoyed the Advent calendar thank you. Diolch."
Katie Brown – Facebook

"I thoroughly enjoyed the Advent Calendar, thank you very much, and am looking forward to more online contents."
Yuko Uchida – Twitter

"It [Advent Calendar] was lovely! Really enjoyed it! I also loved the Heart of Cardiff content, especially Rodney & the Shrieking Sisterhood!"
Di Jones – Twitter

ARTIST DEVELOPMENT

We have worked hard, not just to support artists through this uniquely challenging period but also to continue to nurture them and aid their development for the future. Our focus has been on:

- Providing freelance theatre makers with much needed paid opportunities
- Offering them the chance to acquire new skills
- Helping to maintain their creativity
- Keeping them connected with both the Sherman and their peers
- Increasing their profile

Sherman Theatre has worked with 303 artists throughout the year. We have provided 165 paid opportunities for creative freelancers. It has been a year of new opportunities and new connections. We have worked with 155 artists for the first time. Across the year the Sherman has had 659 interactions with freelance theatre makers.

Our work to support and nurture Welsh and Wales-based artists across the year has included:
Paid opportunities: We have offered writers, actors, creatives, teaching artists etc. a large number of opportunities for paid work on projects throughout the year including TEN, EIGHT, Heart of Cardiff and the Digital Advent Calendar.

Workshops: Freelancers have been offered the opportunity to develop a wide range of new skills through free workshops led by members of the Sherman's expert team. The topics covered in the workshops series included structuring a play, producing, creative engagement, theatre design and marketing.

Time With: Theatre had the chance to stay creative and have free ranging conversations 1:1 with members of the Sherman's artistic family including Associate Artists such as Daf James, Gary Owen and Suzanne Packer and our Artistic Director Joe Murphy.

Networking opportunities:
We have stayed connected with the artistic community through networking opportunities including coffee mornings for freelancers.

Open Platform: Our Open Platforms provided a showcase and a large audience on our social media channels for existing work by Welsh and Wales-based Black and LGBTQIA+ artists.

Your Platform: Sherman Theatre's Your Platform initiative, hosted on its social media channels, has helped 35 theatre makers maintain their profile during the situation caused by Covid-19.

"Very excited and honoured that the Sherman Theatre have included me in their Your Platform scheme - especially as during February they are celebrating LGBT+ History Month and championing theatre makers from the LGBTQIA+ community. Diolch yn fawr iawn, thank you very much!"
Rob Stevens – Facebook

"Diolch Sherman Theatre! Thank you so much for keeping our industry alight with positivity and resilience! Thank you for championing theatre makers and providing #YourPlatform to showcase the wonderful artists across Wales! Very proud to be a part of this!"
Jordan Palmer Forse – Facebook

"Ma angen gair Cymraeg arnon ni am 'chuffed'. Wir, WIR yn gyffrous i fod yn sgwennu darn fer ar gyfer @ShermanTheatre yng nghanol cyfnod mor weird ac anodd."
Alun Saunders – Twitter

CREATIVE ENGAGEMENT & SHERMAN 5

In these difficult times it has been more vital than ever to stay connected. With our doors temporarily closed it has also been more challenging to do this than ever before. By picking up the phone, sending letters, emails and using digital media we have worked to keep in touch with and support our communities. Amidst all of the challenges, there have also been new opportunities. This year we connected with a diverse range of communities for the first time.

Our work with our communities included:

Sherman 5: The continued work of Sherman 5 to engage people facing barriers, supported by the Paul Hamlyn Foundation, changed its focus through the pandemic to support and engage its members throughout the year. We have called members, ensured there is always someone available to call if they wish simply to have a chat, ensured regular communication and offered a programme of workshops and activities.

Tydfil Tales and Tydfil Truths: Originally planned as a stage production, Tydfil Tales saw students from The College Merthyr Tydfil turn real life stories told by the residents of a care home into an intergenerational audio drama. Such was the success of this project, Sherman Theatre supported a follow-up Tydfil Truths, which saw the perspectives of the students come to the fore.

Young Queens: Young Queens are a group of young Welsh Somali writers and performers age 11 - 14. Fiercely proud of both their Welsh and Somali heritage they created four compelling poems about what it means to be a young Welsh Somali today. We were proud to work in partnership with Hayaat Women Trust and share these inspirational films with our audiences.

Love Letters: The Love Letters project collected beautiful letters to Cardiff, written by some of the city's older people. In Autumn 2020, Sherman Theatre's Sherman 5 programme worked with Age Cymru's Gwanwyn Festival to gather these letters as part of Sherman Theatre's Heart of Cardiff season. The letters were available to read online and a recording was made of a reading of a selection.

Developing, engaging and connecting young people across Cardiff and South Wales is at the core of what we do. When the restrictions came into force we moved quickly to do this work online. Our projects evolved to respond to and meet the needs of young people throughout the crisis.
Throughout the year, our work with young people focused on:

- Continuing our commitment to developing young people into active and socially responsible citizens
- Delivering our existing programmes including Introduction to Playwriting and Youth Theatre online in smart new ways
- Tackling increased isolation experienced by young people, by ensuring they remain connected with each other
- Evolving projects in response to dialogue with young people and changes in restrictions
- Maintaining a participant-centred approach

Our work with young people included:

Youth Theatre: Our celebrated Youth Theatre programme was taken online. Throughout the first lockdown we provided a range of activities that could be participated in at home. From Autumn 2020,

we delivered the Youth Theatre programme for all age groups through blended learning. Work created by the participants was shared online to an invited audience.

Introduction to Playwriting: The first intake of the Introduction to Playwriting programme to develop young playwrights aged 15-18 continued working on their writing during the first lockdown. The result was EIGHT, a series of self-filmed monologues, each play was a personal reflection on the experience of 2020. In Autumn 2020, we worked with artists across the UK to develop a playwriting blended learning resource. The programme, which is funded by the Esmée Fairbairn Foundation, moved into its next phase with sessions across the autumn and into spring 2021.

