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REGISTERED CHARITY NUMBER: 1127952

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2021
FOR**

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

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**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

FINANCIAL HIGHLIGHTS

The most notable event of 2020/21, that impacted the company's finances, was obviously the COVID-19 pandemic and the restrictions on activity that went with it. The remainder of this report provides detailed information, across various sections, of the ways in which the company's activities, and its finances, were impacted. Productions were deferred and, in some cases, eventually reimaged. Turnover was down some £261k on the previous year, reflecting a situation where production income was almost £230k down on original budgets due to the deferment of shows, whilst fundraising income and theatre tax relief credits were also down on what had at one time been expected. Some additional funding was obtained and overhead cost savings made. Some staff appointments were delayed. Financial and other support was provided to the freelance community and the wider theatrical sector.

The period since the original lockdown, and introduction of social distancing restrictions, in March 2020, has undoubtedly been the most challenging that anyone in the sector currently has experienced. Aside from the direct financial consequences, it has forced everyone, National Theatre Wales (NTW) included, to rethink the way they do things and how they go about their business and encouraged innovative thought.

The closure of NTW's office, since March 2020, has challenged its processes, procedures and systems. Remote working has become the norm, hybrid working is likely to become commonplace. The company's investment, over many years, in a digital and flexible way of doing business has enabled it to successfully withstand the challenges. It is encouraging that, when severely tested, they have proved their worth.

The period of the pandemic has also provided financial challenges. That the company has also successfully met these challenges has confirmed the efficacy of its business model and the robustness of its financial management practices.

A word of gratitude is also due to the company's funders, who have remained steadfast, yet flexible, throughout the period in question. In particular, the commitment of Arts Council of Wales (ACW), NTW's main funder, in maintaining its core funding commitment, is much appreciated and has been a key component of being able to meet the challenges.

In spite of the challenges of the pandemic, excellent financial management continues to ensure that budgets are adhered to. This has allowed the company to invest some £93k of 'free' reserves and £47k of designated reserves in support of its activities in 2020/21, whilst still enabling a 'free' reserves balance of some £252k to be carried forward and a further £514k to be designated for reinvestment in 2021/22 and beyond.

The company's budgets for 2021/22 allow for the use of approximately £93k of 'free' reserves during the year, taking the projected value of such reserves at 31 March 2022 to some £159,000, in line with the operational limits set out in its Reserves Policy. Alongside these the budgets also allow for the use of some £458k of designated reserves, for the specific purposes for which they have been set aside.

NTW generated income of some £421k from sources other than its ACW core grant, a decrease of some £279k or 40% on the level achieved in the previous year - evidencing the impact of the pandemic on income generation. In pursuit of the company's ambitions to further diversify its income generation, this represented a proportion of 21% of total income (compared to 30% previously).

The company continues to apply the majority of its expenditure directly on its creative and artistic activities. In 2020/21, this amounted to some £1,219m or some 73% of its total expenditure.

Theatre Tax Relief (TTR) credits of some £47k were generated in the year. This takes the total income generated from this source over the past seven years to some £784k, all of which is reinvested in current and future productions.

The 2021/22 financial year is scheduled to see a return to a full year of production activity - initially in a filmic form and then via a return to live performance. It also sees the beginning of the company's involvement in the 'Galwad' project, as part of the 'Unboxed' festival - a project that attracts some £5m of funding over the period to December 2022. In an important post balance sheet date development, the UK Government has also announced an increase in rates of TTR credits - doubling with effect from October 2021 until March 2023, before tapering back to previous levels by April 2024. Taken together, these factors are expected to contribute to a positive impact on the company's financial performance measures.

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OBJECTIVES AND ACTIVITIES

Objectives and core values

National Theatre Wales (NTW) was created in 2008 with the overall goal of developing and enriching English language theatre in Wales, and in doing so promote and assist in the advancement of the education of the public so far as this shall be charitable. Conceived as a flexible, non-building based organisation, the company was set up with the following key aims:

- Offer radical and imaginative theatre choices both in the selection of plays and in production styles
- Connect with Welsh audiences and make world-class theatre more accessible, especially to those who do not currently attend mainstream theatre.
- Introduce more and varied directorial voices.
- Facilitate a spirit of collaboration and coordination.
- Create or broker relationships between playwrights, directors, companies and theatres.
- Drive up quality and excellence.
- Raise the international profile of the best work being created in Wales.
- Focus on the identification and nurturing of talent.
- Reflect and comment upon the culture and society of Wales, past and present.

Since our inception in 2009, NTW has presented almost a hundred powerful productions that are nationally significant, ranging from the intimate to the epic. We have created work of lasting impact and global reputation, garnering critical acclaim for notable works such as *The Passion* (2011), *Coriolanus* (2012), *Mametz* (2014), *The Insatiable*, *Inflatable Candyland* (2015), *City of the Unexpected* (2016), *We're Still Here* (2017) and most recently *On Bear Ridge* (2019).

We have established National Theatre Wales as a radical and innovative national company with a reputation for:

- Creating exciting new productions in unexpected places on a wide range of scales.
- Bringing dynamic combinations of artists together to challenge and inspire each other.
- Pioneering online initiatives grounded in a user-led digital community.
- Supporting and encouraging artists at a variety of stages in their development, open to emerging artists and new voices.
- Networking UK wide and internationally to achieve a new level of critical and artistic awareness for theatre in and from Wales.
- Expanding definitions of what theatre is and of what a national theatre can be.
- Being a truly national theatre: relevant, accessible and embedded in communities.

We continue to focus on the creation of new Welsh work of the highest quality, playing to our strengths in staging site-located, multi-disciplinary productions that take place across Wales and online in addition to theatre-based work.

Our impact

In our first decade, we engaged with 314,000 live audiences and over 2.5m through online and television broadcasting engagements, as well as almost 60,000 community participants. We have helped to foster an ambitious theatre culture in Wales and helped to catalyse theatrical activities in Wales beyond our own output.

An impact review by Wavehill demonstrates that NTW has made a significant positive impact on:

- Communities in which it has staged productions.
"*...taking high-quality theatre across the country and into some of the most deprived parts of Wales. There is also some evidence of sustained participation in areas wherein ... NTW has worked closely with local communities to reflect their stories and identities in theatre*".
- The Welsh economy.
"*...including on those communities in which productions have been staged. NTW has also had an impact in drawing over £2.1m into Wales from external sources, including prestigious and unprecedented support from Esmée Fairbairn and Paul Hamlyn Foundation funding. Along with the rest of the creative industries cluster, NTW has had a positive impact in promoting Wales throughout the UK and beyond*".
- The theatre sector in Wales
"*... with its best work gaining recognition as being of the absolute highest quality. It has helped to develop theatre practitioners who have gone on to success elsewhere, both within the UK and internationally contributed to the development of a strong theatrical community in Wales, sparking innovation and collaboration beyond the work that it directly stages*".

Our previous Strategic Plan covered the period 2016-2019 and aimed to build on the strength of the work we had undertaken to date, whilst articulating our offer to artists, audiences and the nation of Wales clearly and transparently and setting the direction for our future development.

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Objectives and core values

We completed the development of a new Strategic Plan, covering the five-year period from 2020 to 2025. In developing the Plan, the company engaged upon a wide-ranging consultation exercise with staff, our Board, and TEAM Panel members, a Theatre Makers Working Group, collaborators and stakeholders, members of our audience and other interested parties. The Plan was approved by the Board in March 2020. Within days of its approval, the social distancing and other restrictions introduced in response to the COVID-19 pandemic placed the company and the whole sector into a completely new environment, the implications of which (short and longer term) are still being assimilated and considered. The company is undertaking this work both internally and externally, as part of sector-wide conversations. This has resulted in the company reviewing the Strategic Plan in the light of developing circumstances, and concluding that a shorter-term 2022-2025 version should be created. This Plan will reflect the ongoing uncertainty and a renewed vigour to address inequality within the sector and the climate emergency, as heightened by recent global events such as the murder of George Floyd. Initial work on the new Vision, Mission and Values has commenced and will inform the fully formed strategy being created during 2021/2022. This will highlight a shift from place-making to change-making, where we harness the power of Wales' stories, people and places to collectively imagine and shape a more equal, sustainable and environmentally just Wales. The paragraphs that follow will outline the strategy as it's currently developed.

Our Vision

Making theatre matter as a force for change. Harnessing the power of Wales' stories, people and places to collectively imagine and shape a more equal, sustainable and environmentally just world.

Our Mission

We do this by connecting and collaborating with audiences, communities and theatre makers to:

- Tell the stories and amplify the lived experiences of Wales, exploring the challenges of our times to inspire change.
- Place equality, social and environmental justice and well-being at the core of what we do.
- Create essential and extraordinary experiences together that connect us locally, nationally and globally.

Our Values

Our values are our guiding principles that underpin all our work and the detail of our Plan.

- **Connection** | We pursue connection through everything we do. We believe in it as a route to shared belonging and collective identity. We convene, gather and listen. We share ideas, stories and imagine futures together.
- **Courage** | We are bold in our ambition, brave in embracing risk and vulnerability to fail as a means to move forward. We stay focused, we recognise that the spaces that feel hard and uncomfortable are often the moments where change happens.
- **Authenticity** | We are open and self-reflective; we challenge our own assumptions and default behaviours and encourage individuals to speak their truth. We make space for individuals to bring their true and whole selves to work with us.

Our Work

We continue to channel our activity through our three fundamentally interconnected areas of work. Each plays a vital part working with and connecting communities, theatre makers and audiences:

- **Collaboration:** Through TEAM we continue to develop and deepen our partnerships with communities and individuals across Wales and Internationally. We seek to catalyse change by boosting the power of communities; channelling stories and experiences through a network of voices traditionally excluded from cultural activity.
- **Creative Development:** Our Creative Development programme focuses on opening up pathways and providing support and development opportunities for remarkable theatre makers and collectives.
- **Production:** As a theatre without walls, we are empowered by an incredible mandate to bring performance to new places and in new forms. We are committed to creating popular, accessible, meaningful theatre that connects audiences with the gamut of emotional experience, entertaining and challenging us in equal measure.

During 2021/22, we will develop supporting cross-cutting strategies for all three of these core areas of Our Work.

Our Aims

In order to enact our Vision and Mission and inspire change, we will:

- **Our Ethos:** Create a reflexive culture of listening and belonging across all our work, centring audiences, communities and theatre makers to ensure their needs and perspectives actively shape our decision-making and are represented in all our activities.

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OBJECTIVES AND ACTIVITIES

Objectives and core values

- **Our Work:** Produce a world class, cohesive, bold and accessible programme of theatre making, embodied by courageous production, collaboration activity and creative development practice that catalyses and provokes change through transformational experiences.
- **Our Reach:** Build new audiences for theatre in Wales, and make theatre relevant and of deeper impact to more people, especially young people and those who experience racism, ableism and poverty.
- **Our Commitment:** Prioritise anti-discrimination and social justice across all our processes and projects, including a renewed focus on our environmental responsibilities. Building a culture of self-analysis to ensure our decision-making values every activity on its ability to contribute to building a more equal, sustainable and environmentally just Wales.
- **Our Responsibility:** Diversify our income, grow our unrestricted revenue and maximise the impact of the public's investment in the arts through the experiences and opportunities we create for audiences, communities and theatre makers.
- **Our Identity:** Explore national identity to amplify the difference and multiplicity of experiences in Wales and of being Welsh. Examining what it means to be human, here and now, to connect us with a global audience united by universal experiences.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

NTW aims to belong to all the people of Wales, regardless of age, location, or theatre-going habits. The company aspires to nourish and inspire all the people across Wales and to link the nation with world-class theatre making and cultural aspiration. Not being based in a building enables us and our work to be truly located in the part of Wales where we are making the work, laying roots and leaving our mark before and after the theatre event. Learning and participation is embedded into the core of all our work, and engagement with the community we are working within is key to the entire process of making and performing our work. The work we make is all new, and all inspired by the stories, people, places and dreams - past, present, future - that we encounter, explore and encourage across Wales.

