

Charity Registration Number: 1118364
Company Registration Number: 06002090

SHERMAN CYMRU

CONSOLIDATED TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2023

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SHERMAN CYMRU
Consolidated Trustees' Report and Group Financial Statements
Year ended 31 March 2023

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

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

OBJECTIVES AND ACTIVITIES

OBJECTIVES

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

Our Mission:

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

Our Artistic Vision:

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

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

PUBLIC BENEFIT

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

The company's strategic aims are:

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

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

ACHIEVEMENTS AND PERFORMANCE

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

SHERMAN THEATRE PRODUCTIONS AND CO-PRODUCTIONS

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

A Hero of the People by Brad Birch

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

"An important reimagining"

**** *The Stage*

RWCMD NEW: Jungle Green by Jacob Hodgkinson

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

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

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

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

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

Elen Benfelen / Goldilocks by Elgan Rhys

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

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

Tales of the Brothers Grimm by Hannah McPake

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

"A quality Christmas gift of a show."

****** *The Stage***

"A treat for all the senses"

******* *Get The Chance***

Romeo and Julie by Gary Owen

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

PRODUCTIONS SUPPORTED BY SHERMAN THEATRE

An Audience with Milly Liu by difficult|stage

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

Songs From Across The Sueniverse by Daf James and Ben Lewis

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

CURATED PROGRAMME

FAMILY WORK:

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

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

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

DANCE/PHYSICAL THEATRE:

National Dance Company Wales returned in April 2022 with one performance of *One Another*.

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

WELSH LANGUAGE WORK:

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

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

NEW WRITING:

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

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

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

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

OPERA:

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

MUSIC / COMEDY / CABARET:

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

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

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

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

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

COMMUNITY AND AMATEUR:

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

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

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

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

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

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

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

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

ARTIST DEVELOPMENT

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

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

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

This activity included:

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

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

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

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

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

CREATIVE ENGAGEMENT & SHERMAN 5

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

Our work with our communities included:

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

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

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

FINANCIAL REVIEW

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

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

Restricted Fund projects:

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

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

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

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

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

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

Resources Expended:

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

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

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FUNDS:

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

INVESTMENT POWERS AND POLICY

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

Sherman Cymru Productions Ltd:

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

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

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

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

TANGIBLE FIXED ASSETS

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

RESERVES POLICY

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

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

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

Transfers and Reserves:

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

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

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

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

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

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

KEY MANAGEMENT PERSONNEL

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

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

The Senior Management Team are:

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

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

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

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

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

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

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

FUTURE PLANS

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

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

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

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

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

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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, by all Committees, who each focus on a particular area and then make recommendation to the Board of Trustees.

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

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

Liability of members

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

APPOINTMENT OF TRUSTEES

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

INDUCTION AND TRAINING PROVIDED FOR NEW TRUSTEES

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

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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 2023, the Board had an Artistic Policy Committee, a Marketing and Fundraising Committee, a Finance Committee and an HR and Governance Committee. The membership of the Board of Trustees is set out on page 16.

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

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

RELATED PARTIES

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

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

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

RISK ASSESSMENT

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

AUDITORS

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

REFERENCE AND ADMINISTRATIVE DETAILS

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

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

CHARITY SECRETARY

Julia Barry

REGISTERED OFFICE

Sherman Theatre
Senghennydd Road
Cardiff
CF24 4YE

BANKERS

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

AUDITORS

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

SENIOR STAFF

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

RESPONSIBILITIES OF THE BOARD OF TRUSTEES'

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

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

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

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

In so far as the trustees are aware:

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

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

Auditor


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

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

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

Trustee:

Date: 25 September 2023



Ceri Davies

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SHERMAN CYMRU

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Use of our report

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

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

Azets Audit Services

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

20/11/23

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

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

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED

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

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT

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

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

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

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

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

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

SHERMAN CYMRU
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BALANCE SHEET - CONSOLIDATED

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

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

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

(Trustee)

David King MBE

Company No. 08002090 (England and Wales)

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

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BALANCE SHEET - CHARITY ONLY

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

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

(Trustee)

David King MBE

Company No. 06002890 (England and Wales)

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

STATEMENT OF CASH FLOWS - CONSOLIDATED

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

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

Basis of Preparation

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

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

Rounding

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

Presentation of the accounts on a going concern basis

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Liabilities policy

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Pensions

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

Group financial statements

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

The particular accounting policies adopted are described below.

