



Cyngor Celfyddydau Cymru  
Arts Council of Wales

# General Activities & Lottery Distribution

Report and Financial Statements  
for the year ended 31 March 2019



Noddir gan  
**Lywodraeth Cymru**  
Sponsored by  
**Welsh Government**



Yn dyfarnu arian / Awarding funds from  
**Y LOTERI GENEDLAETHOL**  
**THE NATIONAL LOTTERY®**

Charity number 1034245



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Arts Council of Wales operates an equal opportunities policy.

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*Hinterlands*, Peak, Canal & River Trust (image: Sion Marshall-Waters)  
Artist Ella Gibbs and Creative Producer Melissa Appleton working with communities in Pontypool, Torfaen

## What we do...

### The Arts Council of Wales is the country's official public body for funding and developing the arts.

Established by Royal Charter on 30 March 1994, we exist to support and develop the arts in Wales for the benefit of people throughout Wales, and to support Welsh arts internationally.

We are also a Welsh Government Sponsored Body (WGSB), a National Lottery Distributor, and a registered charity (number 1034245).

Our Royal Charter sets out our objectives.

They are to:

- develop and improve the knowledge, understanding and practice of the arts;
- increase the accessibility of the arts to the public;
- work through the Welsh and English languages; and,
- work with other public bodies in Wales, and with the other Arts Councils in the UK, to achieve these aims.

A copy of our Royal Charter can be found on our [website](#).

Every day, people across Wales are enjoying and taking part in the arts in Wales. We help to support and grow this activity by reaching out to new and wider audiences. We also help artists and arts organisations to develop the quality and impact of their work.

We do this by using the public funds that are given to us by the Welsh Government. We also distribute the money that we receive from the National Lottery.

By managing and investing these funds in creative activity, the Arts Council contributes to people's quality of life and to the cultural, social and economic well being of Wales.



funding applications  
processed

2017/18: 1,626



Take a look at our short animation explaining why The Arts Matter

[www.arts.wales](http://www.arts.wales)

## Chair's statement



### **Creativity and healing for troubled times...**

Chair, Phil George, reaffirms the Arts Council's mission to bring extraordinary arts activities within the reach of a wider cross section of people in Wales.

In this report, we look back at a year in which the arts in Wales have once again delighted, challenged, consoled and inspired.

I could name so many stunning moments and experiences but reaching into a bag of memories, I pick out: BBC National Orchestra of Wales and the overwhelming power of Mahler's *Symphony of a Thousand* at the BBC Proms; three packed and glorious dance events at different times in Newport's Riverfront Theatre featuring Ballet Cymru, National Dance Company and the diverse community dancers of Rubicon; and Hijinx's visually stunning and deeply-moving international coproduction *Into the Light* where learning disabled performers claimed an eloquent place in the spotlight.

But I'll have to take my hand out of this crammed bag to give my main message – the theme which has been our focus as a Council all year, and will be for the years ahead.

We're all conscious of living in times when social divisions, resentments and barriers to fulfilment trouble us every day – in which too many of our fellow citizens live lives scarred by material poverty and are denied the chance to express themselves creatively.

So for me, this year has been about the Arts Council of Wales championing equality of access to the arts for individuals and communities from all across our nation. We've committed to breaking down the barriers that prevent engagement with the arts – whether through disability, ethnicity or simply material disadvantage.

This was the year in which we published our 5-year plan '*For the benefit of all...*' and challenged the arts sector and our stakeholders in Welsh Government and society to embrace this liberating vision of equality of opportunity.

Let me say once again that this agenda is in no way at odds with pursuing excellence and bold creativity in the arts – though it will certainly involve showing greater curiosity in finding forms of excellence which cultural hierarchies have often neglected.

No, we want the arts to blaze with all their power to expand minds, open imaginations and build

empathy. But we are determined to broaden the reach of these transformative experiences.

And it's happening. Take one Welsh town, Aberystwyth. In this year, I spoke at the re-opening of Theatr y Werin in the Aberystwyth Arts Centre, a venue which is coming alive with participatory energy and a renewed commitment to connecting with the communities of Ceredigion. And in the middle of town, at Arad Goch's extraordinary international festival of theatre for children and young people, *Agor Drysau*, I saw a diverse audience of young children riveted by a magical performance conjured from stones from the beach and I heard a Syrian exile speaking of making theatre for the children of refugee camps 'who have never smelled the orange blossom in Damascus'.

Some of my proudest moments in the year have been speaking at events focused on our mainstreaming of the arts in education and health. Looking down on London from the 5th floor of Tate Modern, it was so inspiring to speak surrounded by work and pupils from Lead Creative Schools in our Welsh Government partnership programme, Creative Learning through the Arts. This internationally-praised programme is transforming learning in hundreds of Welsh schools, deploying the left-field insights and imaginations of artists to develop creative and collaborative learners all across the curriculum. The future strength of Welsh economy and society will be driven by such creativity.

And last November, I spoke at the Engage Conference on Arts, Health and Social Prescribing in Manchester. Our work to develop arts and health practice in our seven health boards – work which is focused through a partnership with the Welsh NHS Confederation – was again highly praised as being in the vanguard of practice in this field.

These initiatives in education and health hugely advance the cause of reaching more widely with the work of artists, touching the lives of individuals and communities who would otherwise have little contact with arts activity.

This is our mission – one of inclusion and enabling and empowering through the arts. Healing rifts and wounds through creativity. Building futures and expanding horizons.

It characterises all our work. I saw Welsh bands blow the minds of audiences at the World and Folk Music Festival *Interceltique* in Lorient in Brittany last August. But now we're working at the challenge of featuring our amazing bands at venues around Wales. And our whole international strategy – so important for enriching our culture and raising the profile of Wales across the world – has this ambition at its heart, to link back to the diverse communities of Wales.



Phil George  
Chair

# Trustees' Report and Management commentary

*Passion*, National Dance Compny Wales and Music Theatre Wales  
(image: Clive Barda)

# Chief Executive's statement



## Making the arts central to life and well-being

Chief Executive, Nick Capaldi, reflects on how the arts are promoting well being through the excellence and creativity of their work.

It seems clichéd to say that we're living through a period of profound uncertainty. Yet for all the social, economic and technological advances of the twenty first century, do we really know that much about the world we live in and the people we live with? In spite of globalisation – perhaps because of it – we find ourselves living in an increasingly fractured society where all too often we can seem small minded, mean spirited and ill at ease with ourselves.

This sense of public discomfort has been very evident during 2018/19, a year played out against the back-drop of Brexit. For the arts, as with other aspects of public life, its impact will be far reaching. Wherever you stand on Brexit, the result of the Referendum in Wales revealed an unexpected disenchantment with many of the civic institutions that supposedly exist for the public good. The arts are well placed to engage with some of the difficult issues that this raises. Of course, it's not for the arts to solve all of life's ills, but some of the remarkable work that we've seen this year has invited us to dig deep and take a closer look at aspects of our

shared experience. Because this is what the arts do. Yes, they help us to understand what's distinctive and singular. But they also show what unites and binds us together.

Nowhere was this revealed more poignantly than in the year's signature pieces for "Cymru'n Cofio: Wales Remembers", the cultural commemoration of the First World War. Amongst many extraordinary events, Marc Rees' "Now the Hero" and Brian Hughes' oratorio "The Sorrows of the Somme" stood out, reminding us all too clearly how easy it is to lose sight of our common humanity in the swirling miasma of so many of today's moral ambiguities.

So how does culture help us learn lessons in the here and now? The Welsh Government has set a radical agenda for the future, enshrining in its Future Generations legislation a determination to ensure that we don't, through indifference or carelessness, leave our present day difficulties as the unresolved problems of tomorrow.

The Arts Council's mission reflects this commitment: "making the arts central to the health and well being of the nation". It's a lofty ambition but one that we believe passionately matters for Wales. And as we grapple with the challenges of well being,

diversity and equality, we remain steadfast in our belief that a generous, fair minded and tolerant society values and respects the creativity of all its citizens. It's a society that embraces inclusivity and celebrates difference, wherever it's found. It's a society where our culture is enriched and expanded by the diverse, the distinctive, sometimes even the dissident voice. It's a society where curiosity and delight banish prejudice and indifference.

From the laugh out loud mayhem of Hijinx's "The Flop" to the joyful celebrations of Black History Month, those different voices have been much in evidence, and happily so. From the breath taking spirituality of the National Dance Company

Wales/Music Theatre Wales collaboration "Passion", to Apichatpong Weerasethakul's prizewinning Artes Mundi examination of the dark underside of political corruption, the arts question and challenge. And we're reminded time and again that when high quality art strikes a chord with directness and authenticity, it connects.

So the best for the most is where we start. Our basic purpose is to encourage as many people as possible to enjoy and take part in the arts. But if we're to increase audiences for the arts, we need to change traditional perceptions of the arts – how they're made and who they're for.



Locally embedded organisations like Galeri in Caernarfon or Head for Arts in the south Wales valleys exemplify the type of creative arts organisation that's arts led but community focused. They're committed to reaching new, different and more diverse audiences, tackling the barriers that prevent people's access to the arts. Because simply growing the numbers of people involved can't be the only thing that we're about, important though this is. It's about trying harder to reach out to those who perhaps don't yet see themselves as traditional arts audiences. And to do this effectively, we need to consider changing not only the purpose of public funding for the arts, but the types of art that we support.

2018/19 is the first year of our new Corporate Plan, *"For the benefit of all..."* As the title implies, we're making a shift, doing more to recognise the self expression and cultural interests of individuals and communities – everyday creativity. Because we believe that the arts in Wales will be stronger, more exciting and more relevant if they embrace the inspiration and life experiences of a wider and more diverse cross section of people in Wales.

The need for such a shift is clear. The arts still tend to be seen as largely for the most privileged in society. We're working to change this. We're adopting a different approach to where and how we direct our work – an approach where we want to get better at working with the individuals and communities that we want to engage. Too often they're absent from our work. There's a well established principle that stresses the essential involvement, and visibility, of those individuals and communities who are too frequently overlooked –

"nothing about us without us". This is a principle that will extend across all areas of our work. And as we move towards our next comprehensive examination of arts funding – our Investment Review 2020 – we'll be especially interested in working with those best able to support us in our goals.

Council is determined to take a brave and unflinching look at what a healthy, sustainable society entails. If we want to live in a community that's vibrant, tolerant, fair, nurturing, prosperous, then we're going to have to take the action now that's needed to make this a more rather than less likely outcome. We're nowhere near this yet, and we need to be.

Get it right and the potential of arts and culture to underpin richer and more fulfilling lives becomes self evident. A sustainable community equals a resilient community, with people whose lives are happy, equal, creative and productive. A sustainable community is one that increases individuals' confidence and sense of self-worth – they feel safer and more positive about where they live, and take greater pride in their own culture or ethnicity. A sustainable community is one where people want to be. A creative Wales helps make this possible.



Nick Capaldi  
Chief Executive

# Make: Reach: Sustain

## The principles that drive our work

Our strategy is rooted in a straightforward statement of the three principles that drive our work – Make: Reach: Sustain.



The greatest impact is achieved when these three things – Make: Reach: Sustain – fuse together in a single way of working.

When we talk about **Make**, we mean artistic creation. We want to foster an environment in which artists, arts organisations and creative people can create their best work.

If we Make well, we inspire. And by inspiring, it becomes more likely that people will enjoy and take part in the arts. We believe that the best experience of art happens when that chord is struck – when what is made, connects. This is what it means to **Reach**, and crucially to reach further and deeper than before.

If in doing this something of worth is created in what is made or who is embraced, then we must ask how we protect and **Sustain** these things in ways that will endure.

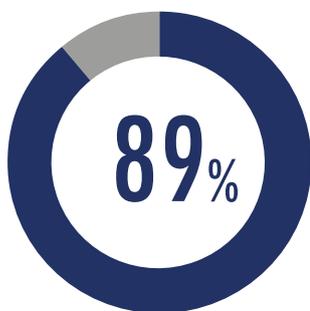
## Make: Reach: Sustain

The ambitions of Make: Reach: Sustain are reflected in our three priorities:

- 1 Promoting **Equalities** as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales.
- 2 **Strengthening the Capability and Resilience** of the sector, enabling creative talent to thrive.
- 3 **Enabling the Arts Council to work more effectively**, collaborating more imaginatively with like minded partners across Wales.

The Welsh Government’s expectations of us are set out in an annual Remit Letter. The Remit Letter for 2018/19 set out four categories of activity. These are listed below with the Welsh Government’s aims for each:

- 1 United and Connected**  
*“Our aim is to build a nation where people take pride in their communities, in the Welsh identity and language, and our place in the world.”*
- 2 Ambitious and Learning**  
*“Our aim is to instil in everyone a passion to learn throughout their lives.”*
- 3 Prosperous and Secure**  
*“Our aim is a Welsh economy which delivers individual and national prosperity while spreading opportunity and tackling inequality.”*
- 4 Healthy and Active**  
*“Our aim is to improve health and well-being in Wales, for individuals, families and communities... and to shift our approach from well-being to prevention.”*



**of children in Wales  
attended the arts**

2017/18: 87%  
 Source: Wales Omnibus Survey

As a Welsh Government Sponsored Body, we operate within a complex network of policies, strategies and legislation. The most important of these is the Welsh Government’s Well-being of Future Generations legislation. Well being and sustainability are fundamental to our work. Our activities address all seven of the well being goals.



A prosperous Wales



A resilient Wales



A healthier Wales



A more equal Wales



A Wales of more cohesive communities



A Wales of vibrant culture and thriving  
Welsh Language



A globally responsible Wales

We also adopt, in our planning and in the delivery of our work, the legislation’s “five ways of working”: Long term, Prevention, Integration, Collaboration, Involvement. (You can find out more on page 42).

# Arts Portfolio Wales 2018/19

## Events

**23,149**  
events

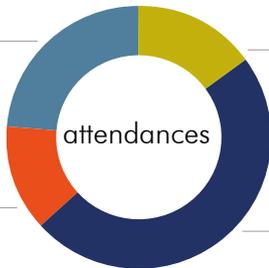
**4,191,917**  
attendances

**23.6%**

performances  
at presenting  
venues

**13.0%**

film screenings



**15.2%**  
performances  
by touring  
companies

**48.3%**  
exhibitions

## Participation

**72,383**  
participatory  
sessions

**1,138,751**  
attendances

**71.2%**

participatory sessions  
were specifically targeted  
at children and young  
people, compared to  
28.8% of sessions that  
were organised for  
general participation

## Welsh language\*

**1,139**  
Welsh language  
events attracted  
**124,462**  
attendances



**78.0%**  
of Welsh language  
sessions were targeted  
at children and  
young people

\*This data does not  
include bilingual activity

**10,001**  
Welsh language  
participatory sessions,  
which is 13.8% of  
all participatory  
sessions, these attracted  
**103,260**  
participants

**36.0%**

of board members  
were Welsh speakers

**29.5%**

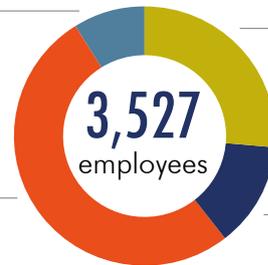
Welsh speaking  
employees

## Employment and training

**313**

zero hours  
contracts

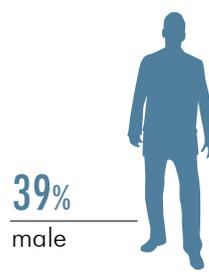
**1,822**  
casual



employees **3,527**

volunteers **1,270**

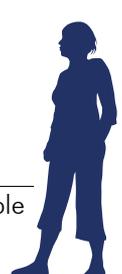
trainees **62**



**39%**  
male



**61%**  
female



**18%**  
older people

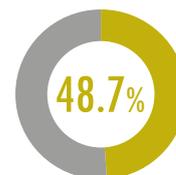
## Families

**1.6%**  
of participatory sessions were targeted  
at families. These attracted

**38,598**  
participants



male board  
members



female board  
members



older people  
board members

**661**

members of boards of management

# Making the arts central to the life and well-being of the nation.

Arts Council of Wales' mission statement



Sophie Kumar-Taylor a past Criw Celf participants installing a Criw Celf commissioned artwork at Oriol Davies

# Public benefit

Our mission statement places public benefit at the centre of all aspects of our work. It's strengthened by our commitment to the Welsh Government's Well-being of Future Generations legislation. In setting our objectives, and in the planning of our work, Council members have given serious consideration to the Charity Commission's general guidance on public benefit.

As a Welsh Government Sponsored Body we allocate taxpayers' money for the benefit of the Welsh public.

The funding that we distribute has a number of public purposes:

- it helps to make sure that Welsh audiences are able to enjoy high quality arts activities
- it enables investment in the commissioning, production and exhibition of the arts, helping to sustain the careers of creative professionals in Wales
- it makes the arts more affordable, bringing them within reach of more people
- it encourages innovation and risk-taking, raising the quality and diversity of the arts made and promoted in Wales
- it furthers the cultural, social and economic priorities of the Welsh Government



of adults in Wales  
attended the arts

2017/18: 81%  
Source: Wales Omnibus Survey

Public funding also helps to address 'market failure' by investing in those activities that the commercial sector either won't, or isn't able to, support. In all aspects, our funding is intended to encourage the best of the arts and to enable as many people as possible to enjoy and take part in these activities.

We undertake detailed research each year to assess the extent to which we're achieving these goals. In the pages that follow, we set out the key highlights of our work and the public benefit that these activities deliver.

# Creative learning through the Arts

1,112

State maintained schools involved across the programme



108,444

Learners involved across the programme

576

Lead Creative Schools

233

Creative Agents



We are working with over

1,159

Creative Practitioners

84

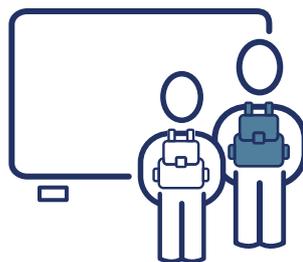
Creative Collaborations

72

Commemoration WW1

644

Go and See



Over

2,950

Lead Creative School teachers trained



4

Regional Arts and Education Networks

2,883

Teachers, artists and cultural professionals trained by the Networks

55

Arts Champions

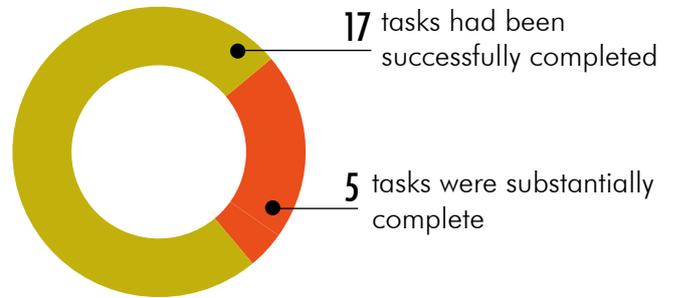


# Our performance overall

## A year of strong performance against our corporate objectives

Our Operational Plan for 2018/19 contained 22 key tasks, each with its own targets. Progress was monitored throughout the year through quarterly progress reports that are presented to Council. We also meet quarterly with officials of the Welsh Government.

The majority of our tasks in 2018/19 were successfully completed. At the end of the year:



Where targets were substantially but not fully completed, the reason in most cases was an issue of timing, with completion happening soon after the year-end date.



Artes Mundi 8, Apichatpong Weerasethakul, *Invisibility* (2018)  
Installation view, courtesy of the artist and Anthony Reynolds Gallery, London (image: Polly Thomas)

# Achieving our key objectives

## Objective

Make –  
nurturing talent, creativity  
and capability

Remit Letter: 1,3

## What we did during 2018/19

Creating the environment in which artists and arts organisations can do their best work is one of our most important duties. We identify and nurture talent, supporting artists to make work. An important part of this is enabling artists from diverse backgrounds to access funding. We also want to increase the amount of work presented through the medium of the Welsh language.

We invested around £28.7 million in our **Arts Portfolio Wales** – the 67 revenue-funded organisations that are bringing the arts to communities across Wales. Between them, they commissioned, produced and promoted, exhibited and toured high quality work, delivering 7,958 performances, 519 exhibitions and 72,383 participatory sessions.

We invested in a wide range of individual projects and activities during 2018/19. Many of the organisations that we fund have international reputations, such as the **Hay Festival**, one of Wales' festivals that acts as an artistic magnet, attracting audiences to Wales. **Hijinx** and **BBC National Orchestra of Wales** also undertook significant overseas tours.

We supported artists at key moments in their careers. Whether working singly or together, locally or globally, our goal is to create the opportunities that will make it easier for our artists to pursue viable, sustainable careers from a Welsh base. During 2018/19 we provided support to 175 individuals.

Originally conceived by Gwynedd County Council as a pilot project to develop young talent in the visual arts, **Criw Celf** has grown significantly since its inception. It is now being delivered across all local authorities in North Wales as well as in Carmarthenshire, Neath Port Talbot, Powys, Cardiff and Torfaen.

## Objective

## What we did during 2018/19

We assisted **National Youth Arts Wales** to establish itself as an independent organisation managing the administration of Wales' national youth performing ensembles.

We launched on a two-year Arts and Health programme with **Nesta** and **Y Lab** at **Cardiff University** to investigate how arts interventions can play a more prominent and sustainable role in the health service in Wales.

Our **BBC Cymru Wales** music partnership **Horizons/Gorwelion** increased its profile. Acts featured in a BBC Wales TV programme **Rockfield Sessions**. And the **Launchpad** component of the programme saw almost 200 applications from artists across Wales. The 38 selected saw an increase in female led acts and more urban and dance genres. Current Horizons act **Alffa** also became the first Welsh language act to hit 1m streams on Spotify.

**Reach –**  
encouraging more people to enjoy and take part in the arts

Remit Letter: 2,4

We are committed to ensuring that the Council's funding is accessible and of benefit to all the citizens of Wales.

We work to remove the barriers that prevent and impede people from enjoying and taking part in the arts. We're especially keen to attract those from economically disadvantaged communities. We know that there is a gap in attendance and participation between the most and least affluent in Welsh society, and narrowing that gap remains a priority. We also know that the arts need to reflect more accurately the cultural diversity of contemporary Wales.

We have detailed action plans for **Equalities** and **Welsh Language**. We publish specific reports on our performance in each of these areas. We have integrated the principles of **Sustainable Development** across our policy-setting, consistent with well being requirements. However, progress across our Equalities work remains stubbornly slow, especially the low level engagement with disabled people and those from a black,

## Objective

## What we did during 2018/19

Asian or minority ethnic (BAME) background. This will continue to be a priority in 2019/20.

Our *Creative Learning through the arts* programme has now reached more than 70 per cent of schools in Wales. This means that over 100,000 pupils have learned about the arts and culture, participated in the arts, and developed creative skills across the curriculum. The programme is attracting international attention from foundations, governments and educational agencies in Ireland, Denmark, India and Chile.

We supported the establishment of **Anthem. Music Fund Wales**, the new music endowment for Wales. An independent board was set up in February and its first strategy is now being developed. When fully operational, Anthem will tackle the barriers to music education and performance faced by children and young people, especially amongst disadvantaged families.

Our **Night Out** community touring programme ensures that high quality performances are available in localities across Wales, providing easier access to the arts. In 2018/19 511 Night Out events were staged. We also supported 40 **Young Promoters** projects through our scheme to encourage children and young people to organise and manage professional events themselves.

Our disability ticket card, **Hynt**, continues to grow. In 2018/19 a further 3,532 people joined the scheme providing new opportunities for disabled people to take a companion to an event free of charge. The scheme overall now has 15,697 members.

## Objective

Sustain –  
supporting a dynamic and  
resilient arts sector

Remit Letter: 3,4

## What we did during 2018/19

Our support for the Welsh Government's *Fusion* programme has encouraged local partnerships of artists, organisations, local authorities and other public bodies to work together to develop community-based arts activities.

In these testing financial times, resilience will be key to arts organisations' future survival. Our strategy encourages innovation and entrepreneurship and works with our artists and arts organisations to become more durable and sustainable.

During the year we have been delivering a programme of business development support for our key organisations – **Resilience**. The aim has been to enhance their business capability so that they are less dependent on public funding. We're exploring how we can extend the programme to more organisations.

We have promoted opportunities for Wales-based artists to promote and showcase their work at international trade fairs including WOMEX, Berlin Tanzmesse, SXSW, Classical Next and London Book Fair.

**Brexit** has created great uncertainty around how international working will operate in the future. We're fully engaged in the current debate around Wales' relationship within Europe, and we continue to advocate the importance of developing new market opportunities for the arts and creative industries. During the year we published a Brexit handbook highlighting the issues that arts organisations needed to consider as part of their forward planning.

For a third consecutive year our international team, **Wales Arts International**, supported a cultural component to the Welsh Government trade mission to Shanghai and Hong Kong in March 2019. Six arts and design companies participated:

## Objective

## What we did during 2018/19

National Dance Company Wales, Theatr Genedlaethol Cymru, Theatr na nÓg, Ballet Cymru, Julia Brooker and Melin Tregwynt.

We agreed the secondment of a member of our staff to the office of the **Future Generations Commissioner**. This provided us with an unparalleled opportunity to ensure that the arts are integrated into the well-being plans of the 44 public bodies covered by the Future Generations legislation.

We're investing in individual skills, providing bursaries to key training events. We've supported 5 bursaries for full membership of the **Arts Marketing Association (AMA)** which will be offered to those from BAME backgrounds, or disability-led/BAME-led organisations. Our aim is to increase the diversity of AMA membership in Wales. We also awarded 5 bursaries to attend the first **Inclusivity & Audience Conference** arranged by the AMA.

We're careful to spend no more on **Arts Council running costs** than is absolutely necessary. We continue to save money by simplifying processes, reducing staff numbers and making better use of technology. We have also reduced the cost of our office premises. Over the past five years we've reduced permanent staff numbers by almost a quarter as we seek to maximise direct funding to the arts. Nevertheless, our goal is to create an organisation with the arts at its core – first-rate in its delivery and sustainable in its cost.



Ballet Cymru (image: Stan Trenberth Photography)

# Corporate Governance

## Our Trustees

Council Members who served since 1 April 2018 were:

		Attendance at meetings during 2018/19			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		6	5	4	3
	<b>Phil George</b> Chair from 1 April 2016	6			
	<b>Marion Wyn Jones</b> from 1 April 2012 Vice Chair from 1 April 2017  Chair of Welsh Language Monitoring Group	4			
	<b>Iwan Bala</b> from 1 November 2016  Member of Wales in Venice Advisory Committee	4			
	<b>Lhosa Daly</b> from 1 April 2019  Member of Audit & Risk Assurance Committee (from May 2019)	N/A			
	<b>Devinda De Silva</b> from 1 April 2019  Member of Equalities Monitoring Group (from May 2019)	N/A			

		Attendance at meetings during 2018/19			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		6	5	4	3
	<p><b>Andy Eagle</b> from 1 November 2016</p> <p>Member of Capital Committee (from March 2019) Member of HR &amp; Remuneration Committee to May 2019</p>	6	/	1/1	1
	<p><b>Kate Eden</b> from 1 April 2017</p> <p>Chair (from July 2018) of Audit &amp; Risk Assurance Committee Member of HR &amp; Remuneration Committee</p>	5	3/3	/	3
	<p><b>Michael Griffiths OBE</b> from 1 April 2012</p> <p>Member of Audit &amp; Risk Assurance Committee to May 2019 Chair of HR &amp; Remuneration Committee</p>	5	2	/	2
	<p><b>Professor Tudur Hallam</b> from 1 April 2019</p> <p>Member of Welsh Language Monitoring Group (from May 2019)</p>	N/A	/	/	/
	<p><b>Melanie Hawthorne</b> from 1 April 2012</p> <p>Chair of Future Generations Monitoring Group</p>	5	/	/	/
	<p><b>Gwennan Mair Jones</b> from 1 April 2019</p> <p>Member of Future Generations Monitoring Group (from May 2019)</p>	N/A	/	/	/

		Attendance at meetings during 2018/19			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		6	5	4	3
	<p><b>Alison Mears Esswood</b> from 1 April 2019</p> <p>Member of HR &amp; Remuneration Committee (from May 2019)</p>	N/A			
	<p><b>Andrew Miller</b> from 1 April 2012</p> <p>Chair of Equalities Monitoring Group (from May 2019)</p>	5			
	<p><b>Rachel O'Riordan</b> from 1 April 2017</p> <p>Member of Capital Committee to November 2018</p>	2		0/3	
	<p><b>Victoria Provis</b> from 1 April 2019</p> <p>Member of Capital Committee (from May 2019)</p>	N/A			
	<p><b>Dafydd Rhys</b> from 1 April 2017</p> <p>Member (Chair from 1 April 2018 to June 2018) of Audit &amp; Risk Assurance Committee to June 2019</p>	6	3		
	<p><b>Richard Turner</b> from 1 April 2010 to 31 March 2019</p> <p>Chair of Equalities Monitoring Group to 31 March 2019</p>	6			

		Attendance at meetings during 2018/19			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		6	5	4	3
	<p><b>Alan Watkin</b> from 1 April 2010 to 31 March 2019</p> <p>Chair of Capital Committee to 31 March 2019</p>	6	/	4	/
	<p><b>John C Williams</b> from 1 April 2010 to 31 March 2019</p>	0	/	/	/
	<p><b>Dr Sarah Younan</b> from 1 April 2019</p> <p>Member of Audit &amp; Risk Assurance Committee (from May 2019)</p>	N/A	/	/	/

### Attendance of independent Committee members at meetings during 2018/19

	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
	Number of meetings held:		
	5	4	3
Andrew Butler	5		
Katrina Michael to June 2018	1/2		
Elid Morris from January 2019	2/2		
Arwel Thomas	5		
Ruth Cayford		3	
Mark Davies		3	
Roland Wyn Evans		4	
Alan Hewson		3	
Valerie Ellis			3
Philip Westwood			1

In accordance with the Council's Code of Best Practice, members of Council and independent Committee members make declarations of interest in respect of directorships, memberships of boards of management (or equivalent) or employment which may conflict with their Arts Council of Wales' responsibilities. The register of interests of Members of Council and of independent Committee Members is available for public inspection, by appointment, at each of the Council's offices during normal working hours.

All financial transactions between members and the Council are disclosed in the financial statements under *Related party transactions*.

#### Personal data related incidents

The Council has controls and policies in place to ensure data integrity. ICT systems ensure that the physical security of data is tightly controlled. As far as we are aware, no loss of data occurred during the period under review.

