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SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2022

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SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2022

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

OBJECTIVES AND ACTIVITIES

OBJECTIVES

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

Our Mission:

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

Our Artistic Vision:

Based in the heart of Cardiff, Sherman Theatre is Wales' only Theatre of Sanctuary. Everyone is welcome here. We want as many people as possible to enjoy and take part in theatre, and we work hard to break down any barriers stopping that from happening. Our impact starts on our stages but continues way beyond, throughout Cardiff, Wales and the world. By empowering our communities to tell their stories we become a force for empathy, compassion and unity: change the story change the world.

We exist to offer the people of Cardiff enriching emotional experiences that deeply resonate. We work with a diverse range of Welsh and Wales based artists to tell stories that reach and represent a broad audience. Local stories with global resonance.

We are a centre for artistic excellence, creating bold, bilingual and exceptional contemporary theatre. Through our industry-leading outreach work, productions and artist development, we are helping to build a dynamic and resilient Welsh theatre sector.

Our work is full of heart, it's all about feeling and meaning for the people of Cardiff. We sit at the centre of this city, not just geographically but emotionally, artistically and as a community. We are our city, through and through. We are the heart of Cardiff.

PUBLIC BENEFIT

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

The company's strategic aims are:

- a. To establish a strong, distinct artistic identity
- b. To create a resilient, financially stable company capable of delivering the artistic vision
- c. To engage both loyal and new audiences with increased frequency of attendance
- d. To actively engage our communities in meaningful participatory relationships
- e. To generate opportunities for developing and nurturing the theatre-makers of the future
- f. To maintain a resilient, accountable and well-managed company with strong corporate governance
- g. To ensure that all staff understand the business aims and objectives and are empowered and motivated to assist the Company to achieve its Mission
- h. To develop and implement environmental policies and practices which result in environmental benefit and energy use reduction.

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

ONGOING IMPACT OF COVID-19

The impact of Covid-19 on the operations of Sherman Theatre has been significant. The company has been striving in recent years to stabilise its financial position and to reduce reliance on public subsidy by growing its income generating ability through increased box office, a well-functioning café bar facility, which, pre-Covid, was making a contribution to the running of the organisation, and by generating additional revenue through hiring spaces within the building. The enforced closure of the building throughout the entire year, 2020-21 followed by a tumultuous year of changing restrictions in 2021-22, has meant that conventional income-generating opportunities have been heavily compromised and for significant times, totally absent.

With the ongoing closure at the beginning of 2021-22, we continued to utilise our ACW portfolio funding, which supports the basic running costs of the building. For the costs not covered by this funding we employed the following measures towards sustainability:

- Successful applications to Cultural Recovery Fund 2 and 3.
- Diversified income generating opportunities, specifically through hire of spaces to RWCMD for teaching purposes.
- Working with current and prospective funders to renegotiate grant terms and secure project funding.

At the beginning of the pandemic, we did not know what the future was going to hold for us, with all income generating activities on hold, but with a building to keep maintained and a staff team to support, it was imperative that we put in place as many plans as possible to deal with the uncertainty that we faced. We had four key objectives during this time:

- to protect as many jobs as possible;
- to maintain meaningful engagement with our audiences and communities;
- to support freelance theatre makers;

- and to ensure the financial stability of the organisation.

In May 2021, Sherman Theatre was awarded £102,898 through the second round of Cultural Recovery Funding (administered by ACW). The application submitted was to allow investment in key areas until September 2021, ensuring the financial stability and recovery of the organisation beyond the funding period. This included: an Audience Research and Development project to reconnect with existing audiences and to identify and understand new audiences; preparations to safely re-open to the public; essential maintenance; investment in the Volunteer scheme to ensure a diverse team who reflect the communities of the Sherman; investment in training across the organisation; and an upgrade to connectivity and storage in order to futureproof the organisation.

Sherman Theatre was subsequently awarded a further £30,598 in January 2022 through the third and final round of Cultural Recovery Funding. This was to support the Sherman until February 2022. This funding covered several areas including: support to enable the full re-opening of the café bar following its enforced closure in December 2021; investment in essential maintenance of comms cabinet, to ensure the stable connectivity required to support remote working/operations; restructure of Front of House team; investment in hardware to support checking of Covid passes and remote working capabilities; box office consultancy; and additional cleaning costs.

In July 2021 Sherman Theatre received a grant of £35,000 from the Esmée Fairbairn Foundation from their Reinventing the Performing Arts strand of support funds. This funding allowed Sherman Theatre to implement a number of measures to guard against Covid interruptions throughout the Autumn and Christmas seasons, including: the costs of digital capture of the Autumn Season Radical Reinventions pieces, *A Christmas Carol*, and *The Elves and The Shoemaker / Y Coblynnod a'r Crydd*; the employment of an understudy to work across parts on *A Christmas Carol*; and financial support to enable the South East Wales tour of *The Elves and the Shoemaker / Y Coblynnod a'r Crydd*.

Our existing relationship with the Royal Welsh College of Music and Drama further developed throughout the pandemic and continued into 2021-22. The College had a requirement for space in order to continue in person teaching with their students within Covid guidelines. We were able to work with them to hire out some of our spaces from September 2020 through to September 2021 which, as well as strengthening the relationship that we have with the RWCMD, also earned us significant income during a period when we had not expected to be able to generate any revenue.

Despite having begun the year in a very difficult and uncertain situation, and having to cease all of our usual activities, operations and income generating activities, the prudent approach that was taken at the outset along with the ability to re-open our doors and invite audiences in once again, resulted in a more positive end of year financial position than expected.

Whilst the organisation faced immediate challenges in 2020-21, those challenges continued throughout 2021-22 and the Sherman is still within a recovery period at the same time as heading into the cost of living crisis. The Board and Executive team are therefore looking at long-term strategies to ensure a robust recovery model which will secure the future of the organisation. This includes, but is not limited to, exploration of new funding avenues, diversification of income streams, and scrutinising, and where possible reducing, costs.

ACHIEVEMENTS AND PERFORMANCE

The impact of COVID-19 on the operations of Sherman Theatre has continued through 2021-22. The building remained closed to the public until September 2021. During the early part of the year, whilst still closed, the Sherman created its first full-length production for digital broadcast, as well as taking some work outdoors across the summer. The building re-opened for live performances in September 2021 and progressed with the Autumn season under ever-changing restrictions, including the introduction of the Covid Pass, changing hospitality rules, and the alterations to social distancing.

Despite the challenges faced since March 2020, the organisation has focused on adapting the work to ensure new ways of delivering on the core purpose – to provide exciting theatre for audiences, to develop and nurture the work of Welsh and Wales based artists and to generate opportunities for the citizens of Cardiff to connect with theatre through relevant, inspiring and visionary engagement.