Fund accounting

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

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

Investment income and gains are allocated to the appropriate fund.

Incoming resources

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

Tangible fixed assets

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

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

Basis of apportionment

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

Trading Costs

Bar and front house costs

Fundraising activities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (Continued)

Stocks

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

Grants

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

Script commissions

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

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

Development income

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

Taxation

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME FROM DONATIONS AND LEGACIES – GROUP AND CHARITY

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
<i>Fundraising</i>	10,578	-	10,578	10,325
<i>Recurrent grants:</i>				
Arts Council of Wales	1,167,014	-	1,167,014	1,138,383
<i>Other grants:</i>				
Arts Council of Wales	-	153,593	153,593	148,024
Other	-	154,393	154,393	179,066
	<u>1,177,592</u>	<u>307,986</u>	<u>1,485,578</u>	<u>1,475,798</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Ticket sales:				
Sherman Cymru productions	160,708	-	160,708	117,187
In House Visiting Companies	259,130	-	259,130	50,898
Communities and Engagement	7,252	-	7,252	117
Touring:				
Sherman Cymru productions	12,750	-	12,750	7,100
Co-productions	-	-	-	61,917
Communities and Engagement:				
Participant fees	35,735	-	35,735	21,169
Project income	-	-	-	-
Development & New Writing	471	-	471	
Hires	13,915	-	13,915	48,402
Publishing	1,574	-	1,574	123
HMRC Theatre Tax relief	132,436	-	132,436	56,000
	<u>623,971</u>	<u>-</u>	<u>623,971</u>	<u>362,913</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Bar and Front of House receipts	<u>141,700</u>	<u>-</u>	<u>141,700</u>	<u>52,341</u>
	<u>141,700</u>	<u>-</u>	<u>141,700</u>	<u>52,341</u>

6. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Other income	<u>160,891</u>	<u>-</u>	<u>160,891</u>	<u>97,018</u>
	<u>160,891</u>	<u>-</u>	<u>160,891</u>	<u>97,018</u>

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fundraising activities	<u>49,323</u>	<u>-</u>	<u>49,323</u>	<u>43,529</u>
	<u>49,323</u>	<u>-</u>	<u>49,323</u>	<u>43,529</u>

8. EXPENDITURE ON TRADING COSTS – GROUP AND CHARITY

	2023 £	2022 £
Bar and front of house costs		
Bar and café salaries	103,864	51,070
Bar and café purchases	<u>86,973</u>	<u>47,546</u>
	<u>190,837</u>	<u>98,616</u>
Other Front of House salaries and costs	<u>24,563</u>	<u>11,516</u>
Total bar and Front of House costs	<u>215,400</u>	<u>110,132</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EXPENDITURE ON CHARITABLE ACTIVITIES – GROUP AND CHARITY

	Staff costs £	Other costs £	Deprecia- tion £	Governance £	Total 2023 £	Total 2022 £
Unrestricted						
Artistic	743,223	474,999	51,574	-	1,269,796	1,039,028
Marketing	186,234	168,592	13,251	-	368,077	260,408
Management & Administration	110,152	60,856	7,905	-	178,913	169,486
Support						
Costs	62,079	14,584	4,564	23,417	104,644	89,627
	<u>1,101,688</u>	<u>719,031</u>	<u>77,294</u>	<u>23,417</u>	<u>1,921,430</u>	<u>1,558,549</u>
Restricted						
Production & Performances	-	42,478	50,919	-	93,397	74,538
Marketing	-	5,250	6,293	-	11,543	7,991
Management & Administration	-	755	905	-	1,660	18,570
Support Costs	108,785	2,642	133,567	-	244,994	168,679
Other costs	-	33,410	40,049	-	73,459	271,723
	<u>108,785</u>	<u>84,535</u>	<u>231,733</u>	<u>-</u>	<u>425,053</u>	<u>541,501</u>
Total Charitable Activity Costs	<u>1,210,473</u>	<u>803,566</u>	<u>309,027</u>	<u>23,417</u>	<u>2,346,483</u>	<u>2,100,050</u>

Included in governance costs above are the following governance costs:

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Audit	13,325	-	13,325	8,250
Legal	630	-	630	4,263
Salary	6,858	-	6,858	6,209
Support costs	2,604	-	2,604	2,734
	<u>23,417</u>	<u>-</u>	<u>23,417</u>	<u>21,456</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 (2023: £nil). Two members of the Executive and Senior Management team received remuneration within the £60,000 - £69,999 bracket (2022: One). Pension contributions were £3,807 (2022: £1,905).