## Our Chief Executive and Accounting Officer

Nicholas Capaldi

### Our Offices

#### *Mid and West Wales:*

The Mount  
18 Queen Street  
Carmarthen  
SA31 1JT

#### *North Wales:*

Princes Park II  
Princes Drive  
Colwyn Bay  
LL29 8PL

#### *South Wales and national office:*

Bute Place  
Cardiff  
CF10 5AL

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#### **Auditor - General Activities**

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

#### **Auditor - Lottery Distribution**

Comptroller and Auditor General  
157-197 Buckingham Palace Road  
London  
SW1W 9SP

#### **Internal auditor**

Deloitte LLP  
5 Callaghan Square  
Cardiff  
CF10 5BT

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#### **Solicitors**

Geldards LLP  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

#### **Bankers**

Santander UK p.l.c.  
9 Queen Street  
Cardiff  
CF10 2UD

# Governance Statement

This Governance Statement is the personal responsibility of me, Nick Capaldi, the Arts Council of Wales' Accounting Officer and Chief Executive. It sets out the governance arrangements of the Arts Council of Wales.

It also describes how I've discharged my responsibilities for ensuring that we conduct our business, in respect of both exchequer and lottery activity, in accordance with the law. This includes providing the necessary assurances that we're adhering to proper standards and establishing the necessary safeguards to protect the use of public money.

I explain how these funds are properly accounted for, and used economically, efficiently and effectively to support the delivery of our plans and priorities.

## The legislative framework

We operate within a carefully prescribed and regulated legal environment. The Arts Council of Wales is accountable to the Welsh Government's Deputy Minister for Culture, Sport and Tourism. Our work is also subject to the scrutiny of Committees of the National Assembly for Wales. We work within a framework that sets out the terms and conditions under which Welsh Ministers provide our grant in aid funding, and how we're able to use this funding. We manage our funds with probity and in the public interest and, along with other public bodies in Wales, adhere to the principles contained in *Managing Welsh Public Money*.

As a distributor of Lottery funds under the National Lottery etc. Act 1993 (as amended), we're accountable to the UK's Secretary of State for Digital, Culture, Media & Sport. Our financial directions are issued by the Secretary of State, and our policy directions by the Welsh Ministers. These set out how we must operate in respect of Lottery distribution activities.

We're required to account for Lottery distribution activity separately from the rest of our work, and we have appropriate arrangements in place to ensure that we produce two sets of published accounts. Our Lottery Distribution accounts are audited under contract to National Audit Office by the Wales Audit Office. The Wales Audit Office also audits our General Activities account.

As a charity we have to ensure that we comply with the requirements of the Charities Acts 1960, 2006, 2011 and 2016. As such, we follow guidance issued by the Charity Commission, acting solely to further our chartered and charitable objectives.

The activities we carry out in connection with our *Collectorplan* scheme are subject to the Consumer Credit Act and guidance issued by the Financial Conduct Authority.

We've designed our systems, processes and controls to take account of these various responsibilities. Within these frameworks we make independent decisions regarding the strategic direction of the organisation, grant funding, and other financial decisions.

Risk assessment is fundamental in our operations and this Governance Statement should be read in conjunction with the *Principal risks and uncertainties* section of the Performance Report.

Should the need arise, the Public Services Ombudsman for Wales, the Parliamentary Commissioner for Administration, the Charity

Commission, the Financial Conduct Authority, the Information Commissioner, the National Audit Office, and the Wales Audit Office are all able to investigate the Council's affairs.

### Our Governance arrangements

We're governed by a Board of Trustees – Council – consisting of a Chair and up to seventeen other independent members, one of whom is appointed as Vice-Chair. Our Trustees are appointed by the Deputy Minister for Culture, Sport and Tourism through an open selection process. Appointments are usually for a three year term, renewable for a maximum of two additional terms.



How to be Brave, Dirty Protest, Eton Road Community Centre Newport, Night Out (image: Creative Fez)

Each Trustee brings specific expertise and knowledge to the oversight and development of our activities. At the end of March 2019, our Council comprised of the Chair, plus twelve members. Following the expiry of the terms of office of some members, at the time of signing these accounts Council comprised of the Chair plus sixteen members.

The Chair of Council is a remunerated position, at a rate set annually by the Welsh Government. All other Trustees provide their time and expertise on a voluntary basis. However, they are reimbursed for out-of-pocket expenses incurred on Council business.

### We promote values of good governance

We observe Lord Nolan's seven **Principles for Public Life** and strive to ensure that all of our employees, Trustees, Committee members and National Advisers understand, apply and adhere to these Principles.

To support this, we have a **Code of Best Practice** which helps to ensure that the roles and responsibilities of members and officers are clearly defined. It also contains the expected standards of propriety that members and staff should adhere to. The Code is reviewed and updated at least every two years. You can find a copy on our [website](#).

In accordance with the Code, each member of Council, of each Committee, and all **Arts Associates** and staff are required to complete an annual **Declaration of Interest** statement, and to ensure that changes in circumstances are notified promptly. They make declarations of interest in respect of directorships, memberships of boards of management (or equivalent) or employment which may conflict with their Arts Council of Wales' responsibilities. The register of interests is available for public inspection, by appointment, at each of the Council's offices during normal working hours. All financial transactions between members and the

Council are disclosed in the financial statements under *Related party transactions*.

Council, the Audit & Risk Assurance Committee and HR & Remuneration Committee all carried out a self-assessment review of their performance during the year. The findings of these evaluations were positive. Areas identified for improvement are captured in action plans. In particular, Council's own annual **self-assessment review** concluded that the vast majority of its indicators of effectiveness were being met.

Council was content with progress made during the year to address areas identified in last year's review. Council recognised the importance of ensuring an appropriate mix and diversity of arts expertise and skills on the Trustee Board as new members are appointed. Particular areas of focus will include quality monitoring, encouraging further commitment to the Welsh language amongst funded organisations, and the effective use of information and communication technology.

The Corporate Governance code issued by HM Treasury does not directly apply to the Arts Council of Wales. However, as Accounting Officer, I'm satisfied that the arrangements we have in place reflect good practice. I also believe that the Arts Council has complied with the principles of accountability, effectiveness, and leadership expressed within the Treasury's Code, in so far as they are relevant to Welsh Government Sponsored Bodies and Lottery Distributors. Council endorses this view.

### Whistle-blowing

The Council has an established whistle-blowing policy which is brought to the attention of staff at induction and available within the Council's operational handbook and intranet. The policy is reviewed at least every three years. There were no reported incidents during the year.

## Taking informed decisions

Decisions taken by our Council and Committees are informed by advice provided by Arts Council staff. Papers and reports produced by officers are expected to show clearly all relevant information needed to enable informed decisions to be taken. All key papers highlight: financial, HR and environmental implications; risks; and an assurance statement.

Papers are circulated in advance of each Council and Committee meeting; tabled items and verbal reports are only accepted in exceptional circumstances. Council was content during the year with the timeliness and quality of information provided for its use. In the rare instances where the information provided does not meet the required standards, the paper is rejected and a replacement commissioned. There were no instances of this happening in 2018/19.

Where appropriate and relevant, advice from officers is supplemented with specialist, expert advice and legal opinions. Council will continue to ensure that it has sufficient time and information to properly debate policy and consider the future direction of the organisation. Key policy proposals are put out to public consultation. Responses and feedback further inform discussions at Council before policies are finalised.

## We provide funding to third parties

One of the Council's most important duties is the distribution of funding to develop and support the arts in Wales. We're a major distributor of funding – from the Welsh Government, the National Lottery and other sources, including, where applicable, European funds.

We've developed robust and accountable systems and procedures to support this key activity. Grant making and monitoring processes are reviewed annually by our internal auditors. The Wales Audit

Office also examines our grant making activities each year. All recommendations made by our internal and external auditors are monitored by our Audit & Risk Assurance Committee to ensure they're implemented on a timely basis.

## Security of data

We hold large amounts of data, and treat seriously our obligations under the Data Protection Act and General Data Protection Regulations (GDPR). We prepared for GDPR across all areas of our organisation, ensuring full compliance with the regulations from 25 May 2018. Our ICT systems and rules ensure that the security of data is tightly controlled. We regularly assess our security arrangements and have taken steps to make them more robust.

Neither the high level review over IT controls carried out by our external auditors, nor our programme of internal audit reviews carried out during the year, nor the annual security review on behalf of Welsh Government, highlighted any matters of serious concern in this area. To the best of my knowledge and belief, no loss of data occurred during the year.

## Personal data related incidents

The Council has controls and policies in place to ensure data integrity. ICT systems ensure that the physical security of data is tightly controlled. As far as we're aware, no loss of data occurred during the period under review.

## Ministerial directions

As a Welsh Government Sponsored Body we are subject to non-statutory instruments, containing appropriate Directions. No Directions were issued to us during the year, nor were we issued with any Ministerial Directions in respect of our Lottery activities.

# Our Governance Structure

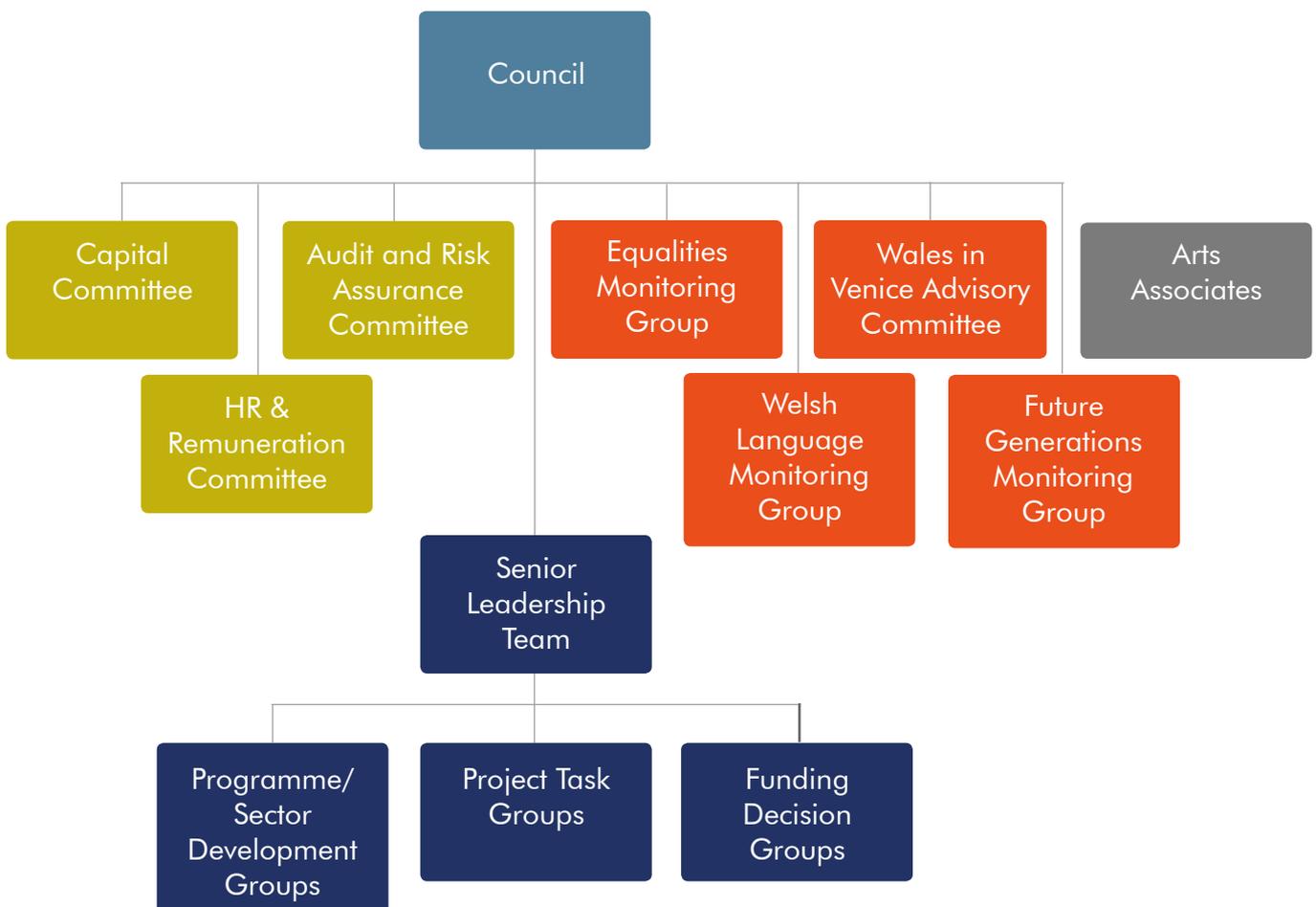
To help support its work, Council has appointed three committees to provide specialist advice. These are: Audit & Risk Assurance; Capital; and the HR & Remuneration committees. There is also an ad hoc advisory committee, to advise on Wales' presence at the international Biennale of Art in Venice, and three internal monitoring groups.

Each Committee includes Council members, one of whom acts as Chair, and independent committee members appointed through an open selection process for their specialist skills and experience. The minutes of each Committee meeting are provided to Council for discussion and to note. Terms of reference for each committee, which are reviewed annually, can be found on our [website](#).

All new members of Council and of each Committee undergo an induction process appropriate to their role, and are encouraged to continue their development during their period of appointment.

Our three internal monitoring groups are – Future Generations, Equalities and Welsh Language. These help drive forward Council's agenda in these areas. Council received minutes of each meeting.

During the year we recruited a new cohort of Arts Associates. The Associates, who begin their work during 2019/20, support executive staff, offering their time and expertise. Their specialist knowledge and help contributes to policy development, the assessment of grant applications, and advice to officers. They're appointed through an open recruitment process.



## Council

### Responsibilities

Council is responsible for the strategic direction and management of our organisation. It is also responsible for ensuring that we, through me as Chief Executive, operate within the various accountabilities required of us.

Council members are responsible for key decisions on corporate policy: the formulation of our Corporate and Operational Plans, and any major alterations to the terms and conditions of service for staff.

Council sets the annual budget, decides on the annual allocation of grants to organisations in the Arts Portfolio Wales, and approves all grants over £50,000 or, in the case of Lottery funded capital projects, over £250,000 and *Resilience* awards over £100,000. Decisions below these thresholds are delegated to authorised staff and to the Capital Committee.

Members assist with Council Committees. They also attend arts events across Wales as representatives of Council.

### Summary of Discussions during 2018/19

As part of its ongoing scrutiny of **Governance**, Council prepared and monitored the **Operational Plan** for the year. Council also initiated and led the production of a new **Corporate Plan 2018-23**, *“For the benefit of all...”* As part of the preparatory work we undertook an extensive nation-wide consultation – our *All Wales Creative Conversation*.

In the face of the underlying trend of **reducing levels of Lottery income** for the good causes, and static public funding, Council undertook a detailed public consultation on our spending plans for the future. The results of this consultation will be published during 2019/20.

Key projects included the fourth year of the *Creative Learning* programme, delivery of the *Resilience* programme, the development of a new **Arts and Health** programme and the conclusion of our *Ideas: People: Places* programme. Against the background of Brexit uncertainties, Council also launched its new **International strategy**.

## Council

A significant issue for Council during the year was implementation of a new staffing structure following our last **Organisational Review**. Cuts to staff numbers have been challenging and Council has been supporting the senior leadership team in promoting a reinvigorated organisational culture.

### Frequency of meetings and attendance

Council met 6 times during 2018/19 to discharge its responsibilities. During the year, members in total attended meetings on 60 out of a possible 72 occasions. Council meetings are normally held approximately every 6 weeks. Copies of agendas and minutes of our Council meetings can be found on our [website](#).

## Audit & Risk Assurance Committee

### Responsibilities

Audit & Risk Assurance Committee is responsible for providing assurance to Council on the effectiveness of our governance, risk management and internal control arrangements. It scrutinises the organisation's management and administration to test that processes and procedures are being operated to the high standard that Council expects.

### Summary of Discussions during 2018/19

New members joined the Committee during the year. A new Chair was also appointed during the financial year. Thorough induction and regular training is provided to all Committee members. Key training sessions during 2018/19 included the development of a **Scrutiny Framework for the Well being of Future Generations** and the **Monitoring of the Arts Portfolio Wales**.

An important aspect of the Committee's work is scrutiny of the **Corporate Assurance Framework** and **Corporate Risk Register** as part of the Committee's commitment to good governance. It also receives an **Arts Portfolio Wales Radar Report** summarising the performance status of the Arts Council's key organisations. Together these documents provide assurance to Council that the systems, processes and behaviours that exemplify good governance and effective operation are in place.

The Committee receives all **internal audit** reports and monitors the progress of any recommendations that have been raised. In 2018/19 10 reports were presented. Of the areas reviewed, 6 were given a 'substantial' assurance rating and 2 'moderate'. 2 advisory reports were also presented.

A key role of the Committee is to keep an eye on delivery against outstanding audit recommendations. Having previously expressed concern about slippage against deadlines, members were pleased to note that good progress was made in responding promptly to audit recommendations.

## Audit & Risk Assurance Committee

During the year the Committee was especially keen to ensure that the Arts Council's policy and strategies for **Cyber Security** remained fit for purpose. This was confirmed with the award during the year of **IASME accreditation**.

As part of its cycle of meetings, the Committee visited the rehearsal studios and production centre of APW organisation **Welsh National Opera**. Members were also able to attend part of the dress rehearsal for Rossini's *La Cenerentola*. This provided a practical insight into how one of Wales' national arts organisations operates.

### Frequency of meetings and attendance

The Committee met 5 times during 2018/19 to discharge its responsibilities. During the year, members in total attended meetings on 21 out of a possible 27 occasions. Committee meetings are normally held quarterly, with an additional meeting in early Summer.

## Capital Committee

### Responsibilities

Capital Committee is responsible for advising Council on the development of policy on all aspects of capital development, including funding priorities and schemes. The Committee has also provided oversight of the *Ideas: People: Places* programme.

Council delegates to the Committee the authority to make funding decisions on lottery capital grants from £50,001 to £250,000, and for making recommendations on larger capital grants to Council.

The Committee is responsible for monitoring live projects and advising Council accordingly.

### Summary of Discussions during 2018/19

The Committee's principal activity during the year was monitoring delivery against Council's five year **Capital Development strategy (2012-2017)**. A particular highlight was completion of **Galeri's** additional cinema facility.

## Capital Committee

### Summary of Discussions during 2017/18

As part of Council's longer-term financial planning the Committee was asked to identify potential priorities for the period through to 2022/23 (the final year of the current National Lottery licence). The Committee considered projects in development, ensuring that there was an appropriate match between applications in the pipeline and the funds needed to support those applications.

The drawdown of funds continues to present issues. Under Lottery rules a full commitment of funds must be accounted for at the time of award. However, applicants' problems in securing the required partnership funding means that projects are taking longer to realise. This has implications for Lottery capital balances and the greater part of the Committee's discussions focused on those projects that are still fundraising for partnership income.

The Committee also oversaw the management and administration of Council's *Ideas: People: Places* programme. It noted that the projects were now drawing to a close and a detailed evaluation would be published in the year ahead.

### Frequency of meetings and attendance

The Committee met 4 times during 2018/19 to discharge its responsibilities. During the year, members in total attended meetings on 18 out of a possible 24 occasions. Committee meetings are held approximately every 2 months, but with fewer meetings during the summer.

## HR & Remuneration Committee

### Responsibilities

The HR & Remuneration Committee has responsibility for the oversight and monitoring of HR matters on behalf of Council.

This includes agreeing the level of remuneration for the Chair, within the limits determined by the Welsh Ministers; for setting the Chief Executive's annual objectives and reviewing his performance; and for the appointment of senior roles within the executive.

## HR & Remuneration Committee

### Summary of Discussions during 2018/19

The Committee's principal activities during the year involve oversight of Council's HR policies, and management of pay policies. The Committee is close to completing the review and translation of HR policies. The Committee also reviewed detailed management information outlining our performance against HR objectives.

Council specifically sets the remuneration of the Chair and Chief Executive, under guidance issued by the Welsh Government. The Committee advises the Chair on the preparation of work planning objectives for the Chief Executive.

The Pay Remit is an annual negotiation with union colleagues around future levels of remuneration. It covers all other salaried members of staff and is submitted to the Welsh Government for approval. The Committee also agrees an annual Pay Policy Statement for endorsement by Council.

A key issue for the Committee during the year was the Council's re-organisation of staff, its Organisational Review. As well as commenting on the implementation of the new staff structure, the Committee was also concerned to ensure that staff were adequately supported as new arrangements were put in place.

A consequence of the re-organisation has been the decision to undertake a thorough job evaluation review of all posts. This work is expected to be completed in 2019/20.

### Frequency of meetings and attendance

The Committee met 3 times during 2018/19 to discharge its responsibilities. Members in total attended on 10 out of a possible 15 occasions.

## Audit outcomes

The findings of the National Audit Office and Wales Audit Office annual audits are reported in a Management Letter addressed to Council. Our Audit & Risk Assurance Committee considers the findings and monitors them to ensure appropriate action is taken on a timely basis. Grant making will continue to be a primary focus of management and the Committee's attention.

## Overall assessment of governance and internal control

In my opinion, the Arts Council of Wales' systems of governance and internal control are sufficient to enable me to discharge my responsibilities as Accounting Officer.

**"Based on the work we have undertaken during the year we are able to conclude that the Arts Council has a basically sound system of internal control, which should provide substantial assurance regarding the achievement of the Arts Council's objectives. However, there remain risks in respect of the quality monitoring actions which are outstanding and the challenges posed by the morale issues raised in the advisory report on the Organisational Review".**

Internal Audit Annual Report  
Deloitte LLP  
Internal Auditor



Nick Capaldi  
Accounting Officer

5 July 2019

Endorsed on behalf of Council:



Phil George  
Chairman

5 July 2019



# 998

Collectorplan loans to  
support the purchase of  
contemporary art

2017/18: 1,181



# Well-being and sustainability



**“The vision for Wales is that it should be a fair, prosperous and sustainable country, improving the quality of life of people in all its communities. If we’re to achieve this goal, we need to behave and do things differently. The Welsh Government’s well being legislation challenges us to make better, more sustainable decisions and to plan carefully for the needs of future generations. It’s a challenge that we’re pleased to accept.”**

Melanie Hawthorne  
Chair, Future Generations  
Monitoring Group

## Explaining our approach

The Well-being of Future Generation (Wales) Act 2015 is landmark legislation with the aim of improving the economic, social, environmental and cultural well-being of Wales. It does this by taking action, in accordance with the sustainable development principle, through seven national well-being goals and five ways of working. All of the 44 major public bodies in Wales have a statutory duty to embark on this journey of change, and embed the sustainable development into their organisations.

The Arts Council of Wales, the development agency for the Arts in Wales, is one of those public bodies that must comply with the legislation. However, we also see an opportunity to promote the potential of the arts in helping to animate all of the other well being goals.

The five ways of working enshrined in the legislation requires Council to undertake its work in a sustainable way, and to consider the impact that our work has for people living, experiencing and participating in the Arts in Wales – now and in the future. This is a new discipline. As a body that receives the bulk of its funding annually, we’ve struggled to avoid being trapped into a short term funding cycle. Instead, we must learn to plan and think long term, looking at how we make decisions and meet the needs of the present, while protecting the needs of the future.

How Council involves people from diverse communities, how we **collaborate** with our partners and **integrate** with other public bodies well-being objectives that might have an impact on, or affect us. We’re determined to get better at **preventing** problems happening or getting worse. Our experience of working with communities through our *Ideas: People: Places* has shown how careful and respectful recognition of the assets that communities themselves have is key to meaningful

and sustained development. These are disciplines that we're learning to apply to other aspects of our work.

### Review of Progress

The legislation came into effect in 2016 and the Auditor General for Wales emphasised that there would be a period of transition, in recognition that all public bodies are on a learning path. The Auditor General is required to examine all public bodies and report on them officially by 2020.

The five ways of working are embedded in our policies and strategies so we continuously review current situations alongside emerging trends within the broader cultural and creative sector. We've progressed from stand-alone well-being objectives to mainstreaming our well-being objectives within our operational and corporate planning processes.

### Environmental performance

We take our environmental performance seriously and have, in recent years, focused our efforts on initiatives that offer longer term benefits.

All capital projects in which Council invests are expected to meet Building Research Establishment Environmental Assessment Method (BREEAM) sustainability standards. We have established an ambitious Environmental Policy for our own operations and have, during the year, retained our Green Dragon Level 5 Accreditation.

We've extended the use of our information technology infrastructure to provide business and environmental benefits. We're continuing to promote changes in behaviour. The vast majority of our arts development team are equipped with laptops and smartphones, enabling them to operate on a mobile basis. We've invested in high quality video conferencing capacity in all three offices and promote its use as an alternative

to travel. We're able to link to any public sector location in Wales, and further afield, including internationally. This enables staff, either using the high quality equipment in our offices or via their laptops, to participate in meetings with colleagues and a wide range of clients and stakeholders without the need to travel. This has reduced our carbon footprint and use of fossil fuels in addition to generating operational efficiencies. It has made it possible to work more flexibly in order to help us diversify our workforce and to support a better work/life balance.

We promote the minimisation of waste amongst our staff by encouraging reduction, re-use and recycling and waste separation, reducing the amount sent to landfill.

WASTE	2018/19	2017/18
Waste:		
Non-financial (tonnes)		
Landfill	0.14	0.13
Reused/recycled	3.81	3.37

We re-use or recycle our surplus and redundant IT and office equipment. We use licensed and appropriate organisations to dispose of our waste.

All our major suppliers of office equipment and supplies have environmental policies and reporting mechanisms in place, and we consider environmental performance and awareness when selecting contractors and suppliers.

### Promoting partnership and collaboration

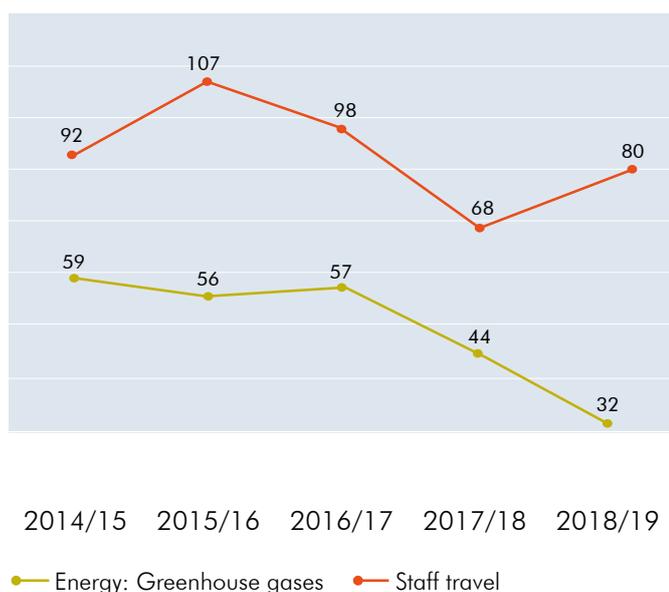
During 2018/19 we seconded a member of Arts Council staff to the Office of the Future Generations Commissioner. Public bodies in Wales are required to produce Well-being Plans that must show, as one of the key goals, how they're planning, promoting and protecting cultural

opportunities. Actively demonstrating the five ways of working, with the Commissioner’s office, we’ll be able to raise the profile of this important aspect of our work.

### Management information

Managers and staff are provided with monthly reports analysing printing and copying activity, to encourage lower overall usage. Our internal reporting systems enable us to capture and measure details of our use of consumables, waste, energy, and staff travel, and thus our carbon dioxide equivalent (CO<sub>2</sub>e) emissions so that staff can manage their consumption of resources.

### CO<sub>2</sub>e emissions (tonnes) - 5 year trend



Our *Creative Learning through the Arts Programme*, which began in 2015/16, is delivered through schools across the whole of Wales. This inevitably adds to our levels of travel and amounted to 16 tonnes of CO<sub>2</sub>e included in our reported totals for 2018/19 (2017/18: 8 tonnes).

ENERGY	2018/19	2017/18
Greenhouse gas emissions (CO <sub>2</sub> e tonnes) Gross emissions, scope 2&3 (indirect)	32	44
Energy consumption (kWh) Electricity (renewable) Gas	100,212 9,827	108,424 10,464
Financial indicators (£) Expenditure – energy Water supply costs (office estate) – currently unable to assess, included in service charge	14,936 N/A	15,468 N/A

However, as all three of our offices are leased on a shared occupancy basis, with certain costs included within our service charges, this continues to restrict our ability to accurately assess our total environmental impact from energy usage. Our major use of electricity is in our Cardiff office and the landlord has confirmed that 100% of the supply is from verifiable Natural Renewable sources (wind, water and hydro).

We promote the use of environmentally friendly means of transport, and encourage staff to make journeys by the most efficient means possible, taking account of both environmental and financial considerations.

We have to balance this against the delivery of our strategic priorities to develop the arts in Wales, and to promote Welsh arts and artists internationally. This remains a significant practical challenge. As a result, there are inevitable fluctuations in the level of CO<sub>2</sub>e emissions attributable to travel, especially when we are active internationally. In a post-Brexit world, the international marketplace is increasingly important. During this year, complementing Welsh Government priorities, we undertook considerable programmes of international work in India and China.



We retained  
Green Dragon  
**Level 5**  
the highest category  
of environmental  
performance

STAFF TRAVEL	2018/19	2017/18
Travel emissions (CO <sub>2</sub> e tonnes)		
Rail	10	8
Air <sup>1</sup>	47	33
Car/vans	23	27
Travel cost (£)		
Rail	39,344	30,413
Air	19,500	12,604
Car/vans	34,382	40,126
Travel (miles)		
Rail	135,984	107,476
Air	175,620	127,876
Car/vans	73,944	88,218

<sup>1</sup> Includes the influence of radiative forcing in air travel emissions to capture the maximum climate impact. Radiative forcing is a measure of the environmental impact of emissions of NO<sub>x</sub> (nitrous oxides) and water vapour when emitted at high altitude.

We are, however, getting better at both minimising the negative and maximising the positive impacts of such work, by collaborating and partnering with other public bodies in Wales such as the Welsh Government and local agents in the countries we work in.