Our capacity to bring people together; to create, to feel, to imagine and be inspired by the stories of Wales is the fundamental role we can play as its national theatre. Shifting from a founding vision of placemaking to changemaking, the heart of NTW remains unaltered: we hold a core belief in the power and creativity that exists in our nation's individuals and communities, waiting to be harnessed by theatre. We believe that access to this tool as an expression of experience, story, identity, empathy and shared belonging is a fundamental human right for every person in Wales

We reach beyond the borders in our communication about the work, ensuring that once marginalised theatre activity and awareness is pushed onto the radar across the British Isles and internationally. We partner with a huge range of bodies and organisations to push and pull leading theatre practice in and out of Wales, providing the people and artists of Wales with an engaged and informed creative dialogue.

Our entire operational system is set up to be open and engaged with the public. Our online presence aspires to be the leading National Theatre web resource, based on a truly interactive and conversational relationship with the public. Alongside a conventional website, which offers an extensive range of facilities and uses to the public, we run a social network site where members can speak to one another, share skills and ideas, react to the work, inform us of events, etc. It is a home for our audience in the absence of a building and a major resource of information and activity.

Our office is a shop in a high street arcade in central Cardiff. In usual times it has an open door policy and the ability for the public to drop in at any time. We have hot-desk space for artists to congregate, work, get online and operate alongside us, whether they are actively in production with us or not. However, at the moment our office is shut to the public and all staff are continuing to work from home in accordance with Welsh Government advice in response to the pandemic.

With support from Paul Hamlyn Foundation (PHF), NTW has established a TEAM ambassador programme. It is led by the Director of Collaboration, supported by roles of TEAM Manager and TEAM Administrative Assistant, as well as freelance TEAM Associate roles based respectively in Pembrokeshire and North East Wales.

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OBJECTIVES AND ACTIVITIES
ACHIEVEMENTS AND PERFORMANCE

NTW's 2020 season was due to celebrate 10 remarkable years of developing extraordinary theatre and enabling theatre makers in Wales to realise their ambitions. The season placed theatre makers who had grown with the company centre-stage, celebrating a decade of NTW's commitment to supporting and championing theatre makers from early career talent to established creatives. The first task of incoming Artistic Director Lorne Campbell upon arrival, however, was to support the company through the challenge of the Coronavirus and a reworking of its imminent plans.

During 2020/21 the live performance sector in Wales and the UK has faced crisis owing to the Covid-19 pandemic, a series of lockdowns and the ongoing presence of restrictions on our day to day lives, including gathering together in places such as theatres, that we would never previously have imagined possible.

Despite the challenges that presented themselves we were thrilled to be able to proceed with one of our year 10 productions as planned:

Cardiff 1919: Riots Redrawn by Kyle Legall had always been conceived as an online work and, whilst the creative process was affected by social distancing, the project was launched successfully. It has proved to be an evocative digital experience, combining spoken text and illustration to conjure up the atmosphere, people and places involved in a shocking moment of racial conflict and violence on the streets of Cardiff. This unique collaboration has attracted significant media coverage and been viewed by over 2,000 unique visitors.

'It is a stunning synthesis of years of hard work, research and creative practice by Legall and the team at National Theatre Wales.' Yasmin Begum, Planet Magazine

Other productions were temporarily paused before being reimaged across different platforms for 2021/22 (*Go Tell the Bees and Frank*) and beyond (*Balloon Girl*).

In addition, the company embarked upon a number of new productions.

In the early weeks of lockdown we moved rapidly to create a new programme of digital work, *Network*. It was our feeling that, despite the crowded digital landscape, it was vital for us, as a National Company, to continue to provide the opportunity and impetus to create and perform, championing theatre-making during the lockdown, albeit through a different medium. *Network Play Readings*, in collaboration with Sherman Theatre, enabled Welsh directors, actors, and designers, with full support and funding to deliver readings, while providing a platform to share homegrown work alongside contemporary classic titles, some of which were yet to be performed in Wales. *Network Digital Commissions* in partnership with Theatr Genedlaethol Cymru provided an open call opportunity for new commissions to make Live Theatre in digital spaces - theatre that helped audiences, communities and theatre-makers to come together despite being kept apart.

Network attracted an audience of over 7,000 people from Wales and beyond. It was successful in meeting our desired aim to provide immediate creative employment by recruiting five stage managers for a total of 30 weeks work and two technicians for a total of 15.5 weeks work, providing 22 performers with 90 days of work, and hiring 36 creatives for a total of 265 days.

In February 2021 we undertook a live audio project, with Rakie Ayola reading from *Dat's Love & Other Stories*, Leonora Brito's perceptive and spirited short stories about life, love and family from the point of view of Black and Mixed Race women from Cardiff Docks and beyond. Directed by Lorne Campbell and captured live in three parts, over three nights, these intimate readings featured original music from Imran Khan and illustrations by Butetown artist Kyle Legall, also captured live from his studio in the Bay. We worked with BBC Radio 4, Culture in Quarantine season to generate a radio edit - titled *Stripe by Stripe* - which was accessed by over 12,500 listeners via BBC Sounds alone. We also released a video version via AM and other platforms.

Following an initial open call and selection, as one of the 30 teams to engage in a three month R & D phase, February 2021 saw NTW act as the lead partner in a pitch to Festival UK* 22. Festival UK*22 (now known as UNBOXED: Creativity in the UK) is a collective of ten large-scale public engagement projects designed to showcase the UK's creativity to the world. Working across STEAM sectors in Wales, Collective Cymru's bid will use the Well-being of Future Generations (Wales) Act 2015 as the inspiration for an ambitious production that will encompass world-building, inclusive co-design, immersive mobile technology and TV Drama. Futures thinking in science, and live performance will collide to produce an experimental and inspiring form of transmedia storytelling in September 2022.

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OBJECTIVES AND ACTIVITIES
ACHIEVEMENTS AND PERFORMANCE

Collaboration (TEAM)

('Supporting a local, national and international movement to act as a catalyst for change in the arts')

Go Tell The Bees

Co-Creators Naomi Chiffi, Almir Koldzic, Gavin Porter and Julia Thomas continued to connect with the local community - despite the lockdown - via online films and activities for families to undertake at home. An incredible online Procession took place in June 2020 and was viewed by over 2,800 unique users.

Sea Empress 25

Sea Empress 25 is a film made by Gavin Porter, in partnership with Pembroke based Postcards and Podcasts, to mark the 25th Anniversary of the Sea Empress oil spill disaster. Following a call out, the film contained interviews with 16 people from Pembrokeshire including fishermen, surfers, journalists and an ex-MP, who all witnessed the disaster first hand.

The Learning Hive

We launched our Learning Hive - a bank of learning resources connected with *Go Tell the Bees*, aimed at Key Stage 2 and 3, in collaboration with Counterpoint Arts (a leading national organisation in the field of arts, migration and cultural change).

Wrexham

During lockdown our work with the homeless community in Wrexham continued. Our Connection Callout encouraged people to connect with the homeless through letters, stories and art.

The Agency Rapid Response

The Agency, working with people aged 15-25 in the Butetown, Grangetown and Riverside areas of Cardiff, was reimagined in a socially distanced way where a group of dancers created a series of 'pop up' performances called 'The Sunset Show', which took place across Grangetown. The *Worlds on Waters* group from the previous year created a book of their work.

Creative Development

('Developing confident and innovative artistic talent in Wales')

BBC/NTW Wales Writer in Residence

Rhiannon Boyle was selected as the 2020 Wales Writer in Residence from a competitive open call, spending a six-month residency at both BBC Wales and National Theatre Wales, where she developed a new play with financial and creative support from the staff team and the company's networks.

Weston Jerwood Creative Bursary

Llanrumney-based artist and organiser Fahadi Mukulu joined NTW in early February 2021 to begin a year-long Associate Director placement co-hosted with Common Wealth Theatre as a Weston Jerwood Creative Bursary.

Supporting freelance theatre makers

During 2020/21 a cross-departmental staff group met weekly to discuss long-term structures we could put in place to better support and be sensitive to the needs of our extended community of freelancers. They also worked in consultation to create a more dynamic Strategic Equalities Plan, prioritising theatre makers with lived experience of racism and ableism. In addition we sponsored Angharad Lee to be a representative on the UK wide Freelance Task Force and undertook the following activity:

Time = Money bursaries

In July 2020, with support from the Esmée Fairbairn Foundation we created the *Time = Money* bursaries, to support artists and workers in the performing arts in Wales from communities that are more at risk of dropping out of the industry due to the impacts of the pandemic. Our open call attracted 96 applications. A cross-section of NTW staff shortlisted the applications, followed by an independent panel which decided to award 14 bursaries of £2,500 each. The artists selected were: Connor Allen, Kathryn Ashill, Stephanie Back, Nerida Bradley, Luke Hereford, Jacob Hughes, Jane Lalljee, Krystal S. Lowe, Bevin Magama, Sarah Louise Madden, Kel Matsena, Francois Pandolfo, Mehdi Razi, and Angharad Tudor.

Gratitude grants

In December 2020, as a response to the sudden loss of work for many in our freelance sector, we created gratitude grants for theatre makers. We identified 39 freelancers who we had worked with at least twice in the past three years and might have reasonably expected to work with us again during the initial period that theatres were closed. The grants were offered to 39 people, of whom 27 freelancers were paid one-off grants of £500, whilst 12 people opted to 'pay forward' the support and this money was rolled over into a training bursary.

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ACHIEVEMENTS AND PERFORMANCE

Training Bursary

We identified that theatre makers might benefit from upskilling or completing extra training in order to stay in the industry post COVID-19. After an open call for applications, nine people were awarded bursaries of between £200 - £1000 to pursue training that would make them feel more secure as arts professionals after the pandemic. The bursaries were awarded in March 2021 and the training was completed by the end of 2021.

Free training for freelancers

As well as the training bursaries, we ran free training sessions online for freelancers in March 2021. These sessions were delivered by freelancers we work with and our own core staff. Building a website, delivered over two online sessions for 17 participants, Finance for freelancers, was delivered in one online session for 10 participants and the NSPCC Introduction to Safeguarding, accredited training through the NSPCC website, was made available to 20 participants.

Support for acting graduates

Early career actors had their training curtailed by Coronavirus. Many set to graduate missed out on final productions and showcases; invaluable opportunities to connect with the industry. In response, we led the Welsh sector in reaching out to graduating actors who are Welsh or training in Wales. We invited them to introduce themselves, one on one, to cultural leaders, creatives and theatrical agents from across the nation. We scheduled over 100 general meetings for graduates from Royal Welsh College of Music and Drama, Trinity Saint David's and Atrium, and for Welsh actors studying all over the UK. The following companies joined us, and conversations resulted directly in three offers of employment and two of representation; Theatr Genedlaethol Cymru, Torch Theatre, Arad Goch, Frân Wen, Sherman Theatre, The Other Room, Emptage Hallett, Regan Management, Shelley Norton Management and Theatr Clwyd.

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FINANCIAL REVIEW

The statement of financial activities for the company is shown on page 23. During the year, the group made a surplus on unrestricted funds of £368,368 (2020: deficit £323,544). This wasn't an unexpected outcome for a year in which most of the company's production activity was deferred due to the impact of the COVID-19 pandemic (some £133k was spent directly on productions during the year, as opposed to some £647k originally budgeted). The closure of the office, in accordance with Welsh Government advice for staff to work from home, saw savings made on office overhead costs, whilst travel restrictions in operation during the year meant that expenditure on staff expenses was also below budget. However, aside from these savings and deferrals in expenditure, the pandemic also saw a significant impact on the group's ability to generate income. Originally budgeted production income of some £226k, from box office receipts and partner contributions, failed to materialise, due to the deferment of the shows in question, whilst donations income of some £17k was achieved, against an original budget of £50k, and TTR credits, at some £47k, were also down on the originally budgeted figure of £83k due to the deferment of the productions in question. Staff turnover also contributed towards expenditure savings during the year.