	2023 £	2022 £
Employee costs during the year:		
Wages and salaries	874,841	668,289
Employer's National Insurance contributions	77,803	59,308
Employer's Pension contributions	20,233	21,891
	<u>972,877</u>	<u>749,488</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

	2023 No.	2022 No.
Average number of persons employed:		
Production staff (temporary)	14	6
Permanent staff	24	23
	<u>38</u>	<u>29</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 2023	Total 2022
£306,456	£35,464	£7,904	£349,824	£296,274

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

	2023 £	2022 £
Net incoming resources after charging:		
Auditors' remuneration	13,325	8,250
Depreciation	<u>309,027</u>	<u>309,918</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 in accordance with section 478-489 of the Corporation Tax 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

14. CALLED UP SHARE CAPITAL – CHARITY ONLY

The company is limited by guarantee. All members of Sherman Cymru have guaranteed to contribute, in the event of winding-up, an amount not exceeding £1 each. There were 15 members (2022: 15 members) at 31 March 2023.

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Long Leasehold Property Improvements £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or valuation				
at 1 April 2022	7,035,361	280,655	40,000	7,356,016
Additions	-	396	-	396
Disposals	-	-	-	-
At 31 March 2023	<u>7,035,361</u>	<u>281,051</u>	<u>40,000</u>	<u>7,356,412</u>
Accumulated depreciation				
at 1 April 2022	2,897,488	253,919	19,333	3,170,740
Charge for the year	297,389	3,638	8,000	309,027
Eliminated on disposal	-	-	-	-
At 31 March 2023	<u>3,194,877</u>	<u>257,557</u>	<u>27,333</u>	<u>3,479,767</u>
Net book value				
At 31 March 2023	<u>3,840,484</u>	<u>23,494</u>	<u>12,667</u>	<u>3,876,645</u>
At 31 March 2022	<u>4,137,873</u>	<u>26,736</u>	<u>20,667</u>	<u>4,185,276</u>

Long leasehold land and buildings with a carrying amount of £3,840,484 (2022: £4,137,873) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS – CHARITY ONLY

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

A summary of the trading results is shown below.

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Summary profit and loss account:		
Income	347,880	368,160
Administrative expenses	(480,316)	(424,160)
Operating loss	(132,436)	(56,000)
HMRC Theatre Tax Relief	132,436	56,000
Result for the period	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Total assets	132,436	56,000
Amounts falling due within one year	(132,435)	(55,999)
	<u>1</u>	<u>1</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

17. STOCKS – GROUP AND CHARITY

	2023 £	2022 £
Bar and Front of House	9,463	9,910
Production	10,915	11,980
Publications	11,914	10,882
Other stocks	968	1,796
	<u>33,260</u>	<u>34,568</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. DEBTORS

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade debtors	37,772	37,772	61,724	61,724
Other debtors	45,820	45,820	22,032	22,032
Taxation and Social Security	-	-	-	-
HMRC Theatre Tax Relief	132,436	-	56,000	-
Intercompany balance	-	132,436	-	56,000
Prepayments	64,491	64,491	44,153	44,153
Accrued Income	-	-	4,775	4,775
	280,519	280,519	188,684	188,684

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Other creditors				
Taxation and Social Security	28,528	28,528	11,945	11,945
Deferred revenue income	136,066	136,066	74,387	74,387
General accruals	68,609	68,609	126,761	126,761
Bank Loan	52,485	52,485	53,896	53,896
Accruals for Redevelopment costs	8,225	8,225	9,395	9,395
	293,913	293,913	276,384	276,384

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

	Charity & Group 2023 £	2022 £
Balance as at 1st April 2022	74,387	52,238
Income received in the year	1,771,933	1,354,984
Released to income	(1,710,254)	(1,332,835)
Balance as at 31 March 2023	136,066	74,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Bank Loan	<u>208,599</u>	<u>208,599</u>	<u>260,142</u>	<u>260,142</u>
	<u>208,599</u>	<u>208,599</u>	<u>260,142</u>	<u>260,142</u>