Through 2021-22 Sherman Theatre evolved and adapted its practices as the restrictions changed and began to lift, to:

- Entertain and engage our audiences
- Support and nurture Welsh and Wales-based artists
- Connect with our communities
- Develop our young people

The delivery methods for both produced and presented work, and all participation activity, moved through three phases across the course of 2021-22:

- **Digital** - having developed ways of producing and presenting work digitally in 2020-21, we embarked upon our first full production, broadcast digitally in May 2021. *The Merthyr Stigmatist* by Lisa Parry was created, rehearsed and filmed at the Sherman Theatre and then broadcast digitally to audiences on demand. Our co-production with RWCMD NEW Festival, *Terroir* by Jen Lunn and directed by Sara Lloyd, was also digitally broadcast. In addition, we co-presented work online by Theatr Genedlaethol Cymru and Torch Theatre.

All participation activities, including Youth Theatre, Introduction to Playwriting and Sherman Players, continued online throughout the spring and summer terms.

- **Outdoor** – we took our work outdoors in Summer 2021. Working in collaboration with Theatr Iolo and Cardiff Council, we presented *Claws / Crafangau* by Nia Morais on City Hall Lawns as part of Cardiff Council's Summer of Smiles Festival, as well as at Cardiff West Community High School.

We were able to provide outdoor participation activities for your young people across the summer, with two weeks of summer school activities.

- **In person** – in September 2021 we re-opened our doors to our audiences and participants. We presented work from visiting companies on our stages as well as a programme of Sherman produced work. The Creative Engagement team ensured a hybrid version of all participation programmes to allow people to choose how they engaged with us. Throughout September to March all activities were subject to ever-changing restrictions, including social distancing, the introduction of Covid passes and further lockdowns which made this period very uncertain.

We were hugely fortunate to receive Cultural Recovery Funding across the year which supported not only our survival through the pandemic, but also ensured that the organisation was post-pandemic ready. The funding supported the following activity, helping to sustain the organisation during extended building closure and to work towards the reinstatement of public performances and in-person activity.

Activity funded included, but was not limited to:

- Investment in a new website and ticketing system (launched in September 2021). This signifies a transformational new chapter in the digital life of the organisation and one which will enable us to achieve our organisational objectives to increase and diversify audiences over the next five to seven years. This new technology also marks a real step-change in our Fundraising and Development capacity underpinning a rigorous and robust new individual giving strategy, whilst also reducing our carbon footprint by optimising paperless communication with customers and audiences.
- Upgrading of technical equipment and production software (including visual, sound recording and editing equipment) to support the development and delivery of audio/digital provision, to extend our reach and ensure accessibility.
- Purchase of captioning equipment and upskilling of staff for in-house delivery, which will enable us to increase access provision for D/deaf audiences. Through the automation of our front door system, we have also been able to improve physical access to the building.
- Investment in screens for office spaces and meeting rooms which have supported a hybrid return to work by ensuring all staff and visitors to the building are protected.
- Investment in audience research and development, which consisted of an external research project and audience development campaign. This was designed to enable us to reconnect with our audiences, both existing and new, and help us to extend our reach by ensuring that we are meeting the needs and requirements of audiences and participants across all communities and backgrounds.
- Work to develop our Volunteer Scheme - after 18 months of closure we needed to re-engage with our existing volunteers and to support and welcome them back into the theatre building as we prepared for re-opening to the public.
- Creative engagement - purchase of equipment to facilitate the delivery of hybrid activities, facilitating a variety of activity including blended youth theatre sessions, virtual building tours and workshops for schools, colleges and community groups.
- Upgrade to connectivity and storage which included an upgrade to our leased line, data centre hosting, firewalls and VPN connectivity. Investment in this area will help to future proof the organisation to optimise the digital opportunities available to us, ensuring we can progress our commitment to embracing the advantages that can be achieved through the digital delivery of our work, enhancing digital engagement with audiences, and continuing to reduce the carbon footprint of the organisation through increased digital communications.

SHERMAN THEATRE PRODUCTIONS AND CO-PRODUCTIONS

We exist to provide our audiences with compelling theatre. With our doors closed in the early part of the year, the virtual world continued to be our stage. Collaboration was key to adapt from the digital stage, to an outdoor environment before we were finally able to return to live events in the theatre in September 2021.

The Merthyr Stigmatist

In April 2021, rehearsals began for the first full production for digital broadcast – *The Merthyr Stigmatist*. In co-production with Theatre Uncut, this play was originally intended to be on our stage in September 2020. The decision was taken to mount this as a full production, filmed by RED90 and broadcast on demand to audiences.

In April 2021 rehearsals began for the first full production that the Sherman team had made since closing in March 2020. This was a co-production with Theatre Uncut of *The Merthyr Stigmatist*, which had been shortlisted for the Theatre Uncut Political Playwriting Award in 2019 and was due to be produced in the Sherman Studio in Autumn 2020. It was important to demonstrate a commitment to the writer, Lisa Parry, and to present this to audiences, albeit through digital channels only. Abergavenny-based company RED90 captured the piece digitally and TicketCo supplied the piece on demand to audiences.

The Merthyr Stigmatist, featured Bethan McLean (in her professional debut) and Bethan Mary-James and was directed by Emma Callender, and was hugely well received by audiences and critics alike. On demand broadcast of a full theatre piece was a new venture for Sherman Theatre. A target of 500 views was set, with the actual number reaching 473.

"... theatrical magic from the valleys..."

A pair of piercing performances give real depth to Lisa Parry's smart two-hander about faith and community... deeply moving"

**** The Guardian

Terroir

Our collaboration with Royal Welsh College of Music and Drama's NEW Festival also went online during this time, with *Terroir* by Jen Lunn, directed by Sara Lloyd.

Crafangau / Claws

Across the summer months, we worked in collaboration with Theatr Iolo and Cardiff Council to present work outdoors. As part of Cardiff Council's Summer of Smiles, Theatr Iolo and Sherman Theatre presented a double bill of work for young people: Theatr Iolo presented *Hoof!* and Sherman Theatre presented *Claws / Crafangau* by Nia Morais. These presentations took place on Theatr Iolo's performance trailer, first on City Hall Lawns, and subsequently at Cardiff West Community High School.

Claws / Crafangau was originally created as part of the Heart of Cardiff audio series in Autumn 2020 and was further developed into a live performance, performed in Welsh and English by Mali Ann Rees for August 2021.

Back In Play Festival

Acknowledging the need to build audience confidence as we re-introduced them to live performances within our spaces, we created a festival of work which focused on:

- Creating a socially distanced, reduced capacity space
- Presenting short pieces of work and giving audiences the opportunity to see as much, or as little as they felt comfortable with

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- Building on the Sherman artistic endeavour of presenting familiar and classic titles, told through a new / different perspective
- Providing audiences with a fun and entertaining evening at the theatre
- Showcasing the work of our communities.