Homeschooling Support: In April 2020, we made available online our catalogue of education activity packs to download and use. We were delighted to be able to share these highly regarded resources with teachers, practitioners, families and young people.

Professional Development: We were delighted to support 7 University of South Wales Performing Arts students (at both MA and BA levels) with placements during our autumn and Christmas seasons.

FINANCIAL REVIEW

These accounts cover the period from 1 April 2020 to 31 March 2021.

During the year the charity benefited from continuing revenue investment from the Arts Council of Wales (ACW).

Restricted Fund projects:
In addition, during the year the charity received grant aid from the following trusts and foundations for Restricted Fund projects:

- Paul Hamlyn Foundation for the Sherman 5 project
  £317,000 over four years (2019 – 2022) from Paul Hamlyn Foundation More & Better fund to support the development of the Sherman 5 initiative

This major award for the charity has significantly helped drive forward the Sherman's social impact and underscore its commitment to audience development.

During the year, the charity gratefully received the following restricted funds:

- **Andrew Lloyd Webber Foundation** – grant award of £3,800 for Year-3 of a three-year project to support emerging designers – to be utilized on The Elves and The Shoemaker / Y Coblynnod a'r Crydd.
- **Arts Council of Wales (Cultural Recovery)** – a revenue grant of £494,899 for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.
- **Arts Council of Wales (Literary Project)** – a grant of £22,589 as the second payment to support the creation of a Literary Department at Sherman Theatre.
- **Ashley Foundation** – a grant of £5,000 to support two assistant directors to work on the Heart of Cardiff project.
- **Anonymous Donation - £5,150** – a donation from a benefactor to support TEN a project which offered paid opportunities to ten writers.
- **Esmee Fairbairn Foundation** - £28,340 received for Year-3 of a three-year project to run Introduction to Playwriting initiative.
- **Esmee Fairbairn Foundation** - £10,870 received to support the Heart of Cardiff programme.
- **Legacy** – A Kellaway - £1,281 – a legacy donation to support the work of the Creative Engagement team.

- **Moondance Foundation** - £19,978 to support key elements of the delivery of both autumn 2020 programmes (Heart of Cardiff and Christmas season), designed to help us to maintain high quality engagement with our audiences and provide employment and development for our freelance community, during the ongoing lockdown of the Theatre due to the COVID-19 pandemic.
- **The College Merthyr Tydfil** – a grant of £1,000 to support the Tydfil Truths project.

Unrestricted Income from Trading – predominantly from the commercial hiring/letting out of our auditorium and rehearsal spaces and our bar and café, amounted to £78,566.

Resources Expended:
Expenditure totalled £1,862,449 in the year. Staff levels increased to 23 (including 2 funded posts).

The Charity continues to hold a term loan with the Royal Bank of Scotland. Within the Balance Sheet given on page 25 and 26 the loan balance outstanding is split between creditor payments due within one year and creditor payments due after more than one year. Following the process to confirm the loan agreement under Section 124(2) of The Charities Act 2011 during the 2014-year and the consequent change to the rate of interest paid, the company is pleased to report the diminishing level of the total loan.

FUNDS:
We closed the year with an in-year operating surplus in unrestricted funds of £509,153.

INVESTMENT POWERS AND POLICY

Under its Memorandum and Articles of Association the charity has a range of powers to invest its funds.

Sherman Cymru Productions Ltd:

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

During this year, the company received £nil (2019: £58,063) under the Theatre Production Tax Relief as due to Covid, no physical productions were created.

As at 31 March 2021 the charity was owed £nil from Sherman Cymru Productions Limited.

At the year end the charity had no further investments other than monies held in interest earning accounts at Barclays Bank PLC and a holding account with Royal Bank of Scotland.

TANGIBLE FIXED ASSETS

Details of movements in tangible fixed assets are shown in Note 15 to the financial statements.

RESERVES POLICY

The trustees agreed at a meeting on 22 October 2012 to a reserves policy that general reserves, after excluding restricted funds and any transfers to designated funds, should be in the region of £250,000.

The purpose of these reserves are to cushion the potential impact of any major unforeseen or unexpected expenditure and to ensure that any significant shortfall in short-term income, e.g. the income generated from ticket sales, doesn't affect the charity's financial viability. The charity aims to achieve this level of general reserves within the next three financial years.

At 31 March 2021 the charity had free reserves (excluding restricted funds and fixed assets) of £566,864 (2020: negative reserves of £20,206).

Transfers and Reserves:

A budget item was added in February 2015 for Transfers. The practice of designating reserves continues.

Due to the circumstances, restrictions and mitigation put in place due to COVID-19 we find ourselves in the unprecedented position of having Unrestricted Free Reserves of £566,864 – historically we have ended the year in a negative position.

Allowing for the first time setting aside of the £250k, for the historical Reserves Policy, would leave a balance of £316,864.

The Trustees agreed to assign the free reserves to designated funds as outlined below:

- Formal establishment and inclusion in the 2021-22 Report and Accounts of the £250k Reserves Policy.
- £41,864 to underwrite the Christmas productions and any shortfalls in ticketing income *(arising from the COVID-19 situation)*
- £75,000 for Digital Capture *(due to COVID-19)*
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption *(again primarily to mitigate the effects of any ongoing or future COVID-19 issues)*

KEY MANAGEMENT PERSONNEL

The executive team consists of the Artistic Director (first amongst equals and leading on Artistic Policy) and the Executive Director.

The Senior Management team (SMT) comprises the above two Directors working with a team of four Senior Managers to deliver the strategies, policies and aims of the company through its artistic programming.