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

Repayable by instalments

	Total 2023 £	Total 2022 £
Within one year	52,485	53,896
Between 2 and 5 years	208,599	233,958
After 5 years	-	26,184
	<u>261,084</u>	<u>314,038</u>

21. UNRESTRICTED FUNDS – GROUP AND CHARITY

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

Designated Funds

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

Designated Revenue Funds comprises:-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Previous year

	General funds £	Capital funds £	Total Funds 2022 £
Balances Brought Forward	566,864	735,414	1,302,278
Surplus for the year	(26,277)	-	(26,277)
Movement for the year	52,555	(52,555)	-
	<u>593,142</u>	<u>682,859</u>	<u>1,276,001</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 01/04/22 £	Incoming resources £	Expenditure £	Balance at 31/03/23 £
Capital				
Building Refurbishment and Redevelopment	3,100,972	-	(209,190)	2,891,782
Foyer Refurbishment	35,238	-	(14,543)	20,695
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	20,667	-	(8,000)	12,667
	<u>3,159,314</u>	<u>-</u>	<u>(231,733)</u>	<u>2,927,581</u>
Revenue funds				
Arts Council of Wales (Creative Pathways)	18,594	3,020	(17,597)	4,017
Arts Council of Wales (Creative Pathways)	-	44,742	(17,826)	26,916
Arts Council of Wales (Housemates)	14,528	15,075	(10,417)	19,186
Arts Council Wales (RAMPS)	-	90,756	(6,770)	83,986
Darkley Trust	-	2,500	(2,500)	-
D'Oyly Carte	-	4,500	(50)	4,450
Esmee Fairbairn (ITP)	14,865	-	(14,865)	-
Esmee Fairbairn (Covid Support)	9,201	-	(4,668)	4,533
Fenton Arts Trust	-	3,000	(2,720)	280
Gibbs Trust	2,000	-	-	2,000
Go Wales	967	-	-	967
Innovate Trust	437	-	(430)	7
Hodge Foundation	-	5,000	(2,642)	2,358
Legacy – A Kellaway	1,246	-	-	1,246
Lloyd Webber Foundation	1,546	-	(1,546)	-
Moondance Foundation	-	40,170	(5,577)	34,593
National Heritage	-	27,804	-	27,804
National Theatre Connections Festival 2020	35	-	(35)	-
National Theatre Connections Festival 2022	2,999	-	(2,999)	-
Old Vic	10,000	-	(6,329)	3,671
Paul Hamlyn Foundation 2019	52,840	71,419	(93,619)	30,640
Philip Carne	1,024	-	(1,024)	-
Stage One Producers	1,706	-	(1,706)	-
	<u>131,988</u>	<u>307,986</u>	<u>(193,320)</u>	<u>246,654</u>
Total Restricted Funds	<u>3,291,302</u>	<u>307,986</u>	<u>(425,053)</u>	<u>3,174,235</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

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

Support for the Literary 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 (Creative Pathways)

Support for Year 2 of the Literary Programme responding to a gap in Wales' theatre ecology, laying foundations for a permanent Literary Department to create world-class, bi-lingual new writing for Cardiff, Wales, and everyone.

Arts Council of Wales (Housemates)

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

Arts Council of Wales (RAMPS)

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

Ashley Foundation

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

Darkley Trust

Support of Associate Director on Main Stage Christmas production 2022.

D'Oyly Carte

A grant to contribute towards the costs of the Sherman Youth Theatre Festival 2023.

Esmee Fairbairn - ITP

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

Esmee Fairbairn – Covid Support

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

Fenton Arts Trust

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

Garrick Trust

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

Gibbs Trust

Match funding for the ACW grant for Housemates

Go Wales

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Innovate Trust

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

Hodge Foundation

A grant to support the Christmas Schools Appeal in 2022.

Legacy – A Kellaway

A legacy donation to support the work of the Creative Engagement team utilized on Youth Theatre Festival 2023.

Andrew Lloyd Webber Foundation

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

Moondance Foundation

Year 1 of a three year grant to support Introduction to Playwriting, to increase access to opportunity through a three-year plan to introduce students (aged 15 – 18) from low income backgrounds to playwriting.

National Lottery Heritage Fund

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

National Theatre

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

Old Vic

Match funding to support the work of the Literary Department.