The Studio was turned into a cabaret style venue, with audiences being able to sit within their groups, of any size, in a socially distanced manner.

The festival consisted of three strands:

Radical Reinventions

Inspired by classic plays and books, Radical Reinventions was a collection of four short new plays. Radical Reinventions was specially created to reconnect audiences with the joy of live theatre. The plays were written by a fresh and distinctive line-up of emerging and established Welsh and Wales-based writers.

The Messenger

Written and performed by Seiriol Davies

Directed by Joe Murphy

Inspired by Romeo and Juliet by William Shakespeare.

Hamlet Is A F&£\$boi

Written and performed by Lowri Jenkins

Directed by Mared Swain

Inspired by William Shakespeare, and other plays

The Love Thief

Written and performed by Rahim El Habachi

Directed by Nerida Bradley

Inspired by Prometheus Bound by Aeschylus

Tilting at Windmills

Written and Directed by Hannah McPake

Performed by Mared Jarman

Inspired by Don Quixote by Miguel Cervantes

All of the Radical Reinventions pieces were digitally captured, thanks to funding from Esmée Fairbairn Foundation, and were subsequently broadcast on demand following the end of the Back In Play Festival.

Comedy Line-up

Across the Friday and Saturday evenings of the Festival, we hosted Comedy Club Nights with some of Wales' best comedians performing in Welsh and English.

Community Work

Showcasing community voices was a hugely important part of this programme and it was vital that it formed a core part of this festival:

Young Queens

We intended to present an evening of inspiring performances by Young Queens in association with Hayaat Women Trust. Through poetry and drama these young Welsh Somali writers and performers were going to share how they see the world and give their take on the complexities of friendship. The evening was also to include a short talk about the Cardiff Somalian community, offering an opportunity to get to better know one of the city's vibrant communities and the young people who are a vital part of it.

Unfortunately the event had to be cancelled due to Covid.

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Re:Play

Brand new short plays from emerging young playwrights, each Re:Playing a classic story. From oppressive regimes to darkened corridors, through the eyes of the invisible and those whose voices go unheard, the writers focus on the social injustices we face today in four companion pieces to Radical Reinventions. The writers were all participants from Sherman Theatre's Introduction to Playwriting programme.

Maryland

In a co-production with Jennifer Lunn, in November we presented Maryland written by Lucy Kirkwood and directed by Jennifer Lunn and Alice Eklund. Originally performed at the Royal Court theatre, this was an urgent response to the killings of Sabina Nessa and Sarah Everard.

The Elves and the Shoemaker / Coblynnod a'r Crydd

Having postponed the bilingual Studio Christmas show for ages 3-6 in 2020, it was important to be able to present this show in 2021 both at the Sherman and on tour. *The Elves and the Shoemaker / Y Coblynnod a'r Crydd* was written by Katherine Chandler, translated by Mererid Hopwood and directed by Sara Lloyd.

Funding was secured from Esmée Fairbairn Foundation through their Reinventing the Performing Arts programme, allowing us to subsidise the tour around South East Wales and support those venues who were in a position to present the work to their audiences.

Given the ongoing situation, the capacity of the shows both at the Sherman and on tour was reduced by one third in order to allow social distancing and thereby encourage audience confidence as they returned to live theatre, many for the first time since early 2020.

The return of this part of our programme was much anticipated and it had a hugely successful run at the Sherman. Sadly, due to the changes in restrictions at the end of December we were forced to close the run one week early.

Fortunately, we had been able to create a digital capture of the performance in both languages that we could provide to those audiences who had been disappointed by not being able to attend in person.

A Christmas Carol

Christmas returned to the Main Stage in the form of *A Christmas Carol*, by Gary Owen and directed by Joe Murphy.

All performances contained an element of social distancing, with seats being left between each booking, in addition there were specific socially distanced performances where the full 2m rule was implemented.

Audience confidence was strong and we saw better than expected audience numbers across both the schools performances and the public performances.

Despite the change in restrictions, we were able to continue with this production on the basis of 2m social distancing for all of the post-26 December performances. However, the run was cut short due to a case of Covid within the company.

Again we had been able to create a digital capture of the performance that we could provide to those audiences who had been disappointed by not being able to attend in person.

"A clever, Cardiffian spin on the Christmas classic. Panto tropes are happily pooh-poohed with a gender-swapped Scrooge and properly terrifying puppetry in Joe Murphy's triumphant Dickens redo... Hannah

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McPake storms it as Scrooge... this version brims with an irresistible festive charm, and looks absolutely gorgeous."

**** The Guardian

Dance to The Bone

In March 2022 we presented *Dance To The Bone* in a co-production between Ceriann Williams, NeonCandle and Sherman Theatre. This exciting piece of gig theatre was written by Eleanor Yates and Oliver Hoare and directed by Joe Murphy and Matthew Holmquist.

CURATED PROGRAMME

Across the year, alongside the work made at Sherman, we continued to programme work from visiting companies and artists, both digitally and in person.

In April 2021, Josie Long performed a live streamed gig to Sherman audiences who had been due to see her in person at the Sherman. This was a brilliant way of keeping some of our comedy audiences engaged with us and was a very well received event.

In May and June we supported the digital tours of Theatr Genedlaethol's *Pryd Mae'r Haf*, and Torch Theatre's *The Wood*.

As we returned to in-person performances in Autumn 2021 we were delighted to present *Anfamol* by Rhianon Boyle from Theatr Genedlaethol Cymru, and *Possible* by Sion Dale-Jones from National Theatre Wales. Both of these shows were sold at reduced capacity to enable social distancing as we tried to build confidence in audiences returning to live performance.

Activity picked up pace in early 2022 and we returned to full capacity Main House performances with *Mark Thomas, Flo & Joan, Jay Rayner*, and *La Voix*.

In February half-term we welcomed the return of Lyngo Theatre to our Studio Space with *Tom Thumb*.

In March we presented *Petula* from National Theatre Wales and Theatr Genedlaethol Cymru, as well as *The Marriage of Figaro* from Royal Welsh College of Music and Drama.

ARTIST DEVELOPMENT

The pilot year of the Sherman Theatre's Literary Department, supported by Arts Council Wales, began in August 2021.

This team is dedicated to identifying, nurturing and cultivating writers in both languages from grassroots to professional careers. Bringing together a programme of both new and existing initiatives and opportunities for Welsh and Wales-based writers, the project focuses on reaching underrepresented communities, nurturing creative talent and providing high-quality, professional creative development.

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

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

Since its launch in August 2021, the Literary Department has engaged, developed or supported an estimated 240 Welsh and Wales-based writers.

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The initial town hall meetings, designed as meet & greet sessions to introduce the project and to promote the available opportunities, received 158 sign ups, with 140 individuals attending four open access sessions with members of the team.

