

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2021

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CONTENTS:

OBJECTIVES AND ACTIVITIES	2
ACHIEVEMENTS AND PERFORMANCE.....	5
FINANCIAL REVIEW.....	10
INVESTMENT POWERS AND POLICY	11
KEY MANAGEMENT PERSONNEL	13
FUTURE PLANS	14
PRINCIPAL RISKS AND UNCERTAINTIES.....	15
STRUCTURE, GOVERNANCE AND MANAGEMENT.....	15
REFERENCE AND ADMINISTRATIVE DETAILS	17
OFFICERS AND PROFESSIONAL ADVISERS	17
RESPONSIBILITIES OF THE BOARD OF TRUSTEES'	18
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHERMAN CYMRU	19
STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED	23
SUMMARY INCOME AND EXPENDITURE ACCOUNT.....	24
BALANCE SHEET - CONSOLIDATED.....	25
BALANCE SHEET - CHARITY ONLY	26
STATEMENT OF CASH FLOWS - CONSOLIDATED	27
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	28

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

- 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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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,

SHERMAN CYMRU

Consolidated Trustees' Report and Group Financial Statements Year ended 31 March 2021

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

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

"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,

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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 Coblynod 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.
- **Esmée Fairbairn Foundation** - £28,340 received for Year-3 of a three-year project to run Introduction to Playwriting initiative.
- **Esmée 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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

- **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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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-

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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)

SHERMAN CYMRU

Consolidated Trustees' Report and Group Financial Statements Year ended 31 March 2021

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:

Date: 13/9/2021

 Graham Morgan

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

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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

SHERMAN CYMRU

Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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.

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

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	<u>350,495</u>	<u>(286,610)</u>

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.

The notes on pages 28 to 44 form part of the financial statement

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

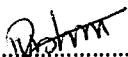
BALANCE SHEET - CONSOLIDATED

			2021	2020
	Note	£	£	£
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	
		<u>1,037,312</u>	<u>349,973</u>	
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		107,464	91,794	
Other creditors	19	278,058	212,841	
		<u>385,522</u>	<u>304,635</u>	
Net current assets			<u>651,790</u>	<u>45,338</u>
Total assets less current liabilities			<u>5,146,985</u>	<u>4,850,683</u>
Creditors: amounts falling due after more than one year	20		(314,041)	(368,234)
Net assets			<u>4,832,944</u>	<u>4,482,449</u>
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	<u>4,832,944</u>	<u>4,482,449</u>	

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 GHANAVI (Trustee)

Company No. 06002090 (England and Wales)

The notes on pages 28 to 44 form part of the financial statement

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

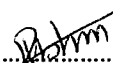
BALANCE SHEET - CHARITY ONLY

	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	
		<u>1,037,312</u>	<u>349,973</u>	
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		107,464	91,794	
Other creditors	19	<u>278,058</u>	<u>212,841</u>	
		385,522	304,635	
Net current assets			<u>651,790</u>	<u>45,338</u>
Total assets less current liabilities			<u>5,146,986</u>	<u>4,850,683</u>
Creditors: amounts falling due after more than one year	20		(314,041)	(368,234)
Net assets			<u><u>4,832,945</u></u>	<u><u>4,482,450</u></u>
The funds of the charity:				
Restricted Funds	22		3,530,666	3,689,325
Unrestricted funds:	21		<u>1,302,279</u>	<u>793,125</u>
Total charity funds	23		<u><u>4,832,945</u></u>	<u><u>4,482,450</u></u>

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 CHAZNANI (Trustee)

Company No. 06002090 (England and Wales)

The notes on pages 28 to 44 form part of the financial statement

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2021

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2021 £	2020 £
Net cash provided by operating activities	27	<u>622,440</u>	<u>44,897</u>
<i>Cash flows from investing activities:</i>			
Purchase of property plant and equipment		-	(42,025)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(42,025)</u>
<i>Cash flows from financing activities:</i>			
Repayments of borrowing		-	(51,719)
Net cash provided by (used in) financing activities		<u>-</u>	<u>(51,719)</u>
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	<u>806,944</u>	<u>184,504</u>

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 £
<i>Fundraising</i>	9,698	-	9,698	8,557
<i>Recurrent grants:</i>				
Arts Council of Wales	1,211,883	-	1,211,883	1,125,997
<i>Other grants:</i>				
Arts Council of Wales	31,003	517,488	548,491	48,427
Other	167,537	155,469	323,006	71,988
	<u>1,420,121</u>	<u>672,957</u>	<u>2,093,078</u>	<u>1,254,969</u>

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
	<u>91,442</u>	<u>-</u>	<u>91,442</u>	<u>564,699</u>

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
	<u>319</u>	<u>-</u>	<u>319</u>	<u>173,084</u>

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2021 £
Other income	28,105	-	28,105	103,163
	<u>28,105</u>	<u>-</u>	<u>28,105</u>	<u>103,163</u>