The Senior Management Team are:

Head of Finance & Administration, Head of Marketing and Communications, Head of Production and Planning, Head of Fundraising and Development

Trustees set the remuneration for the executive team. The executive team review and recommend rates of pay, salaries and wages for the SMT and all staff through the HR & Governance Committee who will make recommendation to the Finance Committee before a full recommendation is made to the Board for ratification. Certain posts/roles are governed by union agreements – recognised unions are EQUITY, the union for actors, stage managers and creative teams (Designers, Lighting Designers, choreographers, Fight Directors, et al), and BECTU the union representing most theatre technicians and some FOH staff. The company is committed to paying the MRSL 2 rate for creative teams.

Pension arrangements, annual leave terms, and all other contract terms are the same for all staff including the executive team. We do not operate a performance related pay scheme, nor do we have any bonus scheme. There are no incremental pay awards – although all company salaries are predicated on an agreed Salary Scale structure.

Each year the Artistic Director and Executive Director and all staff participate in performance appraisals, the executive team appraisals being undertaken by the Chair of the Board.

During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	Employer NI	Employer Pension	Total
£249,345	£27,225	£6,666	£283,236

No company pay increase was awarded for this financial year (2019: no increase awarded)

FUTURE PLANS

Sherman Cymru's Business Plan is updated and re-issued annually, setting out plans for the forthcoming three years.

It is recognised that there is still a significant amount of uncertainty about the future, and in particular the next 12 months. Covid continues to impact upon our ability to operate and therefore plans for the next 12 to 18 months are being made to incorporate an element of flexibility and the need to be able to provide both live and digital experiences for our audiences.

Despite this ongoing uncertainty, our core priorities over the next years are to ensure:

- we produce and curate high quality work that is relevant to the citizens of Cardiff and beyond. This vision is reflected across all work at the Sherman and underpins all artistic decision-making. Strong, clear and forthright artistic leadership is supported by the ambition of the Executive and Senior Management Team (SMT) and a honed, skilled team of staff members empowered to fulfil the mission;

- the company is in the best possible position to take full advantage of the Theatre Production Tax Relief Scheme;

- parsimonious use of all the company's resources at all times so the company can achieve its aim to be more financially stable and less reliant on grants, and in the short-term to reduce the reliance on ACW advance grant;

- we invest in CPD for our staff to build a knowledgeable and highly skilled team driving forward the ambition of the company;

- we choose our partners and collaborators with care – ensuring buy-in to the company's ambition from all parties primarily through confirming artistic compatibility and financial viability of companies and projects before proceeding;

- we strengthen and add to the skills of the board of trustees through public advertising, working with Arts & Business board bank, and the introduction of the trainee trustee mentoring scheme, all with the aim to have a board working to its optimum level of support and to increase the number of trustees to the original number of 12;

- we respond to opportunities to tour the company's work further afield, ensuring that the best new work made in Wales is seen by audiences across the UK and when possible/invited, internationally;

- we continue to ensure that we are looking ahead and developing a robust and resilient organisation for the future. This includes constant analysis of our infrastructure and its fit for purpose; finding future proof solutions to meet our digital requirements; and striving to identify additional streams for income generation within our defined business model.

- we strive for continuous improvement in minimising the impact of our work on our environment and prioritise sustainability across all areas of our activities.

The company constantly seeks to improve, to set ourselves targets, to aim high, to self-assess, to produce the highest possible quality and standard of work that it can. The impact of self-

assessment/evaluation both individually for members of staff, and collectively in evaluating the produced work, will lead to the highest possible achievements.

The impact of having a programme of work that chimes with the citizens of Cardiff should lead to widening access to the performing arts within our communities and result in a higher number of first-time theatre attenders and attenders generally.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's Risk Register is reviewed throughout the year, initially by the Finance Committee, who will then make recommendation to the Board of Trustees or the relevant committees.

Five areas of risk are considered: Governance and Management, Financial, Artistic, Organisational, Operational. All are assessed for both likelihood of occurrence and potential impact, severity of impact and overall gross risk. Mitigating factors are then considered and recorded.

In addition to this main risk register, we also carry out Risk Assessments of every Production we create, every production that we buy in, every activity we undertake to ensure we are providing as safe and risk-free an environment as possible for our audiences, customers, staff and participants.

Liability of members

Sherman Cymru Ltd is a company Ltd by Guarantee with no share capital. Clause 7 of the memorandum of association provides that every members, as defined by Clause 1 of the articles of association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member or within one year of ceasing to be a member. At the year-end there were 11 members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Sherman Cymru is a charity limited by guarantee governed by its Memorandum and Articles of Association dated 17 November 2006. The charity is registered as a charity with the Charity Commission.

APPOINTMENT OF TRUSTEES

As set out in the charity's Articles of Association, trustees are either appointed at an Annual General Meeting, or may be co-opted by the trustees during the year.

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

On election/appointment, each new trustee receives an induction pack, some key organisational policies, and pen pictures of existing trustees and key members of staff. New trustees are briefed by the Chair and the Executive Team comprising of the Artistic Director and Executive Director on the charity's artistic activity and how the Board of Trustees and its Committees work. All trustees are actively encouraged to see the charity's work and to discuss the work they have seen either with fellow trustees, or with the charity's staff. In 2019/20 the company reintroduced a scheme for Trainee Trustees with a view to particularly encouraging, training and supporting people from diverse backgrounds to become trustees in the voluntary sector. However, the impact of Covid-19 has meant that scheme has been temporarily suspended.

ORGANISATION

The charity is administered by the Board of Trustees, which can number up to 20 people, who meet on average every eight weeks. At 31 March 2021, the Board had an Artistic Committee, a Business and Development Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 17.

Board of Trustee meetings are attended, in an observer capacity, by representatives of the Arts Council of Wales (ACW).