As at 31 March 2021, the company's free reserves amounted to £251,901 (2020 £345,110). This figure remains above the guideline level set in the group's Reserves Policy (see later in the report). The group's budget strategy for 2021/22 currently projects the application of £92,632 of free reserves, in support of its activities, which will lead to a forecast balance of some £159,000 by the end of the financial year, which is below the target set in the Policy but in accordance with its operational limits. The restoration of the balance towards the target will be a priority for the use of funds that do become available during the 2021/22 financial year.

Also included within the total for General Reserves, as shown in the balance sheet on page 24, are designated reserves of £545,523 (2020: £78,782).

The group's financial results have allowed it to designate funds at the end of the financial year for agreed purposes. These designations amount to £514,132 in total, with most of that amount being set aside to support productions, creative development and marketing (website/CRM development) purposes, as well as the introduction of Springboard Bursaries and the implementation of organisational staffing review changes. During 2020/21 designated funds brought into the year were applied for the purposes of creative development and marketing. At this point, it should be noted that the group's plans for 2021/22 project further application of these funds in support of its budget strategy, with a forecast year-end balance of designated funds of approximately £174,000.

The balance of General Reserves of £8,880 (2020: £14,044) is accounted for by a fixed asset related designated fund, which matches the net book value of fixed assets in the balance sheet.

The financial year 2020/21 saw Corporation Tax-related Theatre Tax Relief credits continue to contribute to the group's finances. The claims are submitted via the company's wholly-owned subsidiary, NTW Productions Limited, and as mentioned earlier there was one production claimed for - 'Hail Cremation!'. That any TTR income was generated at all was because a claim was due to be submitted for the production of 'Hail Cremation!' that was abandoned in March 2020, at the time of the original lockdown and imposition of social distancing restrictions. (The claim had originally been deferred in the hope that a restaging may be able to take place during the 2020/21 financial year, but this did not prove possible). This year's accounts recognise an amount of £46,802 being claimed in this regard (2020: £91,937). As is always the case with TTR, the claim has yet to be submitted to, or settled by, HMRC at the time of accounts production. This means that there must still be considered an element of uncertainty in terms of the quantification of this relief.

The applications of reserves and the designations of funds referred to in this report reflect NTW's continuing policy to prioritise reinvestment in creative activities in the use of any available reserves. The level of reserves remains an achievement in the light of the challenges of the pandemic and the funding reductions that have occurred in recent years and owes much to robust financial management - although the caveats regarding the value of TTR credits need to be considered when viewing this level of reserves.

The financial year 2020/21 saw NTW continue to receive core grant from ACW as part of the latter's commitment to funding NTW as part of its core portfolio group of annually funded organisations, to which it commits funding from its Welsh Government support, with the level of such funding continuing to be subject to annual confirmation. The current round of funding commitment was due to come to an end in 2020/21, with NTW due to make its submission for future funding as part of ACW's Investment Review. However, the impact of the pandemic has caused ACW to postpone its review and, as a result, existing portfolio commitments have continued. At this point, the company would like to put on record its appreciation of the approach adopted by ACW in maintaining its funding commitments throughout the pandemic. This, together with the underlying strength of the group's finances, and its (non building-based) operating model, have helped ensure that NTW has been able to meet the financial challenges of the pandemic without recourse to emergency funding. For 2020/21, ACW provided core support to NTW to the value of £1.624m (2019/20 £1.606m).

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Although the group did not apply for any emergency funding, it was in receipt of certain unrestricted grants and other relief that related to the pandemic. Most significant of these was an award of £46,992 received from the Esmée Fairbairn Foundation (EFF). This funding was offered at the discretion of EFF Trustees, with similar offers being made to all other organisations within its grant portfolio. The funding was utilised by NTW to provide support to the freelance sector, in the form of Time=Money bursaries. Support was also received from Cardiff Council in response to the pandemic. Initially this took the form of a business rates holiday on the company's property at 30 Castle Arcade, and was followed by a subsequent Business Rates Relief grant of £10,000 - both forms of support being made in accordance with the Welsh Government's COVID-19 Support for Business. With regard to the funding made available by the UK Government, through its Job Retention Scheme, the company reclaimed £14,107 in furlough support from HMRC, which related to two individuals furloughed for a period of months from June 2020.

In 2020/21 the company continued to be successful in obtaining ring-fenced grant funding from a number of sources, including charitable foundations and public bodies, to finance a range of projects and initiatives. In 2020/21, such grants totalled £179,685 (2020: £331,535). The drop in funding from this source during 2020/21 particularly reflects the EFF funding of Creative Development Framework activities coming to an end at the conclusion of the previous financial year (though some residual funds continue to be held, in a ring-fenced reserve, and spent accordingly). The deferment of productions from the 2020/21 financial year also caused funding from this source to be lower than had been previously projected.

The most significant element of this funding was provided by PHF, an organisation that has long been supportive of the company's activities. Funding from PHF for the company's TEAM programme amounted to £99,795 during the year (2020: £100,206). The current funding approval with PHF was due to run for a four-year period, ending December 2021, but has subsequently been extended for a further year, to help the company manage the impact of delays caused by the pandemic. The funding will now cease with effect from December 2022, albeit that the funding for 2022 is at a lower level of £65,000.

The company is extremely grateful to both PHF and EFF for the support that they have provided for its activities over the majority of the last decade. By the time that the current PHF funding approval comes to an end, in December 2022, PHF will have provided more than £1m of funding to NTW, whilst that received from EFF currently amounts to some £814k. The extent of the funding received from these prestigious sources is an indication of the positive relationship and reputation that the company continues to maintain with both, drawing funding into the Welsh economy as a result. Conversations continue to be had with both PHF and EFF to discuss how those relationships can be maintained in future, and in what form.

Specific project funding was continued to be received from the Andrew Lloyd Webber Foundation (the final year of a three year approval) towards the costs of the company's Emerging Directors program, to the value of £6,000 (2020: £6,000). New project funding was obtained associated with 'Go Tell the Bees', in the form of a grant of £2,500 from the Bluestone Foundation and £1,000 from Pembrokeshire Association of Voluntary Services, both relating to the Simple Acts call for social change that formed part of that project.. There was no income received from either of these sources in 2019/20.

Funding linked to partnership working on the company's part included that received via Battersea Arts Centre (2021 £49,520; 2020 £63,333) in respect of The Agency project (the company's partnership with Battersea Arts Centre (BAC), Contact Theatre, People's Palace projects and FabLab Belfast, funded by the Big Lottery Fund. Initially approved for a three-year period from September 2017, this project was also extended, to December 2020, with associated funding provided. Some residual funds continue to be held, in a ring-fenced reserve, for follow-up activities associated with this project and will be spent accordingly.

A further source of partnership funding related to the Creative Europe project (2021 £12,870; 2020 £4,629). This project was funded by the European Union, over a three-year period to 2020, with a French partner (Theatre Granit Scene National de Belfort) being the lead organization and other partners coming from Portugal and Romania. At the conclusion of the 2020/21 financial year only the final audit and financial settlements remained to be completed.

A new source of partnership funding relates to the 'Far Apart but Close at Heart UK' project funded via People's Palace Projects (2021 £8,000; 2020 £nil). This is a multi-partner research study the company is taking part in. It is led by People's Palace Projects, in conjunction with the Unit for Social and Community Psychiatry at Queen Mary University of London, Battersea Arts Centre, Contact Theatre Manchester, Dirty Protest and Royal Theatre Stratford East. This project is also run in parallel with a sister project in Latin America.

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In the context of ring-fenced funding, it is appropriate to mention one source of such funding that came in the form of a commissioning fee, as opposed to a grant. NTW heads up a partnership of organisations, collectively known as Collective Cymru, that came together to submit a bid to Festival 2022 (since renamed the Unboxed Festival). The organisations involved include Centre of Alternative Technology, Clwstwr, Disability Arts Cymru, Ffilm Cymru, Frân Wen and Sugar Creative, whilst community partners are CellB, Citizens Cymru, Disability Arts Cymru, Ethnic Minorities Youth Support Team (EYST) and Merthyr Tydfil Leisure Trust. During the 2020/21 financial year the company received fees of £99,957 (2020 £nil) from Festival 2022 for the purposes of working up a full business case bid for a project culminating in the Autumn of 2022. Notification was received in March 2021 that the bid had been successful and work on the project (now known as 'Galwad') commenced with effect from April 2021. The project will culminate in a series of events to be staged in September 2022, with the project itself coming to a conclusion by December 2022. This project will be supported by commissioning fee funding of some £5m - provided initially by Festival 2022 and then Creative Wales.

As at 31 March 2021, restricted funds of £116,271 (2020 £117,672) were being carried forward. It is anticipated that many existing ring-fenced reserves are likely to be fully applied by 31 March 2022, as previously approved projects move towards their planned conclusion. Budget forecasts indicate a balance of some £46,000 likely to remain, mostly associated with the continuing PHF project, as well as the National Companies' consultancy project.

(With all projections contained in this report, the caveat must be applied that any reintroduction of COVID-19 related restrictions would likely delay the completion of some projects and result in higher balances of funding being carried forward).

The group continues to seek to develop its income streams through developing relationships that will encourage sponsorship and other forms of fundraising, and seeking grants from other funding bodies, in addition to increasing the level of income generated through box office receipts. Income from sources other than ACW core funding was lower at £421,312, than it had been in 2019/20 (£699,969). With the reduction in production activity during the year, due to the restrictions of the pandemic, this reduction is unsurprising and has impacted several income sources including box office receipts, grants and contributions from co-production partners. It has also impacted the value of Theatre Tax Relief credits, such funding being markedly influenced by the nature of the artistic programme undertaken in a particular year.

Diversification of funding sources, so that core funding represents 60% or less of total income, represents one of the group's strategic targets. During 2020/21 some 21% of funding was obtained from such sources. This is a reduction on the 30% achieved in 2019/20 and lower than levels in excess of 40% that had been achieved in some previous years. The performance of this measure is another that can be markedly influenced by the nature of the programme undertaken and, consequently, fluctuate from year to year. As such, it is another area where the production deferrals brought about by the pandemic have had a major influence.

At £1.678m the group's expenditure levels decreased significantly, by some 36%, in 2020/21, when compared to the previous year. Again, this is illustrative of the impact of the pandemic restrictions on activity levels.

Within its turnover, the focus of the Company's expenditure will continue to be on its production, artist development and engagement related activities - with expenditure on creative and artistic activities currently accounting for some 73% of total expenditure. In spite of the impacts of the pandemic the company has succeeded in maintaining previous performance levels in this regard (2020 71%; 2015 to 2020 average 73%).

As activity levels recover during the 2021/22, and new funding streams come into being, each of the above metrics are projected to improve in the coming financial year.

Reserves policy

In accordance with good corporate governance and Charity Commission guidelines, the company has always maintained a target minimum level for free reserves.

The company holds reserves for a number of reasons. They help provide short-term cash-flow to allow expenditure to be incurred ahead of income being received; they can provide contingency to help mitigate the impact of unexpected/unforeseen expenditures; they assist budget management, by allowing pressures to be dealt with, or investment in services made, whilst a longer-term solution is found; and they can help commitments to be met in the event of a cessation of funding.

In summary, the holding of reserves helps to provide liquidity, security and underwriting. It provides a transparency that provides increased accountability to funders and stakeholders and gives them confidence in the financial management of an organisation. In doing so it makes a positive contribution to the reputation of the organisation in terms of it being seen to manage funds properly and prudently.

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The company's current Reserves Policy was set following an evaluation process taking into account a number of factors including an assessment of three month's spend, identified areas of financial risk and the 'run off' costs that would need to be met should the company cease trading due to a loss of core funding. Following this review, the company revised its target level accordingly (from £150,000), and now operates with a target level for free reserves of £200,000, comprised of a General Reserve of £150,000 and a Working Reserve of £50,000. The General Reserve is intended to be the company's core reserve, providing a contingency in the event of any unforeseen events, and any decision on the use of this reserve rests with the Trustees. The Working Reserve is intended to provide the scope to manage short term budgetary issues on a day to day basis, without having to obtain specific authorisation from Trustees, and is managed by the Senior Leadership Team within these parameters.

The review of the company's Reserves Policy also encompassed a codification of the process for the management of all the company's reserves.