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fundraising activities	46,047	-	46,047	24,313
	<u>46,047</u>	<u>-</u>	<u>46,047</u>	<u>24,313</u>

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
	<u>47,084</u>	<u>192,012</u>
Other Front of House salaries and costs	13,499	20,845
Total bar and Front of House costs	<u>60,583</u>	<u>212,857</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Deprecia- tion £	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	32,805	13,815	5,061	17,972	69,653	104,230
Costs						
	<u>519,865</u>	<u>308,450</u>	<u>77,917</u>	<u>17,972</u>	<u>924,204</u>	<u>1,774,803</u>
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
	<u>192,202</u>	<u>407,181</u>	<u>232,232</u>	<u>-</u>	<u>831,615</u>	<u>370,552</u>
Total Charitable Activity Costs	<u>712,067</u>	<u>715,631</u>	<u>310,149</u>	<u>17,972</u>	<u>1,755,819</u>	<u>2,145,355</u>

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
	<u>17,971</u>	<u>-</u>	<u>17,971</u>	<u>18,216</u>

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
	<u>694,220</u>	<u>940,717</u>

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 No.	2020 No.
Average number of persons employed:		
Production staff (temporary)	2	20
Permanent staff	23	22
	<u>25</u>	<u>42</u>

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	<u>310,150</u>	<u>305,576</u>

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	<u>7,035,361</u>	<u>280,655</u>	<u>40,000</u>	<u>7,356,016</u>
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	<u>2,599,401</u>	<u>250,087</u>	<u>11,333</u>	<u>2,860,821</u>
Net book value At 31 March 2021	<u>4,435,960</u>	<u>30,568</u>	<u>28,667</u>	<u>4,495,195</u>
At 31 March 2020	<u>4,734,047</u>	<u>34,631</u>	<u>36,667</u>	<u>4,805,345</u>

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)
	<u>1</u>	<u>1</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

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
	<u>26,696</u>	<u>31,214</u>

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	-	-
	<u>203,672</u>	<u>203,672</u>	<u>134,255</u>	<u>134,255</u>

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
	<u>278,058</u>	<u>278,058</u>	<u>212,841</u>	<u>212,841</u>

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	<u>(1,554,901)</u>	<u>(1,459,615)</u>
Balance as at 31 March 2021	<u>52,238</u>	<u>124,941</u>

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	<u>314,041</u>	<u>314,041</u>	<u>368,234</u>	<u>368,234</u>
	<u>314,041</u>	<u>314,041</u>	<u>368,234</u>	<u>368,234</u>

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	<u>85,532</u>	<u>110,784</u>
	<u>368,234</u>	<u>368,234</u>

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	<u>77,916</u>	<u>(77,916)</u>	-
	<u>566,864</u>	<u>735,414</u>	<u>1,302,278</u>

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)	-
	<u>(20,205)</u>	<u>813,330</u>	<u>793,125</u>

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
	<u>3,623,780</u>	<u>-</u>	<u>(232,233)</u>	<u>3,391,547</u>
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)	-
	<u>65,544</u>	<u>672,957</u>	<u>(599,382)</u>	<u>139,119</u>
Total Restricted Funds	<u>3,689,324</u>	<u>672,957</u>	<u>(831,615)</u>	<u>3,530,666</u>

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 Manager 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
	<u>3,851,348</u>	<u>-</u>	<u>(227,568)</u>	<u>3,623,780</u>
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 Fairbairn	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
	<u>113,006</u>	<u>95,522</u>	<u>(142,984)</u>	<u>65,544</u>
Total Restricted Funds	<u>3,964,354</u>	<u>95,522</u>	<u>(370,552)</u>	<u>3,689,324</u>

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)
	<u>735,414</u>	<u>566,864</u>	<u>3,530,666</u>	<u>4,832,944</u>
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)
	<u>735,414</u>	<u>566,865</u>	<u>3,530,666</u>	<u>4,832,945</u>

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)
	<u>793,125</u>	<u>3,689,324</u>	<u>4,482,449</u>
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)
	<u>793,126</u>	<u>3,689,324</u>	<u>4,482,450</u>

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
	<u>50,529</u>	<u>36,842</u>

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)
<i>Adjustments for:</i>		
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	<u>622,440</u>	<u>44,897</u>
<u>Analysis of Cash and Cash Equivalents</u>		
Cash in hand	806,944	184,504
Total Cash and Cash Equivalents	<u>806,944</u>	<u>184,504</u>

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)
	<u>(183,730)</u>	<u>622,440</u>	<u>438,710</u>

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	<u>2,000,393</u>	<u>95,522</u>	<u>2,095,915</u>
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	<u>2,011,973</u>	<u>370,552</u>	<u>2,382,525</u>
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	<u>793,125</u>	<u>3,689,324</u>	<u>4,482,449</u>