The Executive Director is accountable for the management of the charity, delegating responsibility through a team of Senior Managers leading their relevant teams. The Artistic Director takes the artistic leadership for the charity.

The impact of the cessation of Cardiff Council's Annual Revenue Grant in April 2014 continued to significantly impact on major elements of the charity's work during 2020-21, particularly in regard to our Artistic and Literary work. The reduced staffing structure necessitated by these constrained financial circumstances continues to limit the output of the charity and impact on the workload for staff.

RELATED PARTIES

There was one related party transaction with Trustees during the year, Owen Thomas – Writer Fee £750, (2020: £nil) (see Note 24).

Due to COVID-19 restrictions, no related party transactions that took place with the Charity's trading subsidiary, Sherman Cymru Productions Ltd.

RISK ASSESSMENT

Risk is regularly reviewed by the Board of Trustees as part of business planning processes, with financial risk reviewed and considered by the Board's Finance and HR & Governance Committees on an ongoing basis.

AUDITORS

A resolution to reappoint Azets Audit Services as auditors to the charity will be proposed at the forthcoming Annual General Meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Graham Morgan	(Chair from 28 September 2020)
Marlies Hoecherl	(Vice Chair from 01 January 2019)
David Stacey	(Resigned 28 September 2020)
Nicholas Carlton	
Paul Clayton	(Resigned 04 August 2021)
Ceri Davis	
Llinos Daniel	
Clive Flowers	(Resigned 07 December 2020)
Rushna Ghaznavi	
Robert Keegan	(Resigned 24 May 2021)
Marta Minier	(Appointed 14 June 2021)
Keith Morgan	(Resigned 28 September 2020)
Gary Owen	(Appointed 19 June 2021)
Marc Simcox	
Huw Thomas	(Appointed 16 June 2021)
Owen Thomas	
Helen Vallis	

CHARITY SECRETARY
Julia Barry

REGISTERED OFFICE
Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS
Barclays Bank PLC
1 – 5 Working Street
Cardiff
CF10 2DP

AUDITORS
Azets Audit Services
Ty Derw
Lime Tree Court, Cardiff Gate Business Park
Cardiff
CF23 8AB

SENIOR STAFF

Joe Murphy	Artistic Director	
Julia Barry	Executive Director	
Mandy Ivory-Castile	Head of Production and Planning	
Edward Newsome	Head of Marketing and Communications	
Sally Shepherd	Head of Finance and Administration	
Emma Tropman	Head of Fundraising and Development	(from 27 April 2020)

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

The trustees (who are also directors of Sherman Cymru for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

In so far as the trustees are aware:
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report, including the strategic report, was approved by the Board of Trustees.

Approved by the Board of Trustees and signed on behalf of the Board

Trustee: Graham Morgan
Date: 13/9/2021

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

We have audited the financial statements of Sherman Cymru (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report including the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditor under [the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them

in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case FCA DChA
Senior Statutory Audit
Azets Audit Services
Chartered Accountants
Statutory Auditor

13/9/21

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	3	**1,420,121**	**672,957**	**2,093,078**	1,254,969
Charitable activities	4	**91,442**	**-**	**91,442**	564,699
Other trading activities	5	**319**	**-**	**319**	173,084
Other	6	**28,105**	**-**	**28,105**	103,163
Total income and endowments		**1,539,987**	**672,957**	**2,212,944**	2,095,915
Expenditure on:					
Raising funds	7	**46,047**	**-**	**46,047**	24,313
Trading costs	8	**60,583**	**-**	**60,583**	212,857
Charitable activities	9	**924,204**	**831,615**	**1,755,819**	2,145,355
Total expenditure		**1,030,834**	**831,615**	**1,862,449**	2,382,525
Net movement in funds	11	**509,153**	**(158,658)**	**350,495**	(286,610)
Total funds brought forward	21,22	**793,125**	**3,689,324**	**4,482,449**	4,769,059
Total funds carried forward	22,23	**1,302,278**	**3,530,666**	**4,832,944**	4,482,449

The notes on pages 28 to 44 form part of the financial statement

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2021 £	2020 £
Total income of continuing operations	**2,212,944**	2,095,915
Total expenditure of continuing operations	**(1,862,449)**	(2,382,525)
Net surplus/deficit for the period	**350,495**	(286,610)

There are no recognised gains and losses for the financial year other than the surplus on the income and expenditure account of £350,495 after depreciation charges of £305,576.

Total income comprises £1,539,987 for unrestricted funds and £672,957 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of the expenditure is provided in the statement of financial activities and notes 7-9.

The summary income and expenditure account is derived from the statement of financial activities which, together with the notes to the financial statements, provides full information on the movements during the year on all the funds of the company.

BALANCE SHEET - CONSOLIDATED

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	15		**4,495,195**		4,805,345
Current assets:					
Stocks	17	**26,696**		31,214	
Debtors and prepayments	18	**203,672**		134,255	
Cash at bank and in hand		**806,944**		184,504	
		1,037,312		349,973	
Liabilities:					
Creditors: amounts falling due within one year					
Trade creditors		**107,464**		91,794	
Other creditors	19	**278,058**		212,841	
		385,522		304,635	
Net current assets			**651,790**		45,338
Total assets less current liabilities			**5,146,985**		4,850,683
Creditors: amounts falling due after more than one year	20		**(314,041)**		(368,234)
Net assets			**4,832,944**		4,482,449
The funds of the charity:					
Restricted Funds	22		**3,530,666**		3,389,324
Unrestricted funds:	21		**1,302,278**		793,125
Total charity funds	23		**4,832,944**		4,482,449

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2021, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 13/9/21 and signed on its behalf.