The company keeps its target levels, and performance against them, under regular review. The sufficiency or otherwise of reserves levels are the subject of regular reports to Trustees and form an integral part of budget processes. The company is also committed to a thorough re-assessment of the target levels on a regular basis.

Within the context of its Reserves Policy, the core of the company's philosophy and priority will continue to be to re-invest any available reserves in its artistic and creative activities.

As mentioned earlier in this report, the level of free reserves as at 31 March 2021 is in excess of the company's target figure. The extent to which the target is exceeded is considered reasonable and within the company's financial parameters, with the application of reserves approved as part of the 2021/22 budget strategy bringing their level below the target level, but within operational parameters.

Pension

The company has in place a group personal pension scheme, on a defined contribution basis, administered by Royal London (formerly Scottish Life). The company makes agreed employer contributions to the scheme, on a monthly basis. These were at a rate equivalent to 5% of gross salary throughout the 2020/21 as they were in 2019/20.

With the company having reached its staging date for pension auto enrolment as at 1 April 2017, all staff are eligible to join the scheme in accordance with the regulations applying to auto enrolment. From that date, all eligible staff have been automatically enrolled into the company scheme, following an initial period of postponement that accords with the regulations. They do have the opportunity to subsequently opt out if they wish, and similarly to opt to join the scheme sooner if they meet the statutory criteria. They also have the option of requesting to join if they don't meet the statutory criteria but wish to be part of the scheme.

Company employer contribution rates remained at 5% following the introduction of auto enrolment. Initially employee rates remained discretionary, as the employer contribution exceeded (2017/18) the minimum combined level (2%) required by The Pensions Regulator, whilst in 2018/19 it equated with the regulatory minimum level (which was being increased on a phased basis). However, as from 1 April 2019, the Pensions Regulator's minimum requirement increased to 8% which has meant that, with effect from that date, employees are now required to make a minimum 3% contribution.

During 2020/21 contributions were made in respect of all eligible staff joining the scheme. Where staff have yet to join the scheme, it has been the company's practice to set aside a provision to fund such costs when they do become due. With the introduction of auto enrolment such instances have become minimal, potentially occurring only where either the financial year end falls within the midst of an employee's postponement period or the employee's circumstances fall outside of the criteria for auto enrolment. Where the individual's status is likely to be determined within a twelve-month period from the balance sheet date backdated contributions are accrued for. Where it may be beyond that time, a provision is set aside. As at 31 March 2021 a nil provision (2019: £668) set aside for this purpose was in place.

As at 31 March 2021, 19 staff were members of the company pension scheme, equating to all those eligible to be so at that point in time. As of that date, there were no current employees who were not a member of the scheme. The company also makes contributions to the defined contribution scheme administered by Aviva on behalf of Equity, where it employs actors and stage managers who are members of the scheme. In accordance with industry conditions of service, and auto enrolment guidelines, the company made a contribution equivalent to 5% in the 2020/21 financial year, the same as in 2019/20, where it was applicable to do so. Scheme members contributed at a rate of 3% (3% in 2019/20).

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Business Planning

The company operates on a three-year planning cycle, with annual review and adjustments. Business Planning is initiated and signed off by the Board of Trustees at all stages, with input from key partners including ACW, Welsh Government and the theatre sector, and through assessment of the wider context for growth and development. Business plans combine a core of financially sustainable good practice with a context of visionary new thinking, in line with the founding spirit of the company.

Policies and Procedures

A series of company policies and procedures have been developed, and NTW will strive in all cases to produce policies and procedures which demonstrate best practice and can be used as a resource by other companies.

Strategic Development

The company has in place a fully adopted Strategic Plan covering the period 2020-2025 - the latest in a series of such plans that the company has put in place since its founding. The Plan includes a consideration of the company's plans, ambitions and objectives, the details of which are set out elsewhere in this report. The plan is an important tool for monitoring and evaluation of performance and forms a centrepiece around which other documents are set, including the company's budgets. As explained earlier in this report, the company has reviewed the Strategic Plan in the light of developing circumstances, and concluded that a shorter-term 2022-2025 version should be created to reflect the changed times. That Plan is being actively developed during the 2021/22 financial year, with a view to taking effect from April 2022.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed, and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

A risk assessment and risk management policy has been developed by the company. The policy comprises a matrix of identifiable risks, which are ranked according to their assessed probability and potential impact. This assessment takes into account the controls and mitigations that the company has in place to deal with the risks.

The policy analyses potential risks into five main areas, sub-divided into further categories. These are:

- External (public relations; political and environmental)
- Operational (staffing and human resources; financial; technological; building)
- Artistic and Production
- Governance
- Legal and Compliance (litigation; health and safety; compliance)

The areas of the company's operation identified as being of higher risk, via the risk assessment process, are kept under close review by the company's Senior Leadership Team. Relevant risk factors are identified and appropriate means of mitigation put in place, where it is possible to do so. Risk management is also the subject of regular reports to each meeting of the People and Policies Sub Committee.

The most recent risk analysis does not identify any areas of assessed high risk. The most significant areas of risk identified within the analysis relate to staff capacity, income generation, artistic programming and the recurrence of medical emergencies such as COVID.

In terms of staff capacity, the company is currently leading the Collective Cymru group of organisations that is delivering the 'Galwad' project as part of the Unboxed festival. This is a significant project, with a budget of some £5m spread over the next two financial years. The scale of such a project contains a danger that core company staff will be drawn away from their usual activities to support it, to the detriment of the company's core activities. The company has put in place both backfill and direct recruitment arrangements in order to mitigate against this possibility. Wherever possible, individuals have been recruited directly to the project, whilst where the specific expertise of certain NTW staff is required to deliver the project, secondment arrangements have been put in place and staff time backfilled. Any additional costs incurred by NTW in delivering these support arrangements have been funded by recharge to the project budget. The governance arrangements of the project also ensure oversight on the part of the project. NTW's Artistic Director is a member of the project's Creative Executive, which is answerable to a Project Committee, which is chaired by an NTW Trustee. The Chair of the Project Committee reports to NTW's Chair of Trustees on a monthly basis, and the progress of the project is a standing item on the agenda of all NTW Board meetings and of the Finance Sub Committee. The company's Executive Producer also attends the Project Committee meetings.

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With regard to income generation, the risks identified related to the non-achievement of box office and fundraising targets, both of which are important components of the budget. The Audiences Department are involved early in programming discussions to ensure that strong marketing and engagement campaigns are delivered. These are subsequently evaluated for success with learning applied to the next show in development. The Audiences Department are also involved in discussion on pricing strategy and have recently engaged in an audience consultation process, in conjunction with partner organisations. Audience engagement also forms a key element of the company's Strategic Plan moving forward. With regard to fundraising the production of a Development Strategy, for existing and new income streams, is a key target for the next 12 months. The pandemic has changed the landscape for fundraising and it is vital that the company's plans reflect that.

On the question of artistic programming, it is crucial that the company's programme of work maintains an artistic vision which balances audience satisfaction, income targets and funder expectations. Likewise that it reflects the diversity of experience and cultures that exist within Wales. Such approaches are at the heart of the Strategic Plan that is under development.

The recurrence of medical emergencies such as COVID is a circumstance that is very much outside of the control of the company. What the company can do is make sure that it takes all reasonable precautions to avoid such incidents and make sure that its systems and processes are set up to deal with their consequences. The way in which it has navigated its way through the challenges of the current pandemic, which are set out in more detail elsewhere in this report, provides confidence that it is able to do so. Within this strategy, the provision of advice to staff on avoiding/minimising infection and the ability to ensure effective remote working are key elements, as is a robust financial management strategy.

From a financial viewpoint, the company has been in a position of relative strength with risk levels considered low. Two potential areas of financial risk are alluded to elsewhere in this report, with appropriate mitigations being in place for both. One is the reliance on ACW for core funding, and this report explains the company's efforts to reduce this via an increased diversification of income sources, not to mention mitigating any risk via a robust Reserves Policy and effective budgetary control. The other is the significance of Theatre Tax Relief credits following their introduction, and the uncertainties that exist until the settlement of claims, which can often be a significant time after a production has taken place (particularly those early in the financial year). The company's approach to reserves management helps mitigate the cash flow delays inherent in this process, whilst the Head of Finance leads on processes to ensure the integrity and accuracy of claims submitted (this includes making use of financial and legal advisors and industry bodies' advice where appropriate, as well as reference to HMRC guidance, and the implementation of a robust and consistent methodology).

From an operational perspective, the company's staffing situation remained fluid in 2020/21. Several fixed term and temporary contracts came to an end during the year, whilst the restrictions of the pandemic meant that some recruitment and appointment processes were undertaken later than had been previously planned. However, as the company has moved into the 2021/22 financial year this position has stabilised significantly. Most vacant positions are now filled with appointments on permanent contracts, whilst the Senior Leadership Team is also now at full strength following the appointment of a Director of Operations in May 2021.

During the last twelve months, the company has continued to comply with the legislative requirements of the General Data Protection Regulations (GDPR) and Welsh Language Standards Regulations and implemented processes to manage and ensure compliance with these regulations. It has also identified a need for further support in terms of Welsh Language Standards and has engaged a consultancy on a temporary basis to provide associated advice and guidance and review compliance.

COVID-19 Pandemic

The pandemic has obviously been the most significant event affecting the company's activities during the 2020/21 financial year, along with the consequences and implications of the lockdowns and social distancing restrictions that have been put in place by both the UK Government and Welsh Government to deal with it.

The remainder of this report makes a number of references to the impact of the pandemic on NTW, whether that be in terms of deferment of productions, reductions in income, savings on overheads or delays in appointments and the effect that these have had on the company's key metrics. This section will instead try to summarise the nature of the company's response to the pandemic and its challenges.

When the initial cessation of theatrical performances, and subsequent lockdown, occurred, in March 2020, the first action that the company took was the immediate cancellation of the production of 'Hail Cremation!', one week before it was due to open.

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The next action was an immediate review of the company's finances in the changed circumstances. This was conducted by the Head of Finance, in consultation with the Senior Leadership Team, and the results conveyed to the members of the Finance Sub Committee. A revised budget was quickly drafted to reflect operational decisions that were being made in response to the pandemic. This included the deferral of some productions, a decision to put in place a series of digital commissions and play readings and the closure of the company's office (with all staff moving to work from home - a situation which continues to this day). This revised budget was swiftly approved by the Finance Sub Committee, and subsequently confirmed by the Board. Budgets have continued to be kept under close review, and revised where necessary, ever since - both through the remainder of 2020/21 and into the 2021/22 financial year.

The review assessed that the company's finances were secure and stable enough not to be under any immediate threat due to the consequences of the restrictions. Healthy cash flow and reserves positions, a consequence of many years of prudent financial management, together with the company's business model, in terms of a flexible approach to programming, and absence of fixed asset maintenance costs associated with the management of a venue, proved to be of benefit in this regard.

In a new environment of remote working, with all staff working from home, the company's investment, over many years, in digital systems and record keeping and a mobile workforce proved extremely beneficial as well.

Once initial decisions had been taken, the company engaged in a dialogue with its major funders - most notably ACW, as its main funder. ACW agreed to continue to honour its core grant commitments, in accordance with agreed timescales, which then meant that NTW would not need to seek recourse to emergency funding - allowing ACW to concentrate its resources on those in greater need. This support from ACW was hugely beneficial to NTW in enabling it to plan ahead with a degree of certainty, thanks to a major element of its income stream being secure. Conversations were also held with other major funders, most particularly PHF and EFF. Both were hugely supportive and made available additional funding, to extend the timescales of the projects they were supporting to make up for delays caused by the pandemic. BAC also did likewise, whilst other funders offered greater flexibility over the timescales for the use of funding already provided. NTW expresses its appreciation and gratitude for the support of all of these organisations during the period in question, as well as to Cardiff Council, which provided specific COVID-related business support.

As detailed elsewhere in this report, the company took the opportunity of the interruption to its production programme to innovate in terms of its digital presence. In the summer of 2020 we created a new programme of digital work, Network, whilst 2021 sees our first monetised live-streamed production, Possible. We have also taken the opportunity to reconsider our Strategic Plan in the light of the changed and challenging circumstances (details of which can be found earlier in this report).