We received a total of 90 applications for the 16 places available across our flagship nine month writer development programme, which supported participants to develop an initial pitch idea for a play into a final draft. The programme was offered across two groups, one for writers working in the Welsh language - Cylch Sgwennu'r Sherman and one for writers working in English – Sherman Writers Group. These participant writers represented a diverse range of lived experience, and were from across Wales.

The Unheard Voices programme received 125 applications for 20 available places. The programme was open to Welsh and Wales-based writers with any level of experience aged 18+ who were one or several of the following:

- Women
- From Diverse Ethnic Communities
- LGBTQ+
- D/deaf or disabled

The programme offered the 20 writers the opportunity to develop their writing skills through a series of 12 masterclass sessions led by key theatre practitioners.

Pit Stop sessions - across the year the team held over 129 one-to-one sessions for Welsh and Wales-based writers to meet and discuss ideas, ask questions and seek advice on their writing. These sessions were available as face-to-face or online sessions with the overall intention of finding out what writers need, sharing opportunities and contacts, and making new connections.

Open script submission –152 scripts were received across two unsolicited submission periods in October and March. The open submission was an opportunity for writers to submit their work, with every single script receiving feedback from the Literary Team.

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

We can already see the impact that having a dedicated and experienced Literary Team has had on the wider organisation, with the integration of the work of the Literary and Creative Engagement departments providing a crucial element of Sherman's grassroots to creative and professional development pathway.

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

In February 2022, working with Pride Cymru, Glitter Cymru, and National Theatre Wales we presented a scratch night of six short plays by a collection of exciting LGBTQ+ writers and performers. *Out-rage-Us* was celebrated during LGBTQ+ History Month.

CREATIVE ENGAGEMENT & SHERMAN 5

In these challenging times it has been more vital than ever to stay connected. By picking up the phone, sending letters, emails and using digital media we have worked to keep in touch with and support our communities in advance of being able to welcome them back into the building from September onwards. Amidst all of the challenges, there have also been new opportunities allowing us to connect with new people.

Our work with our communities included:

Sherman 5: The continued work of Sherman 5 to engage people facing barriers, supported by the Paul Hamlyn Foundation, changed its focus through the pandemic to support and engage its members throughout the year. We have called members, ensured there is always someone available to call if they wish simply to have a chat, ensured regular communication and offered a programme of workshops and activities. And as soon as we were able to open our doors, we established a series of events to begin to re-connect with members in person.

Activity across the year included:

- *Theatre in a Box* home crafting activities for Easter holidays distributed to Sherman 5 families.
- Workshops with the One World Choir as part of Refugee Week in June, followed by three online sessions, rehearsals and a live recording. Sherman 5 worked in partnership with the One World Choir to deliver workshops with participating Asylum Seekers and Refugees to create a new song and short documentary film which were released in January 2022.
- Across the summer Sherman Theatre worked in partnership with Theatr Iolo and Cardiff Council, to stage a mini outdoor festival of performances for younger audiences, presenting both a Welsh language piece of new writing and showcasing work created by participants on our Introduction to Playwriting programme (for ages 15-18). The outdoor performances provided an ideal opportunity to engage with our local communities and resulted in the recruitment of new Sherman 5 members.
- In September 2021 a series of welcome back catch ups were held at the Sherman as a way to start reconnecting with members and partner organisations as we prepared to reopen the building to the public. These catch ups were part of our ongoing consultation with individuals and groups to try and ascertain what had changed for them during the pandemic and were a platform on which to start planning for future, more targeted engagement.
- We were able to reinstate our pre-show socials from December 2021, providing activities for members including participants from attending partner groups Oasis (sanctuary seekers) and AP Cymru (neurodiverse families) for performances of both our Christmas season productions, alongside visiting company productions.

Developing, engaging and connecting young people across Cardiff and South Wales is at the core of what we do. When the restrictions came into force we moved quickly to do this work online. Our projects evolved to respond to and meet the needs of young people throughout the crisis.

Throughout the year, our work with young people focused on:

- Continuing our commitment to developing young people into active and socially responsible citizens
- Delivering our existing programmes including Introduction to Playwriting and Youth Theatre online, and subsequently in a hybrid format

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- Tackling increased isolation experienced by young people, by ensuring they remain connected with each other
- Evolving projects in response to dialogue with young people and changes in restrictions
- Maintaining a participant-centred approach

The team has continued to deliver our regular and ongoing participatory sessions both online and later in the year in a hybrid format to ensure the widest participation. This activity has included, but has not been limited to:

- Weekly Sherman Theatre Youth Theatre and Sherman Sherbets sessions.
- Weekly Sherman Players sessions (our amateur company made up of community members aged 18 and above).
- A Sherman Youth Theatre production of David Judge's *Chat Back* in March 2022. This piece was commissioned by the National Theatre as one of their 10 new plays for the 2022 NT Connections Festival and this heralded the first live Sherman Youth Theatre production in 2 years.
- Building Tours: Our programme of tours of the theatre and a chat with our creative learning team about how we work and what we do moved online. The ability to deliver this live tour digitally opened up the opportunity to more schools and larger groups to experience this part of our engagement activity.
- Production related work for schools, including Education Resource Packs and workshops. Unfortunately, due to Covid, the ever-popular Adopt an Actor initiative at Christmas was unable to take place this year but will be re-introduced in 2022.
- Panel discussions: Post-show talks are led by a panel of experts who will discuss the themes of the production that the audience has just seen. Cardiff University often provide academics from different disciplines to participate in these discussions, which are becoming increasingly well-attended.

The Introduction to Playwriting Programme entered its third year through the hybrid delivery of workshops, and the creation of digital content by participants, with key highlights including:

- The creation of 13 audio dramas exploring topics including mental health, obsessions with online image and weight, as well as colourism (shared digitally to an invited audience).
- The delivery of play making/writing tutorials led by theatre-makers from across our wider creative community, including representation from different communities (for example, Trans community, diverse ethnic communities) and from writers at various stages in their careers.
- The creation of 11 monologues by participants, which were performed on-site at a local comprehensive school as part of Sherman Theatre's involvement in an outdoor summer festival programme (Listen Up!).
- Four of the participants leaving at the end of the year given the opportunity to write pieces to be performed during Sherman Theatre's main autumn 2021 season (Re:Play).

FINANCIAL REVIEW

These accounts cover the period from 1 April 2021 to 31 March 2022.