..... RUSHNA GHAZNAVI (Trustee)

Company No. 06002090 (England and Wales)

The notes on pages 28 to 44 form part of the financial statement

BALANCE SHEET - CHARITY ONLY

	Note	£	2021 £	2020 £
Fixed assets:				
Tangible assets	15		**4,495,195**	4,805,345
Investments	16		**1**	1
Current assets:				
Stocks	17	**26,696**		31,214
Debtors and prepayments	18	**203,672**		134,255
Cash at bank and in hand		**806,944**		184,504
		1,037,312		349,973
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		**107,464**		91,794
Other creditors	19	**278,058**		212,841
		385,522		304,635
Net current assets			**651,790**	45,338
Total assets less current liabilities			**5,146,986**	4,850,683
Creditors: amounts falling due after more than one year	20		**(314,041)**	(368,234)
Net assets			**4,832,945**	4,482,450
The funds of the charity:				
Restricted Funds	22		**3,530,666**	3,689,325
Unrestricted funds:	21		**1,302,279**	793,125
Total charity funds	23		**4,832,945**	4,482,450

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2021, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 13/9/21 and signed on its behalf.

..... RUSHNA CHHAZNAVI (Trustee)

Company No. 06002090 (England and Wales)

The notes on pages 28 to 44 form part of the financial statement

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2021 £	2020 £
Net cash provided by operating activities	27	**622,440**	44,897
Cash flows from investing activities:			
Purchase of property plant and equipment		-	(42,025)
Net cash provided by (used in) investing activities		-	(42,025)
Cash flows from financing activities:			
Repayments of borrowing		-	(51,719)
Net cash provided by (used in) financing activities		-	(51,719)
Change in cash and cash equivalents in the reporting period		**622,440**	(48,847)
Cash and cash equivalents at the beginning of the reporting period		**184,504**	233,351
Cash and cash equivalents at the end of the reporting period	27	**806,944**	184,504

The notes on pages 28 to 44 form part of the financial statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Sherman Cymru is a private company limited by guarantee incorporated in England and Wales registered office Senghennydd Road, Cardiff, CF32 4YE.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sherman Cymru meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis

The charity reported a net surplus on unrestricted funds of £509,153 in the year. This charity is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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.

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.

Liabilities policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

Group financial statements
These financial statements consolidate the results of the charity and its wholly-owned subsidiary Sherman Cymru Productions Limited.

The particular accounting policies adopted are described below.

Fund accounting
Unrestricted funds are funds which are available for use at the discretion of the charity's members in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources
Trading activities (included within activities in furtherance of the charity's objectives) comprise receipts from performances held during the year and other related income. Monies received in advance of the next financial period are carried forward in the balance sheet.

Tangible fixed assets
Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives as follows:

Major leasehold improvements	25 years
General building improvements	10 years
Fixtures and fittings	5 years
Vehicles	5 years
IT equipment	3 years
All other equipment	5 years

Basis of apportionment
Support costs and management and administration have been allocated to the following categories on a staff cost basis:

Trading Costs
Bar and front house costs

Fundraising activities
Support costs have been allocated to governance costs based on the percentage of governance costs to total costs in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks
Stocks are stated at the lower of cost and net realisable value.

Grants
Revenue grants receivable are accounted for in the period to which they relate. Capital grants are credited to restricted funds on a received basis and released to the income and expenditure account over the remaining lives of the assets to which they relate.

Script commissions
Script commission payments to writers and development costs are treated as prepayments until the accounting period in which the production takes place. Where it is decided not to take a commission

Through to production any commissioning payments and accrued development costs are written back to the financial year in which that decision is made.

Development income
Development income is accounted for in the period in which the related expenditure occurs.

Taxation
As a registered charity, Sherman Cymru is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fundraising	**9,698**	**-**	**9,698**	8,557
Recurrent grants:				
Arts Council of Wales	**1,211,883**	**-**	**1,211,883**	1,125,997
Other grants:				
Arts Council of Wales	**31,003**	**517,488**	**548,491**	48,427
Other	**167,537**	**155,469**	**323,006**	71,988
	1,420,121	**672,957**	**2,093,078**	1,254,969

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Ticket sales:				
Sherman Cymru productions	**6,107**	**-**	**6,107**	188,084
In House Visiting Companies	**200**	**-**	**200**	217,761
Communities and Engagement	**-**	**-**	**-**	1,714
Touring:				
Sherman Cymru productions	**-**	**-**	**-**	11,100
Co-productions	**-**	**-**	**-**	35,558
Communities and Engagement:				
Participant fees	**6,286**	**-**	**6,286**	24,504
Project income	**397**	**-**	**397**	7,608
Hires	**78,237**	**-**	**78,237**	20,029
Publishing	**215**	**-**	**215**	278
HMRC Theatre Tax relief	**-**	**-**	**-**	58,063
	91,442		**91,442**	564,699

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Bar and Front of House receipts	319	-	319	173,084
	319	-	319	173,084

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2021 £
Other income	28,105	-	28,105	103,163
	28,105	-	28,105	103,163

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fundraising activities	46,047	-	46,047	24,313
	46,047	-	46,047	24,313

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2021 £	2020 £
Bar and front of house costs		
Bar and café salaries	31,660	87,830
Bar and café purchases	15,424	104,182
	47,084	192,012
Other Front of House salaries and costs	13,499	20,845
Total bar and Front of House costs	60,583	212,857

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Depreciation £	Governance £	Total 2021 £	Total 2020 £
Unrestricted						
Artistic	**277,187**	**153,764**	**42,286**	-	**473,237**	1,186,809
Marketing	**109,187**	**76,866**	**16,023**	-	**202,076**	308,945
Management & Administration	**100,686**	**64,005**	**14,547**	-	**179,238**	174,819
Support Costs	**32,805**	**13,815**	**5,061**	**17,972**	**69,653**	104,230
	519,865	**308,450**	**77,917**	**17,972**	**924,204**	1,774,803
Restricted						
Production & Performances	-	**37,109**	**14,378**	-	**51,487**	91,416
Marketing	-	**1,513**	**586**	-	**2,099**	7,408
Management & Administration	-	**5,800**	**2,247**	-	**8,047**	14,015
Support Costs	**192,202**	-	**74,469**	-	**266,671**	203,288
Other costs	-	**362,759**	**140,552**	-	**503,311**	54,425
	192,202	**407,181**	**232,232**	-	**831,615**	370,552
Total Charitable Activity Costs	**712,067**	**715,631**	**310,149**	**17,972**	**1,755,819**	2,145,355