It became clear early in the pandemic that many of those working in the sector were experiencing financial hardship as a result of the loss of work with theatres closed, especially the freelance community. As a result, the company determined to use its position, and access to funding, to support such individuals as far as it was able. As well as providing work opportunities, via the Network programme of work, it also provided direct financial support in the form of grants and bursaries, as well as directly funding training support for such individuals. More than £56k was contributed directly via such funding in 2020/21, as well as the 'in kind' commitment of staff time to administer the support. We have also budgeted a further commitment of £60k to provide similar support in 2021/22, via the Springboard Bursaries initiative, again supported by appropriate staff time.

Aside from the financial consequences of the pandemic, the company has also engaged in a number of cross-sector initiatives. These have ranged from lobbying for increased financial support for the sector and its workforce, through investigations into a new ways of delivering theatre in a post-COVID world to contributing to a number of unfolding conversations and actions driven by the Black Lives Matters movement, We Shall Not Be Removed and support for campaigns on behalf the freelance workforce. We also provided £6k in financial contributions to various networks and task forces in 2020/21.

Remuneration Policy

The company always seeks to appoint individuals with levels of experience and skills appropriate to the post in question, in order to ensure that the company delivers to the standards of excellence that would be expected of it as a national company.

In setting remuneration levels for its staff, the company takes account of the relevant market rates applicable for such requisite levels of experience and skills, whilst also being cognisant of the fact that it is a charity, and one that attracts significant levels of public and charitable funding. As such it seeks to achieve a balance between fair pay, retaining key staff to ensure the delivery of the charity's aims, the considerations of beneficiaries' needs, and the delivery of value for money in its expenditure on behalf of funders and other stakeholders.

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The company operates with a relatively small core team and assesses the necessity of all posts prior to their creation. The need for posts, and the appropriateness of their pay levels, is reviewed and assessed every time a post becomes vacant, whilst the company also periodically benchmarks its pay scales against prevailing market rates. All new posts created, and any variations to pay levels, have to be approved by Trustees, via the People and Policies Sub Committee and the Board itself.

NTW recognises that its staff are its primary asset in ensuring the delivery of its charitable purpose and is sensitive to broader employment issues. It pays its entire staff at living wage levels as a minimum. It abides by all relevant employment legislation and seeks to provide equality of opportunity and maintain workforce diversity.

The key management personnel of the organisation are considered to be the Chief Executive/ Artistic Director, and Executive Producer/Deputy CEO. Their pay levels form part of the Staff Costs disclosure (note 15) shown on page 32 of these accounts. The role of Chief Executive/ Artistic Director is the most highly paid member of staff.

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FUTURE PLANS

The coming year sees the completion of our NTW TEAM production *Go Tell the Bees* with a final film, reflecting the community connection of the past four years, co-created by Naomi Chiffi, Di Ford and Sita Thomas. Following socially distanced screenings across the summer and September in four Pembrokeshire locations, the film will be made available online via our own platforms. Further legacy events will then take place throughout 2021/22.

In addition, we will also be undertaking our first monetised live-streamed production at the Riverfront in Newport. Created and performed initially in June 2021 by lead artist Shôn Dale-Jones, this intimate piece of multimedia storytelling will then tour to venues across Wales in November 2021.

Finally, *Frank* has been reimagined by the Jones Collective and co-creators Jesse Britton, Buddug James Jones, Sam Jones and Frank Thomas, as a short film. Working in partnership with Natural Resource Wales and Plastique Fantastique the majority of the shoot will be undertaken and the edit will be completed in the Autumn of 2021. The film will be made available online in early 2022.

Further work in development for 2022 includes our bi-lingual co-production *Petula*, co-produced with Theatr Genedlaethol Cymru and August 012. *Petula* will tour in Wales at the mid-scale in March and April 2022. Now titled *Galwad*, the Collective Cymru project (forming part of the Unboxed festival) will be developing across art forms and across the nation ahead of the culminating broadcast, app and live event in September 2022.

As we turn our energies towards a programme of work for 2023 and beyond that will be informed by the vision outlined in our new strategic plan, along with the goals of our Strategic Equalities plan and our ambition to connect with the widest of audiences, our work in commissioning and developing theatre makers takes on ever greater significance. We are thrilled to already be working to develop potential projects with the following lead artists; Connor Allen, Faebian Averies, Kath Chandler, Seiriol Davies, Menna Elfyn, Daf James & Ben Lewis, Angharad Lee, Kyle Lima, Hannah McPake, Bethan Marlowe, Nige Barrett & Louise Mari, Tina Pasotra, Gavin Porter and Ed Thomas. We look forward to expanding this list further, with a view to a stronger invitation to D/deaf, disabled and neuro-diverse artists in particular.

Collaboration (TEAM)

(Supporting a local, national and international movement to act as a catalyst for change in the arts)

After securing an additional year's funding from the Paul Hamlyn Foundation, the current programme will continue until the end of 2022. With a focus on co-creation and cultural democracy this is our most ambitious project to date culminating in two NTW productions in Pembrokeshire (*Go Tell the Bees*) and Wrexham.

Wrexham

Developing the theme of homelessness, a subject chosen by the people of Wrexham, we will continue to work closely with our Wrexham TEAM Panel members, the wider north Wales creative community and our partner organisations to deliver our production in 2022.

Far Apart

Far Apart but Close at Heart UK is a research study overseen by Queen Mary University London. The study aims to explore how arts organisations in the UK support the mental wellbeing of young people during a global pandemic. The partners are Contact Theatre, Battersea Arts Centre and Theatre Royal Stratford East and it is run in parallel with a sister project in Latin America.

Creative Development

(Developing confident and innovative artistic talent in Wales)

Springboard Bursaries

Following the success of *Time = Money*, we have further evolved our Covid-19 response open bursary offer into *Springboard*. During 2021/22 NTW will be supporting 10 diverse artists with varied practice (Steph Back, Idrissa Camara, Chris Tally Evans, Sara Hartel, Sam Hickman, Hanan Issa, Jeremy Linnell, Kel Matsena, Durre Shahwar and Anushiye Yarnell). We will provide financing to help the artists with the development of small pertinent research projects as well as with mentoring and producing support.

Connect & Flourish grants

Natural Resources Wales (NRW) have secured an ACW Connect & Flourish grant to deliver a programme of hyperlocal artist residencies looking at environmental thinking and sustainable approaches to making work, in partnership with NTW and Gentle/Radical. *Hen wlad ein plant / Land of our children* directly builds on learning and relationships from previous creative development projects *Egin* and *Located Residencies*, and forms part of NRW's new Vision 2050 strategic plan. NTW will be running an open call for a diverse and multi-disciplinary group of pan-Wales artists in March/April, who will spend the summer developing relationships in their local areas and working with a group of seven mentors.

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Also secured through ACW's Connect and Flourish grant the *Future Archives: Heritage Seeds* project supports the formation of a Butetown arts collective 'Scribla' and the development of a close partnership with HEC: The Heritage & Cultural Exchange. The collective aim is to activate and add to the archive, re-imagining ways of presenting the archive that tells the story of Butetown/Tiger Bay and immigration to Wales. This is a partnership led by Art Shell with Glamorgan Archives, Wales Millennium Centre and Radio Cardiff.

BBC/NTW Wales Writer in Residence

Cardiff playwright and actress Faebian Averies was announced as the 2020/21 Writer in Residence on a BBC Radio Wales Arts Show Special on Sunday 6th December 2020, in a programme which featured performed extracts of the shortlisted writers' work and contributions from Lorne Campbell and Rakie Ayola. She has started her residency with BBC Wales and has been in conversation with NTW staff, and will be joining NTW to develop new work in the summer.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The National Theatre of Wales (NTW) was incorporated as a company limited by guarantee and not having a share capital on 9 September 2008. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs.

Recruitment and appointment of new trustees

NTW was established in late 2007 with a core funding commitment from Arts Council of Wales and the Welsh Government. These two bodies advertised and appointed a Chair followed by eight further trustees in 2008. Membership is open to individuals, who apply in the form required by the directors, and are approved by the directors. Membership is non-transferable.

The company's Articles of Association state that:

A person appointed to the office of director for two consecutive terms shall, at the third Anniversary Board Meeting arising during his/her second term as a director, retire from office as a director and shall therefore be ineligible for re-election as a director for a period of two years unless the Board resolve that he/she may be eligible for re-election as a director for such further period not exceeding three years as the Board in its absolute discretion sees fit.

Where a director is re-elected for a third term pursuant to Article 2 above, he/she shall retire from office as a director by the third Anniversary Board Meeting following the passing of the resolution referred to in that Article. Any director who retires pursuant to this Article shall thereafter be ineligible for re-election as a director (for a period of three years).

As a result, having stood down and been re-elected to the Board in February 2011, the company's original trustees were subsequently subject to retirement in accordance with an agreed process of rotation. This occurred over a period of years, concluding in March 2016 with the retirement of the founding Chair of Trustees. This rotation approach ensured a continuity of management during the retirement process. During that process several new Trustees were appointed, including a new Chair in December 2016. A new series of retirements commenced in 2018/19, and a rotation process is again being adopted. As at 31 March 2021 a Board of ten Trustees was in place. The appointment of further Trustees, subject to a maximum of twelve at any one time, may occur as appropriate, taking into account the skills and experience of the individuals concerned.

Organisational structure

The Board of Trustees meets on a quarterly basis, and has established two sub-committees - a Finance Sub Committee and a People and Policies Sub Committee, which both also meet quarterly - with appropriate matters delegated accordingly.

The day-to-day running of the company is in the hands of a full staff team, headed by the Chief Executive/Artistic Director. A senior leadership team comprising the Artistic Director, Executive Producer/Deputy Chief Executive and Director of Audiences led the company during the year. With the newly-appointed Director of Operations supplementing their number with effect from May 2021. This team has delegated authority from the Board on matters of finance, recruitment, fundraising and artistic activity.

This company also has a wholly-owned trading subsidiary, called NTW Productions Limited, via which the delivery of its productions is transacted. The company pays a commissioning fee per production to the trading company that equates to the cost of producing the show, less any Theatre Tax Relief credit that the subsidiary is entitled to claim for the production. (All claims for such credits are processed via the subsidiary for reasons of accounting transparency). The trading company is overseen via a Board of Directors that currently comprises the company's Artistic Director and its Executive Producer, two Trustees (the Chair of the Board of Trustees and the Chair of the Finance Sub Committee), and a non-executive director.

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) (REGISTERED NUMBER: 06693227)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
06693227 (England and Wales)

Registered Charity number
1127952

Registered office
30 Castle Arcade
CARDIFF
CF10 1BW

Trustees

Chair	Clive William Jones	
Trustees	Bethan Cousins	Resigned 11 March 2021
	Simon Keith Pirotte	
	Roger Michael Awan-Scully	Resigned 23 September 2021
	Bedwyr Elias Williams	
	Sian Elin Doyle	
	Keith Power	
	Raidene Carter	
	Wayne Boucher	
	Anna Arrieta	Appointed 11 March 2021
	Steffan Donnelly	Appointed 11 March 2021

Executive team

Chief Executive/Artistic Director	Lorne Campbell
Executive Producer/Deputy CEO	Lisa Maguire

Senior Statutory Auditor

Julia Mortimer

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Hugh James
Hodge House
114-116 St. Mary Street
CARDIFF
CF10 1DY

Bank

HSBC
56 Queen Street
CARDIFF
CF10 2PX

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) (REGISTERED NUMBER: 06693227)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The National Theatre of Wales (Trading as National Theatre Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements, the trustees are required to

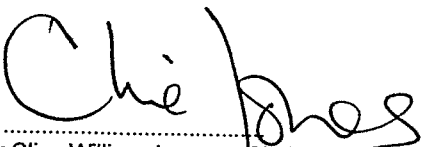
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to 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 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 group'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.