*Into the Light*, Hijinx Theatre (image: Kirsten McTernan)

# Equalities



**“Our work in previous years has focused on addressing structural and operational imbalances and reducing deficits and structural gaps in the arts sector. We’re starting to make progress, largely based around our development work, but barriers in some areas still stubbornly remain.**

**Until more people from the fullest cross section of the population of Wales are routinely able to enjoy, participate and work in the arts, we won’t have fulfilled our mission to widen engagement. Removing the attitudinal, hierarchical and class barriers that still exist remain, therefore, our overriding priority.”**

Richie Turner  
Chair, Equalities Monitoring Group

## Evaluating our approach

This year saw a renewed commitment to promoting equalities across our work. Achieving a broader and more representative audience for the arts is at the heart of our new corporate plan and is a strong feature of our public campaigning. Of course, the evidence tells us that we need to do more to raise the profile of our equality objectives – both within our organisation and across the wider arts sector – but we’re starting to see progress.

Nevertheless, our research shows that the presence of people with protected characteristics in the population as a whole is not being matched in the activities that we’re funding. The gap is especially striking in the very low number of disabled people and those from BAME backgrounds employed or represented on boards of management. These are issues that Council is determined to address.

## Doing better

Whether attending, taking part or working in the arts, we need to see the involvement of a wider cross-section of the population. In some areas of our work the successes have been striking. Our national ticketing access scheme, *Hynt*, now has 15,697 members, increasing dramatically the number of disabled people who are now able to attend our theatres and arts centres.

Our goal is an arts workforce that better reflects the diversity of Wales at local and national levels and is, as a minimum, in line with the Welsh workforce statistics. This means an arts sector that recognises and values the contribution of people with protected characteristics in all fields, and at all levels of employment in the arts. We’re especially keen to see more diverse Boards of management and governance structures. Real change requires attention at the highest level within an organisation.

By 2021 disabled people will represent 12.9% of the arts workforce and at least 3.9% of the arts workforce will be from black, Asian and minority ethnic backgrounds. So we're challenging ourselves as an organisation, our Arts Portfolio Wales organisations and those we support in the wider arts sector to attach greater importance to all aspects of equalities.

Transforming the arts sector's performance will not be easy, but we're adamant that it's the right thing to do. We're responding to the challenge in a spirit of collaboration and with an openness to dialogue. Recent recruitment to the Arts Council has brought a more diverse membership to our own governance structures. However, our collective failure as a sector to match the demographic profile of the population as a whole – the very least we should expect – remains a continuing challenge.

Targeted programmes of support such as the Unlimited commissions and a Wales based version of Arts Council England's *Ramps on the Moon* are taking shape. And *Creative Steps* offers an important opportunity to develop the work of artists and arts organisations who have found it difficult in the past to access advice and funding. This bespoke programme offers detailed help and mentoring in building capacity and skills. Six *Creative Steps* projects are up and running with a seventh in development. Six of these are BAME focused. We've set clear targets, described in detail in our Strategic Equalities Plan and backed up in our new Corporate Plan, For the benefit of all.... Achieving these targets will be central and fundamental to the successful delivery of Council's ambitions.

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# 3,532

## Disabled Visitors Cards issued via our



### scheme

(2017/18: 3,112)



National Eisteddfod of Wales 2018, Wales Millennium Centre (image: Aled Llywelyn)

# Welsh language



**“Our success in promoting Welsh Language activity is not yet as effective as it needs to be. Nothing makes Wales more distinctive than the Welsh language. Promoting creativity through the medium of Welsh is not a matter of legal compliance, it provides the means to understand and enjoy an extraordinarily rich literature and culture.**

**If the arts art to thrive, then we must find new ways of enabling the full potential of the Welsh language’s vital role at the heart of Welsh life. We have work to do, and this is a key priority area for Council.”**

Marian Wyn Jones  
Chair, Welsh Language Monitoring Group

## A fundamental commitment

As a bilingual organisation, our commitment to the Welsh language is integral to our work. Wales is a bilingual nation – legally, socially, culturally, and as individuals and communities. The Welsh Government’s long term target is to achieve 1 million Welsh Language speakers by 2050. It is an ambition that we support, and an important task for us is to identify how we can help achieve this goal – internally and externally.

Around half of the Arts Council’s staff are Welsh language speakers. And we promote vigorously the right of people to explore their own culture, their own creativity through the language of their choice, whether as consumer, participant or artist.

## Responding to the Welsh Language Standards

Our Welsh Language Monitoring Group scrutinises our work to promote the Welsh language. A key task for the Group in previous years has been the implementation of new Welsh Language Standards, as defined in legislation.

The Standards are designed to ensure that the Welsh language should be treated no less favourably than the English language; and, that people in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so. We can now confirm that we successfully implemented all of the Standards by the required dates.

## Promoting creativity through the medium of Welsh

Engaging with the Welsh Language is a deeply cultural undertaking. The arts in Wales draw a particular character from their linguistic lineage and offer something which is distinctive and unique to Wales. However, our data suggests that we're not seeing the range or quality of Welsh language activity that we'd expect to find, especially in Theatre.

Close scrutiny of the funding data provided to us has revealed anomalies. Funding applications suggest a healthy increase in the volume of bilingual work. In fact, we suspect the actual Welsh Language content listed under the "bilingual" heading may be limited. This will be investigated in more detail during 2019/20.

A pilot project during the year saw investment in the co-production of a Christmas show by Theatr Clwyd and Pontio. This revealed an appetite for good quality Welsh language theatre for young and family audiences. This points to a useful opportunity for development and needs nurturing in order to allow those learning Welsh in schools to experience the language in a positive setting outside of the academic environment.

We're also aware that more is needed to develop the skills of those working in marketing and the promotion of Welsh Language work – particularly those with limited Welsh language skills. Offering practical solutions to these challenges will be a specific part of our workforce development strategy in the year ahead.



There were

**1,042**

Welsh speaking employees  
and volunteers working within  
the portfolio in 2018/19.

(2017/18: 968)



New entrance at Canolfan Arad Goch

# Building Resilience



**“One of the most important aspects of our work is encouraging the creation of exciting high quality arts. We do this by creating a supportive environment in which artists and arts organisations are more likely to prosper. A key element of this is equipping the sector with the skills and capability to be more resilient in the face of economic challenge.”**

Alan Watkin  
Chair, Capital Committee

## Strengthening the arts infrastructure

For more than two decades Council has been investing funding from the National Lottery in capital projects. Across Wales we're helping organisations to enhance and extend their activities by creating exemplary buildings that provide first class spaces for people to enjoy and take part in the arts.

Council ring-fenced approximately £22m for its most recent Capital programme. This is nearing completion and we were pleased during the year to see the realisation of Galeri's plans to extend its cinema facilities, providing additional income to support the cultural programme. Other projects under development included Theatr Clwyd, Borough Theatre Abergavenny, Cwmni'r Fran Wen, Theatr Bara Caws, Oriel Myrddin and Artis in Pontypridd.

## Sustainability

We're committed to sustainable development. We expect the projects that we support to take account of all long-term benefits and costs – environmental, social and economic. We expect the organisations that we fund to embrace the principles enshrined in the Welsh Government's Well-being legislation, placing sustainability and the long view at the heart of their development plans.

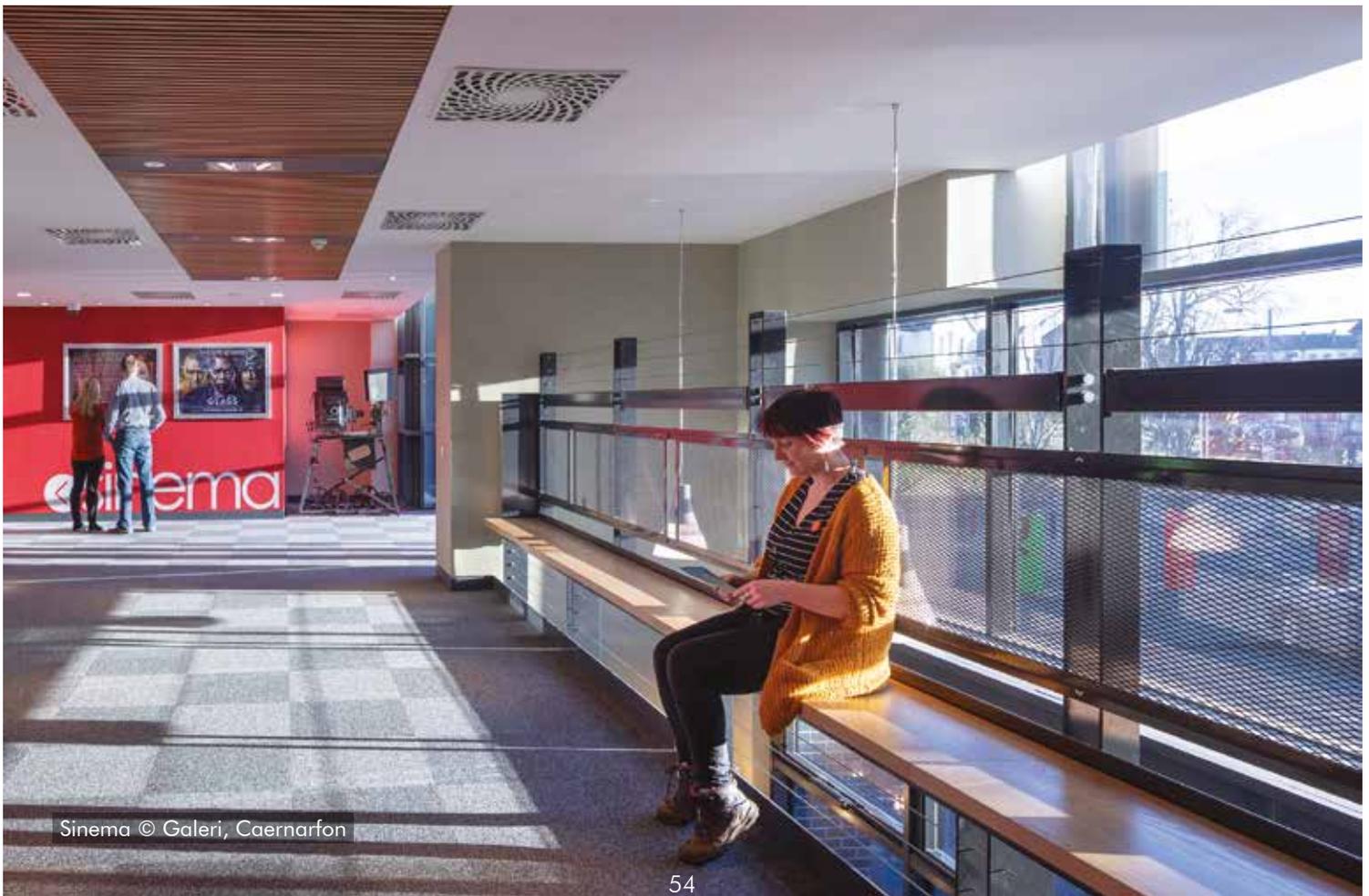
## Ensuring value for money

With the support of our expert Capital Committee, we work with officers to ensure that the projects we support are fit for purpose and financially viable. Capital projects can often be complex, and develop over a period of many years. Our comprehensive processes for feasibility, design, procurement and build ensure that projects are well-conceived and planned. Our Capital Committee has also overseen Ideas: People: Places, our innovative programme of community led regeneration.

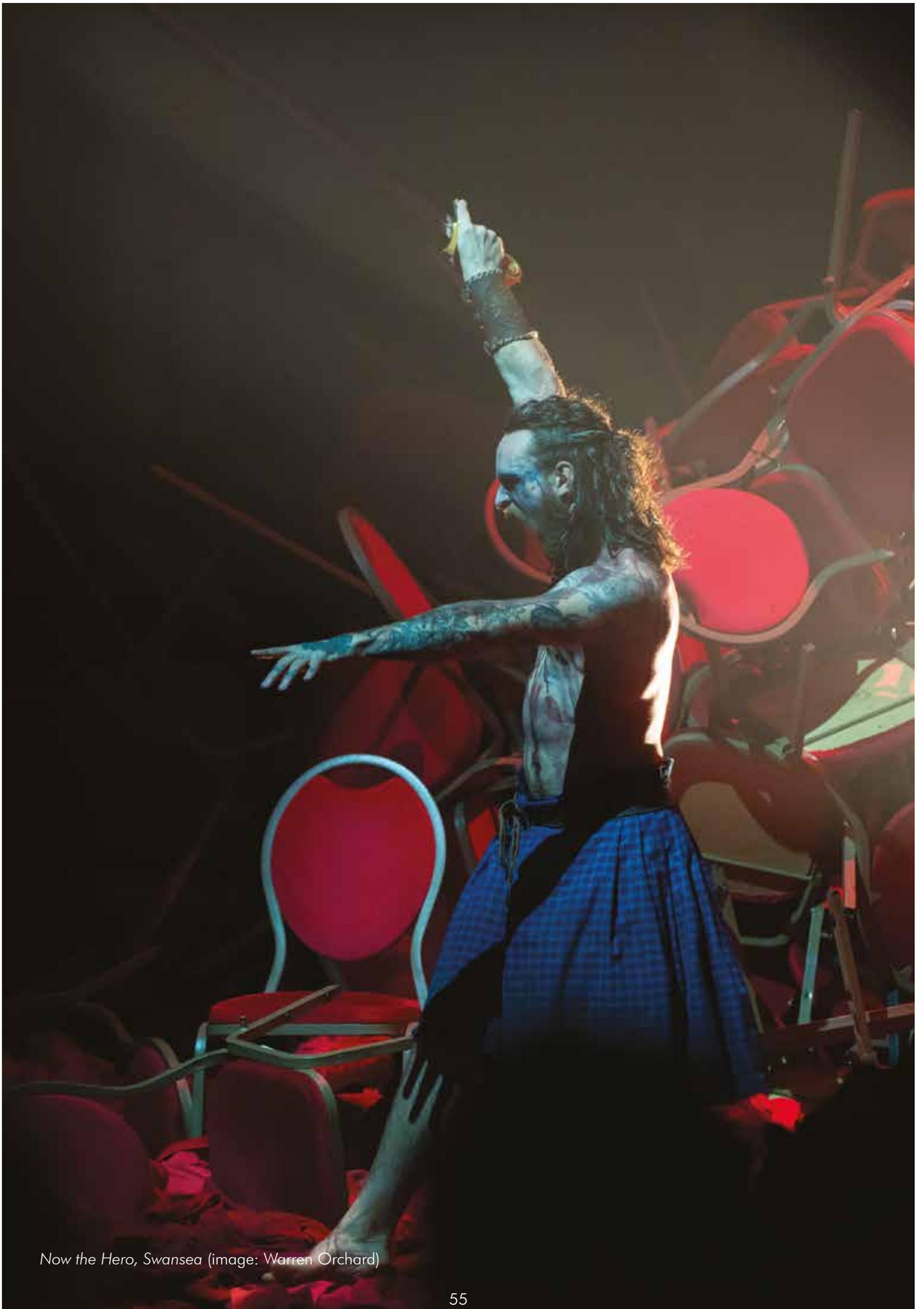
Enabling organisations to thrive and not just survive.

We believe absolutely in the importance of public investment in the arts. However, we can't ignore the wider economic context. We continue to do all we can to persuade funding partners to keep faith with the arts. But we must also encourage greater resilience and sustainability: reducing the extent of the arts' dependence on public funding, helping them (and us) to maximise earned income. It requires patient and careful work, but it's encouraging to see a large number of positive outcomes.

In these challenging financial times, organisations need more than ever to be entrepreneurial and resilient. A resilient organisation is one that has the skill, capacity and resources to endure in the longer-term. Unsurprisingly, these are the principles underpinning our Resilience programme for our Arts Portfolio Wales. 57 APW organisations had participated in the programme by the end of 2018/19 and we will be evaluating its success during 2019/20.



Sinema © Galeri, Caernarfon



*Now the Hero, Swansea (image: Warren Orchard)*

# Principal risks and uncertainties



**“Effective risk management is fundamental to good governance. However, creativity depends on innovation and experimentation, both of which can carry risk. We’re not afraid, when it’s right, to take a few risks. But we do so knowingly and confidently, equipped with our best knowledge and expertise, ensuring that our approach is carefully monitored and assessed.”**

Kate Eden  
Chair, Audit & Risk Assurance Committee

## Managing our affairs effectively

As stewards of public funds we must operate in an efficient and accountable manner. Our priorities and funding decisions are agreed by Council in accordance with the policies and procedures that apply to our use of public funds. The Audit & Risk Assurance Committee’s role is to ensure that we deliver on these commitments, doing so in ways that are transparent, accountable and that represent value for money. An extensive programme of internal audit assists us in this work.

## Protecting the public’s money

An important part of the Committee’s work has been reviewing our defences against Fraud and Cyber-crime. Attempts to illegally gain access to our funds and ICT systems occur regularly. Council takes these issues very seriously and the Committee has been looking carefully at our policies and processes to ensure that they’re robust and secure. There were no successful attacks during the year.

## Taking risks: a balanced approach

Unauthorised access to our systems is just one of a range of potential risks that could compromise our performance and reputation. We expect the organisations that we fund to be well managed and to represent good value for money. Our monitoring through the year assesses the extent to which this is the case. But we mustn’t become so risk averse that we ignore important opportunities for innovation and growth. We aim to take appropriate but informed risks, as circumstances dictate. However, we wouldn’t behave recklessly; neither would we wilfully squander public money nor endanger our reputation for prudent and effective delivery.

Our systems of internal control identify and prioritise the risks that could prevent us achieving Council's policies, aims and objectives. They evaluate the likelihood of the risks being realised, consider the impact should they occur, and seek to manage them efficiently, effectively and economically. We continually seek to improve our internal control systems. Our **Corporate Assurance Framework and Risk Register** is used to identify the robustness of the underlying controls and assurance processes. Any aspects that need to be strengthened are highlighted and the Committee monitors action taken to ensure that appropriate remedial action takes place.

### Financial risk and capital management

The Council mainly holds financial instruments to finance its operations, for example trade debtors and trade creditors, and cash balances arising directly from its operations. The financial risk management of exposures arising from trading financial instruments, primarily trade debtors and trade creditors, is through a series of policies and procedures.

These risks are managed as follows:

**Liquidity risk** – the Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2018/19, to meet all current contracted commitments. The Council does not consider that its activities are exposed to any significant liquidity risk.

**Interest rate risk** – cash and cash equivalent balances are held in instant access variable rate bank accounts which on average carried an interest rate of 0.5% (2017/18: 0.5%) in the year.

The Council does not consider that its activities are exposed to significant interest rate risks.

**Foreign currency risk** – changes to exchange rates following the 2016 EU Referendum have resulted in a reduction in the buying power of the pound overseas. Council is not currently exposed, to any significant degree, to foreign exchange risks.

**Cash flow risk** – the Council is not exposed to any significant cash flow risks.



Arts Council running costs as a proportion of total income

2017/18: 7.33%

## The risks to our performance: what they are and how we deal with them

### Principal risks

#### Governance

Poor management results in a significant failure to deliver the key objectives in corporate and operational plans

### Key mitigating actions

Anticipated outcomes are clearly defined. We use project management disciplines to assist Council officers in the delivery of their work. A formal progress report is presented to Council each quarter. This report also forms the basis for Quarterly Monitoring Meetings between Council's senior leadership team and officials of the Welsh Government.

#### Funding

Cuts in public sector funding could damage the arts across Wales

National Lottery income continues to be unpredictable. We manage the underlying trend of reducing levels of income for the Lottery good causes. We have also had to achieve further savings in our own running costs. This helps us to ensure that as much funding as possible is available for direct arts expenditure.

A key area of risk is the continuing reduction in local authority arts funding. We're working with local authority partners to explore alternative strategies for protecting support for creative activity.

Key arts organisations fail as a consequence of funding cuts

Our Arts Portfolio Wales (APW) accounts for the majority of our grant-in-aid funding. The Portfolio's artistic, financial and operational effectiveness is closely monitored by officers. Regular reports showing the risk assessment of each of our annually funded organisations are provided to our Audit & Risk Assurance Committee and to Council. When necessary, we take a pro-active approach to working directly with organisations that experience difficulties, investing time and expertise to help them to resolve matters of concern.

#### Grants management

Poor or fraudulent funding applications mean that public funds are not used for the purposes intended

We take a risk-based approach to our assessment of applications and the monitoring of grants awarded. We use information collected from grant recipients as part of our monitoring procedures to ensure that the stated outcomes for which we provided funding were, in the end, actually achieved.

## Principal risks

### Brexit

Continuing uncertainty has a detrimental impact on the operation of our funded organisations

### Major projects

The Welsh Government loses confidence in our management of the *Creative Learning* programme

Poor management of key Lottery Capital projects causes delays that place additional funding burdens on the Arts Council

### IT

Unforeseen or unexpected outages compromise business continuity

There is a breach in our IT security.

## Key mitigating actions

Council takes fraud, corruption and maladministration very seriously and has policies to prevent, and deal with, both, including “Whistle-blowing” and Anti-fraud policies. These were reviewed during the year.

We continue to monitor developments closely. We have convened a Task Group including representatives from the Welsh Government and UK Arts Councils. Between us we identify potential risks, lobby the UK Government and provide advice to the sector.

*Creative Learning* is a partnership project with the Welsh Government totalling £20m of investment over 5 years. Management of the project has been reviewed by the Arts Council’s internal auditors and ‘substantial’ assurance given. It also looks likely that the Welsh Government will provide additional funds to extend the programme.

We operate rigorous processes for project monitoring and the release of payments. Contractual agreements are in place protecting the Arts Council’s investment and funding is paid out against certificated claims for work completed. Expert independent assessors provide technical reports that are used to brief Capital Committee (and ultimately Council).

A full Disaster Recovery plan is in place and tested annually. Should an incident arise, alternative offsite IT facilities are available.

Cyber security and IT penetration tests are conducted annually. We comply with IASME security standards.

## Principal risks

### Personal Data

Personal data is lost, compromised or stolen

### Staffing

Recurrent pressure to cut costs reduces staff capacity to an unacceptable level

Our Organisational Review does not achieve the necessary cost savings

## Key mitigating actions

The Council has controls and policies in place to ensure data integrity. Encrypted IT systems ensure that the physical security of data is tightly controlled.

Delivering an expanding programme of activity with fewer staff is a continuing concern for Council. Progress against plans is carefully monitored and reviewed on a quarterly basis, and every effort is made to implement efficient business practices.

The Organisational Review implemented a programme of savings designed to reduce our running costs. These savings having been made but costs will continue to require careful management in the medium term. This will remain an issue for Council scrutiny.



Pendevig, Festival Interceltique de Lorient (image: Michel Renac)

## Financial and business review

**The Council has two principal funding sources: grant-in-aid from the Welsh Government; and, as one of the bodies responsible for the distribution of funds for good causes, a share of the proceeds raised by the National Lottery. The Council is required to account separately for its grant-in-aid and lottery distribution activities.**

### Grant making policies

The Council invites applications for recurrent and one-off grants from organisations and individuals and monitors the proper and effective use of those grants. As well as meeting the Council's strategic aims, applications must demonstrate benefit to the people of Wales across all regional, cultural and economic sectors. Recurrent grants are funded from grant-in-aid only but one-off grants may be funded from grant-in-aid or Lottery income. Under the terms of its Lottery Policy Directions the Council makes grants in support of capital and other projects under revenue schemes relating to the arts in Wales.

Recurrent, or annual revenue, grants are made to a portfolio of organisations to deliver high quality artistic services – our **Arts Portfolio Wales**. Consideration of revenue status for any organisation is dependent on the availability of funding, the sustainability of the organisation, and demonstration of strong fit with the Council's strategic priorities. Currently, each revenue-funded organisation enters into a funding agreement for a term of one to three years which sets out the anticipated level of funding, the programme of activity to be delivered, requirements for monitoring and annual review, standard conditions of grant, and any additional conditions.

Lottery capital grants, to organisations only, support the purchase, improvement, restoration, building or creation of an asset that will be used for the benefit of the public to develop the organisation's work.

Council delegates Lottery grant making in a number of strategic areas to Ffilm Cymru Wales, Nesta, BBC Cymru Wales, Literature Wales, and Tŷ Cerdd. The terms of the external delegation are set out in formal agreements and satisfy the conditions of the Council's Statement of Financial Requirements.

The obligations of the Council's Accounting Officer are unchanged by the delegation. But he has satisfied himself that the organisations and their systems are suitable to undertake the delegated functions, including: the assessment of applications for funding; holding, accounting for and distributing Lottery money allocated to them by the Council for that purpose; and monitoring funded projects.

The delegation agreements allow for appropriate access to the delegates by the Council's internal auditors and by the Comptroller and Auditor General for the review of the operation of the delegated functions.



**154**  
international exchange  
projects supported

2017/18: 172

One-off grants are available to help fund time-limited artistic projects of high quality which best meet the Council's funding priorities. On-going monitoring of our grant aid programmes alerts us to any specific risk issues. Identified risks lead to an escalation of the level of monitoring and, if necessary, can result in the payment of funding being with-held and/or deferred.

### Cash reserves – General Activities

The Council's policy on restricted funds is to separately record grants, donations and other sources of income which are received for a specific purpose or project, or where restrictions are imposed that are narrower than the Council's overall objectives. All of these incoming resources have been utilised in the year for their intended purpose.

Most of the Council's unrestricted funds are committed during the year, in accordance with the conditions of grant-in-aid issued by the Welsh Government. Any surplus funds are carried forward and used in furtherance of the Council's chartered objectives in the following year. There were no designated funds at 31 March 2019.

Our holding of cash reserves is restricted by the Welsh Government's directions on month-end and year-end flexibility. Within those parameters, our policy is to manage cash flow by drawing down funds each month to meet planned expenditure with a modest allowance for unforeseen short-term cash requirements. We review this policy and our reserves position annually.

At 31 March 2019 the unrestricted cash funds were £1.766m (2018: £1.816m).

The accounts have been prepared on a going concern basis and there are no material uncertainties about our ability to continue in operation.

### Investment

Investment powers are governed by the Trustee Act 2000, the Framework Document issued by Welsh Ministers and the Financial Directions issued by the Secretary of State for Digital, Culture, Media and Sport. The Council's policy is to achieve the maximum return within these terms. Interest at a negotiated rate linked to bank base rate is received on all credit balances in the Council's current accounts. From time to time, higher rates may be available for restricted funds on long term deposit.

The Council's banking service is provided by Santander UK plc.

All interest and other investment income earned on cash and bank balances which arise as a result of funding from the Welsh Government is surrendered to HM Treasury via the Welsh Consolidated Fund.

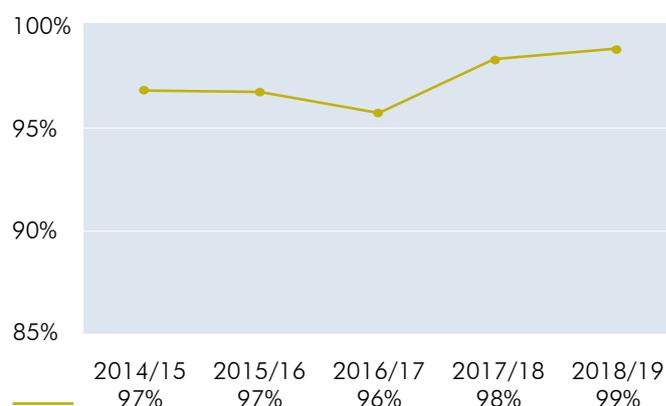
Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Digital, Culture, Media and Sport so, although the Council receives investment income on its share of such balances, the Council has no investment powers over the Fund.

## Payment of creditors

Council follows the Late Payment of Commercial Debts (Interest) Act 1998, and the UK Government's Better Payment Practice Code. Council is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later.

We aim to pay all invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2019, the Council paid 99% (2017/18: 98%) of all invoices within the terms of its payment policy.

In line with Welsh Government policy, the Council has a further aim to pay invoices within 10 days. For 2018/19, 92% (2017/18: 89%) of invoices have been paid within 10 days.



It is not anticipated that our policy will alter in future years and we will continue to adopt challenging performance targets.

Financial results – General Activities	2018/19 £000	2017/18 £000
<b>Headlines from the General Activities accounts:</b>		
• Total income for the year	35,386	37,889
• Excess of (expenditure over income)/income over expenditure	(636)	858
• Net current assets	2,741	4,109
• Total fund balances at 31 March	2,846	3,482
• Forward commitments of grants for the following year	26,790	26,744
<b>The separate Lottery Distribution accounts show:</b>		
• The Council's share of the proceeds from the National Lottery	16,000	16,351
<b>The combined:</b>		
Total income for both general and Lottery activities was and	51,524	54,322
Total charitable arts expenditure for both general and Lottery activities was	47,886	51,980

The Council's income for 2018/19 was £2.503m (6.6%) less than the previous year. The main reason for the decrease was a reduction in restricted income:

- in 2017/18 we received £1m from the Welsh Government towards the set-up and capitalisation of a new Endowment for Music; and
- funding for year 4 of our five-year *Creative Learning through the Arts (CLTA) Programme*, from the Welsh Government's Education Department and from our own Lottery funds, was £2m less than the previous year. The Programme has a fixed budget which is being managed across five years.

During the year we awarded grants to our revenue funded organisations, Arts Portfolio Wales, of £26.8m and committed £3.3m to the CLTA Programme. We also spent £5.8m through grants and direct expenditure on strategic initiatives and services.

The aggregate expenditure for the year exceeded income by £0.6m: our restricted funds reduced by £1m but our unrestricted funds increased by £0.4m.

At March 2018 we were holding the Welsh Government's £1m for the establishment of the music endowment. During the year we formed Anthem. Music Fund Wales as a charitable company and transferred the seed funding to it. The increase in our unrestricted funds reflects the timing of commitments for some of our planned programmes but, with the agreement of the Welsh Government, we carried forward some cash to 2019/20 to meet strategic and operational commitments.

At 31 March 2019 we had unrestricted reserves of £2.4m (2018: £2.0m) and restricted reserves of £0.4m (2018: £1.5m). The level of our unrestricted reserves is directly affected by the Welsh Government's policy on year-end cash balances, as outlined in the *Cash reserves* section above. The Council is permitted to carry over from one financial year to the next no more than 2% of its total non-Lottery income. Any proposal to carry over sums in excess of this amount, as this year, must be agreed by our sponsoring department of the Welsh Government.

In order to address committed costs and to provide the necessary flexibility for future cost pressures an application was made to Welsh Government to carry forward an additional £1.11m to meet outstanding programme funding commitments and additional funding requirements.

The approval of this application was welcomed and, along with the funding announcement for 2019/20, has provided us with our planning and resource requirements over the next year.