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Audit	**6,950**	-	**6,950**	6,840
Legal	**1,587**	-	**1,587**	3,180
Salary	**6,042**	-	**6,042**	6,039
Support costs	**3,392**	-	**3,392**	2,157
	17,971	-	**17,971**	18,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL – GROUP AND CHARITY

None of the trustees received any emoluments from the company during the year (2020: £nil). One member of the Executive and Senior Management team received remuneration within the £60,000 - £69,999 bracket (2020: None). Pension contributions were £1,807 (2020: £1,050).

	2021	2020
	£	£
Employee costs during the year:		
Wages and salaries	**621,797**	859,581
Employer's National Insurance contributions	**54,846**	58,520
Employer's Pension contributions	**17,577**	22,616
	694,220	940,717

Employee costs shown above relate to staff paid through payroll. Note 9 contains amounts paid to freelance contracted staff and relates only to staff engaged in charitable activities.

11. STAFF NUMBERS

	2021	2020
Average number of persons employed:	**No.**	No.
Production staff (temporary)	**2**	20
Permanent staff	**23**	22
	25	42

Key Management Personnel
During the year the following remuneration was paid in respect of the Executive and Senior Management team.

Annual Gross	Employer NI	Employer Pension	Total 2021	Total 2020
£249,345	£27,225	£6,666	**£283,236**	£237,866

12. NET INCOME/(EXPENDITURE) FOR THE YEAR – GROUP AND CHARITY

	2021	2020
	£	£
Net incoming resources after charging:		
Auditors' remuneration	**6,950**	6,840
Depreciation	**310,150**	305,576

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. TAXATION – GROUP AND CHARITY

As a registered charity, Sherman Cymru is entitled to exemption from taxation in respect of income and capital gains received with section 478-489 of the Corporation Tax 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

14. CALLED UP SHARE CAPITAL – CHARITY ONLY

The company is limited by guarantee. All members of Sherman Cymru have guaranteed to contribute, in the event of winding-up, an amount not exceeding £1 each. There were 11 members (2020: 12 members) at 31 March 2021.

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Long Leasehold Property Improvements £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or valuation at 1 April 2020	**7,035,361**	**280,655**	**40,000**	**7,356,016**
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	**7,035,361**	**280,655**	**40,000**	**7,356,016**
Accumulated depreciation at 1 April 2020	**2,301,314**	**246,024**	**3,333**	**2,550,671**
Charge for the year	**298,087**	**4,063**	**8,000**	**310,150**
Eliminated on disposal	-	-	-	-
At 31 March 2021	**2,599,401**	**250,087**	**11,333**	**2,860,821**
Net book value				
At 31 March 2021	**4,435,960**	**30,568**	**28,667**	**4,495,195**
At 31 March 2020	**4,734,047**	**34,631**	**36,667**	**4,805,345**

Long leasehold land and buildings with a carrying amount of £4,435,960 (2020: £4,734,047) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

On 30 September 2014 the charity set up a wholly owned trading subsidiary called Sherman Cymru Productions Ltd. The charity holds the entire issued share capital of 1 ordinary shares of £1 each in Sherman Cymru Productions Limited, a company incorporated in England and Wales, company number 9241356, set up to develop and produce the Production of Theatrical Plays.

A summary of the trading results is shown below.

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Summary profit and loss account:		
Income	-	375,623
Administrative expenses	(-)	(433,686)
Operating loss	(-)	(58,063)
HMRC Theatre Tax Relief	-	58,063
Result for the period	-	-
The assets and liabilities of the subsidiary were:		
Total assets	1	58,063
Amounts falling due within one year	(-)	(58,062)
	1	1
Aggregate share capital and reserves	1	1

17. STOCKS – GROUP AND CHARITY

	2021	2020
	£	£
Bar and Front of House	**3,605**	6,763
Production	**10,127**	10,671
Publications	**11,313**	11,645
Other stocks	**1,651**	2,135
	26,696	31,214

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade debtors	**57,859**	**57,859**	334	334
Other debtors	**14,965**	**14,965**	33,511	33,511
Taxation and Social Security	**26,413**	**26,413**	-	-
HMRC Theatre Tax Relief	**-**	**-**	58,063	-
Intercompany balance	**-**	**-**	-	58,063
Prepayments	**47,596**	**47,596**	42,347	42,347
Accrued Income	**56,839**	**56,839**		
	203,672	**203,672**	134,255	134,255

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Other creditors				
Taxation and Social Security	**-**	**-**	13,913	13,913
Deferred revenue income	**52,238**	**52,238**	124,941	124,941
General accruals	**162,232**	**162,232**	64,592	64,592
Bank Loan	**54,193**	**54,193**	-	-
Accruals for Redevelopment costs	**9,395**	**9,395**	9,395	9,395
	278,058	**278,058**	212,841	212,841

Deferred income relates to income received in advance and which relates to future financial period.

	Charity & Group 2021 £	2020 £
Balance as at 1st April 2020	**124,941**	79,532
Income received in the year	**1,482,198**	1,505,024
Released to income	**(1,554,901)**	(1,459,615)
Balance as at 31 March 2021	**52,238**	124,941

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Bank Loan	**314,041**	**314,041**	368,234	368,234
	314,041	**314,041**	368,234	368,234

The bank loan is secured over the assets of the charity and is repayable in equal monthly instalments.