Approved by order of the Board of Trustees on 15 December 2021 and signed on its behalf by:


Sir Clive William Jones - Chair

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

Opinion

We have audited the financial statements of The National Theatre of Wales (Trading as National Theatre Wales) and subsidiary for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2020 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 Auditors 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

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

In auditing the financial statements, we have concluded that the directors' 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

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 auditors' 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.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 22 December 2021

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,712,437	50	1,712,487	1,613,106
Charitable activities	5				
Promoting, maintaining, improving and advancing education		52,999	279,642	332,641	681,816
Investment income	4	259	-	259	1,312
Other income	7	-	-	-	10,140
Total		1,765,695	279,692	2,045,387	2,306,374
 EXPENDITURE ON					
Raising funds	8	771	-	771	19,955
Charitable activities	9				
Promoting, maintaining, improving and advancing education		<u>1,372,267</u>	<u>305,382</u>	<u>1,677,649</u>	<u>2,604,530</u>
Total		<u>1,373,038</u>	<u>305,382</u>	<u>1,678,420</u>	<u>2,624,485</u>
NET INCOME/(EXPENDITURE)		392,657	(25,690)	366,967	(318,111)
Transfers between funds		<u>(24,289)</u>	<u>24,289</u>	<u>-</u>	<u>-</u>
Net movement in funds		368,368	(1,401)	366,967	(318,111)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>437,936</u>	<u>117,672</u>	<u>555,608</u>	<u>873,719</u>
TOTAL FUNDS CARRIED FORWARD		<u>806,304</u>	<u>116,271</u>	<u>922,575</u>	<u>555,608</u>

The notes form part of these financial statements

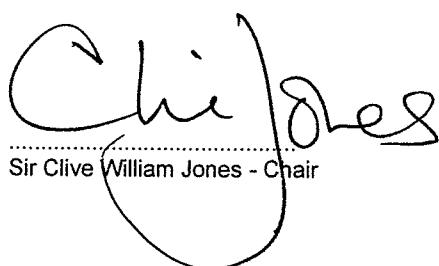
THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY (REGISTERED NUMBER: 06693227)

CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 31 MARCH 2021

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible assets	17	8,880	14,044	8,880	14,044
Investments	18	-	-	1	1
		8,880	14,044	8,881	14,045
CURRENT ASSETS					
Debtors: amounts falling due within one year	19	198,991	399,373	198,991	399,373
Cash at bank		<u>1,053,591</u>	<u>392,304</u>	<u>1,053,591</u>	<u>392,304</u>
		1,252,582	791,677	1,252,582	791,677
CREDITORS					
Amounts falling due within one year	20	(338,887)	(249,445)	(338,888)	(249,446)
		<u>913,695</u>	<u>542,232</u>	<u>913,694</u>	<u>542,231</u>
NET CURRENT ASSETS/(LIABILITIES)					
		922,575	556,276	922,575	556,276
TOTAL ASSETS LESS CURRENT LIABILITIES					
PROVISION FOR LIABILITIES	22	-	(668)	-	(668)
		<u>922,575</u>	<u>555,608</u>	<u>922,575</u>	<u>555,608</u>
NET ASSETS					
		<u>922,575</u>	<u>555,608</u>	<u>922,575</u>	<u>555,608</u>
FUNDS	23				
Unrestricted funds: (Including designated funds)		806,304	437,936	806,304	437,936
Restricted funds		<u>116,271</u>	<u>117,672</u>	<u>116,271</u>	<u>117,672</u>
NET ASSETS		<u>922,575</u>	<u>555,608</u>	<u>922,575</u>	<u>555,608</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 15/12/2021 and were signed on its behalf by:


Sir Clive William Jones - Chair

The notes form part of these financial statements

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY (REGISTERED NUMBER: 06693227)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>662,377</u>	<u>(507,501)</u>
Net cash provided by (used in) operating activities		<u>662,377</u>	<u>(507,501)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,349)	(16,428)
Sale of tangible fixed assets		-	14,189
Interest received		<u>259</u>	<u>1,312</u>
Net cash provided by (used in) investing activities		<u>(1,090)</u>	<u>(927)</u>
Change in cash and cash equivalents in the reporting period		661,287	(508,428)
Cash and cash equivalents at the beginning of the reporting period		<u>392,304</u>	<u>900,732</u>
Cash and cash equivalents at the end of the reporting period		<u>1,053,591</u>	<u>392,304</u>

The notes form part of these financial statements

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY (REGISTERED NUMBER: 06693227)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	366,967	(318,111)
Adjustments for:		
Depreciation charges	6,513	7,326
Profit on disposal of fixed assets	-	(10,140)
Interest received	(259)	(1,312)
Theatre tax relief claim – movement in debtor	52,707	32,065
Decrease/(increase) in debtors	147,675	(210,058)
(Decrease)/increase in creditors	88,774	(7,271)
Net cash provided by (used in) operating activities	<u>662,377</u>	<u>(507,501)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	392,304	661,287	1,053,591
Total	<u>392,304</u>	<u>661,287</u>	<u>1,053,591</u>

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATUTORY INFORMATION

These financial statements include the consolidated results of The National Theatre of Wales and its trading subsidiary NTW Productions Limited.

The National Theatre of Wales is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is 30 Castle Arcade, Cardiff, CF10 1BW. The nature of the charitable group's and company's operations and principal activities is disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the group's functional currency, and rounded to the nearest pound

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable group, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

Going concern

The directors are satisfied that despite the Coronavirus pandemic, it is appropriate for the group's financial statements to be prepared on a going concern basis. The directors have taken steps to minimise the effect on the company and will continue to do so. In the circumstances they have concluded that no adjustments are required to the financial statements at this time.

Income

All income is recognised in the Statement of Financial Activities once the group has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or, are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income

Investment income is recognised on a receivable basis.

Other income

Other income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the group and include the accountancy fees and costs linked to the strategic management of the group as well as a proportion of salaries based on an approximation of time spent in this area.

Tangible fixed assets

Fixed assets are initially recorded at cost. The value below which fixed assets are not capitalised is £500.

Depreciation is calculated so as to write off the cost of an asset, less its estimate residual value over the useful economic life of the asset as follows:

Fixtures & fittings	- 25% straight line
Computer equipment	- 33% straight line

However, where assets are acquired as a result of grant funding they will be depreciated over their useful life, or the period of the grant, whichever is the shorter.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Funds structure

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the group without further specified purpose and are available as general funds.

Designated funds are funds which have been specifically designated for specific future costs.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Investments

Investments are stated at market value at the balance sheet date

Pension costs and post-retirement benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the statement of financial activities incorporating the income and expenditure account.

Termination payments

The charitable group recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Employee benefits

When employees have rendered service to the group, short-term employee benefits to which employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

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

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Creditors are recognised where the group 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Provisions

The group commits to providing pensions for all core staff via the group pension scheme. Joining the scheme is subject to auto enrolment regulations. At any point in time a number of eligible employees have yet to join the scheme but when they do employer contributions are backdated to their original start date. Provision is made for the group's potential contribution in respect of these individuals in those instances where a simple accrual is not considered appropriate.

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	17,313	6,701
Grants	<u>1,695,174</u>	<u>1,606,405</u>
	<u>1,712,487</u>	<u>1,613,106</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Arts Council of Wales - Core funding	1,624,075	1,606,405
Esmée Fairbairn Foundation	46,992	-
Welsh Government Coronavirus Job Retention Scheme	14,107	-
Cardiff Council Business Rates Relief	<u>10,000</u>	<u>-</u>
	<u>1,695,174</u>	<u>1,606,405</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Bank interest	<u>259</u>	<u>1,312</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Theatre tax relief credit	46,802	99,509
Grants	179,685	331,535
Performing and related activities	105,554	249,265
Speaker fees	<u>600</u>	<u>1,507</u>
	<u>332,641</u>	<u>681,816</u>

**THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

5. INCOME FROM CHARITABLE ACTIVITIES - continued

All income is derived from the single charity activity of 'Promoting, maintaining, improving and advancing education'.

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Paul Hamlyn Foundation	99,795	100,206
Esmée Fairbairn Foundation	-	93,984
Battersea Arts Centre - The Agency	49,520	63,333
Andrew Lloyd Webber Foundation	6,000	6,000
Theatre Granit - Creative Europe	12,870	4,629
British Council - repurposing of income Egin	-	4,792
Arts Council Wales - Organisational Structure Review	-	6,064
Arts Council Wales - For All I Care Edinburgh	-	15,000
National Trust - Egin	-	5,000
Goethe Institute	-	4,477
Mackintosh Foundation	-	3,000
Snowdonia National Park Authority - Egin	-	4,000
Ashley Family Foundation	-	5,600
Carne Trust	-	3,000
British Council - Cotton Fingers Edinburgh	-	5,000
Natural Resources Wales - Egin	-	4,950
Tipping Point - Egin	-	2,500
The Bluestone Foundation	2,500	-
Pembrokeshire Association of Voluntary Services	1,000	-
People's Palace Projects	8,000	-
	<u>179,685</u>	<u>331,535</u>

6. RESULT OF PARENT CHARITABLE COMPANY

The total income of the parent charitable company was £2,385,729 and net income was £366,967.

7. OTHER INCOME

	2021	2020
	£	£
Gain on sale of tangible fixed assets	-	10,140

8. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Fundraising expenditure	<u>771</u>	<u>19,955</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Grant funding of activities (see note 10) £	Support costs (see note 11) £	Totals £
Promoting, maintaining, improving and advancing education	<u>1,289,336</u>	<u>13,500</u>	<u>374,813</u>	<u>1,677,649</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	748,488	896,302
Creative and artistic activities	470,429	965,512
Marketing costs	62,355	178,194
Recruitment costs	<u>8,064</u>	<u>28,375</u>
	<u>1,289,336</u>	<u>2,068,383</u>

11. SUPPORT COSTS

	Staff costs £	Other costs £	Depreciation £	Governance costs £	Totals £
Promoting, maintaining, improving and advancing education	<u>185,306</u>	<u>126,178</u>	<u>6,513</u>	<u>56,816</u>	<u>374,813</u>

12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	5,902	4,716
Auditors' remuneration for non-audit work	1,350	1,419
Depreciation - owned assets	6,513	7,326
Surplus on disposal of fixed assets	<u>-</u>	<u>(10,140)</u>

13. GRANTS PAYABLE

	2021 £	2020 £
Promoting, maintaining, improving and advancing education	<u>13,500</u>	<u>-</u>

The total grants paid to individuals during the year was as follows:

	2021 £	2020 £
General	<u>13,500</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

14. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 or for the year ended 31 March 2020.

Trustees' expenses

During the year an amount of £nil (2020: £1,797) was paid to nil (2020: 6) trustees in respect of travel and other expenses.

During the year the following professional fees were paid to trustees for services provided. The fees were paid at a commercial rate.

	2021 £	2020 £
Pete Rogers	-	400
Wayne Boucher	2,319	-
	<u>2,319</u>	<u>400</u>

Trustees are permitted to receive compensation for professional services rendered to the charity by virtue of clause 5(5)(a)(ii) of the Memorandum of Association.

15. STAFF COSTS

	2021 £	2020 £
Employee costs during the year		
Wages and salaries	827,582	1,031,116
Employer's National Insurance contributions	71,202	70,909
Pension costs	<u>35,010</u>	<u>39,902</u>
	<u>933,794</u>	<u>1,141,927</u>

	2021	2020
Number of persons employed		
Permanent staff	22	25
Temporary production staff	<u>1</u>	<u>7</u>
	<u>23</u>	<u>32</u>

The number of employees whose emoluments, as defined for taxation purposes, amounted to a rate of over £60,000 during the year were as follows:

	2021	2020
£60,001 - £70,000	1	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	-

The Artistic Director post was vacant for some three months during the 2019/20 financial year.

All employees earning more than £60,000 were members of the company pension scheme.

Total remuneration benefits paid to key management personnel in the year was £180,022 (2020: £183,887).