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

Restricted Fund projects:

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

- Paul Hamlyn Foundation for the Sherman 5 project
£317,000 over four years (2019 – 2022) from Paul Hamlyn Foundation More & Better fund to support the development of the Sherman 5 initiative

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

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

- **Arts Council of Wales (Cultural Recovery - 2)** – a grant of **£102,898** for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.
- **Arts Council of Wales (Cultural Recovery - 3)** – a grant of **£30,598** for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.
- **Arts Council of Wales (Housemates)** – a grant of **£14,528** to support the R&D phase of our co-creation with Hijinx Theatre Company, working with neuro-diverse actors.
- **Esmée Fairbairn Foundation - £35,000** received from the Reinventing the Performing arts strand of funding to support the Covid recovery.
- **Gibbs - £2,000** as match funding for the ACW grant for Housemates
- **Go Wales - £3,990** to support an apprentice placement within the Production Department for 12 weeks.
- **National Theatre Connections Festival 2022** – a contribution of **£3,250** towards the National Theatre Connections Festival hosted by Sherman Theatre.
- **Old Vic - £10,000** – match funding to support the work of the Literary Department.
- **Stage One Producers - £23,873** – support for a 12 month placement for a Stage One Regional Trainee Producer.

Unrestricted Income from Trading – predominantly from the commercial hiring/letting out of our auditorium and rehearsal spaces and our bar and café, amounted to £100,742.

Resources Expended:

Expenditure totalled £2,253,711 in the year. Staff levels remained at 23 (including 5 funded posts).

The Charity continues to hold a term loan with the Royal Bank of Scotland. Within the Balance Sheet given on page 25 and 26 the loan balance outstanding is split between creditor payments due within one year and creditor payments due after more than one year. Following the process to confirm the loan agreement under Section 124(2) of The Charities Act 2011 during the 2014-year and the consequent change to the rate of interest paid, the company is pleased to report the diminishing level of the total loan.

FUNDS:

We closed the year with an in-year operating deficit in unrestricted funds of £26,277.

INVESTMENT POWERS AND POLICY

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

Sherman Cymru Productions Ltd:

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

During this year, the company received £56,000 (2021: Nil (as due to Covid, no physical productions were created)) under the Theatre Production Tax Relief.

As at 31 March 2022 the charity was owed £56,000 from Sherman Cymru Productions Limited.

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

TANGIBLE FIXED ASSETS

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

RESERVES POLICY

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

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

At 31 March 2022 the charity had free reserves (excluding restricted funds and fixed assets) of £593,142 (2021: £566,864).

Transfers and Reserves:

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

Due to the circumstances, restrictions and mitigation put in place due to COVID-19 we find ourselves in the unprecedented position of having Unrestricted Free Reserves of £598,142 – historically we have ended the year in a negative position.

Allowing for the agreed setting aside of the £250k, for the historical Reserves Policy, would leave a balance of £343,142.

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

- Formal establishment and inclusion in the 2021-22 Report and Accounts of the £250k Reserves Policy.
- £15,587 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture

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- £100,000 Building Maintenance (*in formal recognition of the ever depreciating asset value*)
- £100,000 Potential future Business Disruption
- £52,555 for the activity surrounding the 50th Anniversary in 2023

KEY MANAGEMENT PERSONNEL

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

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

The Senior Management Team are:

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

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

Pension arrangements, annual leave terms, and all other contract terms are the same for all staff including the executive team. We do not operate a performance related pay scheme, nor do we have any bonus scheme. There are no incremental pay awards – although all company salaries are predicated on an agreed Salary Scale structure.

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

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

Annual Gross	Employer NI	Employer Pension	Total 2022	Total 2021
£260,750	£28,661	£6,863	£296,273	£237,866

No company pay increase was awarded for this financial year (2021: no increase awarded)

FUTURE PLANS

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

It is recognised that there is still a significant amount of uncertainty about the future, and in particular the next 12 months. Covid continues to impact upon our ability to operate and therefore plans for the next 12 to 18 months are being made to incorporate an element of flexibility and the need to be able to provide both live and digital experiences for our audiences.

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

The company's Risk Register is reviewed throughout the year, initially by the Finance Committee, who will then make recommendation to the Board of Trustees or the relevant committees.

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

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

Liability of members

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

APPOINTMENT OF TRUSTEES

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

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

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

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ORGANISATION

The charity is administered by the Board of Trustees, which can number up to 20 people, who meet on average every twelve weeks. At 31 March 2022, the Board had an Artistic Committee, a Business and Development Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 20.

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

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

The impact of the cessation of Cardiff Council's Annual Revenue Grant in April 2014 continued to significantly impact on major elements of the charity's work during 2021-22, particularly in regard to our Artistic and Literary work. The reduced staffing structure necessitated by these constrained financial circumstances continues to limit the output of the charity and impact on the workload for staff.

RELATED PARTIES

There was one related party transaction with Trustees during the year, Owen Thomas – Writer Fee £200, (2021: £750) (see Note 24).

Sherman Cymru commissioned productions of £368,160 (2021: £nil) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2022 the charity was owed £56,000 (2021: £nil) from Sherman Cymru Productions Limited. All transactions were at arm's length.

RISK ASSESSMENT

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

AUDITORS

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

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Graham Morgan	(Chair from 28 September 2020)
Marlies Hoecherl	(Vice Chair from 01 January 2019)
Nicholas Carlton	
Ceri Davis	
Llinos Daniel	
Rushna Ghaznavi	(Resigned 13 June 2022)
Rhian Head	(13 December 2021)
Iftakhar Khan	(25 January 2022)
David King MBE	(Appointed 13 September 2021)
Marta Minier	(Appointed 14 June 2021)
Gary Owen	(Appointed 19 June 2021)
Marc Simcox	
Huw Thomas	(Appointed 16 June 2021)
Owen Thomas	
Helen Vallis	

CHARITY SECRETARY

Julia Barry

REGISTERED OFFICE

Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS

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

AUDITORS

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

SENIOR STAFF

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

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

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

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

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

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

In so far as the trustees are aware:

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

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

Auditor

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

Disclosure of information to auditor

In so far as the trustees are aware:

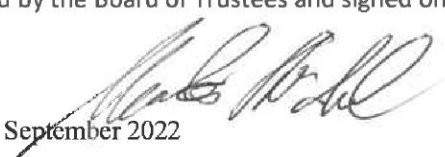
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware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

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

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

Trustee:

Date: 26 September 2022



Marlies Hoecherl

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

We have audited the financial statements of Sherman Cymru (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under [the Companies Act 2006 and report in accordance with this Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

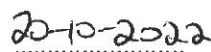
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Use of our report

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



Sarah Case FCA DChA
Senior Statutory Audit
Azets Audit Services
Chartered Accountants
Statutory Auditor


.....