Financial results - Lottery Distribution	2018/19 £000	2017/18 £000
<b>Headlines from the Lottery Distribution accounts:</b>		
• Share of proceeds from the National Lottery	16,000	16,351
• Net grants made	9,571	12,953
• Excess of expenditure over income for the year	2,376	(525)
• Balance held in the National Lottery Distribution Fund at 31 March	14,894	15,619
• Reserves at 31 March	4,695	2,319

Grants processed	2018/19	2017/18
Number of applications received:		
Capital schemes	16	15
Revenue schemes	705	797
	721	812
Number of grants made:	436	465
Value of grants made:	£'000	£'000
Capital schemes	1,098	1,607
Revenue schemes	8,629	11,694
	9,727	13,301
Grants payable at 31 March:		
Capital schemes	4,445	5,028
Revenue schemes	6,744	9,922
	11,189	14,950

Our National Lottery proceeds were higher than originally budgeted, largely due to spikes in income towards the end of the year. However, Council continues to monitor closely the trend in the share of proceeds received by the good causes and the potential impact on future Lottery-funded programmes.

We ring-fenced approximately £22m for our capital grants programme for the five years from 2012/13 to 2016/17. This programme has been extended, as there can be a long lead time from the registration of a major capital project to the issue of a formal offer. This also impacts the total value of grants made each year and the overall net income or expenditure. For 2018/19 we expected to make capital grants of around £4.4m but offered £1.1m, which is reflected in the reduction in net grants made compared with the previous year.

The reduction in net grants made was also affected by the lower grant made to Creative Learning through the Arts. £1.080m was awarded in 2018/19 compared with £3.130m at the peak of the five-year programme in 2017/18.

At year-end grants payable totalled £11.189m (2017/18: £14.950m). Undrawn funds in the National Lottery Distribution Fund plus cash and cash equivalents totalled £16.267m (2017/18: £18.238m). The National Lottery Distribution Fund balance reduced by approximately 4.6% from last year and there was also a substantial decrease in cash and cash equivalents held at the year end. This fall in our cash balances correlates with the reduction in grants payable: large grant commitments at March 2018 were paid during 2018/19.



Moving Generations, Head4Arts



Arty Parky, Head4Arts

# Remuneration and Staff Report



**“ Council’s staff represent an invaluable resource of knowledge and expertise. They work tirelessly to develop and support the arts. Council recognises its responsibility to ensure the well being of its staff. Enabling an engaged, committed and authoritative staff team is one of Council’s most important tasks.”**

Mike Griffiths  
Chair, HR & Remuneration Committee

The HR & Remuneration Committee members who served since 1 April 2018 were:

Michael Griffiths OBE (Council member)

Andy Eagle (Council member)

Kate Eden (Council member)

Valerie Ellis (independent member)

Philip Westwood (independent member)

## Equal opportunities

The Council is committed to a policy of equality of opportunity in its employment practices. In particular, the Council aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion or sexual orientation.

Each year Council publishes a **Pay Policy Statement**. This includes a detailed breakdown of the make up of our staff. It also addresses Gender Equality and Equal Pay reporting.

Council ensures that appropriate facilities are available for disabled employees. Public signage also promotes the Council as a bilingual organisation.

## Our HR policies

Council’s aim is to be a progressive, family friendly employer. We operate a number of HR policies that reflect our legal obligations as an employer. Policies are reviewed on a regular basis and updated to reflect any relevant changes in legislation. The management of Council’s HR policies is monitored by the HR & Remuneration Committee.

## Employee communication, consultation and negotiation

Council's recognised trade union is Unite, with which it has established a procedural agreement; representatives of management and union meet regularly to discuss matters of current concern.

We undertake regular surveys of staff to identify any issues or areas for improvement.

## Job Evaluation

During 2018/19 we worked with our union colleagues to undertake a comprehensive process of job review and evaluation. It's important that staff roles are clear, and that these roles are accurately and fairly remunerated. We're working with Acas who are assisting us with this work, scheduled for completion during 2019/20.

## Remuneration

The terms of appointment of the Chair and Chief Executive are agreed with the Welsh Government.

The Council remunerates its remaining staff in accordance with an agreed pay and grading system.

Each year, in consultation with the recognised trade union, a Pay Remit is produced and submitted to the Welsh Government for approval. The resultant pay and conditions package is binding on the whole of the Council until the next round of negotiation. Increases under the Pay Remit are dependent on performance established by the Council's system of personal development reviews.

With the approval of the Charity Commission the Chair is remunerated at a rate determined by the Welsh Government which reflects a minimum time commitment to Council business. Annual increases of the Chair's salary are also advised by the Welsh

Government but he receives no bonus payments and is not a member of the Arts Council's pension scheme.

The Chief Executive's remuneration consists of a basic salary plus eligibility for an annual bonus. Annual bonuses are recommended to Council by the HR & Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives. The Committee's recommendation that the Chief Executive be offered a full bonus was endorsed by Council. However, the Chief Executive waived his entitlement to a non-consolidated bonus for 2018/19 and has accepted the same level of consolidated increase as other eligible members of staff.

Council members are appointed by the Welsh Ministers for a period of three years and may be re-appointed for a further period. The current Chair, Phil George, took up the position on 1 April 2016 and is in his second term which expires on 31 March 2022.

The Chief Executive and Directors – the Senior Leadership Team – are all employed on permanent contracts on the Council's standard terms and conditions. They are entitled to thirteen weeks' notice of termination of employment.

The dates of commencement of employment are:

	<b>Phil George</b> Chairman  1 April 2016
	<b>Nicholas Capaldi</b> Chief Executive  15 September 2008
	<b>David Alston</b> Director of Arts to 31st January 2019  1 July 2005
	<b>Dr Katherine Davies</b> Director of Investment and Funding Services from 1 February 2012  24 August 1998

	<b>Diane Hebb</b> Director of Engagement and Participation from 1 February 2012  13 January 1992
	<b>Siân Tomos</b> Director of Enterprise and Regeneration from 1 February 2012  3 May 1994
	<b>Gwyn Williams</b> Director of Finance and Business Services to 31 March 2019  4 September 2017

### Sickness absence

Across the whole Council:

	2018/19	2017/18
Days lost as a result of sickness	579	574
Average number of employees (full time equivalent)	77.30	83.85
Average number of days lost per employee	7.49	6.84

This represented an absence rate of 2.98% (2017/18: 2.76%) based on 251 working days.

### Consultancy

During 2018/19 the Council paid consultancy costs of £3,000 (2017/18: £5,000) in relation to expert advice and opinion obtained to assist in strategic decision-making. £1,000 (2017/18: £3,000) is charged to General Activities and £2,000 (2017/18: £2,000) to Lottery Distribution.

The Chief Executive and Directors are responsible for directing the Council's activities. Their actual emoluments and pension benefits were as shown in the following tables.

The amount of pension benefits for the year which contributes to the single total remuneration figures is calculated in a similar way to the method used to derive pension values for tax purposes, and is based on information received from the actuary of the Arts Council Retirement Plan 1994.

The value of pension benefits is calculated as follows:

- (real increase in pension\* x 20)
- + (real increase in any lump sum)
- (contributions made by member)

\*excluding increases due to inflation or any increase or decrease due to a transfer of pension rights

This is not an amount which has been paid to an individual by the Council during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors, e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The single total remuneration figures of the Senior Leadership Team (subject to audit):

Name Position	2018/19			2017/18		
	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000
Nicholas Capaldi Chief Executive	95-100	16	110-115	95-100	21	115-120
David Alston Director of Arts to 31 January 2019 <i>Full year equivalent</i>	65-70 70-75	9	75-80	70-75	16	85-90
Katherine Davies Director of Investment and Funding Services	70-75	2	70-75	70-75	20	90-95
Diane Hebb Director of Engagement and Participation	70-75	9	80-85	70-75	19	90-95
Siân Tomos Director of Enterprise and Regeneration	70-75	6	75-80	70-75	22	90-95
Gwyn Williams (0.6 FTE) Director of Finance and Business Services to 31 March 2019 <i>Full year equivalent</i>	40-45	10	50-55	25-30 40-45	6	30-35
Hywel Tudor† Director of Finance and Resources to 27 August 2017 <i>Full year equivalent</i>	-	-	-	125-130 70-75	5	130-135

† The former Director of Finance and Resources received compensation of £95,000 (gross) for loss of office during 2017/18. The amount is included in his single total remuneration figure for that year but was included in the total of accrued redundancy and compensation costs in 2016/17.

The pension benefits of the Senior Management Team (subject to audit):

	2018/19		2018/19		2018/19	2017/18	2018/19
Name Position	Real increase in pension and related lump sum at age 65 £'000		Total accrued pension at age 65 as at 31/03/19 and related lump sum £'000		Cash Equivalent <sup>1</sup> Transfer Value at 31/03/19 or date of leaving if earlier £'000	Cash Equivalent Transfer Value at 31/03/18 £'000	Real increase <sup>2</sup> in Cash Equivalent Transfer Value £'000
Nicholas Capaldi Chief Executive	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 35-40	264	225	14
David Alston Director of Arts to 31 January 2019	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	10-15 30-35	245	231	9
Katherine Davies Director of Investment and Funding Services	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	25-30 80-85	574	522	2
Diane Hebb Director of Engagement and Participation	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	15-20 50-55	355	318	8
Siân Tomos Director of Enterprise and Regeneration	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	25-30 75-80	527	466	4
Gwyn Williams (0.6 FTE) Director of Finance and Business Services to 31 March 2019	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	0-5 0-5	17	6	8

<sup>1</sup> **Cash Equivalent Transfer Values** - A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Arts Council Retirement Plan 1994. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

<sup>2</sup> **Real increase in CETV** - This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

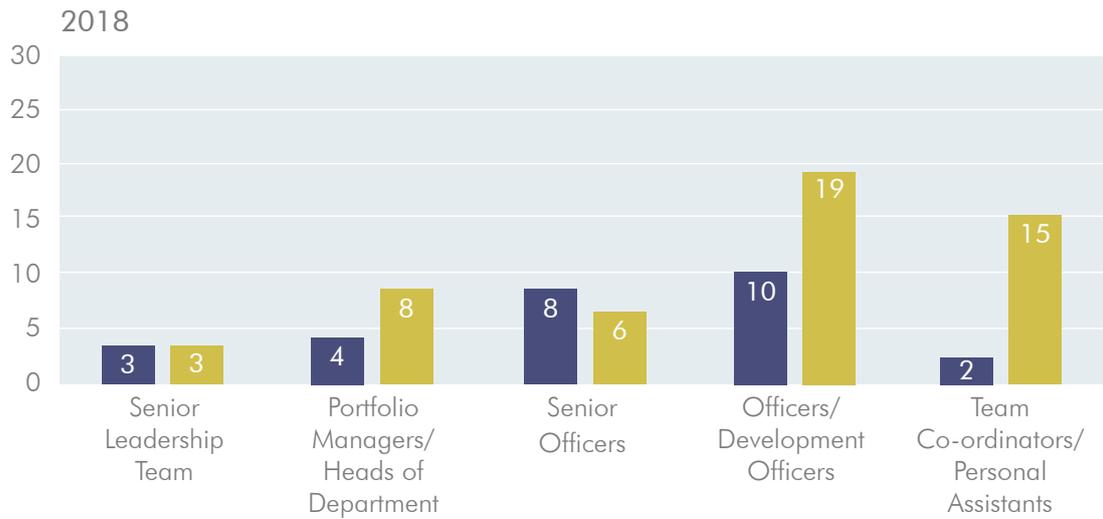
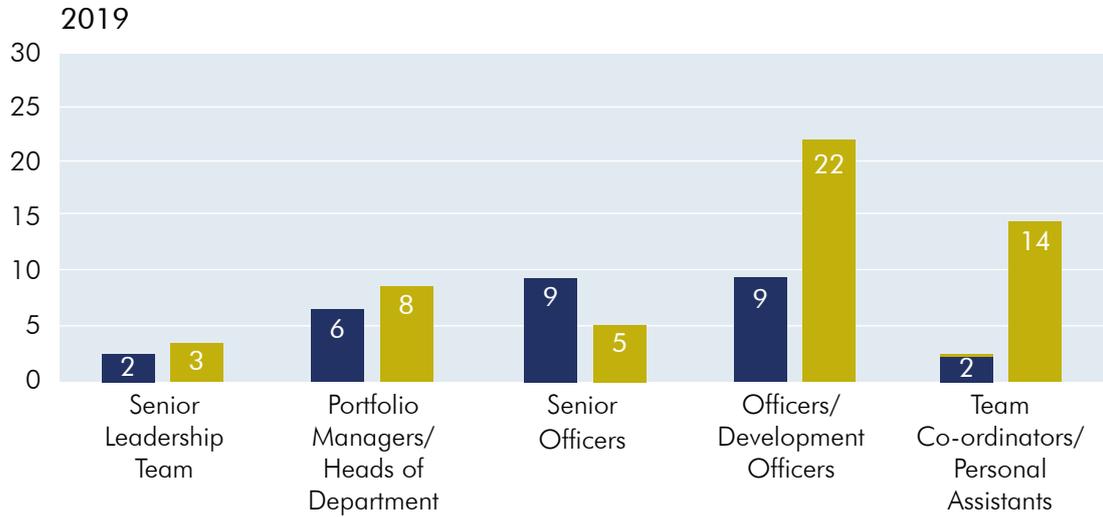
The Chairman is remunerated for his services but receives no bonus payments and is not a member of the pension scheme. Other Council and Committee Members receive no payment for their services. An aggregate amount of £10,136 (2017/18: £15,979) was reimbursed to 10 (2017/18: 14) Council members for travel and subsistence costs incurred on Council business. The aggregate amount allocated to general activities was £5,402 (2017/18: £7,596) and £4,734 (2017/18: £8,383) to lottery distribution.

	2018/19 £	2017/18 £
The total actual emoluments of the Chairman and Chief Executive were made up of (subject to audit):		
Chairman Salary	43,810	43,810
Chief Executive Salary	99,341	97,155
Employer's pension contribution	21,259	20,791
	120,600	117,946
Reimbursed travel and subsistence expenses incurred and defrayed whilst on Council business:		
Chairman	£3,628	£6,317
Chief Executive	£9,188	£6,529

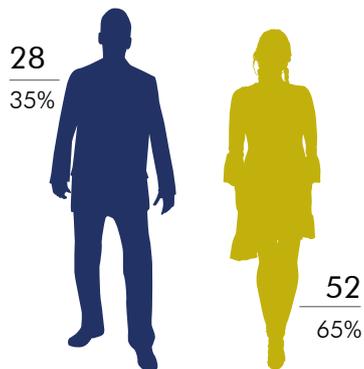
69% (2017/18: 64%) of the Chairman's and Chief Executive's emoluments are charged to general activities and 31% (2017/18: 36%) to lottery distribution.

The median annual remuneration (full time equivalents) at 31 March was (whole Council) (subject to audit):	£33,062	£32,334
The range of annual remuneration (full time equivalents) at 31 March was (whole Council) (subject to audit):	£21,012 to £99,341	£20,550 to £97,155
The ratio between the median annual remuneration and the annual remuneration of the highest paid member of staff was (whole Council) (subject to audit):	1:3	1:3

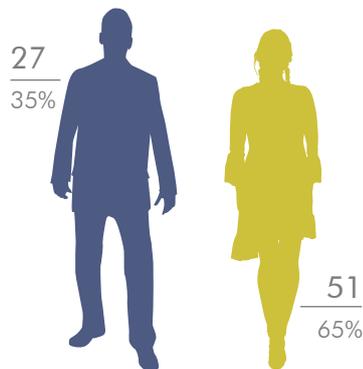
Staff composition at 31 March (full time equivalents - whole Council)



Total 2019 (80)



Total 2018 (78)



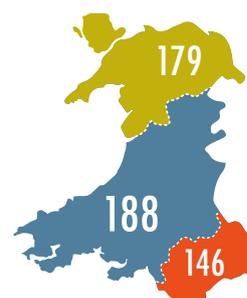
Male  
Female

## Compensation schemes - exit packages (whole Council)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018/19	2017/18	2018/19	2017/18 <sup>1</sup>	2018/19	2017/18
£10,000 to £24,999	-	-	-	1	-	1
Total number of exit packages	-	-	-	1	-	1
Total cost (£'000)	-	-	-	10	-	10

<sup>1</sup> In 2017/18 the Council entered into a settlement agreement and made an ex-gratia compensation payment to an employee who left office as a result of long-term illness. The ex-gratia compensation payment was charged to general activities.

Redundancy costs are determined in accordance with the provisions of the Council's redundancy policy. The Council usually pays exit costs when employment ends but provides for the exit costs in full at the point when there is sufficiently detailed information to do so. Although there were no compulsory redundancies in 2017/18, there were further payments of £3,000, as the result of a back-dated pay award, to former employees who left during 2016/17.



Our Night Out  
scheme funded  
**513**  
performances across  
the length and  
breadth of Wales

# Parliamentary Accountability and Audit Report

## Remote contingent liabilities

The Council is an admitted employer of the Arts Council Retirement Plan 1994. The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities.

In the event of the withdrawal of an employer, the debt triggered under section 75 of the Pensions Act 1995 would be calculated using the solvency shortfall of the entire Plan, not the employer's own asset share and liabilities. Also, in the event of Plan wind up, as the Plan is a "last man standing" arrangement all employers would be jointly and severally liable for the total shortfall in the Plan.

It is not practical to estimate the financial impact.

## Losses, special payments and gifts

The Council incurred no losses during the year and made no special payments or gifts.

## Fees and charges income

The Council has no material income of this kind.



Nicholas Capaldi  
Accounting Officer  
5 July 2019

Endorsed on behalf of Council:



Phil George  
Chairman  
5 July 2019

## The year ahead: 2019/20

We remain focused on the journey of change set out in our corporate plan, *“For the benefit of all...”* Encouraging more people, from across Wales’ diverse communities, to enjoy and take part in the arts remains our principal goal. We will be placing particular emphasis on diversity and equality, tackling the barriers – social, cultural and economic – that prevent our achievement of this goal.

Council has focused its programme of work for 2019/20 around its strategy of Make: Reach: Sustain.

### The guide for our work remains the Welsh Government's Well-being of Future Generations Act

The arts self-evidently contribute to our well-being and quality of life. And we know that the arts can bring substance and imagination to the delivery of a wide range of civic strategies. Ensuring that we make a positive contribution to the well-being agenda remains a priority that informs all aspects of our work in 2019/20.

Sustainable development will be one of our central organising principles and we will put the well-being of the people of Wales, now and in the future, at the centre of our decision-making processes.

### Widening engagement

#### Our top 3 actions:

1. Complete research undertaken by social enterprise *64 Million Artists* to identify different models of engagement and participation in the arts in Wales through the medium of the Welsh and English languages. We will support a range of projects exploring new ways of reaching audiences who we don't currently connect with.
2. Research, consult on and promote workforce development projects that increase the number of BAME and disabled people able to make work, develop their professional skills and find employment in the arts in Wales.

Our goal is to see more people from diverse backgrounds able to work in the arts as creative professionals, as employees, or as members of our Portfolio organisations' governance structures.

3. Run a public campaign that promotes our commitment to working towards a more equal and inclusive Wales. We want to raise the profile of the ambitions contained in our Strategic Equality Plan in a visible way that attracts attention.

### Resilience and sustainability

We believe absolutely in the importance of public investment in the arts. However, in times of austerity we can't ignore the wider economic context. We continue to do all we can to persuade funding partners to keep faith with the arts. But we must also encourage greater resilience and sustainability: reducing the extent of the arts' dependence on public funding, helping them (and us) to maximise earned income.

Doing this requires strong, entrepreneurial leadership. This means building a sector that's imaginative, innovative and able to capitalise on its public investment. The best organisations do this already, but we're determined to bring all the key organisations we fund up to the standard of the best.

#### Our top 3 actions:

1. Complete and evaluate the current "Resilience" programme, and develop a successor scheme. This will enable our future work to be aligned to the needs of the sector.

2. Research and identify the actions needed to strengthen key sectors within the arts in Wales. We want to see a strong and resilient infrastructure that confidently promotes opportunities for artists, audiences and participants. We are especially keen to see practical steps taken during the year to address shortcomings in Welsh Language theatre.
3. Understand the current needs of the wider arts sector to inform business development and non public funding initiatives. We will help to identify and grow new financial, digital and physical resources for the arts in Wales.

Fish are only as healthy as the water they swim in. Artists and arts organisations need a supportive environment to prosper. We'll play a clearer and more entrepreneurial role in identifying, nurturing and promoting our country's best creative talent across all kinds of art, and at all stages in their professional development. Key to this will be achieving a close alignment with action 2 above under "Widening Engagement".

We know we can provide support at key moments in an artist's career. Our goal is to create the circumstances in which our artists are equipped with the skills and the opportunities to pursue viable, sustainable careers from a Welsh base.

#### Our top 3 actions:

1. Research, develop and promote an inclusive menu of opportunities for individual artists and creative professionals. We want to develop a more comprehensive approach to skills

development, from emerging talent to the established professional.

2. Establish partnerships with at least two foundations or specialist providers to increase training, professional development and employability opportunities in the arts and creative sector. We want to work with partners who share our equalities priorities.
3. Look to our National Companies to develop an exemplary programme of internships, apprenticeships and mentoring. We want to see our National Companies as acknowledged leaders in their field.

### Promoting the benefits of Arts and Health

The importance of the Arts for Health and Well-being is becoming increasingly accepted. Through project activity that we've previously supported we've been able to demonstrate that Arts and Health work is having a beneficial impact across the full ranges of age, class and geography in Wales.

Our resources are small in relation to Health. This is why we're being clear about where our interventions will have most impact. Key to this is aligning our work with the priorities of Government and the Health Boards and to respond to the challenge of making scalable interventions in key areas of well-being and health in the Welsh population. Delivering a partnership approach will be essential if our strategy is to succeed.

### Our top 3 actions:

1. Build capacity in the Health Boards across Wales. We will invest in recruitment and support of professional specialists who can promote our Arts and Health priorities.
2. Commission Y Lab (Nesta and Cardiff University) to work together to understand how arts interventions can play a more prominent role in the health and well-being of the people of Wales. This will help us to better understand where new ideas are needed to make this happen.
3. Work with partners to implement the recommendations set out in the Mapping Report. Bringing like minded partners together will increase the likelihood that our ambitions can be realised.

### Investing in young people and Creative Learning

An active engagement with the arts can transform the way children and young people learn and explore the world around them. It can change the way they see themselves – even what they dream of for the future – as well as helping them to develop the self respect and worth that will be such an important part of their life skills for the future.

From the youngest age literacy and numeracy are seen to underpin academic success. Success in life depends on more – the integration of Creativity. Our strategy continues to be to pioneer ways in which more schools can draw on practical ways of bringing the excitement and inspiration of the arts into the classroom as embodied in our Creative Learning programme. Creative Learning has challenged Government to place the arts at the heart of the school curriculum.

### Our top 3 actions:

1. Implement the final year of Creative Learning, developing proposals for another phase to take key elements of the programme to 2022. We want to find creative ways of responding to the continued demand for this programme from schools across Wales.
2. Support the development of a new curriculum that places Creativity and the Expressive Arts at its heart. We want to help secure the arts within everyday school life.
3. Embed the involvement of young people in strategies across Council's wider work. We want to see more young people making work, enjoying the arts, and developing the skills that will enable them to contribute to the administration and management of the arts.

### Expanding our international activities

Our arts, our culture and our languages give Wales its unique global personality. And this unique cultural context resonates with many other minority languages and cultures so our story is relatable around the world. This will be a strong feature of our work around the UNESCO Year of Indigenous Languages.

We want to create a new cultural context that nurtures international understanding and tolerance through engaging with the diverse international communities in Wales. It's not enough for us to see international working as an opportunity to 'exploit', we must find ways of giving back and enriching cultural connections. This becomes all the more important in a post Brexit context where we have to re-define our relationship with Europe.

#### Our top 3 actions:

1. Assist the Welsh Government with the development and realisation of its international strategy and priorities. We will co-ordinate and draft the content of the strategy's "chapter" on Culture and the Arts and support a Wales-based programme of activity for the UNESCO Year of Indigenous Languages.
2. Implement the actions in the Arts Council's International Strategy. We will assist artists and arts organisations to become "market ready" to take advantage of international opportunities, developing the capacity of Wales' arts sector to engage and participate internationally.
3. Build cultural bridges with international communities living and working in Wales. An international outlook should also help us to better understand and engage with the diverse communities who have made Wales their home.

#### Our top 3 actions:

1. Publish research that demonstrates the impact of Arts Council investment. We want to be able to assess the performance of our Arts Portfolio Wales and the outcomes achieved by Lottery funding.
2. Publish research which describes the extent and range to which the public in Wales is attending and taking part in the arts. We want to develop a clearer picture of where we need to focus our efforts in developing audiences.
3. Publish more of the data that we collect. We should be doing more to assist artists and arts organisations to better understand who is engaging with their activity.

As a Welsh Government Sponsored Body we also work within a strategic framework agreed with the Government

The Welsh Government's expectations of us are set out in an annual Remit Letter. A copy of our Remit Letter for 2019/20 can be found on our [website](#).

### Understanding the impact of our investment

Research and evaluation is an essential part of our work. It informs our implementation and monitoring of policy, giving us a better understanding of the impact of our funding and developmental work.

We have a small research team, so it will be important that we develop partnerships to extend and enhance our research capability. We currently collect and hold a large amount of data, and we must integrate and share the use of our data to maximise organisational intelligence, reporting and efficiencies.

# Financial Statements

## General Activities



BLOCK, Nofit State, Gwanghwamun Square, South Korea

## Statement of the Accounting Officer's responsibilities

Under Article 11 of the Royal Charter dated 30 March 1994 (as amended) the Council is required to prepare for each financial year a statement of accounts in the form and on the basis determined by Welsh Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Council and of its income and expenditure, Balance Sheet and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the accounting principles and disclosure requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 ("the SORP") and, to the extent that it clarifies or builds on the requirements of the SORP, the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the SORP and the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Report and Financial Statements as a whole is fair, balanced and understandable and take personal responsibility for the Report

and Financial Statements and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for the Welsh Government has designated the Chief Executive as the Accounting Officer of the Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Council's assets, are set out in *Managing Welsh Public Money* published by the Welsh Government.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Council's auditor is aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



Nicholas Capaldi  
Accounting Officer  
5 July 2019

Endorsed on behalf of Council:



Phil George  
Chairman  
5 July 2019

# The Certificate and independent auditor's report of the Auditor General for Wales to the Trustees of the Arts Council of Wales

## Report on the audit of the financial statements

### Opinion

I certify that I have audited the financial statements of the Arts Council of Wales General Activities Account for the year ended 31 March 2019 under Article 11 of the Arts Council of Wales' Royal Charter. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. 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 my opinion the financial statements:

- give a true and fair view of the state of the Arts Council of Wales' affairs as at 31 March 2019 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under Article 11 of the Arts Council of Wales' Royal Charter.

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard,

and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Accounting Officer is responsible for the other information in the annual report and financial statements. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any

apparent material misstatements or inconsistencies I consider the implications for my report.

### Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Report on other requirements

#### Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under Article 11 of the Arts Council of Wales' Royal Charter.

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

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Trustees' Report and Management commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' Report and Management commentary have been prepared in accordance with the Charities SORP (FRS102).

### Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report and Management commentary or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- sufficient accounting records have not been kept;
- the financial statements and the part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

### Report

I have no observations to make on these financial statements.

### Responsibilities

#### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for preparing the financial statements in accordance with Article 11 of the Arts Council of Wales' Royal Charter and Welsh Ministers' directions made thereunder, for being satisfied that they give a

true and fair view and for such internal control as the Accounting Officer determines 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 Accounting Officer is responsible for assessing the body'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 deemed inappropriate.

#### Auditor's responsibilities for the audit of the financial statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

#### Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Adrian Crompton  
Auditor General for Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

11 July 2019

The maintenance and integrity of the Arts Council of Wales' website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

# Consolidated Statement of Financial Activities

for the year ended 31 March 2019

	Note	Unrestricted funds £'000	Restricted funds £'000	2018/19 Total £'000	2017/18 Total £'000
<b>INCOME</b>					
Donations:					
Grant-in-aid from the Welsh Government		31,327	300	31,627	31,382
Other grants and donations	3	8	3,186	3,194	6,179
		<u>31,335</u>	<u>3,486</u>	<u>34,821</u>	<u>37,561</u>
Income from charitable activities:					
Services and sponsorship	4	184	2	186	193
Investment income:					
Bank interest		14	9	23	15
Other income	5	356	-	356	120
<b>Total income</b>		<u><b>31,889</b></u>	<u><b>3,497</b></u>	<u><b>35,386</b></u>	<u><b>37,889</b></u>
<b>EXPENDITURE</b>					
Charitable activities	6	31,290	4,643	35,933	36,939
Governance costs	8	75	-	75	81
Bank interest surrendered to Welsh Consolidated Fund		14	-	14	11
<b>Total expenditure</b>		<u><b>31,379</b></u>	<u><b>4,643</b></u>	<u><b>36,022</b></u>	<u><b>37,031</b></u>
<b>Net income/(expenditure)</b>		<b>510</b>	<b>(1,146)</b>	<b>(636)</b>	<b>858</b>
Gross transfers between funds	15	(105)	105	-	-
<b>Net movement in funds</b>		<u><b>405</b></u>	<u><b>(1,041)</b></u>	<u><b>(636)</b></u>	<u><b>858</b></u>
<b>Reconciliation of funds</b>					
Fund balances brought forward	15	1,978	1,504	3,482	2,624
<b>Total funds carried forward</b>		<u><b>2,383</b></u>	<u><b>463</b></u>	<u><b>2,846</b></u>	<u><b>3,482</b></u>

There are no gains or losses other than those shown above.

There are no discontinued activities and there have been no acquisitions during the year.

The notes on pages 91 to 117 form part of these financial statements.