To mitigate the impact of Covid-19 a Capital Repayment Holiday was agreed for 2021.

Repayable by instalments

	Total 2021 £	Total 2020 £
Within one year	**54,193**	-
Between 2 and 5 years	**228,509**	257,450
After 5 years	**85,532**	110,784
	368,234	368,234

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

	General funds £	Capital funds £	Total Funds 2021 £
Balances Brought Forward	**(20,205)**	**813,330**	**793,125**
Surplus/deficit for the year	**509,153**	**-**	**509,153**
Movement for the year	**77,916**	**(77,916)**	**-**
	566,864	**735,414**	**1,302,278**

Designated Funds

Designated Capital funds, relates to the investment in fixed assets.

Designated Revenue Funds comprises:-

- £41,864 to underwrite the Christmas productions and any shortfalls in ticketing income *(arising from the COVID-19 situation)*
- £75,000 for Digital Capture *(due to COVID-19)*
- £100,000 Building Maintenance *(in formal recognition of the ever depreciating asset value)*
- £100,000 Potential future Business Disruption *(again primarily to mitigate the effects of any ongoing or future COVID-19 issues)*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2020 £
Balances Brought Forward	(32,893)	837,598	804,705
Surplus for the year	(11,580)	-	(11,580)
Movement for the year	24,268	(24,268)	-
	(20,205)	813,330	793,125

22. RESTRICTED FUNDS – GROUP AND CHARITY

The income funds of Sherman Cymru included in restricted funds comprise the following unexpended balances of capital grants and donations applied for the Building Refurbishment and Redevelopment. The cost of which are being depreciated over the useful life of the asset.

	Balance at 01/04/20 £	Incoming resources £	Expenditure £	Balance at 31/03/21 £
Capital				
Building Refurbishment and Redevelopment	3,519,352	-	(209,190)	3,310,162
Foyer Refurbishment	65,324	-	(15,043)	50,281
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	36,667	-	(8,000)	28,667
	3,623,780	-	(232,233)	3,391,547
Revenue funds				
Arts Council of Wales (Cultural Recovery)	-	494,899	(494,899)	-
Arts Council of Wales (Under 7s Production)	2,024	-	(2,024)	-
Arts Council of Wales (Creative Pathways)	22,589	22,589	-	45,178
Age UK	500	-	(500)	-
Ashley Foundation	-	5,000	(1,500)	3,500
Awards for All – Community Fund	3,907	-	(3,907)	-
Anonymous donation - TEN	-	5,150	(5,150)	-
Cathays High School	58	-	(58)	-
Esmee Fairbairn (ITP)	14,716	28,340	(12,970)	30,086
Esmee Fairbairn (Covid Support)	-	10,870	(7,500)	3,370
Garrick Trust	1,500	-	(750)	750
Innovate Trust	437	-	(-)	437
Legacy – A Kellaway	-	1,281	(35)	1,246
Lloyd Webber Foundation	1,696	3,800	(450)	5,046
Moondance Foundation	-	19,978	(19,978)	-
National Theatre Connections Festival 2019	603	-	(586)	17
National Theatre Connections Festival 2020	2,539	-	(870)	1,669
Paul Hamlyn Foundation 2019	13,951	80,050	(47,205)	46,796
Philip Carne	1,024	-	(-)	1,024
The College Merthyr Tydfil	-	1,000	(1,000)	-
	65,544	672,957	(599,382)	139,119
Total Restricted Funds	3,689,324	672,957	(831,615)	3,530,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Arts Council of Wales (Cultural Recovery)
A revenue grant of £494,899 for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.

Arts Council of Wales (Under 7's Production)
Support towards touring the Under 7s bilingual Christmas production throughout South East Wales prior to it returning to the Sherman Theatre for the immediate Christmas period

Arts Council of Wales (Creative Pathways – Literary Manager Pilot Programme)
Support for the Literary Manger Pilot Programme responding to a gap in Wales' theatre ecology, laying foundations for a permanent Literary Department to create world-class, bi-lingual new writing for Cardiff, Wales, and everyone.

Age UK
A grant to support activity targeted at older people as part of the annual Gwanwyn Festival.

Ashley Foundation
A grant of £5,000 to support emerging artists to work on projects across the artistic programme.

Awards for All - Community Fund
Support for an intergenerational new writing project working collaboratively with The College, Merthyr Tydfil and Daffodils Care Home in Merthyr.

Anonymous Donation
Donation from a benefactor to support TEN - a project which offered paid opportunities to ten writers during lockdown.

Cathays High School
Contribution towards in-school project connected to the Christmas Show.

Esmee Fairbairn - ITP
To support Year 3 of our new initiative, Introduction to Playwriting, to increase access to opportunity through a three-year plan to introduce students (aged 15 – 18) from low income backgrounds to playwriting.

Esmee Fairbairn – Covid Support
A grant received to support the organization whilst it worked through the uncertain times of Covid, utilized to support the Heart of Cardiff programme.

Garrick Trust
Support towards advancing the career of an emerging designer, through a project that will provide development opportunities for a talented designer, in the early stages of their career.

Innovate Trust
Support for an initiative to develop literacy, oracy and design skills through a playwriting project delivered with Glyncoed Primary School in Llanederyn, Cardiff and their entire year 6 cohort of 55 pupils.

Legacy – A Kellaway
A legacy donation to support the work of the Creative Engagement team.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Andrew Lloyd Webber Foundation
Grant support for three years to support the Sherman Theatre / RWCMD design graduate opportunity.

Moondance Foundation
To support key elements of the delivery of both autumn 2020 programmes (Heart of Cardiff and Christmas season), designed to help us to maintain high quality engagement with our audiences and provide employment and development for our freelance community, during the ongoing lockdown of the Theatre due to the COVID-19 pandemic.