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

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

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	3	1,173,661	302,137	1,475,798	2,093,078
Charitable activities	4	362,913	-	362,913	91,442
Other trading activities	5	52,341	-	52,341	319
Other	6	97,018	-	97,018	28,105
Total income and endowments		1,685,933	302,137	1,988,070	2,212,944
Expenditure on:					
Raising funds	7	43,529	-	43,529	46,047
Trading costs	8	110,132	-	110,132	60,583
Charitable activities	9	1,558,549	541,501	2,100,050	1,755,819
Total expenditure		1,712,210	541,501	2,253,711	1,862,449
Net movement in funds	12	(26,277)	(239,364)	(265,641)	350,495
Total funds brought forward	21,22	1,302,278	3,530,666	4,832,944	4,482,449
Total funds carried forward	22,23	1,276,001	3,291,302	4,567,303	4,832,944

The notes on pages 31 to 47 form part of the financial statement

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2022	2021
	£	£
Total income of continuing operations	1,988,070	2,212,944
Total expenditure of continuing operations	(2,253,711)	(1,862,449)
Net surplus/deficit for the period	<u>(265,641)</u>	<u>350,495</u>

There are no recognised gains and losses for the financial year other than the deficit on the income and expenditure account of -£26,277 after depreciation charges of £309,918

Total income comprises £1,685,933 for unrestricted funds and £302,137 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

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

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

The notes on pages 31 to 47 form part of the financial statement

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
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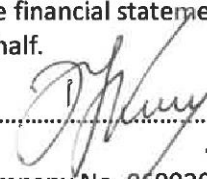
BALANCE SHEET - CONSOLIDATED

			2022	2021
	Note	£	£	£
Fixed assets				
Tangible assets	15		4,185,276	4,495,195
Current assets:				
Stocks	17	34,568		26,696
Debtors and prepayments	18	188,684		203,672
Cash at bank and in hand		731,113		806,944
		<u>954,365</u>		<u>1,037,312</u>
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		35,812		107,464
Other creditors	19	276,384		278,058
		<u>312,196</u>		<u>385,522</u>
Net current assets			<u>642,169</u>	<u>651,790</u>
Total assets less current liabilities			<u>4,827,445</u>	<u>5,146,985</u>
Creditors: amounts falling due after more than one year	20		(260,142)	(314,041)
Net assets			<u>4,567,303</u>	<u>4,832,944</u>
The funds of the charity:				
Restricted Funds	22		3,291,302	3,530,666
Unrestricted funds:	21		<u>1,276,001</u>	<u>1,302,278</u>
Total charity funds	23		<u>4,567,303</u>	<u>4,832,944</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 26/09/22 and signed on its behalf.



 Company No. 06002090 (England and Wales)

(Trustee)

DAVID KING, MBE

The notes on pages 31 to 47 form part of the financial statement

SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2022

BALANCE SHEET - CHARITY ONLY

	Note	£	2022 £	2021 £
Fixed assets:				
Tangible assets	15		4,185,276	4,495,195
Investments	16		1	1
Current assets:				
Stocks	17	34,568	26,696	
Debtors and prepayments	18	188,684	203,672	
Cash at bank and in hand		731,113	806,944	
		<u>954,365</u>	<u>1,037,312</u>	
Liabilities:				
Creditors: amounts falling due within one year				
Trade creditors		35,812	107,464	
Other creditors	19	276,384	278,058	
		<u>312,196</u>	<u>385,522</u>	
Net current assets			642,169	651,790
Total assets less current liabilities			<u>4,827,446</u>	<u>5,146,986</u>
Creditors: amounts falling due after more than one year	20		(260,142)	(314,041)
Net assets			<u>4,567,304</u>	<u>4,832,945</u>
The funds of the charity:				
Restricted Funds	22		3,291,302	3,530,666
Unrestricted funds:	21		1,276,002	1,302,279
Total charity funds	23		<u>4,567,304</u>	<u>4,832,945</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 26/09/22 and signed on its behalf.


.....

(Trustee)

DAVID KING MBE

Company No. 06002090 (England and Wales)

The notes on pages 31 to 47 form part of the financial statement

STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2022 £	2021 £
Net cash provided by operating activities	27	<u>(21,935)</u>	<u>622,440</u>
<i>Cash flows from investing activities:</i>			
Purchase of property plant and equipment		<u>-</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
<i>Cash flows from financing activities:</i>			
Repayments of borrowing		<u>(54,193)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(43,869)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(75,831)	622,440
Cash and cash equivalents at the beginning of the reporting period		806,944	184,504
Cash and cash equivalents at the end of the reporting period	27	<u>731,113</u>	<u>806,944</u>

The notes on pages 31 to 47 form part of the financial statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

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

Basis of Preparation

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

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

Rounding

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

Presentation of the accounts on a going concern basis

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Liabilities policy

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions

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

Group financial statements

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

The particular accounting policies adopted are described below.

Fund accounting

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

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

Investment income and gains are allocated to the appropriate fund.

Incoming resources

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

Tangible fixed assets

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

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

Basis of apportionment

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

Trading Costs

Bar and front house costs

Fundraising activities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks

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

Grants

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

Script commissions

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

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

Development income

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

Taxation

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fundraising	10,325	-	10,325	9,698
Recurrent grants:				
Arts Council of Wales	1,138,383	-	1,138,383	1,211,883
Other grants:				
Arts Council of Wales	-	148,024	148,024	548,491
Other	24,953	154,113	179,066	323,006
	<u>1,173,661</u>	<u>302,137</u>	<u>1,475,798</u>	<u>2,093,078</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Ticket sales:				
Sherman Cymru productions	117,187	-	117,187	6,107
In House Visiting Companies	50,898	-	50,898	200
Communities and Engagement	117	-	117	-
Touring:				
Sherman Cymru productions	7,100	-	7,100	-
Co-productions	61,917	-	61,917	-
Communities and Engagement:				
Participant fees	21,169	-	21,169	6,286
Project income	-	-	-	397
Hires	48,402	-	48,402	78,237
Publishing	123	-	123	215
HMRC Theatre Tax relief	56,000	-	56,000	-
	<u>362,913</u>	<u>-</u>	<u>362,913</u>	<u>91,442</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Bar and Front of House receipts	52,341	-	52,341	319
	<u>52,341</u>	<u>-</u>	<u>52,341</u>	<u>319</u>

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Other income	97,018	-	97,018	28,105
	<u>97,018</u>	<u>-</u>	<u>97,018</u>	<u>28,105</u>

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fundraising activities	43,529	-	43,529	46,047
	<u>43,529</u>	<u>-</u>	<u>43,529</u>	<u>46,047</u>