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

16. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – 31 MARCH 2020

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,613,106	-	1,613,106
Charitable activities			
Promoting, maintaining, improving and advancing education	350,031	331,785	681,816
Investment income	1,312	-	1,312
Other income	10,140	-	10,140
Total	1,974,589	331,785	2,306,374
 EXPENDITURE ON			
Raising funds	19,955	-	19,955
Charitable activities			
Promoting, maintaining, improving and advancing education	2,272,477	332,053	2,604,530
Total	2,292,432	332,053	2,624,485
 NET INCOME/(EXPENDITURE)	(317,843)	(268)	(318,111)
Transfers between funds	(5,701)	5,701	-
Net movement in funds	(323,544)	5,433	(318,111)
 RECONCILIATION OF FUNDS			
Total funds brought forward	761,480	112,239	873,719
 TOTAL FUNDS CARRIED FORWARD	437,936	117,672	555,608

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

17. TANGIBLE FIXED ASSETS – Group and charity

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2020	33,110	53,372	86,482
Additions	-	1,349	1,349
At 31 March 2021	<u>33,110</u>	<u>54,721</u>	<u>87,831</u>
DEPRECIATION			
At 1 April 2020	31,372	41,066	72,438
Charge for year	735	5,778	6,513
At 31 March 2021	<u>32,107</u>	<u>46,844</u>	<u>78,951</u>
NET BOOK VALUE			
At 31 March 2021	<u>1,003</u>	<u>7,877</u>	<u>8,880</u>
At 31 March 2020	<u>1,738</u>	<u>12,306</u>	<u>14,044</u>

18. FIXED ASSET INVESTMENTS - Charity

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>1</u>
NET BOOK VALUE	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

NTW Productions Limited:
Nature of business: Theatre production

Class of share:	%
Ordinary	holding 100

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	930	190,914	930	190,914
Other debtors	-	3,745	-	3,745
Accrued income	10,107	48,614	10,107	48,614
Theatre tax relief recoverable	46,802	91,937	-	-
VAT recoverable	-	5,442	-	5,442
Prepayments	141,152	58,721	141,152	58,721
Amounts owed by group undertakings	-	-	46,802	91,937
	<u>198,991</u>	<u>399,373</u>	<u>198,991</u>	<u>399,373</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	61,027	154,752	61,027	154,752
Social security and other taxes	16,991	21,676	16,991	21,676
VAT	19,560	-	19,560	-
Other creditors	5,579	5,821	5,580	5,822
Accruals	57,235	33,346	57,235	33,346
Deferred income	<u>178,495</u>	<u>33,850</u>	<u>178,495</u>	<u>33,850</u>
	<u>338,887</u>	<u>249,445</u>	<u>338,888</u>	<u>249,446</u>

Included within deferred income above is the following:

	2021 £	2020 £
Paul Hamlyn Foundation	75,342	-
Battersea Arts Council - The Agency	-	33,850
Festival 2022	92,153	-
Natural Resources Wales	3,000	-
British Council – Go Digital	<u>8,000</u>	<u>-</u>
	<u>178,495</u>	<u>33,850</u>

The deferred income relates to income received in advance of project delivery. All amounts deferred in the year ended 31 March 2020 were released to the Statement of Financial Activities during the year. All amounts deferred in the year ended 31 March 2021 are new sources of income.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	18,466	39,328
Between one and five years	<u>14,384</u>	<u>32,612</u>
	<u>32,850</u>	<u>71,940</u>

Total operating lease payments recognised as an expense in the year was £39,804 (2020: £39,807).

22. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Pension provision	<u>-</u>	<u>668</u>

During the year, the movement on the pension provision of £668 was credited to the Statement of Financial Activities.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

23. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	345,110	446,561	(539,770)	251,901
Designated fund - Fixed assets	14,044	(6,513)	1,349	8,880
Designated fund - TEAM	4,100	-	-	4,100
Designated fund - Marketing	6,150	(6,150)	40,683	40,683
Designated fund - Core resilience	7,947	-	5,000	12,947
Designated fund - Creative Development	58,127	(41,241)	45,309	62,195
Designated fund - Office Improvements	2,458	-	-	2,458
Designated fund - Productions	-	-	316,822	316,822
Designated fund - Organisational review changes	-	-	35,000	35,000
Designated fund - HR support	-	-	5,746	5,746
Designated fund - CEO support	-	-	2,750	2,750
Designated fund - Creative Development posts	-	-	6,822	6,822
Designated fund - Creative Development projects	-	-	6,000	6,000
Designated fund - Springboard bursaries	-	-	50,000	50,000
	<u>437,936</u>	<u>392,657</u>	<u>(24,289)</u>	<u>806,304</u>
Restricted funds				
Paul Hamlyn Foundation	31,209	25,264	-	56,473
Esmée Fairbairn Foundation	50,163	(38,841)	-	11,322
Arts Council Wales - Ocean Park Creative Collaboration	1,064	-	-	1,064
National Companies Consultancy Project	22,663	(2,800)	-	19,863
Battersea Arts Centre - The Agency	6,257	3,617	-	9,874
Big Lottery Fund - Access Forum	2,330	-	-	2,330
Mametz real-time digital lesson plans	2,781	(425)	-	2,356
EU Creative Europe	305	(24,594)	24,289	-
Andrew Lloyd Webber Foundation - Emerging Directors	900	5,100	-	6,000
People's Palace Projects (Far Apart UK)	-	6,880	-	6,880
Bluestone Foundation/Little Green Grant	-	109	-	109
	<u>117,672</u>	<u>(25,690)</u>	<u>24,289</u>	<u>116,271</u>
TOTAL FUNDS	<u>555,608</u>	<u>366,967</u>	<u>-</u>	<u>922,575</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,765,695	(1,319,134)	446,561
Designated fund - Fixed assets	-	(6,513)	(6,513)
Designated fund - Marketing	-	(6,150)	(6,150)
Designated fund - Creative Development	-	(41,241)	(41,241)
	<u>1,765,695</u>	<u>(1,373,038)</u>	<u>392,657</u>
Restricted funds			
Paul Hamlyn Foundation	99,794	(74,530)	25,264
Esmée Fairbairn Foundation	-	(38,841)	(38,841)
National Companies Consultancy Project	-	(2,800)	(2,800)
Battersea Arts Centre - The Agency	49,570	(45,953)	3,617
Mametz real-time digital lesson plans	-	(425)	(425)
EU Creative Europe	12,871	(37,465)	(24,594)
Andrew Lloyd Webber Foundation - Emerging Directors	6,000	(900)	5,100
People's Palace Projects (Far Apart UK)	8,000	(1,120)	6,880
Bluestone Foundation/Little Green Grant Festival 2022	3,500	(3,391)	109
	<u>99,957</u>	<u>(99,957)</u>	<u>-</u>
	<u>279,692</u>	<u>(305,382)</u>	<u>(25,690)</u>
TOTAL FUNDS	<u><u>2,045,387</u></u>	<u><u>(1,678,420)</u></u>	<u><u>366,967</u></u>

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FOR THE YEAR ENDED 31 MARCH 2021

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	335,313	70,587	(60,790)	345,110
Designated fund - Fixed assets	8,991	(7,326)	12,379	14,044
Designated fund - TEAM	6,100	-	(2,000)	4,100
Designated fund - Marketing	5,500	(5,500)	6,150	6,150
Designated fund - Production and creative development	289,864	(289,864)	-	-
Designated fund - Core resilience	15,782	(7,835)	-	7,947
Designated Fund - Casting	8,581	(8,581)	-	-
Designated Fund - Creative Development	42,019	(23,789)	39,897	58,127
Designated Fund - Office Improvements	4,030	(1,572)	-	2,458
Designated fund - Strategic planning	8,800	(8,800)	-	-
Designated fund - Audience development	16,500	(15,163)	(1,337)	-
Designated fund - Artistic Director recruitment	20,000	(20,000)	-	-
	761,480	(317,843)	(5,701)	437,936
Restricted funds				
Paul Hamlyn Foundation	20,024	9,035	2,150	31,209
Esmée Fairbairn Foundation	38,059	12,104	-	50,163
Jerwood Charitable Foundation	10,582	(10,582)	-	-
Arts Council Wales - Ocean Park Creative Collaboration	1,064	-	-	1,064
National Companies Consultancy Project	29,518	(6,855)	-	22,663
Arts Council Wales - Resilience Programme	1,174	(1,174)	-	-
Battersea Arts Centre - The Agency	-	6,257	-	6,257
Big Lottery Fund - Access Forum	6,512	(4,182)	-	2,330
Mametz real-time digital lesson plans	5,071	(2,290)	-	2,781
EU Creative Europe	235	(3,481)	3,551	305
Andrew Lloyd Webber Foundation - Emerging Directors	-	900	-	900
	112,239	(268)	5,701	117,672
TOTAL FUNDS	<u>873,719</u>	<u>(318,111)</u>	<u>-</u>	<u>555,608</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,974,589	(1,904,002)	70,587
Designated fund - Fixed assets	-	(7,326)	(7,326)
Designated fund - Marketing	-	(5,500)	(5,500)
Designated fund - Production and creative development	-	(289,864)	(289,864)
Designated fund - Core resilience	-	(7,835)	(7,835)
Designated Fund - Casting	-	(8,581)	(8,581)
Designated Fund - Creative Development	-	(23,789)	(23,789)
Designated Fund - Office Improvements	-	(1,572)	(1,572)
Designated fund - Strategic planning	-	(8,800)	(8,800)
Designated fund - Audience development	-	(15,163)	(15,163)
Designated fund - Artistic Director recruitment	-	(20,000)	(20,000)
	1,974,589	(2,292,432)	(317,843)
Restricted funds			
Paul Hamlyn Foundation	100,206	(91,171)	9,035
Esmée Fairbairn Foundation	93,984	(81,880)	12,104
Jerwood Charitable Foundation	-	(10,582)	(10,582)
National Companies Consultancy Project	-	(6,855)	(6,855)
Battersea Arts Centre - The Agency	63,583	(57,326)	6,257
Big Lottery Fund - Access Forum	-	(4,182)	(4,182)
Mametz real-time digital lesson plans	-	(2,290)	(2,290)
EU Creative Europe	4,629	(8,110)	(3,481)
Andrew Lloyd Webber Foundation - Emerging Directors	6,000	(5,100)	900
Carne Trust - Emerging Directors	3,000	(3,000)	-
Arts Council of Wales - Organisational Structure Review	6,064	(6,064)	-
British Council - support for Welsh companies in Edinburgh	5,000	(5,000)	-
Egin Camp	26,842	(26,842)	-
Mackintosh Foundation - Emerging Directors	3,000	(3,000)	-
Goethe Institute - Dramaturgs project	4,477	(4,477)	-
Arts Council Wales - For All I Care in Edinburgh	15,000	(15,000)	-
Arts Council Wales - Resilience Programme	-	(1,174)	(1,174)
	331,785	(332,053)	(268)
TOTAL FUNDS	<u>2,306,374</u>	<u>(2,624,485)</u>	<u>(318,111)</u>

Designated funds

Designated fund - Fixed Assets

The fund represents the net book value of fixed assets.

Designated fund - TEAM

The fund represents the value of core funds set aside towards the company's TEAM community engagement programme activities.

Designated fund - Marketing

The fund represents the value of funds set aside to meet website development costs. An additional £40,683 was designated in the current year to provide for website and CRM system replacement and development costs.

Designated fund - Core resilience

The fund represents the value of funds set aside to finance staff and other costs associated with the development and implementation of the company's income generation and diversification strategy. An additional £5,000 was designated in the year to provide for residual consultancy costs provided to the Development Team during recent maternity leave absences.

23. MOVEMENT IN FUNDS - continued

Designated fund - Creative Development

The fund represents the value of unapplied research and development and commissioning funds to be utilised in support of an enhanced programme of such projects in future years. An additional £45,309 was designated during the year to provide for costs associated with projects brought forward from 2019/20 as well as future projects.

Designated fund - Office improvements

The fund represents the value of funds set aside to support essential improvement works and other expenditure relating to the office at 30 Castle Arcade. This includes costs associated with searches for alternative accommodation.

Designated fund - Productions

This represents the value of funds set aside to supplement 'in year' funds to enable investment in future years' artistic programmes.