Paul Hamlyn Foundation

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

Philip Carne

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

Stage One Producers

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. RESTRICTED FUNDS GROUP AND CHARITY (continued)

Previous year

	Balance at 01/04/21 £	Incoming resources £	Expenditure £	Balance at 31/03/22 £
Capital				
Building Refurbishment and Redevelopment	3,310,162	-	(209,190)	3,100,972
Foyer Refurbishment	50,281	-	(15,043)	35,238
Arts Council of Wales – Public Art	2,437	-	-	2,437
Foyle Foundation/Garrick Trust-Transit Van	28,667	-	(8,000)	20,667
	<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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			
	Designated		Restricted	Total
	Capital	General	funds	2023
	funds	funds	funds	£
	£	£	£	£
Group				
Fixed assets	949,064	-	2,927,581	3,876,645
Net current (liabilities)/assets	(134,900)	588,438	246,654	700,192
Long Term liabilities	(208,599)	-	-	(208,599)
	<u>605,565</u>	<u>588,438</u>	<u>3,174,235</u>	<u>4,368,238</u>
Charity				
Fixed assets	949,064	-	2,927,581	3,876,645
Investments	-	1	-	1
Net current (liabilities)/assets	(134,900)	588,438	246,654	700,192
Long Term liabilities	(208,599)	-	-	(208,599)
	<u>605,565</u>	<u>588,439</u>	<u>3,174,235</u>	<u>4,368,239</u>

See notes 21 and 22 for a breakdown of funds.

Previous year

	Unrestricted	Restricted	Total
	funds	funds	2022
	£	£	£
Group			
Fixed assets	1,025,962	3,159,314	4,185,276
Net current assets	510,181	131,988	642,169
Long Term liabilities	(260,142)	-	(260,142)
	<u>1,276,001</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 assets	510,181	131,988	642,169
Long Term liabilities	(260,142)	-	(260,142)
	<u>1,276,002</u>	<u>3,291,302</u>	<u>4,597,304</u>

24. RELATED PARTY TRANSACTIONS – CHARITY ONLY

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

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

There was one related party transactions during the year, Owen Thomas - Writer Fee £250 (2022: £200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. OPERATING LEASES – CHARITY ONLY

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

	2023 £	2022 £
Plant and equipment:		
Fall due within 1 year	14,989	30,277
Fall due within 2 – 5 years	4,716	26,133
	<u>19,705</u>	<u>56,410</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 £20,233 (2022: £21,891). The outstanding balance at the year-end was £4,348 (2022: nil).

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

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(199,064)	(265,641)
<i>Adjustments for:</i>		
Depreciation charges	309,027	309,919
(Increase)/decrease in stocks	1,308	(7,872)
(Increase)/decrease in debtors	(91,835)	14,988
Increase/(decrease) in creditors	(53,320)	(73,031)
Net cash provided by/(used in) operating activities	<u>(33,884)</u>	<u>(21,637)</u>

Analysis of Cash and Cash Equivalents

Cash in hand	744,666	731,113
Total Cash and Cash Equivalents	<u>744,666</u>	<u>731,113</u>

Analysis of Net Debt:

	At 1 April 2022 £	Cashflows £	At 31 March 2023 £
Cash	731,113	13,553	744,666
Bank loans falling due within one year	(53,896)	(52,485)	(106,381)
Bank loans falling due after more than one year	(261,084)	52,485	(208,599)
	<u>416,133</u>	<u>13,553</u>	<u>429,686</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2022

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income and endowments from:			
Donations and legacies	1,173,661	302,137	1,475,798
Charitable activities	362,913	-	362,913
Other trading activities	52,341	-	52,341
Other	97,018	-	97,018
<i>Total income and endowments</i>	<u>1,685,933</u>	<u>302,137</u>	<u>1,988,070</u>
Expenditure on:			
Raising funds	43,529	-	43,529
Trading costs	110,132	-	110,132
Charitable activities	1,558,549	541,501	2,100,050
<i>Total expenditure</i>	<u>1,712,210</u>	<u>541,501</u>	<u>2,253,711</u>
<i>Net movement in funds</i>	(26,277)	(239,364)	(265,641)
Reconciliation of Funds			
Total funds brought forward	<u>1,302,278</u>	<u>3,530,666</u>	<u>4,832,944</u>
<i>Total funds carried forward</i>	<u>1,276,001</u>	<u>3,291,302</u>	<u>4,5687,303</u>