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2022 £	2021 £
Bar and front of house costs		
Bar and café salaries	51,070	31,660
Bar and café purchases	47,546	15,424
	<u>98,616</u>	<u>47,084</u>
Other Front of House salaries and costs	11,516	13,499
Total bar and Front of House costs	<u>110,132</u>	<u>60,583</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Deprecia- tion £	Governance £	Total 2022 £	Total 2021 £
Unrestricted						
Artistic	689,405	296,000	53,623	-	1,039,028	473,237
Marketing	137,112	112,339	10,957	-	260,408	202,076
Management & Administration	111,190	49,460	8,836	-	169,486	179,238
Support Costs	52,232	11,669	4,270	21,456	89,627	69,653
	<u>989,939</u>	<u>469,468</u>	<u>77,686</u>	<u>21,456</u>	<u>1,558,549</u>	<u>924,204</u>
Restricted						
Production & Performances	-	42,571	31,967	-	74,538	51,487
Marketing	-	4,564	3,427	-	7,991	2,099
Management & Administration	-	10,606	7,964	-	18,570	8,047
Support Costs	96,338	-	72,341	-	168,679	266,671
Other costs	-	155,189	116,534	-	271,723	503,311
	<u>96,338</u>	<u>212,930</u>	<u>232,233</u>	<u>-</u>	<u>541,501</u>	<u>831,615</u>
Total Charitable Activity Costs	<u>1,086,277</u>	<u>682,398</u>	<u>309,919</u>	<u>21,456</u>	<u>2,100,050</u>	<u>1,755,819</u>

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Audit	8,250	-	8,250	6,950
Legal	4,263	-	4,263	1,587
Salary	6,209	-	6,209	6,042
Support costs	2,734	-	2,734	3,392
	<u>21,456</u>	<u>-</u>	<u>21,456</u>	<u>17,971</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 (2021: One). Pension contributions were £1,950 (2021: £1,807).

	2022 £	2021 £
Employee costs during the year:		
Wages and salaries	668,289	621,797
Employer's National Insurance contributions	59,308	54,846
Employer's Pension contributions	21,891	17,577
	<u>749,488</u>	<u>694,220</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

	2022 No.	2021 No.
Average number of persons employed:		
Production staff (temporary)	6	2
Permanent staff	23	23
	<u>29</u>	<u>25</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 2022	Total 2021
£260,750	£28,661	£6,863	£296,274	£237,866

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

	2022 £	2021 £
Net incoming resources after charging:		
Auditors' remuneration	8,250	6,950
Depreciation	<u>309,918</u>	<u>310,150</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 2021	7,035,361	280,655	40,000	7,356,016
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	7,035,361	280,655	40,000	7,356,016
Accumulated depreciation				
at 1 April 2021	2,599,401	250,087	11,333	2,860,821
Charge for the year	298,087	3,832	8,000	309,919
Eliminated on disposal	-	-	-	-
At 31 March 2022	2,897,488	253,919	19,333	3,170,740
Net book value				
At 31 March 2022	4,137,873	26,736	20,667	4,185,276
At 31 March 2021	4,435,960	30,568	28,667	4,495,195

Long leasehold land and buildings with a carrying amount of £4,137,873 (2021: £4,435,960) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

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

A summary of the trading results is shown below.

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Summary profit and loss account:		
Income	368,160	-
Administrative expenses	(424,160)	(-)
Operating loss	(56,000)	(-)
HMRC Theatre Tax Relief	56,000	-
Result for the period	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Total assets	56,000	1
Amounts falling due within one year	(55,999)	(-)
	<u>1</u>	<u>1</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

17. STOCKS – GROUP AND CHARITY

	2022 £	2021 £
Bar and Front of House	9,910	3,605
Production	11,980	10,127
Publications	10,882	11,313
Other stocks	1,796	1,651
	<u>34,568</u>	<u>26,696</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Trade debtors	61,724	61,724	57,859	57,859
Other debtors	22,032	22,032	14,965	14,965
Taxation and Social Security	-	-	26,413	26,413
HMRC Theatre Tax Relief	56,000	-	-	-
Intercompany balance	-	56,000	-	-
Prepayments	44,153	44,153	47,596	47,596
Accrued Income	4,775	4,775	56,839	56,839
	188,684	188,684	203,672	203,672

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022	Charity 2022	Group 2021	Charity 2020
	£	£	£	£
Other creditors				
Taxation and Social Security	11,945	11,945	-	-
Deferred revenue income	74,387	74,387	52,238	52,238
General accruals	126,761	126,761	162,232	162,232
Bank Loan	53,896	53,896	54,193	54,193
Accruals for Redevelopment costs	9,395	9,395	9,395	9,395
	276,384	276,384	278,058	278,058

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

	Charity & Group 2022	2021
	£	£
Balance as at 1st April 2021	52,238	124,941
Income received in the year	1,354,984	1,482,198
Released to income	(1,332,835)	(1,554,901)
Balance as at 31 March 2022	74,387	52,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Bank Loan	<u>260,142</u>	<u>260,142</u>	<u>314,041</u>	<u>314,041</u>
	<u>260,142</u>	<u>260,142</u>	<u>314,041</u>	<u>314,041</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 2022 £	Total 2021 £
Within one year	53,896	54,193
Between 2 and 5 years	233,958	228,509
After 5 years	<u>26,184</u>	<u>85,532</u>
	<u>314,038</u>	<u>368,234</u>

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

	General funds £	Capital funds £	Total Funds 2022 £
Balances Brought Forward	566,864	735,414	1,302,278
Surplus/deficit for the year	(26,277)	-	(26,277)
Movement for the year	<u>52,555</u>	<u>(52,555)</u>	<u>-</u>
	<u>593,142</u>	<u>682,859</u>	<u>1,276,001</u>

Designated Funds

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

Designated Revenue Funds comprises:-

- £15,587 to underwrite the Christmas productions and any shortfalls in ticketing income
- £75,000 for Digital Capture
- £100,000 Building Maintenance (*in formal recognition of the ever depreciating asset value*)
- £100,000 Potential future Business Disruption
- £52,555 for the activity surrounding the 50th Anniversary in 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2021 £
Balances Brought Forward	(20,205)	813,330	793,125
Surplus for the year	509,153	-	509,153
Movement for the year	77,916	(77,916)	-
	<u>566,864</u>	<u>735,414</u>	<u>1,302,278</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 01/04/21 £	Incoming resources £	Expenditure £	Balance at 31/03/22 £
Capital				
Building Refurbishment and Redevelopment	3,310,162	-	(209,190)	3,100,972
Foyer Refurbishment	50,281	-	(15,043)	35,238
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	28,667	-	(8,000)	20,667
	<u>3,391,547</u>	<u>-</u>	<u>(232,233)</u>	<u>3,159,314</u>
Revenue funds				
Arts Council of Wales (Cultural Recovery 2)	-	102,898	(102,898)	-
Arts Council of Wales (Cultural Recovery 3)	-	30,598	(30,598)	-
Arts Council of Wales (Creative Pathways)	45,178	-	(26,584)	18,594
Arts Council of Wales (Housemates)	-	14,528	-	14,528
Ashley Foundation	3,500	-	(3,500)	-
Esmee Fairbairn (ITP)	30,086	-	(15,221)	14,865
Esmee Fairbairn (Covid Support)	3,370	35,000	(29,169)	9,201
Garrick Trust	750	-	(750)	-
Gibbs Trust	-	2,000	-	2,000
Go Wales	-	3,990	(3,023)	967
Innovate Trust	437	-	-	437
Legacy – A Kellaway	1,246	-	-	1,246
Lloyd Webber Foundation	5,046	-	(3,500)	1,546
National Theatre Connections Festival 2019	17	-	(17)	-
National Theatre Connections Festival 2020	1,669	-	(1,634)	35
National Theatre Connections Festival 2022	-	3,250	(251)	2,999
Old Vic	-	10,000	-	10,000
Paul Hamlyn Foundation 2019	46,796	76,000	(69,956)	52,840
Philip Carne	1,024	-	-	1,024
Stage One Producers	-	23,873	(22,167)	1,706
	<u>139,119</u>	<u>302,137</u>	<u>(309,268)</u>	<u>131,988</u>
Total Restricted Funds	<u>3,530,666</u>	<u>302,137</u>	<u>(541,501)</u>	<u>3,291,302</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Arts Council of Wales (Cultural Recovery - 2)