Designated fund - Organisational review changes

The fund represents the value of funds set aside to provide for staffing changes arising from the company's review of its organisation structure.

Designated fund - HR support

The fund represents the value of funds set aside to provide for costs associated with HR consultancy support. The consultant was engaged to provide support prior to the employment of the Director of Operations and these costs relate to residual tasks that assistance was being provided on.

Designated fund - CEO support

The fund represents the value of funds set aside to provide for costs associated with CEO consultancy support. The consultant was engaged to provide support prior to the employment of the Director of Operations and these costs relate to residual tasks that assistance was being provided on.

Designated fund - Creative Development posts

The fund represents the value of funds set aside to provide for freelance support to be engaged to oversee and administer the company's creative development activities during 2021/22 and 2022/23.

Designated fund - Creative Development projects

The fund represents the value of funds set aside to provide match funding for the Emerging Directors programme - matching the final year funding approval from the Andrew Lloyd Webber Foundation.

Designated fund - Springboard bursaries

The fund represents the value of funds set aside to support the company's Springboard Bursaries programme, being introduced in 2021/22 to assist freelancers.

Designated funds in prior period

Designated fund - Casting

The fund represents the value of funds set aside to meet future additional costs relating to the creation of a Casting Associate post which has brought the casting process in-house as part of a two year pilot project.

Designated fund - Strategic Planning

This fund represents the value of funds set aside to meet the costs of the remaining consultancy fees payable in respect of the company's current strategic planning review.

Designated fund - Audience Development

This fund represents the value of funds set aside to meet consultancy costs associated with the development of the company's audience development strategy

Designated fund - Artistic Director recruitment

This fund represents the value of funds set aside to meet all costs associated with the recruitment of a new Artistic Director. This includes fees, advertising costs and interview expenses.

Designated fund - Production and Creative Development

The fund represents the value of funds set aside to cover the costs of the future artistic programme.

23. MOVEMENT IN FUNDS - continued

Restricted funds

The Paul Hamlyn Foundation supports the company's 'TEAM' programme, the role of which is to develop relationships within communities, and thereby promote National Theatre Wales and develop interest in theatre.

Esmée Fairbairn Foundation

This funding has been provided to contribute towards the company's creative development programme for artists working across Wales.

Arts Council Wales - Ocean Park Creative Collaboration - This funding stream exists to help foster the development of creative partnerships between arts organisations and schools. This grant funded a collaboration between Ocean Park Academy, located in Cardiff, and NTW. The project took place between January and June 2017.

National Companies Consultancy Project

This project is a jointly funded initiative involving the eight national arts organisations in Wales, as designated by the Arts Council of Wales - the first time that they have all come together in this way. The companies taking part, other than NTW, are BBC National Orchestra of Wales, Ffilm Cymru Wales, Literature Wales, National Dance Company Wales, Theatr Genedlaethol Cymru, Wales Millennium Centre and Welsh National Opera. Each organisation is contributing to the project financially and/or in kind, and the funding is being used to pay for the services of a consultant, who has been engaged to provide the companies with advice in a number of areas. These areas include building resilience and growth in the wider arts sector; developing audience diversity and inclusivity; identifying ways in which to lead on supporting the professional development of artists; and how to increase the international profile and market opportunities for Wales. The project documents were signed in March 2017, with the work taking place throughout 2017/18 and 2018/19 and continuing into 2019/20 and beyond.

Battersea Arts Centre - The Agency

The Agency is a creative entrepreneurial programme, that seeks to use the arts to assist and encourage young people, in local disadvantaged communities, to develop their creative ideas into business opportunities. It is a partnership involving NTW, Battersea Arts Centre (BAC), Contact Theatre, People's Palace projects and FabLab Belfast, with funding provided by the Big Lottery Fund. The purpose of the partnership is to continue running an existing project in London (BAC) and Manchester (Contact) and replicate and run the programme in Wales (NTW) and Northern Ireland (FabLab).

Big Lottery Fund - Access Forum

This funding has been provided via the Big Lottery Fund's 'Awards for All' programme. Its purpose is to fund a series of Forum events being held across Wales. The Forum exists to bring together organisations, artists and individuals from across Wales to work together in removing barriers to accessing the arts faced by people with disabilities.

Mametx real-time digital lesson plans

This represents a combination of funding from two sources - the Colwinston Trust, and the Welsh Government's WW1 Activity Fund. The purpose of the funding is to enable the development of real-time, digital lesson plans related to NTW's 2014 production 'Mametx', which now forms part of the A level Drama and Theatre Studies syllabus in Wales. The aim of these plans is to provide an insight to aid both teachers and students.

EU Creative Europe

This project took place over three years and was developed in association with partner organisations in France (Theatre Granit Scene National de Belfort), Portugal (Dupla Cena) and Romania (Asociatia Colectiv A), with the French partner being the project lead. The project incorporated a series of workshops and laboratories that aim to provide an opportunity for artists to gain an insight into live arts and transmedia creation. The project concluded during the 2020/21 financial year, with just the final audit and settlements remaining, which will take place during 2021/22.

Andrew Lloyd Webber Foundation - Emerging Directors

This funding contributes towards the costs of NTW's Emerging Directors Programme. This programme has the primary aim of giving talented and promising individuals the opportunity to work alongside experienced directors.

23. MOVEMENT IN FUNDS - continued

People's Palace Projects (Far Apart UK)

This funding relates to 'Far Apart but Close at Heart UK', a multi-partner research study that the company is taking part in. The study is led by People's Palace Projects (who provide the funding to NTW), in conjunction with the Unit for Social and Community Psychiatry at Queen Mary University of London. Other companies taking part in the study, which aims to explore how arts organisations in the UK are using online platforms and other means to support the mental health of young people during a global pandemic, include Battersea Arts Centre, Contact Theatre Manchester, Dirty Protest and Royal Theatre Stratford East. This project is run in parallel with a sister project in Latin America.

Bluestone Foundation/Little Green Grant

This funding comprises two small grants. One, in the sum of £2,500, was provided by the Bluestone Foundation. The other (Little Green Grant), in the sum of £1,000, was provided by the Pembrokeshire Association of Voluntary Services. Together they were utilised to fund the design and construction of 'mission boards' related to Simple Acts - a call for social change, which was a central thread throughout all of the Go Tell The Bees activity. (Simple Acts encourages people to perform seven activities - Simple Acts - as part of their daily lives to help improve the environment and the world around us. These activities are 'plant a seed', 'learn one new thing about nature', 'take a walk', 'connect with someone new', 'consume a little less', 'be kind to your neighbour' and 'consider the stars').

Festival 2022

NTW heads up a partnership of organisations, collectively known as Collective Cymru, that came together to submit a bid to Festival 2022 (since renamed the Unboxed Festival). The organisations involved include Centre of Alternative Technology, Clwstwr, Disability Arts Cymru, Ffilm Cymru, Frân Wen and Sugar Creative, whilst community partners are CellB, Citizens Cymru, Disability Arts Cymru, Ethnic Minorities Youth Support Team (EYST) and Merthyr Tydfil Leisure Trust. During the 2020/21 financial year the company received a commissioning fee from Festival 2022 for the purposes of working up a full business case bid for a project culminating in the Autumn of 2022. Notification was received in March 2021 that the bid had been successful and work on the project (now known as 'Galwad') commenced with effect from April 2021. The project will culminate in a series of events to be staged in September 2022, with the project itself coming to a conclusion by December 2022.

Restricted funds in prior period

The Jerwood Charitable Foundation previously supported the company's development of an online artist collaboration space and now supports its programme of Located Residencies and Emerging Producer bursaries.

Arts Council Wales - Resilience Programme

This funding was provided to finance the services of a professional advisor/mentor and associated costs to generate a five to ten year income diversification and stakeholder engagement strategic plan.

Carne Trust - Emerging Directors

This funding contributes towards the costs of NTW's Emerging Directors Programme. This programme has the primary aim of giving talented and promising individuals the opportunity to work alongside experienced directors.

Arts Council Wales - Organisational Structure Review

This purpose of this funding was to contribute towards the costs of engaging consultants to review, and make recommendations upon, the company's organisational staffing structure.

British Council - support for Welsh companies in Edinburgh

The funding was provided to enable NTW to arrange, and provide, marketing support for two independent Welsh theatre companies taking part in the 2019 Edinburgh Festival.

Egin Camp

The purpose of this funding was to support the staging of Egin Camp, an artist residency summer camp staged in July 2019. Bringing together Welsh and international artists it responded to the challenge of climate change. The project was funded by contributions from Natural Resources Wales, National Trust, Snowdonia National Park Authority, British Council, Ashley Family Foundation and Julie's Bicycle, as well as NTW.

Mackintosh Foundation - Emerging Directors

This funding contributes towards the costs of NTW's Emerging Directors Programme. This programme has the primary aim of giving talented and promising individuals the opportunity to work alongside experienced directors.

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

23. MOVEMENT IN FUNDS - continued

Goethe Institute - Dramaturgs project

This purpose of this funding was to support the staging of a dramaturgs event, held in Cardiff in October 2019, which brought together practitioners from Wales and Germany to enable them to exchange experiences.

Arts Council Wales - For All I Care in Edinburgh

This funding was provided in support of the company's staging of the production 'For All I Care' as part of the 2019 Edinburgh Festival.

Transfers between funds

Transfers totalling £514,131 have been made between the general fund and 10 designated funds, as follows:

- Marketing: The Board has reviewed and identified an additional £40,683 of funds to be held for website and CRM system replacement and development costs.
- Core Resilience: The Board has reviewed and £5,000 of funds have been set aside to provide for residual consultancy costs provided to the Development Team during recent maternity leave absences.
- Creative development: The Board has reviewed and identified £45,309 of funds to be used towards the costs of projects brought forward from 2020/21 as well as future new projects.
- Productions: The Board has reviewed and £316,822 of funds have been set aside to invest in future artistic programmes.
- Organisational review changes: The Board has reviewed and identified £35,000 of funds to provide for staffing changes arising from the company's review of its organisation structure.
- HR support: The Board has reviewed and £5,746 of funds have been set aside to provide for costs associated with HR consultancy support.
- CEO support: The Board has reviewed and £2,750 of funds have been set aside to provide for costs associated with CEO consultancy support.
- Creative Development posts: The Board has reviewed and identified £6,822 of funds to provide for freelance support to be engaged to oversee and administer the company's creative development activities during 2021/22 and 2022/23.
- Creative Development projects: The Board has reviewed and £6,000 of funds have been set aside to provide match funding for the Emerging Directors programme.
- Springboard bursaries: The Board has reviewed and identified £6,822 of funds to support to fund the company's Springboard Bursaries programme.

A transfer of £1,349 has been made from the general fund to the designated fixed assets fund, representing the value of capitalised spend.

A transfer of £24,289 was made between the general fund and the EU Creative Europe restricted fund to represent the match funding contribution by National Theatre Wales to the project.

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions paid by the group to the fund and amounted to £35,010 (2020: £39,902). Contributions outstanding at the year end amounted to £5,087 (2020: £3,874).

25. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021, that required disclosure (2020: none).

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	8,880	-	8,880
Current assets	940,622	311,960	1,252,582
Current liabilities	(143,198)	(195,689)	(338,887)
Provision for liabilities	-	-	-
Total net assets	806,304	116,271	922,575

THE NATIONAL THEATRE OF WALES
(TRADING AS NATIONAL THEATRE WALES) AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

27. SUBSIDIARY COMPANY

The charity owns the whole of the issued ordinary share capital of NTW Productions Limited, a company registered in England and Wales. The subsidiary is commissioned to produce theatrical productions on behalf of the charity. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	340,342	558,524
Cost of sales	(387,144)	(650,461)
Gross profit	(46,802)	(91,937)
Administrative expenses	-	-
Loss on ordinary activities before taxation	(46,802)	(91,937)
Theatre tax relief claim	46,802	91,937
Profit for the financial year	-	-

The aggregate of the assets, liabilities and funds was:

	2021 £	2020 £
Assets	46,803	91,938
Liabilities	(46,802)	(91,937)
Funds (representing 1 ordinary share of £1)	1	1