# Consolidated Balance Sheet

as at 31 March 2019

	Note	31 March 2019		31 March 2018	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible fixed assets	9a		-		1
Tangible fixed assets	9b		106		40
<b>Total fixed assets</b>			<b>106</b>		<b>41</b>
<b>Current assets</b>					
Grants paid in advance	10	302		268	
Debtors	11	1,701		3,212	
Cash and cash equivalents		2,448		3,367	
<b>Total current assets</b>		<b>4,451</b>		<b>6,847</b>	
<b>Liabilities: falling due within one year</b>					
Creditors	12a	(1,710)		(2,689)	
Provisions for liabilities	13	-		(49)	
		<u>(1,710)</u>		<u>(2,738)</u>	
<b>Net current assets</b>			<b>2,741</b>		<b>4,109</b>
<b>Total assets less current liabilities</b>			<b>2,847</b>		<b>4,150</b>
<b>Creditors: falling due after more than one year</b>					
Creditors	12b	(1)		(246)	
Provisions for liabilities	13	-		(422)	
			<u>(1)</u>	<u>(668)</u>	
<b>Net assets</b>			<b>2,846</b>		<b>3,482</b>
<b>The funds of the charity</b>					
Unrestricted funds	15		2,383		1,978
Restricted funds	15		463		1,504
			<u>2,846</u>		<u>3,482</u>

The notes on pages 91 to 117 form part of these financial statements.

The financial statements were approved by the Arts Council of Wales and signed on its behalf by



Nicholas Capaldi, Accounting Officer  
5 July 2019



Phil George, Chairman  
5 July 2019

# Consolidated Statement of Cash Flows

for the year ended 31 March 2019

	Note	2018/19 £'000	2017/18 £'000
Net cash inflow/(outflow) from operating activities	17a	(837)	926
Net cash inflow from investing activities	17b	9	4
Net cash outflow associated with capital assets	17c	(91)	(43)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(919)	887
Cash and cash equivalents brought forward		3,367	2,480
Cash and cash equivalents carried forward		<hr/> <u>2,448</u>	<hr/> <u>3,367</u>

The notes on pages 91 to 117 form part of these financial statements.

# Notes forming part of the Financial Statements

for the year ended 31 March 2019

## 1. Accounting policies

### a. Basis of preparation

These financial statements are prepared on a going concern basis and under the historical cost convention modified to include certain fixed assets at their value to the Council on a current cost basis. They have been prepared in accordance with the Accounts Direction issued by Welsh Ministers and meet the requirements of the Charities Acts 2006, 2011 and 2016, of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their account in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 ("the SORP") and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). In addition to compliance with the SORP regard is given to the requirements of the *Government Financial Reporting Manual* (FReM) issued by HM Treasury to the extent that it clarifies or builds on the requirements of the SORP. A summary of the principle accounting policies which have been applied consistently are set out below.

#### Impact of standards not yet effective

The application of any new or amended accounting standards is governed by their adoption by the Charity Commission and FReM. The Council applies changes to standards when they become effective. There are no known material impacts from accounting standard changes that have been issued and are not yet effective on the financial statements in the period of initial application.

### b. Subsidiary undertakings – Cerdd Cymru:Music Wales Limited

Cerdd Cymru:Music Wales is a private, trading company, limited by guarantee and registered in Wales (number 7759122). It was incorporated on 1 September 2011 as a 50% joint arrangement with the Welsh Music Foundation to develop and improve, both nationally and internationally, the knowledge, understanding, practice and sustainability of the arts and creative industries, and particularly of music in Wales.

Cerdd Cymru:Music Wales Limited became a wholly owned subsidiary of the Council during 2016/17 following the liquidation of the Welsh Music Foundation.

The transactions of the subsidiary have been included within the consolidated financial statements on the 'line by line' method (see note 20).

### c. Income

All income is accounted for on an accruals basis, with the exception of legacies, donations and gifts which are recognised only when they are received. Capital grants receivable are treated as income.

No income is recorded net of expenditure in the Statement of Financial Activities

### d. Lottery distribution

These financial statements do not cover the Council's lottery distribution function for which separate

financial statements have been prepared in accordance with directions issued by the Secretary of State for Digital, Culture, Media & Sport.

The Council incurs costs which support both its general activities and the lottery distribution function. In accordance with the Financial Direction issued by the Welsh Government, the Council apportions indirect costs properly between these two areas of activity with reference to the time spent on or the consumption of the relevant resources by the respective activities.

**e. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

**f. Grants awarded**

Subsidy expenditure is incurred in the form of grants which are formally offered to organisations funded by the Council. Grants are offered in support of a programme of activities planned for, or to commence in, a particular financial year and in most circumstances are charged to the Statement of Financial Activities in that year.

Forward commitments made in the year relating to next year's activity, as disclosed in note 19, are not charged to the Statement of Financial Activities. The the grant-in-aid to meet these commitments cannot be recognised until it is received so, in this respect, we have been unable to apply all principles of paragraph 7 of the SORP. The Trustees do not believe the inclusion of the forward commitments would provide a true and fair view of the application of the Council's resources.

Grants unpaid at the year end are shown as creditors in the Balance Sheet. Any advance payments which have been made in respect of approved grants relating to next year's activities are shown in the Balance Sheet as current assets.

All grants offered are listed in the annex to this Annual Report.

**g. Services and sponsorship**

Services and sponsorship comprise the direct costs, including staff and depreciation, attributable to charitable activities.

**h. Allocation of operating costs**

Operating costs have been allocated first between charitable activities and governance. Operating costs relating to charitable activities have been apportioned to reflect the time spent by staff in delivering direct activities and in support of their delivery. The allocation and analysis of these costs is in notes 6 and 7.

**i. Governance costs**

Governance costs comprise all costs involving the public accountability of the Council as a charity and its compliance with regulation and good practice. These costs are analysed in note 8.

**j. Foreign currency**

Revenue received and expenditure incurred in foreign currencies is converted at the exchange rate prevailing at the time of the transaction. Balances held in foreign currencies are converted at the rate prevailing at the Balance Sheet date. Transactions and balances covered by forward contracts are converted at the contract rate.

**k. Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events

**l. Fund accounting**

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Council for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are those which are available for use at the discretion of Council in furtherance of its chartered objectives and which have not been designated for other purposes.

Where support costs are allocated to restricted charitable activities a transfer is made from unrestricted funds to cover these costs.

**m. Fixed assets**

The Council owns two freehold properties, the Sherman Theatre and the Rubicon Dance Studio, which are let on long leases at peppercorn rents to tenants which are not controlled by the Council and with no provision for repossession by the Council. Based on the advice of external and independent chartered surveyors, the residual value of these freehold interests is considered to be negligible so these assets are held in the accounts at a nil value.

Website development costs, in accordance with FRS 102, are treated as tangible fixed assets.

Computer software licences are treated as intangible fixed assets if they cover more than one year.

Other than freehold properties all tangible and intangible fixed assets are included at historical cost less an allowance for depreciation and amortisation. The Council considers that there is no significant difference between the book and market values.

**n. Amortisation and depreciation**

Individual assets costing £1,000 or above are capitalised and a full year's amortisation or depreciation is provided in the year of acquisition. Amortisation of intangible fixed assets and depreciation on tangible fixed assets is provided at rates calculated to write off the cost or valuation of each asset to its residual value on a straight line basis over its expected useful life as follows:

Computer software licences	over 3 years
Leasehold improvements	over the term of the lease
Furniture, fixtures and fittings	over 10 years
Equipment	over 4 years
Website development costs	over 3 years
Computer system	over 3 years

**o. Leases**

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

**p. Pensions**

The Council is an admitted employer of the Arts Council Retirement Plan 1994 (ACRP) which provides defined benefits to Council employees. The costs of the Council's contributions are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives.

The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with FRS 102. The Council has made payments to fund a deficit relating to past service. If further deficit payments are needed, following future revaluations, the Council will recognise a provision for the present value of contributions payable in accordance with the terms of any relevant funding agreement. All contributions towards the deficit are charged to the Statement of Financial Activities.

The Council also has a defined contribution scheme, The People's Pension, as an alternative option to meet the needs of Auto Enrolment legislation. The scheme is accounted for in accordance with FRS 102.

**q. Taxation**

Non-recoverable Value Added Tax arising from expenditure on non-business activities is charged to the Statement of Financial Activities or capitalised as a fixed asset where applicable.

**r. Financial instruments**

Financial assets: Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Cash comprises cash in hand and cash at bank and on short term deposit on instant access terms.

Financial liabilities: Trade creditors are not interest bearing and are stated at their nominal value.

**2. General activities and Lottery distribution: combined income and charitable arts expenditure**

The separate Lottery distribution account shows the Council's 2018/19 share of the proceeds from the National Lottery of £16,000,000 (2017/18: £16,351,000). The combined total income for both general and Lottery activities for 2018/19 was £51,524,000 (2017/18: £54,322,000). The combined total direct charitable arts expenditure for 2018/19 was £47,886,000 (2017/18: £51,980,000).

### 3. Income

#### Donations: Other grants and donations

	Unrestricted funds £'000	Restricted funds £'000	2018/19 Total £'000	2017/18 Total £'000
<i>Creative Learning through the Arts</i>				
Programme (note 21):				
Welsh Government grant	-	1,997	1,997	2,010
Arts Council of Wales Lottery grant	-	1,081	1,081	3,130
Prior year grants repaid	-	12	12	6
Welsh Government seed funding for a National Endowment for Music	-	-	-	970
Welsh Government contribution for Wales in China	-	60	60	60
Welsh Government contribution for other activities	-	33	33	-
Private donations	8	-	8	-
The Eirian Llwyd Trust	-	3	3	3
	<b>8</b>	<b>3,186</b>	<b>3,194</b>	<b>6,179</b>

### 4. Income from charitable activities

#### Services and sponsorship

	Unrestricted funds £'000	Restricted funds £'000	2018/19 Total £'000	2017/18 Total £'000
<i>Night Out</i> scheme:				
- contributions from venues/promoters	141	-	141	134
Wales Arts International:				
- contributions from the Welsh Government	7	2	9	14
<i>Collectorplan</i> - gallery fees	34	-	34	40
Other income	2	-	2	5
	<b>184</b>	<b>2</b>	<b>186</b>	<b>193</b>

### 5. Other income

	Unrestricted funds £'000	Restricted funds £'000	2018/19 Total £'000	2017/18 Total £'000
Contribution from the Lottery Distribution account:				
for use of fixed assets	12	-	12	30
for annual payment towards pension deficit	193	-	193	24
Cerdd Cymru: Music Wales income (note 20)	150	-	150	66
Proceeds from disposal of tangible assets	1	-	1	-
	<b>356</b>	<b>-</b>	<b>356</b>	<b>120</b>

6. Expenditure

Charitable activities

	Direct activities £'000	Grant <sup>1</sup> funding £'000	Support <sup>2</sup> costs £'000	2018/19 Total £'000	2017/18 Total £'000
Grant making and arts development <i>Creative Learning through the Arts</i>	668	27,616	1,566	29,850	29,250
Programme (note 21)	1,706	1,560	35	3,301	5,508
Arts strategy	1,245	-	68	1,313	494
International	484	-	27	511	764
Services: <i>Night Out &amp; Collectorplan</i>	553	-	31	584	599
Advocacy and research	200	-	11	211	237
Cerdd Cymru: Music Wales expenditure (note 20)	154	-	9	163	87
	<b>5,010</b>	<b>29,176</b>	<b>1,747</b>	<b>35,933</b>	<b>36,939</b>
From unrestricted funds				31,290	30,858
From restricted funds				4,643	6,081
				<b>35,933</b>	<b>36,939</b>

<sup>1</sup> Grant funding:

	To institutions £'000	To individuals £'000	2018/19 Total £'000	2017/18 Total £'000
From unrestricted funds				
Arts Portfolio Wales	26,490	-	26,490	26,444
Strategic awards	808	12	820	271
From restricted funds				
Arts Portfolio Wales	300	-	300	300
<i>Creative Learning through the Arts</i> Programme	1,560	-	1,560	3,689
Strategic awards	-	-	-	33
Memorial awards	-	6	6	9
	<b>29,158</b>	<b>18</b>	<b>29,176</b>	<b>30,746</b>

All grants are listed in the annex to this Annual Report.

<sup>2</sup> Support costs:

	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2018/19 Net charge to General Activities £'000	2017/18 Net charge to General Activities £'000
Staff and related costs	2,528	1,237	1,291	1,500
Organisational Review	-	-	-	22
Infrastructure	648	298	350	344
Office running costs	34	16	18	13
Professional fees and promotion	152	115	37	30
Provisions	(49)	-	(49)	11
Irrecoverable VAT	146	73	73	82
Amortisation and depreciation	39	12	27	63
	<b>3,498</b>	<b>1,751</b>	<b>1,747</b>	<b>2,065</b>

7. Staff costs

a. Total staff costs consist of:

	Permanently employed £'000	Other £'000	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2018/19 Net charge to General Activities £'000	2017/18 Net charge to General Activities £'000
Wages and salaries	2,514	467	2,981	750	2,231	2,175
Social security costs	260	46	306	80	226	230
Other pension costs	749	73	822	357	465	418
Apprenticeship Levy	-	-	-	-	-	0
Redundancy costs	-	-	-	-	-	2
Compensation payment	-	-	-	-	-	10
Agency costs	-	9	9	4	5	4
	<b>3,523</b>	<b>595</b>	<b>4,118</b>	<b>1,191</b>	<b>2,927</b>	<b>2,839</b>

Staff costs are incorporated in the financial statements as follows:

Charged to Direct activities (note 6)	1,681	-	1,681	1,382
Charged to Support costs (note 6)	2,388	1,175	1,213	1,426
Charged to Governance (note 8)	49	16	33	31
	<b>4,118</b>	<b>1,191</b>	<b>2,927</b>	<b>2,839</b>

The average number of staff (full time equivalents) employed during the year was:

	Permanently employed	Other	Across the whole Council	On Lottery Distribution activities	2018/19 On General activities	2017/18 On General activities
On charitable activities:						
directly charged	7	12	19	-	19	18
recharged	25	-	25	-	25	24
In support of our charitable activities	32	1	33	23	10	15
Agency staff	-	0	0	0	0	0
	<b>64</b>	<b>13</b>	<b>77</b>	<b>23</b>	<b>54</b>	<b>57</b>

Staff composition at 31 March (full time equivalents – whole Council)	2019			2018		
	Male	Female	Total	Male	Female	Total
Senior Leadership Team	2	3	5	3	3	6
Portfolio Managers/Heads of Department	6	8	14	4	8	12
Senior Officers	9	5	14	8	6	14
Officers/Development Officers	9	22	31	10	19	29
Team Co-ordinators/Personal Assistants	2	14	16	2	15	17
	<b>28</b>	<b>52</b>	<b>80</b>	<b>27</b>	<b>51</b>	<b>78</b>
	35%	65%		35%	65%	

The median annual remuneration (full time equivalents) at 31 March was (whole Council):

	2019	2018
	£33,062	£32,334

The range of annual remuneration (full time equivalents) at 31 March was (whole Council):

	2019	2018
	£21,012 to £99,341	£20,550 to £97,155

The ratio between the median annual remuneration and the annual remuneration of the highest paid member of staff was (whole Council):

	2019	2018
	1:3	1:3

Compensation schemes - exit packages (whole Council):

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018/19	2017/18	2018/19	2017/18 <sup>1</sup>	2018/19	2017/18
£10,000 to £24,999	-	-	-	1	-	1
Total number of exit packages	-	-	-	1	-	1
Total cost (£'000)	-	-	-	10	-	10

<sup>1</sup> In 2017/18 the Council entered into a settlement agreement and made an ex-gratia compensation payment to an employee who left office as a result of long-term illness. The ex-gratia compensation payment was charged in the 2017/18 financial statements.

Redundancy costs have been determined in accordance with the provisions of the Council's redundancy policy. The Council usually pays exit costs when employment ends but provides for the exit costs in full at the point when there is sufficiently detailed information to do so. Although there were no compulsory redundancies in 2017/18, there were further payments of £3,000, as the result of a back-dated pay award, to former employees who left during 2016/17.

51% of the additional redundancy costs were charged in the 2017/18 financial statements and the remainder to lottery distribution activities.

- b. The Chief Executive and Directors – the Senior Leadership Team – are responsible for directing the Council's activities. Their actual emoluments and pension benefits were as shown in the following tables.

The amount of pension benefits for the year which contributes to the single total remuneration figures is calculated in a similar way to the method used to derive pension values for tax purposes, and is based on information received from the actuary of the Arts Council Retirement Plan 1994.

The value of pension benefits is calculated as follows:

$(\text{real increase in pension}^* \times 20) + (\text{real increase in any lump sum}) - (\text{contributions made by member})$

\*excluding increases due to inflation or any increase or decrease due to a transfer of pension rights

This is not an amount which has been paid to an individual by the Council during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors, e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The single total remuneration figures of the Senior Leadership Team:

Name Position	2018/19			2017/18		
	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000
Nicholas Capaldi Chief Executive	95-100	16	110-115	95-100	21	115-120
David Alston Director of Arts to 31 January 2019 <i>Full year equivalent</i>	65-70  70-75	9	75-80	70-75	16	85-90
Katherine Davies Director of Investment and Funding Services	70-75	2	70-75	70-75	20	90-95
Diane Hebb Director of Engagement and Participation	70-75	9	80-85	70-75	19	90-95
Siân Tomos Director of Enterprise and Regeneration	70-75	6	75-80	70-75	22	90-95
Gwyn Williams (0.6 FTE) Director of Finance and Business Services to 31 March 2019 <i>Full year equivalent</i>	40-45	10	50-55	25-30  40-45	6	30-35
Hywel Tudor† Director of Finance and Resources to 27 August 2017 <i>Full year equivalent</i>	-	-	-	125-130  70-75	5	130-135

† The former Director of Finance and Resources received compensation of £95,000 (gross) for loss of office during 2017/18. The amount is included in his single total remuneration figure for that year but was included in the total of accrued redundancy and compensation costs in 2016/17 (note 7a).

The pension benefits of the Senior Leadership Team:

	2018/19		2018/19		2018/19	2017/18	2018/19
Name Position	Real increase in pension and related lump sum at age 65 £'000		Total accrued pension at age 65 as at 31/03/19 and related lump sum £'000		Cash Equivalent <sup>1</sup> Transfer Value at 31/03/19 or date of leaving if earlier £'000	Cash Equivalent Transfer Value at 31/03/18 £'000	Real increase <sup>2</sup> in Cash Equivalent Transfer Value £'000
Nicholas Capaldi Chief Executive	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 35-40	264	225	14
David Alston Director of Arts to 31 January 2019	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	10-15 30-35	245	231	9
Katherine Davies Director of Investment and Funding Services	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	25-30 80-85	574	522	2
Diane Hebb Director of Engagement and Participation	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	15-20 50-55	355	318	8
Siân Tomos Director of Enterprise and Regeneration	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	25-30 75-80	527	466	4
Gwyn Williams (0.6 FTE) Director of Finance and Business Services to 31 March 2019	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	0-5 0-5	17	6	8

<sup>1</sup> **Cash Equivalent Transfer Values** - A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Arts Council Retirement Plan 1994. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

<sup>2</sup> **Real increase in CETV** - This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The Chairman, with the approval of the Charity Commission, is remunerated for his services but receives no bonus payments and is not a member of the pension scheme. Other Council and Committee Members receive no payment for their services. Council meeting costs for 2018/19 include an aggregate amount of £10,136 (2017/18: £15,979) reimbursed to 10 (2017/18: 14) Council members.

The total actual emoluments of the Chairman and Chief Executive were made up of:

	2018/19 £	2017/18 £
<b>Chairman</b>		
Salary	<u>43,810</u>	<u>43,810</u>
<b>Chief Executive</b>		
Salary	99,341	97,155
Employer's pension contribution	21,259	20,791
	<u>120,600</u>	<u>117,946</u>

Travel and subsistence expenses incurred and defrayed whilst on Council business:

Chairman	3,628	6,317
Chief Executive	9,188	6,529

69% (2017/18: 64%) of the Chairman's and Chief Executive's emoluments are charged in these financial statements and the remainder to lottery distribution activities.

- c. Most employees are members of the Arts Council Retirement Plan 1994 (ACRP). The fund is a defined benefit scheme. It is also a multi-employer scheme so the Council is unable to identify its share of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with FRS 102.

An independent actuarial valuation of the ACRP normally takes place every three years. The most recent valuation, as at 31 March 2016, came into effect on 1 April 2017. The valuation introduced new contribution rates for the Council in respect of accruing benefits. It assumes a continuing requirement that a minimum level of payment be made each year towards the past service deficit, at a rate advised by the scheme actuary. In order to eliminate the deficit, the actuary recommended a level of employer contributions over the next 12 years, compared to the 9 years used previously.

On the assumption that the recommended amounts would be paid to the Plan, the actuary’s opinion was that the resources of the scheme are likely in the normal course of events to meet in full the liabilities of the scheme as they fall due. The main actuarial assumptions used were that: Retail Prices Index (RPI) inflation would be market implied RPI inflation curve (with allowance for 0.3% per annum inflation risk premium); Consumer Prices Index (CPI) inflation would be RPI curve less 1.0% per annum; pay increases would be 1.5% per annum for the first 4 years and in line with RPI thereafter; pension increases would be equal to the relevant inflation assumption; and the past and future service discount rate would be market implied gilt yield curve plus 1.2% per annum.

Contributions by the Council and its employees were:

For staff joining the Plan	Council		Employees	
	2018/19	2017/18	2018/19	2017/18
on or before 31 August 2006	21.4%	21.4%	4.5%	3.0%
from 1 September 2006 to 31 March 2010	21.4%	21.4%	6.0%	5.0%
on or after 1 April 2010	21.4%	21.4%	6.0%	6.0%

The Council was also required to contribute a minimum payment of £48,700 towards the deficit during 2018/19 (2017/18: £48,700). In addition, the Council made a lump sum payment of £372,000 during the year and it was agreed with the actuaries that no further deficit payments would be needed until the next revaluation. The Council’s Lottery Distribution account contributed £193,000 (2017/18: £22,000) towards the deficit payments.

From 1 April 2019 contributions changed to:

	Council	Employees
For all staff	21.4%	6.0%

The Council also pays 0.2% of pensionable salary in respect of each life assurance only member.

Under Auto Enrolment legislation all eligible employees are required to join a qualifying pension scheme, unless they formally opt out. We have a defined contribution scheme, The People’s Pension, as an alternative option for employees who are not members of the ACRP. The Council contributed 4% and the employee 1% during the year. From 1 April 2019 contributions changed, in line with the requirements of the legislation, to 5% and 3%, respectively.

8. Resources expended  
Governance costs

	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2018/19 Net charge to General Activities £'000	2017/18 Net charge to General Activities £'000
Chairman's remuneration	49	16	33	31
Auditor's remuneration - Audit	43	21	22	22
Internal audit	22	10	12	12
Consultancy fees	3	2	1	2
Council meetings, including travel and subsistence	10	5	5	8
Committee meetings, including travel and subsistence	6	4	2	6
	<u>133</u>	<u>58</u>	<u>75</u>	<u>81</u>

9. Fixed assets

a. Intangible fixed assets

	Computer software licences £'000
Cost at 1 April 2018	584
Additions	-
Disposals	(34)
Cost at 31 March 2019	<u>550</u>
Amortisation at 1 April 2018	583
Charge for the year	1
Disposals	(34)
Amortisation at 31 March 2019	<u>550</u>
Net book value at 31 March 2019	<u>-</u>
Net book value at 1 April 2018	<u>1</u>

b. Tangible fixed assets

	Alterations to leasehold properties £'000	Computer system, furniture, etc £'000	Website £'000	Total £'000
Cost at 1 April 2018	107	645	95	847
Additions	-	92	-	92
Disposals	-	(88)	-	(88)
Cost at 31 March 2019	<u>107</u>	<u>649</u>	<u>95</u>	<u>851</u>
Depreciation at 1 April 2018	107	605	95	807
Charge for the year	-	26	-	26
Disposals	-	(88)	-	(88)
Depreciation at 31 March 2019	<u>107</u>	<u>543</u>	<u>95</u>	<u>745</u>
Net book value at 31 March 2019	<u>-</u>	<u>106</u>	<u>-</u>	<u>106</u>
Net book value at 1 April 2018	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</u>

Amortisation and depreciation charged has been allocated to charitable activities within support costs (note 6).

c. Net book value at 31 March 2019 represents fixed assets used by the Council in support of its charitable activities.

The Council's freehold properties in Cardiff, the Sherman Theatre and the Rubicon Dance Studio, are let on long leases at peppercorn rents to tenants which are not controlled by the Council and with no provisions either for reviewing the rents or repossession by the Council.

The Sherman Theatre was acquired by the Welsh Arts Council, a division of the Arts Council of Great Britain, in September 1987 at a cost of £897,000 and immediately let for a term of 125 years. At the dissolution of the Arts Council of Great Britain in March 1994 the freehold interest was transferred to the newly formed Arts Council of Wales.

The Rubicon Dance Studio was acquired by the Welsh Arts Council in February 1988 at a cost of £11,315 and subject to an existing lease for a term of 999 years commencing 1 January 1986. The freehold interest was transferred to the Arts Council of Wales in March 1994.

The most recent external and independent valuation of the Council's freehold properties was as at 31 March 2004. It was undertaken by Elizabeth Hill, a Member of the Royal Institute of Chartered Surveyors, for and on behalf of Cooke & Arkwright, Chartered Surveyors. Because of the impact of the leases it was the surveyor's opinion that the freehold interests had a nil or nominal value, so these assets are held in the accounts at nil value.

Council does not consider it necessary to undertake a further valuation until there is a significant reduction in the residual terms of the leases or earlier termination.

## 10. Grants paid in advance

In certain circumstances, requiring the authorisation of the Chief Executive, the Council makes advance payments before the year to which the grant relates. The power is limited to situations where the recipient organisation would otherwise suffer financial hardship.

	2018/19 £'000	2017/18 £'000
Payments in respect of the following year's grants	<u>302</u>	<u>268</u>
<b>11. Debtors (falling due within one year)</b>	<b>2018/19 £'000</b>	<b>2017/18 £'000</b>
<i>Collectorplan</i> loans <sup>1</sup>	453	489
Trade debtors	68	46
Other debtors	800	2,225
	<u>1,321</u>	<u>2,760</u>
<i>Deduct</i> Specific provision for doubtful debts	<u>-</u>	<u>-</u>
<i>Sub-total: Debtors</i>	1,321	2,760
Prepayments	<u>234</u>	<u>236</u>
	1,555	2,996
Due from Lottery distribution fund for recharged costs:		
Cost apportionments	<u>146</u>	<u>216</u>
	<u>1,701</u>	<u>3,212</u>

<sup>1</sup> *Collectorplan* the Council's interest-free loan scheme, available to the general public to support the purchase of contemporary works of art and crafts from participating galleries across Wales. Loans from £50 up to £5,000 are repaid by monthly instalments over a maximum period of 1 year.

	2018/19 £'000	2017/18 £'000
<b>12. Creditors</b>		
<b>a. Creditors: falling due within one year</b>		
Grants payable	1,142	1,984
Taxation and social security	82	82
Trade creditors	53	119
Other creditors	116	158
Accruals and deferred income	292	327
Current liabilities of Cerdd Cymru: Music Wales (note 20)	25	19
	<u>1,710</u>	<u>2,689</u>
<b>b. Creditors: falling due after more than one year</b>		
Grants payable	<u>1</u>	<u>246</u>

13. Provisions for liabilities	2018/19	2017/18
	£'000	£'000
Provision for pension deficit at 1 April	471	509
Amount charged against the provision during the year	(422)	(49)
Annual adjustment following changes in discount rates	-	11
Unused provision released	(49)	-
Provision at 31 March	<u>-</u>	<u>471</u>
Of which:		
Falling due within one year	-	49
Falling due after more than one year	-	422
	<u>-</u>	<u>471</u>

The Council entered into an agreement to fund a deficit in the Arts Council Retirement Plan relative to the Plan's statutory funding objective and recognised a provision for the present value of contributions payable. Following the most recent actuarial valuation in 2016, annual contributions of £48,700 were payable until 2028/29.

During the year the Council made an additional lump sum payment to the Plan and it was agreed with the actuaries that no further deficit payments would be needed until the next revaluation.

#### 14. Contingent liability

The Council is an admitted employer of the Arts Council Retirement Plan 1994. The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities.

In the event of the withdrawal of an employer, the debt triggered under section 75 of the Pensions Act 1995 would be calculated using the solvency shortfall of the entire Plan, not the employer's own asset share and liabilities. Also, in the event of Plan wind up, as the Plan is a "last man standing" arrangement all employers would be jointly and severally liable for the total shortfall in the Plan.

## 15. Statement of funds

	At 1 April 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 March 2019 £'000
<b>Unrestricted income funds</b>					
General fund	1,978	31,889	(31,379)	(105)	2,383
<b>Total unrestricted funds</b>	<b>1,978</b>	<b>31,889</b>	<b>(31,379)</b>	<b>(105)</b>	<b>2,383</b>
<b>Restricted funds</b>					
<b>Income</b>					
Welsh Government for Wales in China programme	-	60	(51)	3	12
Welsh Government for other specific arts activity	-	335	(328)	17	24
Welsh Government for National Endowment for Music	902	5	(957)	50	-
CLTA Programme	486	3,094	(3,301)	35	314
Eirian Llwyd Memorial Fund	-	3	(3)	0	-
Wales Arts International: contributions from the British Council	21	-	-	-	21
	<b>1,409</b>	<b>3,497</b>	<b>(4,640)</b>	<b>105</b>	<b>371</b>
<b>Capital</b>					
Alun Llywelyn Williams Memorial Fund (income to provide bursary for young artist)	13	-	-	-	13
Brian Ross Memorial Fund (income to provide bursary for young visual artist)	82	-	(3)	-	79
	<b>95</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>92</b>
<b>Total restricted funds</b>	<b>1,504</b>	<b>3,497</b>	<b>(4,643)</b>	<b>105</b>	<b>463</b>
<b>Total funds</b>	<b>3,482</b>	<b>35,386</b>	<b>(36,022)</b>	<b>-</b>	<b>2,846</b>

The Alun Llywelyn Williams and Brian Ross Memorial Funds are represented by cash at bank and are within the total of £2,448,000 shown on the Balance Sheet.

16. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2019 are represented by:			
Fixed assets	106	-	106
Current assets	3,130	1,321	4,451
Creditors: falling due within one year	(853)	(857)	(1,710)
Creditors: falling due after more than one year	-	(1)	(1)
<b>Total net assets</b>	<b>2,383</b>	<b>463</b>	<b>2,846</b>

17. Cash flow information

	2018/19 £'000	2017/18 £'000
<b>a. Cash flows from operating activities</b>		
Net incoming/(outgoing) resources	(636)	858
Bank interest received (net of surrender)	(9)	(4)
Amortisation and depreciation (note 9)	27	63
Loss/(Surplus) from sale of tangible assets	(1)	-
(Increase)/Decrease in grants paid in advance	(34)	(49)
(Increase)/Decrease in debtors	1,511	204
Increase/(Decrease) in creditors falling due within one year	(1,028)	(177)
Increase/(Decrease) in creditors falling due after more than one year	(667)	31
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(837)</b>	<b>926</b>
<b>b. Cash flows from investing activities</b>		
Bank interest received	23	15
Bank interest surrendered to Welsh Consolidated Fund	(14)	(11)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>9</b>	<b>94</b>
<b>c. Cash flows associated with capital assets</b>		
Payments to acquire intangible fixed assets (note 9a)	-	-
Payments to acquire tangible fixed assets (note 9b)	(92)	(43)
Proceeds from disposal of tangible assets	1	-
<b>Net cash outflow associated with capital assets</b>	<b>(91)</b>	<b>(43)</b>

## 18. Commitments on operating leases

At 31 March 2019 the Council had the following commitments for future payments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2018/19	2017/18	2018/19	2017/18
	£'000	£'000	£'000	£'000
Total due				
within one year	145	206	2	4
later than one year and not later than five years	504	17	4	-
later than five years	615	-	-	-
	<u>1,264</u>	<u>223</u>	<u>6</u>	<u>4</u>

Lease payments of £214,000 have been recognised as an expense during the year (2017/18: £224,000). 54% (2017/18: 51%) of the costs are charged in these financial statements and the remainder to lottery distribution activities.

19. Forward commitments	2018/19	2017/18
	£'000	£'000
Grants		
Forward funding - grants formally offered	26,790	26,744

Forward funding at 31 March 2019 represents allocations to Arts Portfolio Wales organisations for 2019/20.

## 20. Cerdd Cymru:Music Wales Limited

Cerdd Cymru:Music Wales is a private, trading company, limited by guarantee and registered in Wales (number 7759122). It was incorporated on 1 September 2011 as a vehicle to collaborate with the Welsh Music Foundation on projects which will develop and improve, both nationally and internationally, the knowledge, understanding, practice and sustainability of the arts and creative industries, and particularly of music in Wales.

Cerdd Cymru:Music Wales became a wholly owned subsidiary of the Council during 2016/17 following the liquidation of the Welsh Music Foundation. The following transactions of the subsidiary have been included within the consolidated financial statements on the 'line by line' method.

	2018/19 £'000	2017/18 £'000
<b>Profit &amp; Loss Account</b>		
Income (note 5)	150	66
Expenditure (note 6)	(154)	(81)
Net incoming/(outgoing) resources	<u>(4)</u>	<u>(15)</u>
<b>Statement of Financial Position</b>		
Current assets:		
Cash at bank and in hand	2	1
Current liabilities (note 12)	(25)	(19)
Net assets/(liabilities)	<u>(23)</u>	<u>(18)</u>
Reserves	<u>(23)</u>	<u>(18)</u>

## 21. *Creative Learning through the Arts* Programme

The *Creative Learning through the Arts* Programme is designed to:

- improve educational attainment
- build an education system that will directly contribute to a stronger economy, greater innovation, greater creativity, and to the cultural capital of the nation
- bring about a step change in the range and quality of opportunities given to children and young people to engage with and learn about the arts and culture

Its success will depend on strong partnerships: a joint investment of £20 million pounds over five years from the Welsh Government in partnership with the Arts Council of Wales, working with the regional education consortia, schools, local authorities and the wider arts and cultural sector. The Programme requires the active involvement of artists, creative professionals and arts, culture and heritage organisations working in partnership with teachers and schools.

The Council's £10 million investment comes from Lottery funds. This, together with the Welsh Government's contribution and all Programme expenditure, is accounted for in these financial statements. This approach has been agreed with the Council's external auditors and the Department for Digital, Culture, Media & Sport.

	2018/19 £'000	2017/18 £'000
<b>Income</b>		
Welsh Government grant	1,997	2,010
Arts Council of Wales Lottery grant	1,081	3,130
Prior year grants repaid	12	6
Bank interest	4	3
	<u>3,094</u>	<u>5,149</u>
<b>Expenditure</b>		
Lead Creative Schools	1,030	3,390
Arts and education programme	800	692
Arts and creative learning cross-programme	652	655
Central management costs	784	730
Support costs (from unrestricted funds)	35	41
	<u>3,301</u>	<u>5,508</u>

## 22. Financial instruments

Financial Reporting Standard 102 requires disclosure of the role which financial instruments have had during the period in creating or changing the risks the Council faces in undertaking its functions.

*Liquidity risks* – In 2018/19 £33,717,000 or 95% of the Council's income was derived from the Welsh Government (2017/18: £33,392,000 or 88%). Of the remaining income £1,081,000 or 3% was derived from the Arts Council of Wales' Lottery Distribution account for the Creative Learning through the Arts Programme (2017/18: £3,130,000 or 8%) and £588,000 or 2% was derived from investment income and sundry income (2017/18: £1,367,000 or 4%). The Council does not consider that its general activities are exposed to any significant liquidity risk, and is satisfied that future income is sufficient to meet its commitments.

*Interest rate risks* – Cash balances which are drawn down from the Welsh Government to pay grant commitments and operating costs are held in an instant access, variable rate bank account which on average carried an interest rate of 0.50% in the year (2017/18: 0.50%). The effective unrestricted cash balance at the year end was £1,835,000 (2018: £1,816,000). The Council does not consider that its general activities are exposed to significant interest rate risks.

*Foreign currency risk* – The general activities of the Council are not exposed to any significant foreign exchange risks.

*Cash flow risk* – The Council is not exposed to any significant cash flow risks.

## 23. Corporation Tax

The Council is a charitable Welsh Government sponsored body and as such is exempt from Corporation Tax under Section 505 ICTA 1988.

## 24. Events after the reporting period

### Authorisation of these financial statements for issue

The financial statements were authorised for issue by the Accounting Officer on the same date as the Auditor General for Wales certified them.

## 25. Related party transactions

### Public bodies

The Council is a Welsh Government sponsored body.

The National Assembly for Wales/Welsh Government is regarded as a related party. During the year the Council had no material transactions with the National Assembly for Wales/Welsh Government apart from the grant-in-aid disclosed in the Statement of Financial Activities and the restricted grants disclosed in note 3.

### Subsidiary

Cerdd Cymru:Music Wales Limited is a wholly-owned subsidiary of the Council and the transactions of the company are reported in note 20. There were no balances outstanding at year end.

### Individuals

Members of Council, Committees, staff or other related parties (being close family members) undertook financial transactions (listed below) with the Council during the year.

Where the individuals and/or their close family were members of the Boards of Management (or equivalent) or were senior employees of organisations offered grants or other payments by the Council in 2018/19 in all such cases, in accordance with the Council's Code of Best Practice, the individual concerned withdrew from any meeting where there was a discussion or decision regarding funding.

Under the Council's Code of Best Practice an interest is deemed to persist for a minimum period of one year after the individual has left the position which created the interest. This policy is reflected in the disclosures which follow.

Transactions with the Council as a Lottery distributor are recorded in the equivalent note to the separate Lottery Distribution Account.

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
<b>Council Members</b>				
Iwan Bala Doctor of Research	University of South Wales	Invoice (3)	1,455	Nil
Andy Eagle Employment	Chapter	Grant (1) Invoice (13)	657,391 11,088	Nil Nil
Michael Griffiths Member of project board	University of South Wales	Invoice (3)	1,455	Nil
Marian Wyn Jones Board member Non-Executive Director Council member	Canolfan Gerdd William Mathias Betsi Cadwaladr Health Board Bangor University	Grant (1) Grant (1) Grant (2) Invoice (8)	80,251 25,000 295,118 5,456	Nil 25,000 1,500 Nil
Employment (Family member)	BBC Wales (including BBC National Orchestra of Wales)	Grant (2) Invoice (2)	820,133 7,091	15,000 Nil
Andrew Miller Board member Board member	Arts Council England Welsh National Opera	Invoice (1) Grant (1)	6,000 4,533,977	Nil Nil
Dafydd Rhys Employment	Aberystwyth Arts Centre	Grant (1) Invoice (7)	536,645 3,579	Nil Nil

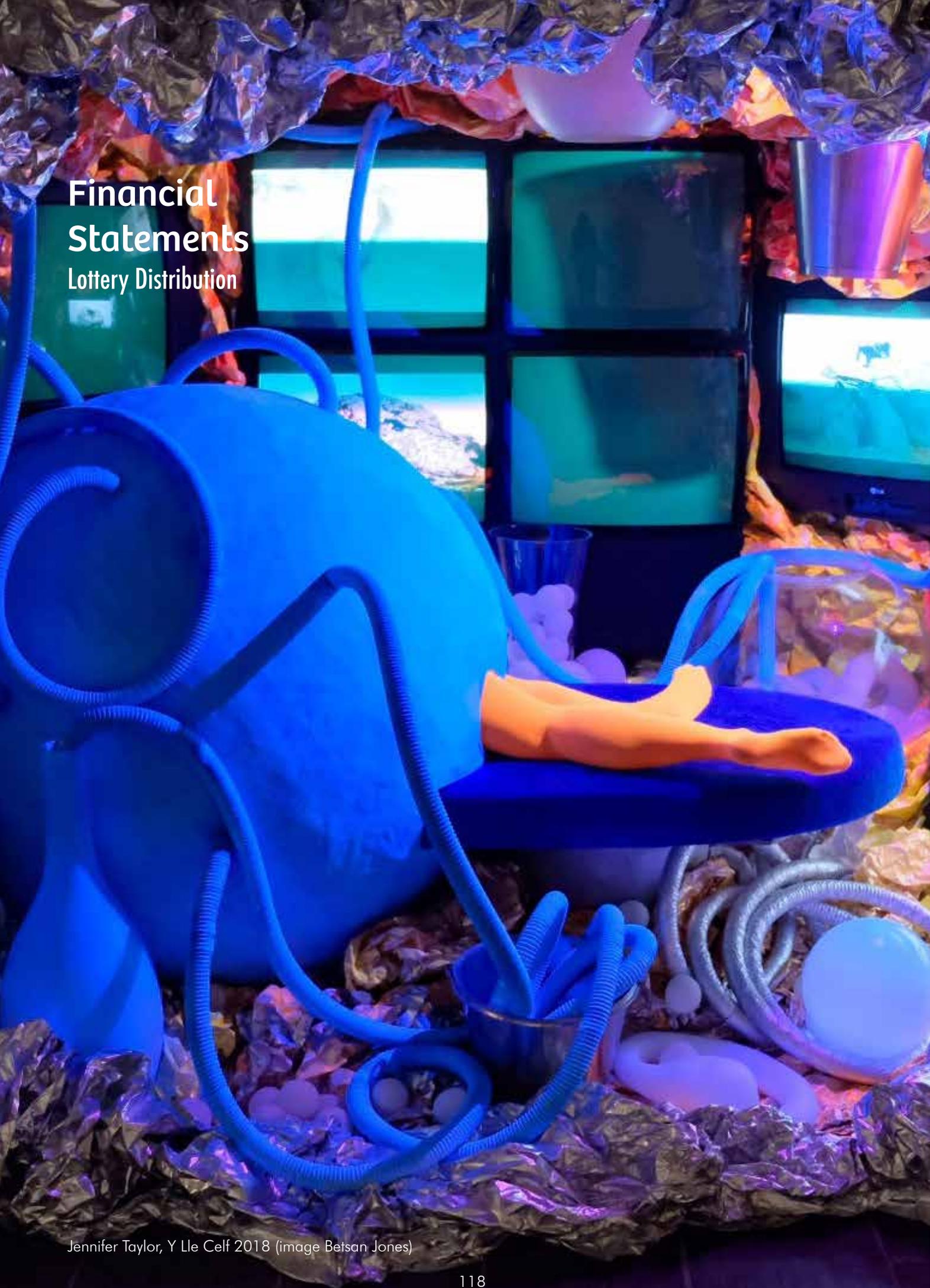
Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
<b>Dr Rachel O’Riordan</b>				
Employment	Sherman Theatre	Grant (2)	1,139,830	1,384
		Invoice (7)	4,912	Nil
<b>Richard Turner</b>				
Freelance work	Operasonic	Grant (1)	15,000	1,500
Freelance work	Royal Welsh College of Music and Drama	Invoice (2)	336	Nil
Freelance work	Aneurin Leisure Trust	Invoice (2)	825	Nil
Employment	University of South Wales	Invoice (3)	1,455	Nil
<b>Alan Watkin</b>				
Board Member	Theatr Clwyd	Grant (2)	1,817,162	Nil
Employment (Family member)	The Fat Boar, Wrexham	Invoice (1)	95	Nil
<b>John C Williams</b>				
Former employment	Theatr lolo	Grant (1)	256,749	Nil
<b>Committee Members</b>				
<b>Andrew Butler</b>				
Director – Shared Services Partnership	NHS Wales	Invoice (1)	239	Nil
Employment (Family member)	Wales Audit Office	Invoice (1)	22,421	Nil
<b>Ruth Cayford</b>				
Employment	Cardiff Council (including St David’s Hall)	Invoice (2)	1,439	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
Mark Davies Employment	BBC Cymru Wales (including BBC National Orchestra of Wales)	Grant (2)	820,133	15,000
		Invoice (2)	7,091	Nil
Roland Evans Employment	Gwynedd County Council	Invoice (1)	150	Nil
<b>Members of the Senior Leadership Team</b>				
Katherine Davies Employment (Family member)	Cardiff Council (including St David's Hall)	Invoice (2)	1,439	Nil
		Former employment (Family member)	Ballet Cymru	Grant (1)
Diane Hebb Governing Body Member	Gwernyfed High School	Invoice (11)	6,180	Nil
		Grant (1)	1,000	Nil
Siân Tomos Employment (Family member)	BBC Cymru Wales (including BBC National Orchestra of Wales)	Invoice (3)	1,475	Nil
		Grant (2)	820,133	15,000
		Invoice (2)	7,091	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
Other members of staff				
Sally Lewis				
Employment (Family member)	Ballet Cymru	Grant (1)	252,376	Nil
		Invoice (11)	6,180	Nil
Employment (Family member)	National Dance Company Wales	Grant (2)	841,686	750
		Invoice(3)	21,841	Nil
Antony Owen-Hicks				
Freelance employment	Menter Caerdydd (Tafwyl)	Invoice (2)	1,417	Nil
Eluned Hâf Williams				
Board member (Family member)	Canolfan Gerdd William Mathias	Grant (1)	80,251	Nil
Ann Wright				
Employment (Family member)	KK Solutions	Invoice (12)	2,985	Nil

# Financial Statements

Lottery Distribution



Jennifer Taylor, Y Lle Celf 2018 (image Betsan Jones)

## Statement of Accounting Officer's responsibilities

Under Section 35 of the National Lottery etc. Act 1993 (as amended) the Council is required to prepare for each financial year a statement of accounts for its Lottery distribution activities in the form and on the basis determined by the Secretary of State for Digital, Culture, Media & Sport. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Council and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Digital, Culture, Media & Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Report and Financial Statements as a whole is fair, balanced and understandable and take personal responsibility for the Report and Financial Statements and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for the Welsh Government has designated the Chief Executive as the Accounting Officer of the Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Council's assets, are set out in *Managing Welsh Public Money* published by the Welsh Government.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Council's auditor is aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



Nicholas Capaldi  
Accounting Officer

5 July 2019

Endorsed on behalf of Council:



Phil George  
Chairman

5 July 2019

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Members of the National Assembly for Wales

## Opinion on financial statements

I certify that I have audited the financial statements of the Arts Council of Wales Lottery Distribution Account for the year ended 31 March 2019 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Income, Financial Position, Cash Flows and Changes in Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Trustees' Report and Management commentary that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Arts Council of Wales Lottery Distribution Account's affairs as at 31 March 2019 and of the net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements

of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Arts Council of Wales Lottery Distribution Account in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Arts Council of Wales Lottery Distribution Account's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

## Respective responsibilities of the Council and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Arts

Council of Wales and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Arts Council of Wales Lottery Distribution Account's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Other Information

The Council and the Accounting Officer are responsible for the other information. The other information comprises information included in the Trustees' Report and Management commentary accompanying the financial statements, other than the parts of the Report described as having been audited, the financial statements and my auditor's

report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Opinion on other matters

In my opinion:

- the parts of the Trustees' Report and Management commentary to be audited have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993;
- in the light of the knowledge and understanding of the Arts Council of Wales Lottery Distribution Account and its environment obtained in the course of the audit, I have not identified any material misstatements in the Trustees' Report and Management commentary; and
- the information given in the Trustees' Report and Management commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Trustees' Report and Management commentary to be audited are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

#### Report

I have no observations to make on these financial statements.

**Gareth Davies**

Comptroller and Auditor General

17 July 2019

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

The maintenance and integrity of the Arts Council of Wales' website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

# Statement of Comprehensive Net Income

for the year ended 31 March 2019

	Notes	2018/19		2017/18	
		£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Management and administration:					
Staff costs	2a	1,191		1,177	
Other operating costs	2b	618		740	
			<u>1,809</u>		<u>1,917</u>
Expenditure on the arts:					
Grants made		9,727		13,301	
Less: Lapsed and revoked grants		(156)		(348)	
Net grants made	7		9,571		12,953
Delegated distributors	9		1,686		1,651
Other arts awards	3		275		150
Direct costs of grant making	2c		421		287
			<u>11,953</u>		<u>15,041</u>
<b>Total expenditure</b>			<u><b>13,762</b></u>		<u><b>16,958</b></u>
<b>Income</b>					
Share of proceeds from the National Lottery	4		16,000		16,351
Investment income on balances in the National Lottery Distribution Fund	4		82		47
Other revenue			-		4
Interest receivable			14		12
Grants recoverable			42		19
<b>Total income</b>			<u><b>16,138</b></u>		<u><b>16,433</b></u>
<b>Total Comprehensive Income/(Expenditure) for the year</b>			<u><b>2,376</b></u>		<u><b>(525)</b></u>

There are no discontinued activities and there have been no acquisitions during the year. There are no gains or losses other than those shown above.

The notes on pages 126 to 137 form part of these financial statements.

# Statement of Financial Position

as at 31 March 2019

	Notes	31 March 2019		31 March 2018	
		£'000	£'000	£'000	£'000
<b>Non-current assets:</b>					
Trade and other receivables	5a		150		150
<b>Current assets:</b>					
Financial assets:					
Investments - balance held in the National Lottery Distribution Fund	4	14,894		15,619	
Trade and other receivables	5b	-		1	
Cash and cash equivalents	8	1,373		2,618	
<b>Total current assets</b>			<u>16,267</u>		<u>18,238</u>
<b>Total assets</b>			<u>16,417</u>		<u>18,388</u>
<b>Trade payables and other current liabilities – amounts falling due within one year:</b>					
Trade and other payables	6	(217)		(258)	
Other liabilities:					
Delegated distributors	6	(316)		(861)	
Grants	6	(9,725)		(12,824)	
<b>Total payables and other current liabilities</b>			<u>(10,258)</u>		<u>(13,943)</u>
Non-current assets plus net current assets			6,159		4,445
<b>Trade payables and other liabilities – amounts due after more than one year:</b>					
Grants	7		(1,464)		(2,126)
<b>Assets less liabilities</b>			<u>4,695</u>		<u>2,319</u>
<b>Equity/Reserves:</b>					
Net Expenditure account			<u>4,695</u>		<u>2,319</u>

The notes on pages 126 to 137 form part of these financial statements.

The financial statements were approved by the Arts Council of Wales and signed on its behalf by



Nicholas Capaldi, Accounting Officer  
5 July 2019



Phil George, Chairman  
5 July 2019

## Statement of Cash Flows

for the year ended 31 March 2019

	2018/19	2017/18
	£'000	£'000
<b>Cash flows from operating activities</b>		
Net income/(expenditure)	2,376	(525)
Bank interest	(14)	(12)
(Increase)/Decrease in the balance held in the National Lottery Distribution Fund	725	5,672
(Increase)/Decrease in trade and other receivables	1	(1)
Increase/(Decrease) in trade and other payables and other liabilities	(586)	(67)
Increase/(Decrease) in grants payable	(3,761)	(3,123)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(1,259)</b>	<b>1,944</b>
<b>Cash flows from investing activities</b>		
Bank interest	14	12
<b>Net cash inflow from investing activities</b>	<b>14</b>	<b>12</b>
<b>Cash and cash equivalents</b>		
Net increase/(decrease) in cash and cash equivalent balances	(1,245)	1,956
Balance at 1 April	2,618	662
<b>Balance at 31 March</b>	<b>1,373</b>	<b>2,618</b>

## Statement of changes in equity

for the year ended 31 March 2019

	2018/19	2017/18
	£'000	£'000
Balance at beginning of year	2,319	2,844
Net income/(expenditure) for the year	2,376	(525)
<b>Balance at end of year</b>	<b>4,695</b>	<b>2,319</b>

The notes on pages 126 to 137 form part of these financial statements.

# Notes forming part of the financial statements

for the year ended 31 March 2019

## 1 Accounting policies

### a Basis of preparation

These financial statements are prepared on a going concern basis and under the historical cost convention. They have been prepared in a form directed by the Secretary of State for Digital, Culture, Media & Sport with the consent of HM Treasury, in accordance with Section 35(3) of the National Lottery etc. Act 1993, and with the consent of Welsh Ministers.

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS).

Two standards are applicable for the first time in 2018/19: IFRS 9 Financial Instruments; and IFRS 15 Revenue from Contracts with Customers. Neither of these has a significant impact on the Council's financial statements. We have no disclosures within the scope of IFRS 9 as we hold no financial instruments which are complex or which play a significant role in our financial risk profile. The recognition of lottery income has not changed under IFRS 15.

#### Impact of standards not yet effective

The application of any new or amended IFRS is governed by their adoption by the Government Financial Reporting Manual. The Council applies changes to standards when they become effective. There are no known material impacts from IFRS changes that have been issued and are not yet effective on the financial statements in the period of initial application.

### b Recognition of income and expenditure

All income is accounted for on an accruals basis. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

### c General activities

These financial statements do not cover the Council's general activities, funded mainly by grant-in-aid, for which separate financial statements have been prepared.

### d Grants

Grants are accounted for as expenditure in the Statement of Comprehensive Net Income/Expenditure and, until paid, as liabilities in the Statement of Financial Position if:

- (i) they have been formally approved by Council, or under delegated authority; and
- (ii) formal written notification (including email or other electronic communication) has been issued to the intended recipients; and
- (iii) the offers are free from any conditions under the Council's control.

Grants payable within one year of the year end are recognised in the Statement of Financial Position as current liabilities. Those payable more than one year after the Statement of Financial Position date are shown as such.

Grants which have been formally approved by Council, or under delegated authority, which do not meet the definition of liabilities are not included in expenditure in the Statement of Comprehensive Net Income/ Expenditure or as liabilities in the Statement of Financial Position but are disclosed in note 7.

**e National Lottery Distribution Fund**

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Digital, Culture, Media & Sport. However, the share of these balances attributable to the Council is as shown in the accounts at amortised cost and, at the Statement of Financial Position date, has been certified by the Secretary of State for Digital, Culture, Media & Sport as being available for distribution by the Council in respect of current and future commitments.

**f Pensions**

The Council is an admitted employer of the Arts Council Retirement Plan 1994. The pension scheme provides defined benefits to Council employees. The costs of the Council's contributions are charged to the Statement of Comprehensive Net Income/Expenditure so as to spread the cost of pensions over employees' working lives.

The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with IAS 19. The Council has made payments to fund a deficit relating to past service. If further deficit payments are needed, following future revaluations, the Council will recognise a provision for the present value of contributions payable in accordance with the terms of any relevant funding agreement. A share of all contributions towards the deficit is charged to the Statement of Comprehensive Net Income/Expenditure.

The Council also has a defined contribution scheme, The People's Pension, as an alternative option to meet the needs of Auto Enrolment legislation. The scheme is accounted for in accordance with IAS 19.

**g Taxation**

Non-recoverable Value Added Tax arising from expenditure is charged to the Statement of Comprehensive Net Income/Expenditure or capitalised as a fixed asset where applicable.

**h Apportionment of management and administration costs from the General Activities Account**

The Council incurs costs which support both its general activities and Lottery distribution functions. In accordance with its Financial Directions the Council apportions indirect costs properly between these two areas of activity with reference to the time spent on, or the consumption of, the relevant resources by the respective activities.

i Financial Instruments

Financial assets: Trade receivables and other current assets do not carry any interest and are stated at their nominal value as reduced by any appropriate loss allowance. Cash and cash equivalents comprises cash in hand and cash at bank and on short term deposit on instant access terms.

Financial liabilities: Trade payables and other current liabilities are not interest bearing and are stated at their nominal value.

2 Costs in support of our operations

a Management and administration: Staff costs	2018/19			2017/18
	Permanently employed £'000	Other £'000	Total £'000	Total £'000
Wages and salaries charged to				
Lottery distribution activity	724	26	750	872
Social security costs	79	1	80	96
Other pension costs <sup>1</sup>	354	3	357	205
Redundancy payments	-	-	-	1
Agency costs	-	4	4	3
	<u>1,157</u>	<u>34</u>	<u>1,191</u>	<u>1,177</u>

<sup>1</sup> Including payments totalling £193,000 towards the pension deficit in 2018/19 (2017/18: £22,000).

b Management and administration: Other operating costs	2018/19 £'000	2017/18 £'000
Staff related costs	62	64
Organisational Review	-	21
Infrastructure	298	327
Office running costs	16	13
Professional and consultancy fees	100	135
Lottery promotion	17	13
Irrecoverable VAT	73	90
Charge for use of fixed assets	12	30
Auditor's remuneration – Audit <sup>1</sup>	21	19
Internal audit	10	11
Council and committee meetings, including travel and subsistence	9	17
	<u>618</u>	<u>740</u>

<sup>1</sup> The audit fee is for audit services and no non-audit services were provided.

Management and administration costs are apportioned between the Council's general activities and Lottery distribution accounts with reference to the time spent on, or the consumption of, the relevant resources by the respective functions. The rates applied differ according to the expenditure heading and geographical region but the average charge to Lottery activities was 46% (2017/18: 48%).

c	Expenditure on the arts: Direct costs of grant making	2018/19 £'000	2017/18 £'000
	Assessors' fees	33	29
	Resilience Fund support	333	241
	Creative Conversations	5	8
	<i>Criw Celf</i>	2	3
	Creative Steps	2	-
	Creative Wales Awards – scheme expenses	1	6
	Irrecoverable VAT	45	-
		<u>421</u>	<u>287</u>
3	Other arts awards	2018/19 £'000	2017/18 £'000
	Cross Border Touring	115	150
	<i>Beyond Borders</i> awards in association with PRS Foundation	40	-
	<i>Unlimited</i> awards in association with Arts Council England	120	-
		<u>275</u>	<u>150</u>
4	National Lottery Distribution Fund	2018/19 £'000	2017/18 £'000
	Balance held in the National Lottery Distribution Fund (NLDF) at 1 April	15,619	21,291
	Allocation of Lottery proceeds	16,000	16,351
	Investment income receivable	82	47
	Drawn down in the year	(16,807)	(22,070)
	Balance held in the National Lottery Distribution Fund at 31 March	<u>14,894</u>	<u>15,619</u>
The balance in the National Lottery Distribution Fund at 31 March 2019 is in accordance with the Interim Certificate issued by the Department for Digital, Culture, Media & Sport.			
5	Trade and other receivables	2018/19 £'000	2017/18 £'000
a	Non-current assets		
	Other receivables	<u>150</u>	<u>150</u>

	2018/19 £'000	2017/18 £'000
<b>b</b> Current assets		
Grants recoverable	-	1
	<u>          </u>	<u>          </u>
<b>6</b> Trade payables and other current liabilities – amounts falling due within one year	2018/19 £'000	2017/18 £'000
Trade and other payables:		
Trade payables	11	18
Due to the Arts Council of Wales General Activities account: for apportioned costs <sup>1</sup>	146	216
Accruals and deferred income	60	24
<i>Sub-total: Trade and other payables</i>	<u>217</u>	<u>258</u>
Other liabilities:		
Delegated distributors <sup>2</sup>	316	861
Grants (note 7)	9,725	12,824
<i>Sub-total: Other liabilities</i>	<u>10,041</u>	<u>13,685</u>
Total current liabilities	<u>10,258</u>	<u>13,943</u>
<sup>1</sup> The amount due to the Arts Council of Wales General Activities account is made up of:		
Recharges of apportioned costs		
- Staff	98	115
- Overheads	36	71
- Charge for use of assets	12	30
	<u>146</u>	<u>216</u>
<sup>2</sup> The Council has delegated Lottery funds (note 9) to the following distributors:		
Undrawn funds at 31 March		
- Ffilm Cymru Wales (for film)	243	794
- Literature Wales (for writers' bursaries)	73	67
	<u>316</u>	<u>861</u>

7	Grants			2018/19	2017/18
		£'000	£'000	£'000	£'000
		Capital	Revenue schemes	Total	Total
	Payable at 1 April	5,028	9,922	14,950	18,073
	Grants made in the year	1,098	8,629	9,727	13,301
	Amounts not taken up	(106)	(50)	(156)	(348)
	Charged to Statement of Comprehensive				
	Net Income/Expenditure	992	8,579	9,571	12,953
	Grants paid in the year	(1,575)	(11,757)	(13,332)	(16,076)
	Payable at 31 March <sup>1</sup>	4,445	6,744	11,189	14,950
	Falling due within one year	3,254	6,471	9,725	12,824
	Falling due after more than one year	1,191	273	1,464	2,126
		4,445	6,744	11,189	14,950

<sup>1</sup> Ageing of grants payable:

2018/19	-	-	-	12,824
2019/20	3,254	6,471	9,725	2,078
2020/21	1,157	256	1,413	43
2021/22	34	17	51	5
	4,445	6,744	11,189	14,950

Grants approved but not formally offered at 31 March which are not recognised in the Statement of Comprehensive Net Income/Expenditure and Statement of Financial Position

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8	Cash and cash equivalents	2018/19	2017/18
		£'000	£'000
	The following balances at 31 March were held at:		
	Commercial banks and cash in hand	1,373	2,618

## 9 Delegated Lottery distributors

The Council has fully operational delegation agreements in place with the following bodies for the distribution of Lottery funds:

	Ffilm Cymru Wales for film £'000	Nesta for digital R&D projects £'000	BBC Cymru Wales for the <i>Horizons</i> scheme £'000	Literature Wales for writers' bursaries £'000	Tŷ Cerdd for community & Welsh music £'000	2018/19 Total £'000	2017/18 Total £'000
Undrawn funds at 1 April	794	-	-	67	-	861	654
Delegated for the year	1,400	-	110	96	80	1,686	1,651
	2,194	-	110	163	80	2,547	2,305
Drawn down in the year	(1,951)	-	(110)	(90)	(80)	(2,231)	(1,444)
Undrawn funds at 31 March	243	-	-	73	-	316	861
Grants recorded as payable by the delegated distributors at 31 March	1,408	-	-	89	-	1,497	1,235

Full lists of the grants administered by the delegated distributors during 2018/19 are included in the annexes to this Annual Report.