A grant for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2021 and beyond.

Arts Council of Wales (Cultural Recovery - 3)

A grant for arts organisations based in Wales who are trying to sustain themselves until they can resume publicly accessible activity in 2022 and beyond.

Arts Council of Wales (Creative Pathways – Literary Manager Pilot Programme)

Support for the Literary 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.

Arts Council of Wales (Housemate)

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

Ashley Foundation

A grant to support emerging artists to work on projects across the artistic programme.

Esmee Fairbairn - ITP

To support Year 3 of our new initiative, Introduction to Playwriting, to increase access to opportunity through a three-year plan to introduce students (aged 15 – 18) from low income backgrounds to playwriting.

Esmee Fairbairn – Covid Support

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

Garrick Trust

Support towards advancing the career of an emerging designer, through a project that will provide development opportunities for a talented designer, in the early stages of their career.

Gibbs Trust

Match funding for the ACW grant for Housemates

Innovate Trust

Support for an initiative to develop literacy, oracy and design skills through a playwriting project delivered with Glyncoed Primary School in Llanederyn, Cardiff and their entire year 6 cohort of 55 pupils.

Legacy – A Kellaway

A legacy donation to support the work of the Creative Engagement team.

Andrew Lloyd Webber Foundation

Grant support for three years to support the Sherman Theatre / RWCMD design graduate opportunity.

National Theatre

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Old Vic

Match funding to support the work of the Literary Department.

Paul Hamlyn Foundation

A More & Better grant to support the continuation and enhancement of the Sherman 5 initiative until 2022.

Philip Carne

Contribution towards the new Welsh Playwrights Programme and JMK/Sherman Directors Group.

Stage One Producers

Support for a 12 month placement for a Stage One Regional Trainee Producer.

Previous year

	Balance at 01/04/20 £	Incoming resources £	Expenditure £	Balance at 31/03/21 £
Capital				
Building Refurbishment and Redevelopment	3,519,352	-	(209,190)	3,310,162
Foyer Refurbishment	65,324	-	(15,043)	50,281
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	36,667	-	(8,000)	28,667
	<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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated Capital funds	General funds	Restricted funds	Total 2022
	£	£	£	£
Group				
Fixed assets	1,025,962	-	3,159,314	4,185,276
Net current (liabilities)/assets	(82,961)	593,142	131,988	642,169
Long Term liabilities	(260,142)	-	-	(260,142)
	<u>682,859</u>	<u>593,142</u>	<u>3,291,302</u>	<u>4,567,303</u>
Charity				
Fixed assets	1,025,962	-	3,159,314	4,185,276
Investments	-	1	-	1
Net current (liabilities)/assets	(82,961)	593,142	131,988	642,169
Long Term liabilities	(260,142)	-	-	(260,142)
	<u>682,859</u>	<u>593,143</u>	<u>3,291,302</u>	<u>4,567,304</u>

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted funds	Restricted funds	Total 2021
	£	£	£
Group			
Fixed assets	1,103,648	3,391,547	4,495,195
Net current assets	512,671	139,119	651,790
Long Term liabilities	(314,041)	-	(314,041)
	<u>1,302,278</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 assets	512,671	139,119	651,790
Long Term liabilities	(314,041)	-	(314,041)
	<u>1,302,279</u>	<u>3,530,666</u>	<u>4,832,945</u>

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

Sherman Cymru commissioned productions of £368,160 (2021: £nil) to Sherman Cymru Productions Ltd during the period.

As at 31 March 2021 the charity was owed £56,000 (2021: £nil) from Sherman Cymru Productions Limited. All transactions were at arm's length.

There was one related party transactions during the year, Owen Thomas - Writer Fee £200 (2021: £750)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASES – CHARITY ONLY

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

	2022 £	2021 £
Plant and equipment:		
Fall due within 1 year	30,277	20,888
Fall due within 2 – 5 years	26,133	29,641
	<u>56,410</u>	<u>50,529</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 £21,891 (2021: £17,577). The outstanding balance at the year end was nil (2021: nil).

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(265,641)	350,495
<i>Adjustments for:</i>		
Depreciation charges	309,919	310,150
(Increase)/decrease in stocks	(7,872)	4,518
(Increase)/decrease in debtors	14,988	(69,417)
Increase/(decrease) in creditors	(73,031)	26,694
Net cash provided by/(used in) operating activities	(21,637)	622,440
<u>Analysis of Cash and Cash Equivalents</u>		
Cash in hand	731,113	806,944
Total Cash and Cash Equivalents	<u>731,113</u>	<u>806,944</u>

Analysis of Net Debt:

	At 1 April 2021 £	Cashflows £	At 31 March 2021 £
Cash	809,944	(78,831)	731,113
Bank loans falling due within one year	(54,193)	(53,896)	(108,089)
Bank loans falling due after more than one year	(314,041)	53,896	(260,145)
	<u>441,710</u>	<u>(78,831)</u>	<u>362,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2021

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and endowments from:			
Donations and legacies	1,420,121	672,957	2,093,078
Charitable activities	91,442	-	91,442
Other trading activities	319	-	319
Other	28,105	-	28,105
Total income and endowments	1,539,987	672,957	2,212,944
Expenditure on:			
Raising funds	46,047	-	46,047
Trading costs	60,583	-	60,583
Charitable activities	924,204	831,615	1,755,819
Total expenditure	1,030,834	831,615	1,862,449
Net movement in funds	509,153	(158,658)	350,495
Reconciliation of Funds			
Total funds brought forward	793,125	3,689,324	4,482,449
Total funds carried forward	1,302,278	3,530,666	4,832,944