National Theatre
Contribution towards the National Theatre Connections Festival hosted by Sherman Theatre and involving schools and youth theatre groups.

Paul Hamlyn Foundation
A More & Better grant to support the continuation and enhancement of the Sherman 5 initiative until 2022.

Philip Carne
Contribution towards the new Welsh Playwrights Programme and JMK/Sherman Directors Group.

The College Merthyr Tydfil
Grant to support the Tydfil Truths project.

Previous year

	Balance at 01/04/19 £	Incoming resources £	Expenditure £	Balance at 31/03/20 £
Capital				
Building Refurbishment and Redevelopment	3,728,544	-	(209,192)	3,519,352
Foyer Refurbishment	80,367	-	(15,043)	65,324
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	40,000	-	(3,333)	36,667
	3,851,348	-	(227,568)	3,623,780
Revenue funds				
Arts Council of Wales (Creative Collaborations)	10,710	945	(11,655)	-
Arts Council of Wales	-	26,918	(24,894)	2,024
Arts Council of Wales	-	22,589	-	22,589
Age UK	-	500	-	500
Awards for All – Community Fund	-	4,807	(900)	3,907
Cathays High School	258	-	(200)	58
Esmee Fairbain	5,562	21,740	(12,586)	14,716
Garrick Trust	-	3,000	(1,500)	1,500
Innovate Trust	-	3,728	(3,291)	437
Lloyd Webber Foundation	3,900	3,800	(6,004)	1,696
National Theatre Connections Festival 2018	317	-	(317)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

National Theatre Connections Festival 2019	3,211	3,745	(6,353)	603
National Theatre Connections Festival 2020	-	3,750	(1,211)	2,539
Paul Hamlyn Foundation 2019	85,524	-	(71,573)	13,951
Philip Carne	3,524	-	(2,500)	1,024
	113,006	95,522	(142,984)	65,544
Total Restricted Funds	3,964,354	95,522	(370,552)	3,689,324

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Capital funds £	General funds £	Restricted funds £	Total 2021 £
Group				
Fixed assets	**1,103,648**	**-**	**3,391,547**	**4,495,195**
Net current (liabilities)/assets	**(54,193)**	**566,864**	**139,119**	**651,790**
Long Term liabilities	**(314,041)**	**-**	**-**	**(314,041)**
	735,414	**566,864**	**3,530,666**	**4,832,944**
Charity				
Fixed assets	**1,103,648**	**-**	**3,391,547**	**4,495,195**
Investments	**-**	**1**	**-**	**1**
Net current (liabilities)/assets	**(54,193)**	**566,864**	**139,119**	**651,790**
Long Term liabilities	**(314,041)**	**-**	**-**	**(314,041)**
	735,414	**566,865**	**3,530,666**	**4,832,945**

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted funds £	Restricted funds £	Total 2020 £
Group			
Fixed assets	1,181,565	3,623,780	4,805,345
Net current assets	(20,206)	65,544	45,338
Long Term liabilities	(368,234)	-	(368,234)
	793,125	3,689,324	4,482,449
Charity			
Fixed assets	1,181,565	3,623,780	4,805,345
Investments	1	-	1
Net current assets	(20,206)	65,544	45,338
Long Term liabilities	(368,234)	-	(368,234)
	793,126	3,689,324	4,482,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

Sherman Cymru commissioned productions of £nil (2020: £375,623) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2021 the charity was owed £nil (2020: £58,063) from Sherman Cymru Productions Limited. All transactions were at arm's length.

There was one related party transactions during the year, Owen Thomas - Writer Fee £750 (2019: £nil)

25. OPERATING LEASES – CHARITY ONLY

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:

	2021	2020
	£	£
Plant and equipment:		
Fall due within 1 year	**20,888**	17,309
Fall due within 2 – 5 years	**29,641**	19,533
	50,529	36,842

26. PENSIONS – GROUP AND CHARITY

Sherman Cymru is fully compliant with Auto Enrolment and operates a qualifying workplace pension scheme with Legal & General. Contribution during the period were £17,577 (2020: £22,616). The outstanding balance at the year end was nil (2020: nil).

27. 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)	**350,495**	(286,610)
Adjustments for:		
Depreciation charges	**310,150**	305,576
(Increase)/decrease in stocks	**4,518**	-
(Increase)/decrease in debtors	**(69,417)**	23,469
Increase/(decrease) in creditors	**26,694**	2,462
Net cash provided by/(used in) operating activities	**622,440**	44,897
Analysis of Cash and Cash Equivalents		
Cash in hand	**806,944**	184,504
Total Cash and Cash Equivalents	**806,944**	184,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Analysis of Net Debt:

	At 1 April 2020	Cashflows	At 31 March 2021
	£	£	£
Cash	184,504	622,440	809,944
Bank loans falling due within one year	-	(54,193)	(54,193)
Bank loans falling due after more than one year	(368,234)	54,193	(314,041)
	(183,730)	622,440	438,710

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2020

	Unrestricted funds	Restricted funds	Total funds 2020
	£	£	£
Income and endowments from:			
Donations and legacies	1,159,447	95,522	1,254,969
Charitable activities	564,699	-	564,699
Other trading activities	173,084	-	173,084
Other	103,163	-	103,163
Total income and endowments	2,000,393	95,522	2,095,915
Expenditure on:			
Raising funds	24,313	-	24,313
Trading costs	212,857	-	212,857
Charitable activities	1,774,803	370,552	2,145,355
Total expenditure	2,011,973	370,552	2,382,525
Net movement in funds	(11,580)	(275,030)	(286,610)
Reconciliation of Funds			
Total funds brought forward	804,705	3,964,354	4,769,059
Total funds carried forward	793,125	3,689,324	4,482,449