## 10 Contingent asset

### Sale of Olympic Park

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State for Digital, Culture, Media & Sport and the Greater London Authority (GLA) dated 29th March 2012 which sets out the distribution of funds between the GLA and the Lottery Distributors via the Department for Digital, Culture, Media & Sport (DCMS). Land sales are likely to take place over a lengthy period, estimated to be from 2019/20 to 2036/37. DCMS estimates the first payments to the Lottery Distributors will be in the early to mid-2020s.

## 11 Events after the reporting period

### Authorisation of these financial statements for issue

The financial statements were authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General certified them.

## 12 Financial instruments

International Financial Reporting Standard 7, Financial Instruments: Disclosures, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks the Council's function faces in undertaking its role.

*Liquidity risks* – In 2018/19 £16,000,000 or 99.2% of the Council's Lottery distribution income was derived from the National Lottery (2017/18: £16,351,000 or 99.5%). Of the remaining income £82,000 or 0.5% was derived from investment returns from the balance held with the National Lottery Distribution Fund (2017/18: £47,000 or 0.3%) and £56,000 or 0.3% from other investment income and sundry income (2017/18: £35,000 or 0.2%). The Council does not consider that its Lottery Distribution function is exposed to any significant liquidity risk, and is satisfied that the balance within the National Lottery Distribution Fund and projected future Lottery proceeds are sufficient to meet its hard commitments.

*Interest rate risks* – The financial assets of the Lottery are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. The Council has no control over the investment of funds in the National Lottery Distribution Fund. Cash and cash equivalents which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access, variable rate bank account which on average carried an interest rate of 0.50% in the year (2017/18: 0.50%). The cash and cash equivalents balance at the year end was £1,373,000 (2018: £2,618,000). The Council does not consider that its Lottery Distribution function is exposed to significant interest rate risks.

*Foreign currency risk* – The lottery distribution function of the Council is not exposed to any significant foreign exchange risks.

*Cash flow risk* – The Council is not exposed to any significant cash flow risks.

## 13 Related party transactions

### Public bodies

The Council is a Welsh Government sponsored body.

The National Assembly for Wales/Welsh Government is regarded as a related party and details of transactions with the National Assembly for Wales/Welsh Government are given in the separate accounts covering the Council's general activities.

The National Lottery Distribution Fund is administered by the Department for Digital, Culture, Media & Sport which is regarded as a related party. During the year the Council had no material transactions with the Department for Digital, Culture, Media & Sport other than those shown in the Statement of Comprehensive Net Income/Expenditure.

### Delegated Lottery distributors

As disclosed in note 9, Ffilm Cymru Wales, Nesta, BBC Cymru Wales, Literature Wales and TŷCerdd are delegated distributors of the Council's Lottery funding. During the year the Council had no material transactions with them other than those shown in the Statement of Comprehensive Net Income/Expenditure.

### Individuals

Members of Council, Committees, staff or other related parties (being close family members) undertook financial transactions (listed below) with the Council in its role as Lottery distributor during the year.

Where the individuals and/or their close family were members of the Boards of Management (or equivalent) or were senior employees of organisations offered Lottery grants or other Lottery payments by the Council in 2018/19 in all such cases, in accordance with the Council's Code of Best Practice, the individual concerned withdrew from any meeting where there was a discussion or decision regarding funding.

Under the Council's Code of Best Practice an interest is deemed to persist for a minimum period of one year after the individual has left the position which created the interest. This policy is reflected in the disclosures which follow.

Financial transactions with the Council in respect of its general activities are recorded in the separate accounts covering those activities.

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
<b>Council Members</b>				
Iwan Bala Member	Butetown Artists Group – Bay Art	Grant (2)	54,565	16,707
Andy Eagle Board member	Swansea City Opera	Grant (1)	70,000	7,000
Marian Wyn Jones Non-executive director	Betsi Cadwaladr Health Board	Grant (1)	30,000	30,000
Trustee	Bangor New Music Festival	Grant (1)	5,000	Nil
Council member	Bangor University	Grant (3)	124,697	119,697
		Invoice (2)	352	Nil
Andrew Miller Board member	Arts Council England	Invoice (1)	115,365	Nil
Dafydd Rhys Board member	Aberystwyth Arts Centre	Grant (2)	26,875	12,588
		Invoice (1)	191	Nil
Dr Rachel O’Riordan Employment	Sherman Theatre	Grant (2)	34,303	29,908
		Invoice (3)	995	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
Richard Turner Trustee (Family member)	Wales Pen Cymru	Grant (1)	1,310	Nil
John Carery Williams Former employment	Theatr Iolo	Grant (1)	30,000	30,000
<b>Committee Members</b>				
Ruth Cayford Employment	Cardiff Council (including St David's Hall)	Grant (1)	99,216	99,216
		Invoice (2)	1,116	Nil
Roland Evans Employment	Gwynedd County Council	Invoice (2)	367	Nil
<b>Members of the Senior Leadership Team</b>				
Katherine Davies Employment (Family member)	Cardiff Council (St David's Hall)	Grant (1)	99,216	99,216
		Invoice (2)	1,116	Nil
Former employment (Family member)	Ballet Cymru	Grant (2)	89,100	89,100

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2019 £
Other members of staff				
Dan Allen Employment (Family member)	Everything at Once	Grant (1)	5,000	Nil
Osian Gwynn Director (Family member)	Cwmni Pluen	Grant (1)	30,080	30,080
Gillian Hughes Employment (Family member)	Awen Cultural Trust	Grant (1)	64,000	35,200
Sally Lewis Associate (Family member)	Ballet Cymru	Grant (2)	89,100	89,100
Ian McAndrew Board Member	Sound Progression	Grant (1)	4,950	Nil
Antony Owen-Hicks Freelance Employment	Menter Caerdydd (Tafwyl)	Grant (1)	30,000	30,000
Daniel Trivedy Director	Elysium Gallery	Grant (1)	30,000	30,000

# Annexes

not forming part of the  
financial statements



# General Activities - Grants 2018/19

## Core funding to Arts Portfolio Wales organisations

Aberystwyth Arts Centre	£536,645
Arad Goch	£346,887
Artes Mundi Prize	£147,962
Artis Community Cymuned	£199,960
Arts Alive	£77,625
Arts Care	£132,915
Arts Connection	£65,204
Ballet Cymru	£252,376
Bangor University (for Pontio)	£280,118
BBC National Orchestra of Wales	£805,133
Blackwood Miners' Institute	£129,375
Canolfan Gerdd William Mathias	£80,251
Chapter	£657,391
Community Music Wales	£105,329
Cwmni'r Frân Wen	£233,013
Dawns i Bawb	£85,266
Disability Arts Cymru	£165,417
Ffotogallery	£199,472
g39	£70,220
Galeri	£316,237
Glynn Vivian Art Gallery	£125,391
Hafren	£107,014
Head4Arts	£150,470
Hijinx Theatre	£155,687
Jukebox Collective	£167,670
Literature Wales	£742,264
Live Music Now Wales	£45,140
Llantarnam Grange Arts Centre	£85,266
Mid Wales Opera	£104,326
Mission Gallery	£95,298
Mostyn	£389,215
Music Theatre Wales	£218,934
National Dance Company Wales	£834,186
National Theatre Wales	£1,606,405
NEW Dance	£75,523
NoFit State Circus	£194,608
Oriel Davies	£223,798
Oriel Myrddin	£47,147
Pontardawe Arts Centre	£63,197
Powys Dance	£112,602

Rhondda Cynon Taff Theatres	£150,821
Riverfront	£125,391
Rubicon Dance	£194,608
Ruthin Craft Centre	£389,215
Sherman Theatre	£1,125,997
Sinfonia Cymru	£217,825
Taliesin Arts Centre	£219,906
Theatr Bara Caws	£279,803
Theatr Brycheiniog	£194,608
Theatr Clwyd	£1,802,969
Theatr Felinfach	£60,188
Theatr Genedlaethol Cymru	£1,029,567
Theatr Iolo	£256,749
Theatr Mwldan	£267,880
Theatr na n'Óg	£316,092
Torch Theatre	£447,598
trac - Music Traditions Wales	£80,251
Tŷ Cerdd	£204,525
Ucheldre Centre	£75,235
Valley & Vale Community Arts	£175,147
Valleys Kids	£122,383
Volcano Theatre	£209,204
Wales Millennium Centre	£3,837,917
Welsh National Opera	£4,533,977
Ystradgynlais Miners' Welfare	£41,609
<b>Total Arts Portfolio Wales grants</b>	<b>£26,790,402</b>

## Creative Learning through the Arts Programme

### Arts and education networks

Arts Active Trust	£200,000
Caerphilly County Borough Council	£200,000
Flintshire County Council	£200,000
University of Wales Trinity Saint David	£200,000
	<b>£800,000</b>

## Lead Creative Schools

Abermule Primary School	£8,000
Alexandra Community Primary School	£8,000
Bishop Childs Church in Wales Primary School	£8,000
Broughton Primary School	£8,000
Bryngwyn School	£8,000
Canolfan Addysg Y Bont	£8,000
Cefn Saeson Comprehensive School	£8,000
Coedpenmaen Primary School	£8,000
Coychurch Llangrallo Primary	£8,000
Cynffig Comprehensive School	£8,000
Garth Primary School	£8,000
Gilfach Fargoed Primary	£8,000
Gwaunmeisgyn Primary School	£8,000
Gwenfô Church in Wales Primary School	£8,000
Llancaeath Junior School	£8,000
Llandrillo yn Rhos	£8,000
Monnow Primary School	£8,000
Pencoed Primary School	£8,000
Pennard Primary School	£8,000
Peter Lea Primary School	£8,000
Sofrydd Primary School	£8,000
Springwood Primary School	£8,000
St Giles Primary School	£8,000
St Mellons Church Wales Primary School	£8,000
The Meads Infant and Nursery School	£8,000
Ysgol Aberconwy	£8,000
Ysgol Acrefair	£8,000
Ysgol Ardudwy	£8,000
Ysgol Bro Cinmeirch	£8,000
Ysgol Gogarth, Llandudno	£8,000
Ysgol Gwaun Gynfi	£8,000
Ysgol Rhos Helyg	£8,000
Ysgol Uwchradd Caergybi	£8,000

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£264,000

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## Experiencing the Arts

Aberdare Town Church in Wales Primary School	£693
Abersychan School	£1,000
Abertillery secondary 3-16 campus	£774
Arddleen CP School	£841
Argoed High School	£1,000
Barker's Lane School	£135
Barry Island Primary School	£373
Birchgrove Primary School	£490
Bishop Hedley High School	£900
Bishop Vaughan Catholic School	£1,000
Bishopston Comprehensive School	£13,500
Black Lane County Primary	£1,000
Blaendulais Primary School	£950
Blaen-y-maes Primary School	£432
Bryncelynnog Comprehensive School	£445
Builth Wells High School	£1,000
Builth Wells Primary School	£1,000
Burry Port Community Primary School	£1,000
Buttington Trewern C.P School	£479
Bwlchgwyn CP School (2 awards)	£1,079
Cadoxton Primary School	£1,000
Caersws Community Primary School	£306
Cardiff West Community High School	£1,000
Carreghofa County Primary School	£670
Cefn Hengoed Community School	£477
Christchurch CP School	£489
Coedffranc Primary School (2 awards)	£1,515
Cogan Primary School	£807
Cosheston VC School	£269
Coychurch Llangrallo Primary	£652
Crymlyn Primary School	£833
CSTLC Canolfan Y Gors	£367
Cwmbach Junior School	£913
Cwmni'r Frân Wen	£14,200
Cymer Afan Comprehensive	£625
Deri Primary School	£1,000
Dewstow Primary	£625
Dylan Thomas Community School (2 awards)	£1,144
Eyton Church in Wales Primary School	£360
Familia de la Noche	£15,000
Fenton Community Primary School	£1,000

Forden Church in Wales School	£238
Franksbridge Primary School (2 awards)	£1,260
Gabalfa Primary School	£288
Garth Primary School (2 awards)	£1,470
Gelli Primary School	£879
Gladestry Church in Wales Primary School	£900
Glan Usk Primary School	£1,000
Guilfield County Primary School (2 awards)	£1,592
Gwaunmeisgyn Primary School (2 awards)	£1,135
Gwernyfed High School	£1,000
Hafod Primary School	£949
Hafren Junior School	£1,000
Hendre Infants School	£956
Herbert Thompson Primary	£1,000
Johnstown Primary School (2 awards)	£934
Jubilee Park Primary School	£15,000
King Henry VIII School	£180
Lakeside Primary School	£1,000
Llanbister CP School	£610
Llancaeath Junior School	£900
Llandinam C P School	£409
Llandrindod CP School Cefnlllys	£600
Llandrindod Wells Church in Wales Primary School	£900
Llandrindod Wells CP School - Cefnlllys	£700
Llanelwedd Church in Wales Primary School	£659
Llanfyllin High School	£423
Llanidloes Primary School	£1,000
Llanishen High School	£306
Llanrhidian Primary School	£450
Llantwit Major Comprehensive School	£297
Llwyn Yr Eos Primary School	£452
Llwynypia Primary School (2 awards)	£1,682
Maesycoed Primary	£700
Maesyrhandir CP School	£828
Making Sense Community Interest Company	£13,500
Mid Wales Opera	£7,550
Millbrook Primary School	£360
Model Church In Wales Primary School	£1,000
Monmouthshire Pupil Referral Service	£242
Montgomery Church in Wales School	£363
Moorland Primary	£865
MOSTYN	£15,000
Mount Street Infant and Nursery School	£410

Mount Stuart Primary School (2 awards)	£1,873
Mountain Ash Comprehensive School	£216
Nant y Parc Primary School	£1,000
National Dance Company Wales	£7,500
National Youth Arts Wales	£15,000
NEW Dance	£13,000
Newbridge on Wye Church in Wales School	£225
Oak Field Primary School	£414
operasonic cyf	£15,000
Oriel Davies Gallery	£5,780
Our Lady & St Michaels Primary School	£900
Our Lady of the Angels RC Primary School	£495
Our Lady's RC Primary	£957
Pembrey Primary School	£900
Pembroke Comprehensive School	£1,000
Pentrehafod School	£700
Pentre'r Graig Primary Schol	£646
Pen-y-Bryn Primary School	£900
Peter Lea Primary School	£1,000
Portfield Special School	£4,500
Powys Dance	£14,750
Radyr Comprehensive School	£7,452
Rhos Street CP School	£409
Rhosddu Primary School	£618
Risca Primary School	£1,000
Roath Park Primary School	£810
Romilly Primary School	£747
Rubicon Dance	£7,425
Sennybridge CP School	£574
Severn Primary School (4 awards)	£2,538
Sherman Theatre	£13,833
Sistema Cymru Codi'r To (2 awards)	£21,964
Sofrydd Primary School	£1,000
St Aloysius RC Primary	£1,000
St Cadocs Catholic Primary School	£450
St Cuthbert's Catholic Primary School	£1,000
St Illtyd's Catholic High School (2 awards)	£603
St Joseph's Roman Catholic Primary School	£810
St Margaret's Catholic Primary School	£126
St Mark's V A School	£938
St Mary's Catholic School	£630
St Mary's RC Primary	£630
St Padarn's Catholic Pimary School	£788

St Richard Gwyn Catholic High School (3 awards)	£2,225
St Woolos Primary School (2 awards)	£1,206
St. Joseph's RC Cathedral School (2 awards)	£1,147
St. Joseph's RC Primary School	£270
St. Mary's RC Primary	£540
St. Michael's (CiW) Primary School	£864
Step Ahead Education Centre - Swansea Pupil Referral Unit	£877
Stepaside CP School	£296
Sychdyn Primary School	£720
Talycopa Primary School	£225
Terrace Road Primary School	£13,145
Theatr Clwyd	£14,193
Theatr na nÓg	£15,000
Thornhill Primary School	£310
Tremorfa Nursery School	£7,500
Treorchy Comprehensive School	£540
Trinant Primary School (2 awards)	£2,000
Trinity Fields School and Resource Centre	£1,000
Twynrodyn Community School	£270
Tŷ Pawb	£7,500
Ty'n y Wern Primary	£324
Tynyrheol Primary School	£765
Venue Cymru	£14,800
Vision Fountain CIC	£13,701
Waunarlwydd Primary School	£5,724
Waunfawr Primary School	£6,750
Windsor Clive Primary School	£1,000
Woodlands Community Primary School	£1,000
YGG Trebannws	£313
Ynystawe Primary School (3 awards)	£2,900
Young Music Makers of Dyfed	£15,000
Ysgol Aberconwy (2 awards)	£756
Ysgol Betws	£630
Ysgol Betws yn Rhos	£112
Ysgol Borthyn	£718
Ysgol Bro Cinmeirch	£820
Ysgol Bro Dinefwr	£59
Ysgol Bro Dyfrdwy (2 awards)	£1,120
Ysgol Bro Famau (2 awards)	£1,054
Ysgol Bro Gwaun	£1,000
Ysgol Bro Hedd Wyn	£270
Ysgol Bro Hyddgen	£860
Ysgol Bro Pedr	£810

Ysgol Bro Teifi (2 awards)	£306
Ysgol Bryn Castell	£900
Ysgol Bryn Derw ASD Special School	£1,000
Ysgol Bryn Hedydd	£652
Ysgol Bryn Teg	£1,000
Ysgol Calon Cymru	£1,000
Ysgol Carreg Emlyn (2 awards)	£1,810
Ysgol Carwe (2 awards)	£876
Ysgol Cedewain	£1,000
Ysgol Craig y Deryn	£1,000
Ysgol Craig yr Wylfa	£329
Ysgol Crug Glas	£15,000
Ysgol Cymerau (2 awards)	£1,900
Ysgol Deganwy	£824
Ysgol Dolafon	£189
Ysgol Dyffryn Banw	£225
Ysgol Dyffryn Ogwen	£400
Ysgol Dyffryn Taf	£900
Ysgol Eirias	£504
Ysgol Estyn	£225
Ysgol Gellifor	£1,000
Ysgol Glan Conwy	£500
Ysgol Glantwymyn (2 awards)	£930
Ysgol Gwynedd	£980
Ysgol Gyfun Cwm Rhondda	£270
Ysgol Gyfun Garth Olwg (2 awards)	£1,360
Ysgol Gyfun Gwent is Coed	£360
Ysgol Gyfun Gwynllyw (2 awards)	£1,183
Ysgol Gyfun Gymunedol Penweddig	£700
Ysgol Gyfun Rhydywaun	£252
Ysgol Gymraeg Aberystwyth (3 awards)	£3,000
Ysgol Gymraeg Bryn Y Mor (2 awards)	£1,776
Ysgol Gymraeg Casnewydd	£432
Ysgol Gymraeg Lôn Las	£922
Ysgol Gymraeg Penalltau	£920
Ysgol Gymraeg Y Cwm	£72
Ysgol Gymraeg Y Fenni	£561
Ysgol Gymraeg Y Trallwng	£387
Ysgol Gymunedol Peniel	£479
Ysgol Gymunedol T Llew Jones	£855
Ysgol Gynradd Beaumaris	£190
Ysgol Gynradd Beulah	£175
Ysgol Gynradd Carno	£314

Ysgol Gynradd Cemaes	£450
Ysgol Gynradd Cenarth	£468
Ysgol Gynradd Coed-y-Dderwen	£1,000
Ysgol Gynradd Felinfach	£180
Ysgol Gynradd Gymraeg Ynyswen	£758
Ysgol Gynradd Gymunedol Llechryd	£688
Ysgol Gynradd Llanilar	£802
Ysgol Gynradd Penycae	£960
Ysgol Gynradd Rhydypennau	£912
Ysgol Hiraddug	£630
Ysgol Llanbryn-mair (2 awards)	£911
Ysgol Llanddoged	£464
Ysgol Llanfarian School	£286
Ysgol Meidrim School	£900
Ysgol Merllyn	£450
Ysgol Mynydd Bychan	£12,575
Ysgol O.M.Edwards	£540
Ysgol Pencoch	£630
Ysgol Penllwyn	£248
Ysgol Penrhyn-coch	£360
Ysgol Penybryn	£1,000
Ysgol Pen-Y-Bryn	£1,000
Ysgol Plas Brondyffryn	£1,000
Ysgol Plas Coch	£756
Ysgol Plas-crug (2 awards)	£2,000
Ysgol Ponthenri (2 awards)	£948
Ysgol Rhos Helyg	£747
Ysgol Sant Elfod	£1,000
Ysgol Tal-y-bont	£470
Ysgol Tir Morfa	£1,000
Ysgol Tudweiliog	£252
Ysgol Twm o'r Nant	£724
Ysgol Uwchradd Caereinion	£549
Ysgol Uwchradd Dinbych	£480
Ysgol Uwchradd y Frenhines Elisabeth	£146
Ysgol Y Borth	£932
Ysgol Y Cribarth	£315
Ysgol Y Dderi (2 awards)	£1,541
Ysgol y Foryd	£688
Ysgol y Gwynfryn (2 awards)	£912
Ysgol Y Mynydd Du	£850

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£533,925

## Commemoration Activity (First World War)

Adamsdown Primary School	£1,000
Archbishop McGrath Catholic High School	£1,000
Birchgrove Primary School (2 awards)	£1,435
Brynmenyn Primary School	£1,000
Brynmill Primary School	£750
Brynteg School	£1,000
Bwlchgwyn CP School	£425
Cefn Saeson Comprehensive School	£566
Clase Primary School	£684
Cwmafan Primary School	£1,000
Cynffig Comprehensive School	£1,000
Garth Primary School	£300
Golftyn CP School	£900
Gwryosydd Junior School	£530
Knelston Primary School	£700
Lewis School Pengam	£1,000
Llandeilo CP School	£1,000
Llandrindod Wells Church in Wales Primary School	£1,000
Llanmiloe CP School	£1,000
Llantilio Pertholey Primary School	£1,000
Morrison Primary School	£720
North Wales International Music Festival	£6,950
Nottage Primary School	£1,000
Oystermouth Primary School	£925
Pembrey Primary School	£648
Pentre'r Graig Primary School	£1,000
Penybont Primary School	£1,000
Plasmarl Primary School (2 awards)	£1,317
St Helens Primary School	£350
Talycopa Primary School	£566
Whitestone Primary School	£1,000
YGG Cwmllynfell	£310
Ysgol Bassaleg	£1,000
Ysgol Bro Cynllaith	£1,000
Ysgol Bryn Alyn	£900
Ysgol Brynsiencyn	£488
Ysgol Cae'r Nant	£1,000
Ysgol Dewi Sant	£512
Ysgol Dyffryn Dulas Corris	£394
Ysgol Eglwys Bach	£274
Ysgol Gyfun Emlyn	£1,000

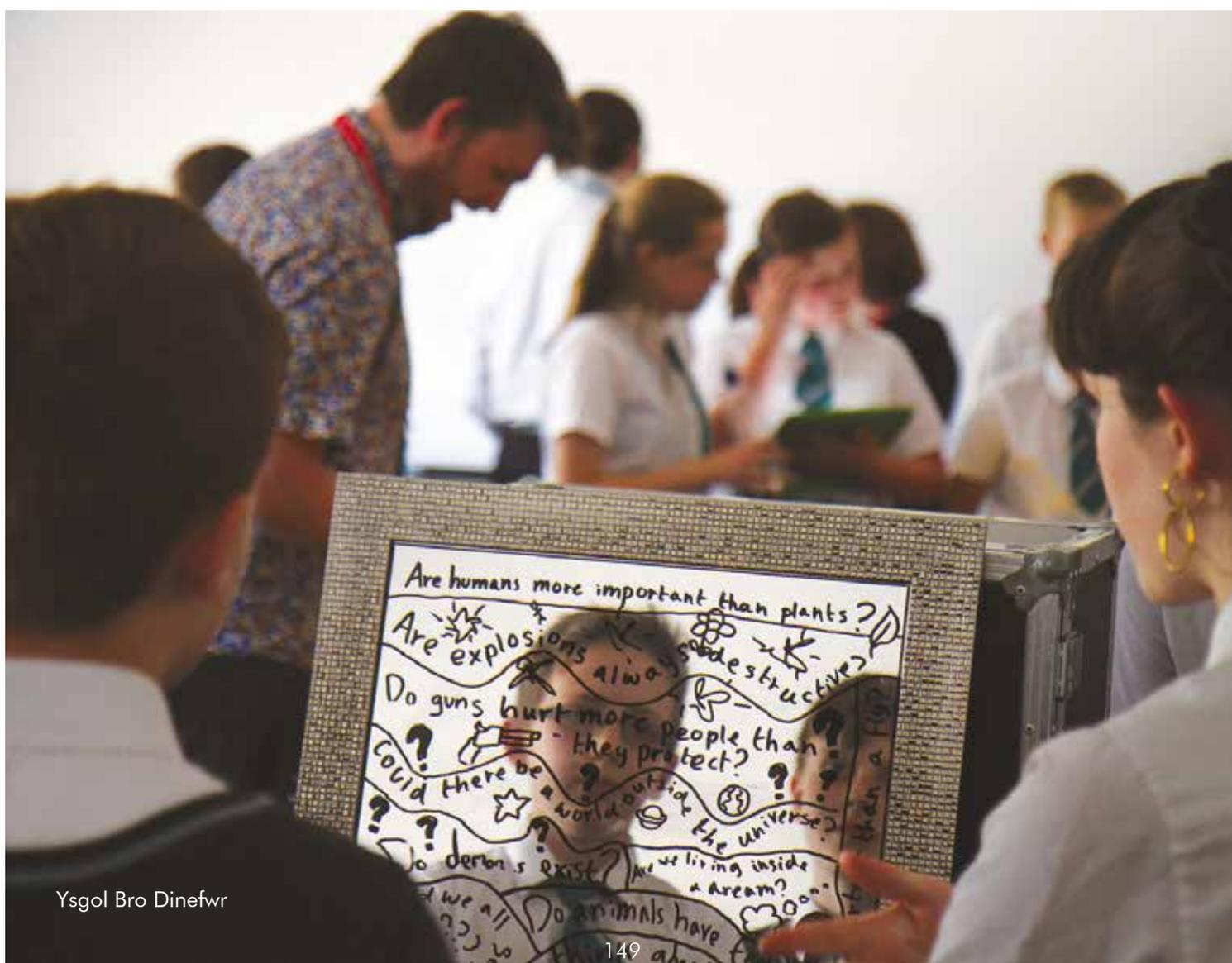
Ysgol Gyfun Gymraeg Bro Edern	£600
Ysgol Gyfun Gymraeg Bryn Tawe	£250
Ysgol Gymraeg Bryn Y Mor	£957
Ysgol Gymraeg Dewi Sant	£1,000
Ysgol Gymunedol Pontrhydfendigaid	£1,000
Ysgol Gynradd Gymraeg Aberdare	£1,000
Ysgol Gynradd Gymraeg Calon y Cymoedd	£600
Ysgol Iolo Morgannwg	£695
Ysgol Llanfechell	£360
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	£46,106
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Total Creative Learning through the Arts grants

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£1,644,031



## Strategic awards

### Memorial awards

The <b>Brian Ross Memorial Award</b> for graduating fine art students Luke Roberts	£3,000
The <b>Eirian Llwyd Memorial Award</b> for printmaking Susan Milne	£2,500
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	£5,500

### Strategic – Arts

Artes Mundi Prize Limited	£10,000
Beyond the Border Storytelling Festival	£2,000
Fieldwork	£4,500
FIO	£2,000
FOCUS Wales	£13,500
Gwyn Emberton Dance	£30,000
Hijinx Theatre	£10,000
Light Ladd & Emberton	£5,000
National Youth Arts Wales	£78,750
Theatr na nÓg	£5,000
Tŷ Cerdd - Music Centre Wales	£9,240
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	£169,990

### Strategic – Wales Arts International: China

BBC National Orchestra of Wales	£15,000
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	£15,000

### Strategic – Engagement & Participation

Age Cymru	£125,000
Dafydd-Kidd, Jonathan	£2,500
engage (National Association for Gallery Education) (2 awards)	£5,000
Ethnic Minority Welsh Women Achievement Association	£2,000
gentle / radical	£2,500
Hijinx Theatre	£20,000
Mothersuckers	£2,500
The Aloud Charity	£30,750
Voluntary Arts Network (2 awards)	£18,982
Wales Arts Review	£2,490
Wales Millennium Centre	£2,500
Youth Arts Network Cymru	£2,500
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	£216,722

### Strategic – Arts & Health

ABMU Arts in Health Board	£25,000
Aneurin Bevan University Health Board	£25,000
Betsi Cadwaladr University Health Board	£25,000
Cardiff & Vale University Health Board	£25,000
Cwm Taf University Health Board	£25,000
Hywel Dda University Health Board	£25,000
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	£150,000

### Strategic - Enterprise & Regeneration

Arts & Business Cymru	£70,000
Celtic Neighbours	£5,000
National Rural Touring Forum	£2,000
Pontio	£15,000
The National Trust	£25,000
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	£117,000

### Strategic – Welsh Government capital funding

Pontardawe Arts Centre	£10,313
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	£10,313

Venice Biennale of Art

Curator

Tŷ Pawb

£126,250

Invigilators

Rachel Dunlop

£1,758

Claire Francis

£1,758

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£129,766

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Total Strategic awards

£814,291

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TOTAL GRANTS OFFERED

£29,248,724

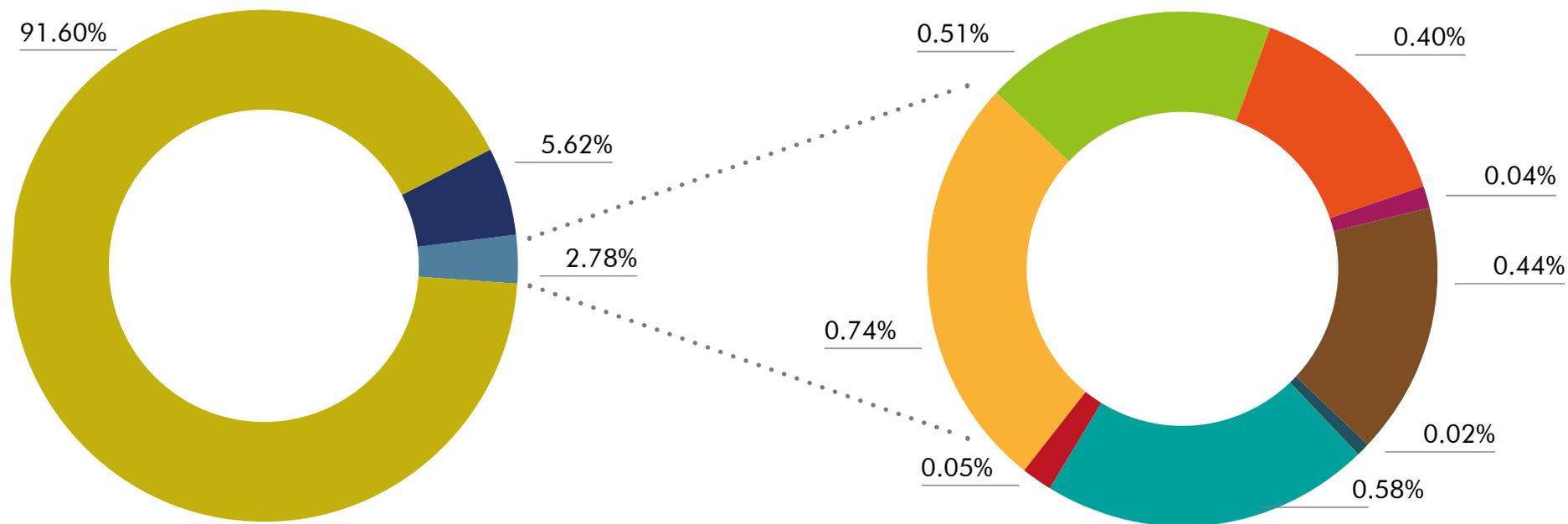
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Bouncing Light, Susan Milne, Eirian Llwyd Memorial Award

## Grants by type



- Core funding to Arts Portfolio Wales organisations
- Creative Learning through the Arts
- Strategic - Engagement & Participation
- Strategic - Arts & Health
- Strategic - Enterprise & Regeneration

- Welsh Government capital funding
- Strategic - Venice Biennale of Art
- Memorial awards
- Strategic - Arts
- Strategic - Wales Arts International

## What did our grants support?

	Value of grants		No of grants
<b>Grants to support:</b>			
Theatres & arts centres	£7,003,344	23.93%	16
Theatre production & presentation	£6,657,230	22.74%	8
Opera	£4,857,237	16.60%	3
Visual & applied arts	£1,772,984	6.06%	10
Dance	£1,722,231	5.88%	7
Music	£1,433,125	4.90%	7
Arts & young people	£1,152,741	3.94%	4
Community arts	£1,089,221	3.72%	9
Literature	£742,264	2.54%	1
Circus & carnivals	£194,608	0.66%	1
Disability arts	£165,417	0.57%	1
<i>Creative Learning through the Arts</i>	£1,644,031	5.62%	383
<b>Other grants:</b>			
Strategic awards	£814,291	2.85%	43
	<b>£29,248,724</b>		<b>493</b>



*Gods & Kings*, Paul Whittaker (image: John Campbell)

# National Lottery Policy Directions

The Welsh Ministers, in exercise of the powers conferred by section 26(1) of the National Lottery etc. Act 1993, and having consulted with the Arts Council of Wales pursuant to Section 26(5) of that Act, have issued the following Directions:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.
2. The Arts Council of Wales shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which it distributes money under section 25(1):

## GENERIC

- A the need to ensure that money is distributed under section 25(1) for projects which promote the public good or charitable purposes and which are not intended primarily for public gain;
- B the need to ensure that it considers applications which relate to the complete range of activities falling within section 22(3)(b) and in respect of which it has the power to distribute money, taking into account:
  - i its assessment of the needs of the arts and arts activities and its priorities for the time being for addressing them;
  - ii the need to ensure that all regions of Wales have access to funding;
  - iii the scope for reducing economic and social deprivation at the same time as creating benefits for the arts;
- C the need to further the objectives of sustainable development;
- D the need for money distributed under section 25(1) to be distributed only to projects where they are for a specific, time-limited purpose;
- E the need:
  - i in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;
  - ii where capital funding or setting up costs are sought, for a clear business plan beyond the period of the grant, incorporating provision for associated running and maintenance costs;
  - iii in other cases, for consideration to be given to likely availability of other funding to meet any continuing costs for a reasonable period after completion of the period of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability beyond the period of the grant wherever possible;
- F the desirability of supporting the development of long term financial and managerial viability of organisations in the arts. In taking this into account the Arts Council shall have regard to Direction D;
- G the need to require an element of partnership funding and/or contributions in kind, from other sources, commensurate with the reasonable ability of different kinds of application, or applicants in particular areas to obtain such support;
- H the desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy;

- I the need to ensure that its powers to solicit applications under section 25(2)(A) are used in connection with the pursuit of strategic objectives;
  - J the need to obtain such information as it considers necessary to make decisions on each application, including independent advice when required;
  - K the need to operate within the distinctive policy context in Wales, adding value where appropriate to Welsh Government strategies, to enable the development of opportunities for everyone to flourish within a more successful and sustainable Wales;
  - L the need to promote access to the arts for people from all sections of society;
  - M the need to promote knowledge of, and interest in, the arts by children and young people;
  - N the need to encourage new talent, innovation, and excellence, and to help develop new skills;
  - O the need to support volunteering and encourage volunteering in the arts;
  - P the need to involve the public and local communities in making policies and setting priorities;
- offers, an effective monitoring and overseeing of the performance of grant recipients with regard to those conditions;
- R the need to ensure coherent monitoring, evaluation and reporting systems that support quality service delivery, and to maintain accountability by providing an annual report on the Arts Council of Wales' lottery funding activity to the Welsh Government. This report should include an analysis of grants made, and the distribution of these by size, type, geographical area, and art form.

Dated: 1 October 2012

## SPECIFIC

- Q the need to promote and support throughout Wales the cultural significance of the Welsh language and the bilingual nature of Wales, including giving effect to the principle of equality between the English and Welsh languages. This should include the addition of specific conditions on the Welsh language in grant

# Lottery Distribution - Grants 2018/19

Net of offers not taken up or withdrawn

## Grants to Organisations

### Capital grants

Arad Goch	£133,967
Canolfan Ucheldre Centre	£131,700
Carmarthenshire County Council	£7,500
Cellb	£3,574
Chapter Cardiff Ltd.	£30,000
Cwmni'r Frân Wen (2 awards)	£292,175
Monmouthshire County Council (2 awards)	£220,790
MOSTYN	£45,880
Pontardawe Arts Centre	£39,750
Pontypridd YMCA	£33,620
Rhondda Cynon Tâf County Borough Council	£95,000
Taking Flight Theatre Company	£2,732
Theatr Bara Caws	£59,500
Theatr Brycheiniog	£1,861

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£1,098,049

### Large grants (over £5,000)

4Pi Productions (2 awards)	£45,847
Aberjazz	£12,500
Aberystwyth University	£22,000
Action in Caerau and Ely	£29,500
Age Cymru	£48,370
Arcade Cardiff C.I.C	£30,000
August 012 Limited (2 awards)	£60,000
Awen Cultural Trust	£64,000
Ballet Cymru	£29,900
balletLORENT	£10,904
Be Aware Productions	£54,000
Betsi Cadwaladr University Health Board	£30,000
Beyond the Border Storytelling Festival	£30,000
Bombastic (2 awards)	£73,500
Borough Theatre Abergavenny	£27,500
Brecon Beacons Music Trust	£13,000
Bridgend Town Council	£20,970
Butetown Artists	£29,565
Cardiff Dance Festival	£25,000
Celf O Gwmpas	£26,477
Cellb	£20,300

Chippy Lane Productions	£23,872
Cimera	£45,868
Coleg Cambria	£19,955
Community Music Wales	£29,104
Conwy Arts Trust	£70,000
Cowbridge Music Festival	£30,000
Creu Cymru	£31,280
Cwmni Mega	£60,000
Cwmni Pen Productions Ltd.	£30,000
Cwmni Pluen Company	£30,080
Cwmni'r Frân Wen (2 awards)	£150,000
Dance Blast	£30,000
Dawns i Bawb (2 awards)	£11,192
Denbighshire County Council	£30,000
Dirty Protest	£30,000
Eisteddfod Genedlaethol Cymru	£75,000
Elan Valley Trust	£24,000
Elysium Gallery	£30,000
engage (National Association for Gallery Education) (2 awards)	£60,000
Ensemble Cymru	£66,165
Ffotogallery	£75,000
FIO	£60,000
Fishguard Music Festival	£40,000
Flossy and Boo (2 awards)	£26,134
Flying Bridge Theatre	£30,000
FOCUS Wales	£30,000
g39 (2 awards)	£60,000
Galeri	£30,000
gentle / radical	£30,000
Give It A Name	£60,000
good cop bad cop productions	£28,500
Greenman Festival	£55,000
Gritty Films	£20,000
Gwyl Beaumaris Festival	£5,000
Hay Festival of Literature and the Arts	£60,000
Hijinx Theatre	£78,216
How to Win Against History	£28,900
International Ceramics Festival	£25,000
Invertigo Theatre Company	£12,000
It's My Shout (2 awards)	£58,862
Jukebox Collective	£30,000
Laugharne Literary Festival	£20,000
Likely Story Theatre (2 awards)	£55,362
Living Pictures Productions	£20,750

Llangollen Fringe Festival	£20,000
Llangollen International Musical Eisteddfod	£80,000
Machynlleth Comedy Festival	£14,400
Made In Roath (2 awards)	£53,764
Maynard Abercych	£30,000
Menter Caerdydd	£30,000
Menter Iaith Conwy	£26,020
Merthyr Tydfil Leisure Trust	£25,137
Mess up the Mess Theatre Company	£28,149
Mid Wales Opera	£91,031
MOSTYN (2 awards)	£55,000
Mr and Mrs Clark (2 awards)	£29,046
National Theatre Wales	£15,000
Neontopia	£30,000
North Wales International Music Festival	£39,000
North Wales Jazz Society	£20,000
Notional Theatre	£15,415
Omidaze Productions	£9,950
OPRA Cymru (2 awards)	£127,400
Organised Kaos Youth Circus	£14,999
Oriel Plas Glyn-y-Weddw	£30,000
Papertrail	£28,308
Parama 2	£30,000
Peak	£60,000
PeopleSpeakUp	£29,614
Pontio (2 awards)	£119,697
PowderHouse	£29,957
Powys Dance	£29,170
Presteigne Festival of Music and the Arts	£38,000
Race Council Cymru	£50,000
Ransack Dance Company (2 awards)	£43,172
Re-Live	£24,000
Rhondda Cynon Tâf County Borough Council	£48,250
Rubicon Dance	£25,825
Run Amok Theatre Company	£36,800
Seren Ddu a Mwnci (2 awards)	£38,941
Sesiwn Fawr Dolgellau	£15,000
Sherman Theatre	£29,908
Span Arts	£30,000
St. Davids Cathedral Festival	£20,000
St. David's Hall	£99,216
Swansea City Opera	£70,000
Tabernacl (Bethesda)	£23,210
The Escape Artists North Wales CIC	£16,500

The Other Room (2 awards)	£125,000
The Riverfront - Newport Live	£39,999
The Welsh Chamber Orchestra	£30,000
Theatr Iolo	£30,000
Theatr na nÓg	£85,000
Theatrau Sir Gar	£50,000
Tin Shed Theatre Co	£13,490
trac - Music Traditions Wales	£25,645
Tŷ Cerdd	£30,000
Tŷ Pawb	£115,000
UPROAR	£30,000
Urban Circle Productions	£30,000
Urdd Gobaith Cymru	£30,000
Vale of Glamorgan Festival	£70,000
Venue Cymru	£82,000
Vertical Dance Kate Lawrence	£21,690
Volcano Theatre Company	£12,703
Voluntary Arts Network	£29,169
Wales Millennium Centre (2 awards)	£40,000
We Made This	£57,000
Yeah Yeah Theatre	£16,450
Ystradgynlais Miners' Welfare and Community Hall	£30,000

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£5,231,598

### Small grants (up to £5,000)

4Pi Productions	£4,125
ABC of Opera	£4,800
Bale and Thomas	£4,840
Bangor New Music Festival Society	£5,000
Big Loop Theatre Company	£4,835
Brecon Jazz Club	£5,000
CAN YOU CIC IT?	£5,000
Cardiff Deaf Centre	£4,300
Ceredigion Museum	£5,000
Change Wrexham For Our Future	£5,000
Chippy Lane Productions	£3,596
Company of Sirens	£4,800
Criw Brwd	£4,000
Cwmni Theatr OMB	£5,000
Cyffwrdd Celf	£4,860
De Oscuro	£5,000
Everything At Once	£5,000

FIO	£5,000
Fishguard Folk Festival	£5,000
Golden Fable	£5,000
Grassroots Cardiff	£5,000
GS Artists Swansea	£5,000
Gŵledd Conwy Feast	£4,380
Gŵyl Cefni	£4,900
Gwyl Gitâr Caerdydd   Cardiff Guitar Festival	£5,000
Gwyn Emberton Dance (2 awards)	£7,996
HMS Morris	£4,900
Iris Prize Outreach Project	£5,000
Light Ladd & Emberton	£5,000
Lighthouse Theatre (2 awards)	£10,000
Loud Crowd	£4,786
Maindee Festival Association	£4,250
Makers Guild in Wales	£5,000
Melville Centre for the Arts	£3,893
Menter Iaith Bro Morgannwg	£5,000
Mercator International	£5,000
Mr and Mrs Clark	£5,000
Oriel Myrddin Trust	£5,000
PeopleSpeakUp	£5,000
Pontio	£5,000
PowderHouse	£5,000
Ransack Dance Company (2 awards)	£9,993
Rhondda Cynon Tâf County Borough Council	£5,000
Ruthin Craft Centre	£15,000
Small World Theatre	£4,575
SpringOut	£5,000
Stephens and George Charitable Trust	£5,000
Taliesin Arts Centre	£5,000
The Boat Studio	£4,968
The Forget-me-Not Chorus Cardiff	£4,223
The Gate Arts and Community Centre	£3,850
Tredeggar House Folk Festival Society	£5,000
UPROAR	£5,000
Wales Arts Review	£11,855
Yeah Yeah Theatre	£5,000
Youth Arts Network Cymru	£5,000

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£299,725

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## Training grants

ABMU Arts in Health Board	£29,830
Art Shell	£10,750
Articulture	£50,000
Arts Active Trust	£30,000
Ballet Cymru	£59,200
Community Music Wales	£24,267
Creu Cymru	£45,300
FOCUS Wales	£4,256
Groundwork Pro	£30,000
Music in Hospitals & Care Cymru	£4,536
NoFit State Community Circus	£29,639
OPRA Cymru	£18,500
Taking Flight Theatre Company	£15,800
trac - Music Traditions Wales	£23,736
Vertical Dance Kate Lawrence	£4,669
	<hr/>
	£380,483

## Strategic grants

Aberystwyth Arts Centre	£4,875
Arad Goch	£14,000
Ballet Nimba	£83,500
Glynn Vivian Art Gallery	£11,242
Mercator International	£95,000
Mission Gallery	£15,300
MOSTYN	£4,000
Theatr Genedlaethol Cymru	£7,500
Torch Theatre	£18,572
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	£253,989

## International Opportunities Fund

4Pi Productions	£2,500
Celtic Neighbours	£2,810
Familia de la Noche	£5,000
Gwyn Emberton Dance	£3,550
Invertigo Theatre Company	£4,433
MAP - Makers and Practitioners	£865
Menter Y Felin Uchaf	£5,000
Mercator International	£3,654
Papertrail	£4,995
Sherman Theatre	£4,395
Site Sit	£3,000
tactileBOSCH Projects	£3,700
Taking Flight Theatre Company	£5,000
Tŷ Cerdd	£1,610
University of Wales Trinity Saint David	£2,515
Volcano Theatre Company	£4,366
Wales PEN Cymru	£1,310
	<hr/>
	£58,703

## Arts Portfolio Wales

National Youth Arts Wales	£350,000
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	£350,000

## Creative Wales Ambassadors

Butetown Artists	£25,000
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	£25,000

## Creative Learning through the Arts Programme

Arts Council of Wales (General Activities)	£1,080,000
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	£1,080,000

<b>TOTAL GRANTS TO ORGANISATIONS</b>	<b>£8,777,547</b>
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## Grants to Individuals

### Small grants (up to £5,000)

Adams, Rosalind	£1,800
Allen, Connor	£3,000
Aspland, Lee	£5,000
Back, Stephanie	£2,500
Bailey, Clare	£5,000
Barnes, Emrys	£3,000
Bolton, Andrew	£2,940
Bonner, Elen	£1,500
Bottomley, Claire	£402
Bowman, Robert	£3,000
Brett, Jessie	£5,000
Brooks, Rosalind Haf	£2,848
Cardew, Thomas (2 awards)	£8,000
Carter, Alison	£2,600
Ceidiog Hughes, Gethin	£2,000
Chambers, Gareth (2 awards)	£3,179
Cheater, Phillip	£2,500
Cliffe, Justin	£3,000
Collier, Rachel	£5,000
Cousins, Ruth	£5,000
Davies, Llyr Erddyn	£2,700
Davies, Rhiannon	£1,344
Davies, Seiriol	£3,000
Dolma, Melangell	£5,000

Duncan, Alastair	£3,000
Dunne, Liam	£2,800
Edmunds, Laura	£4,961
Elliott, Myles	£3,000
Evans, Jane	£2,900
Evans, Tracy	£3,000
Fagan, Toby	£1,276
Fokkens, Robert	£2,188
Gawne, Stephanie	£3,000
Gillard, Chelsey	£2,990
Hammett, Rebecca	£1,550
Hayes, Maria	£1,436
Heckler, Lauren	£2,990
Hinkin, Melissa	£606
Hobson, Louise (2 awards)	£4,200
Howells, Simon	£3,000
Huball, Kristoffer Calan	£3,000
Hulme, Jenny	£3,000
Hurlstone, Ian Nigel	£3,000
Hutton, Julie	£3,600
James, Dafydd	£2,950
James, Richard	£3,000
James, Verity	£3,000
Jones, Madeleine	£3,000
Jones, Pete	£5,000
Jones, Richard	£3,000
Kavanagh, Katharine	£1,337
King, Susan	£4,800
Lea, Teleri	£2,980
Lewis, Anna	£1,823
Linnell, Jeremy	£3,000
Lopez-Norton, Mathilde	£3,000
Marshall-Waters, Siôn	£3,000
Martin Kamosi Moaso Djogi, Eric	£2,904
Moore Williams, Sera	£3,000
Moore, James	£3,095
Morgan, Rhian (2 awards)	£4,309
Munton, Joannah	£3,000
Mutigli, Cinzia	£982
Nash, Gareth	£2,700
Page, Bethan	£1,485
Palser, Marega	£5,000
Perrett, Jack	£4,000
Perry, Samuel	£4,397

Phillips, Kristian	£3,000
Poland, Sarah	£3,000
Powlesland, Beth	£2,803
Ramus, Natalie	£980
Roberts, Siôn Eifion	£2,765
Roberts, William	£4,750
Rovaretti, Dino	£3,000
Schneidermann, Clémentine	£3,000
Shaw, Eleanor	£1,205
Shiers, Owen	£5,000
Sidebotham, Abigail	£1,780
Taylor, Suzanna	£4,324
Teakle, Deborah	£1,323
Tucker, Louise	£4,050
Turner, Ellen	£1,968
Whitfield, Alan	£2,760
Wright, Anthony	£2,900

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£258,180

#### Large grants (over £5,000)

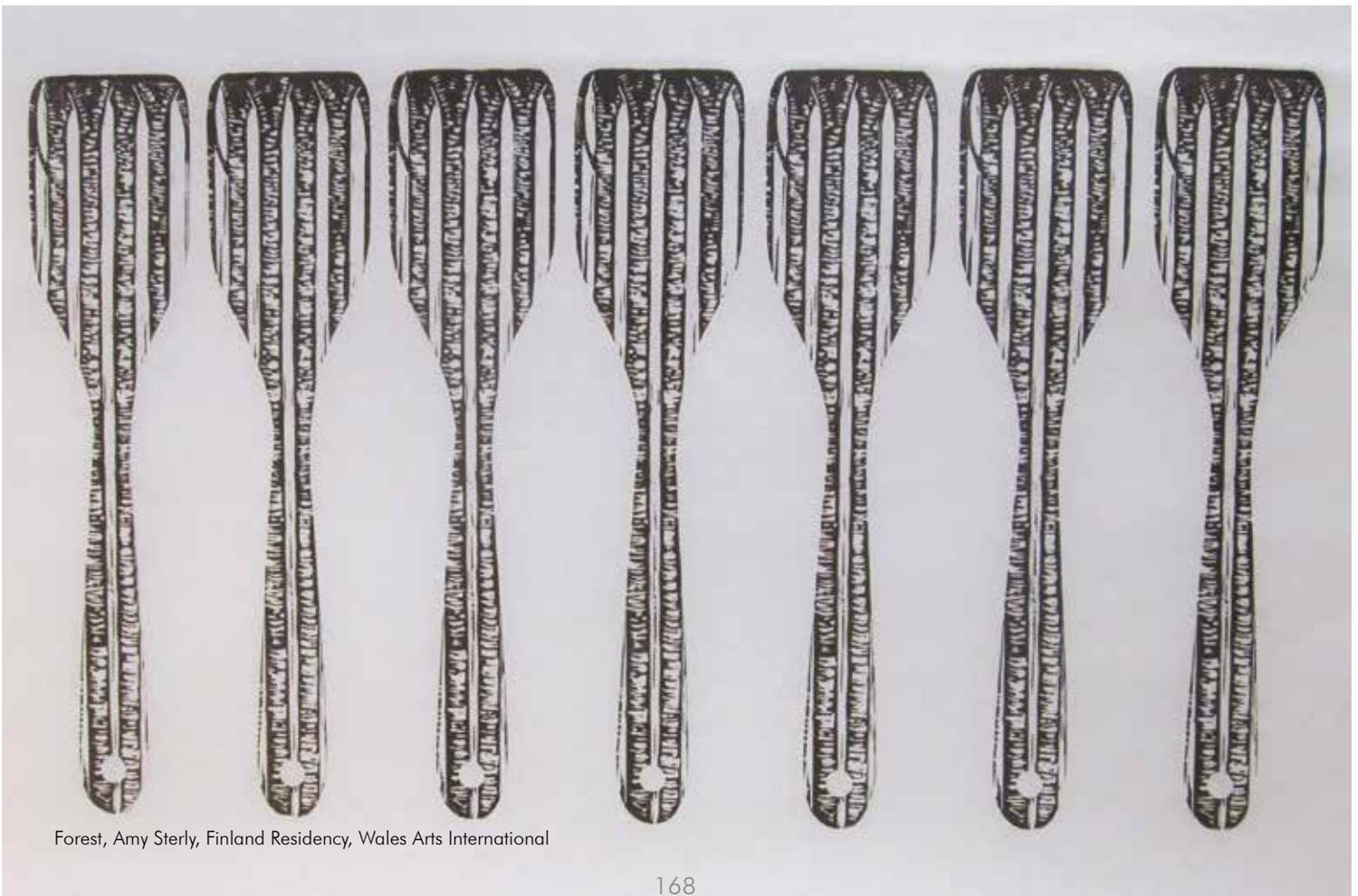
Acaron, Thania	£14,961
Bird-Jones, Christine	£25,000
Bowes, Zillah	£16,750
Chapple, Carl	£17,200
Charles, Eric Ngalle	£24,524
Daws, Martin	£5,422
Dooley, Freya	£22,516
Eastwood, Paul	£14,988
Evans, Carys Eleri	£30,000
Fong, Joanne (2 awards)	£28,273
Griffith, Gareth	£18,700
Jenkins, Ailsa	£23,431
Johnson-Soliz, Cecile	£25,000
Philp, Jack	£14,713
Sinden, David	£18,487
Thomas, Laura	£20,000
Thomas, Matthew	£15,000
Wearing, Paul	£25,000
Whittaker, Paul (2 awards)	£29,500
Williams, Ali	£23,250
Williams, Tomos	£25,000

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£437,715

## Advanced Study in Music awards

Allmand, Bethan	£4,000
Davies, Megan	£3,500
Duggan, Callum	£4,000
Gilford, Sarah	£5,000
Gittins, Carys	£2,000
Greenwood, Peter	£5,000
Hughes, Georgiana	£1,000
Huws, Alis	£5,000
Jones, Joshua	£1,500
Jones, Osian Meilir	£2,000
Lewis, Gethin	£2,000
Parri, Enlli	£2,000
Valentine, Kieron-Connor	£4,000
Williamson, Luciano	£5,000
Ynyr, Huw	£4,000
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	£50,000



Forest, Amy Sterly, Finland Residency, Wales Arts International

## International Opportunities Fund

Argent, Sarah	£5,000
Barnes, Emrys	£4,645
Bettridge, Dan	£1,592
Brookes, Michael	£5,000
Charles, Eric Ngalle	£4,835
Davies, Janet Ruth	£1,900
Davies, Nia	£2,190
Easterby, Jonathan	£1,980
Edmunds, Laura	£1,698
Evans, Lisa	£1,706
Fowler, Dylan	£1,452
Gilhespy, Tom	£750
Gray, Ashley	£4,841
Grove-White, Helen	£438
James, Ellen	£2,500
Jensen, Denni	£2,000
Jones, Rhian Haf	£5,000
Lesdema, Eric	£1,850
Lewis, Anna	£2,087
Lewis, Peter	£2,500
Magama, Bevington	£1,789
McGregor, Huw	£667
Mills, Christine	£3,204
Norton, John	£4,785
O'Neill, Rowan	£2,400
Parnell, Heather	£4,000
Powlesland, Beth	£2,867
Rees, Marc	£2,500
Rees, Sara	£1,488
Roberts, Stephanie	£3,464
Skoulding, Zoe	£1,050
Smith, Andrew	£1,104
Sterly, Amy	£508
Taylor, Jennifer	£3,210
Trimble, Rhys	£1,031
Williams, Tomos	£3,198
Wright, Joanna	£853
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	£92,082

## Creative Steps awards

FIO	£50,000
G-Expressions	£5,000
Sound Progression	£4,950
Taking Flight Theatre Company (2 awards)	£51,500

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£111,450

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Total Grants to Individuals

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£949,427

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## TOTAL GRANTS OFFERED

net of offers not taken up or withdrawn

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£9,726,974

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## Grants administered by Ffilm Cymru Wales

### Development

Altered Image	£20,000
Artemisisa Films	£15,000
Awen Media Ltd	£15,000
Beyond Fiction	£17,000
Bonafide Films	£13,688
Bright Star Films	£7,450
Camelot Films	£15,000
Cwmni Da	£6,000
Dear Heart Productions	£15,000
Eaton Productions	£15,000
Faber Productions and Living Doll Ltd	£10,000
Frames of Reference Films	£15,000
Heart of Darkness	£10,000
Little door Productions	£14,000
Rosetta Productions	£11,500
Sarah Brocklehurst Productions	£7,200
The Kosse Company	£24,999

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£231,837

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### Production

Back Flip Media	£95,000
Bright Star Films	£100,000
Flicker Book Features Ltd	£10,000
Mad as Birds	£200,000
Perfect Motion - Rob Alexander (2 awards)	£123,000
Piece of Cardboard Productions (2 awards)	£64,999
Rare Beasts Ltd	£49,999
Raw Ltd	£200,000

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£842,998

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## Education

CISP Multimedia	£7,000
Festivals Company	£9,144
Galeri Caernarfon	£6,005
Teachers Focus Group	£1,000
Theatre Gwaun	£6,765
Wales One World Film Festival Ltd	£7,900
Welsh Joint Education Committee (2 awards)	£20,000
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	£57,814

## Flexible Education

Chapter Arts Centre	£305
Hijinx Academy	£925
Into Film	£3,500
Jim Barret/Tom Barrance/NDC	£1,250
NTW External Education Practitioners	£5,000
Tony Forster	£50
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	£11,030

## Exhibition Cinema Funding

Aberystwyth Arts Centre (2 awards)	£26,000
Animation Ltd	£3,530
Bulldozer Films	£2,500
Cardiff community Housing Association	£7,000
CellB Creative	£4,000
Clwyd Theatr Cymru	£14,500
Cymmer Community Library	£4,656
Focus Wales	£2,250
Galeri Caernarfon	£9,770
Gentle/Radical Film Club	£7,286
Memo Arts Centre	£7,573
Neuadd Ogwen	£7,000
Pontardawe Arts Centre	£6,500
Pontio	£10,000
Race Council Wales	£2,500
Taliesin Arts Centre	£8,000
The Festivals Company Ltd	£12,500
The Welfare Ystradgynlais	£2,685
Theatre Gwaun	£5,000
Wales One World Film Festival Ltd	£11,000
Wicked Wales	£14,750

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£169,000

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## TOTAL GRANTS FROM FFILM CYMRU WALES

net of offers not taken up or withdrawn

£1,312,678

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## Grants administered by BBC Cymru Wales

### Horizons: Launchpad Fund

Accu	£2,000
Aleighcia Scott	£2,000
Bandicoot	£350
Chembomusic	£875
Christian Punter	£1,500
chrles	£1,000
CHROMA	£1,800
Daniel Soley	£260
Darren Eedens & the Slim Pickin's	£1,000

EADYTH	£650
Ennio the Little Brother	£685
Eve Goodman	£750
GRAVVES	£600
Gwilym Bowen Rhys	£1,700
HANA2K	£2,000
I SEE RIVERS	£2,000
Jack Perrett	£500
Jessy Allen	£1,000
Kidsmoke	£1,870
Los Blancos	£1,200
Marged	£1,970
Mellt (Radio Cymru)	£1,700
Moletrap	£1,000
NoGood Boyo	£1,800
Rebecca Hurn	£1,000
Silent Forum	£1,000
The Pitchforks	£1,800
VOYA	£1,000

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£35,010

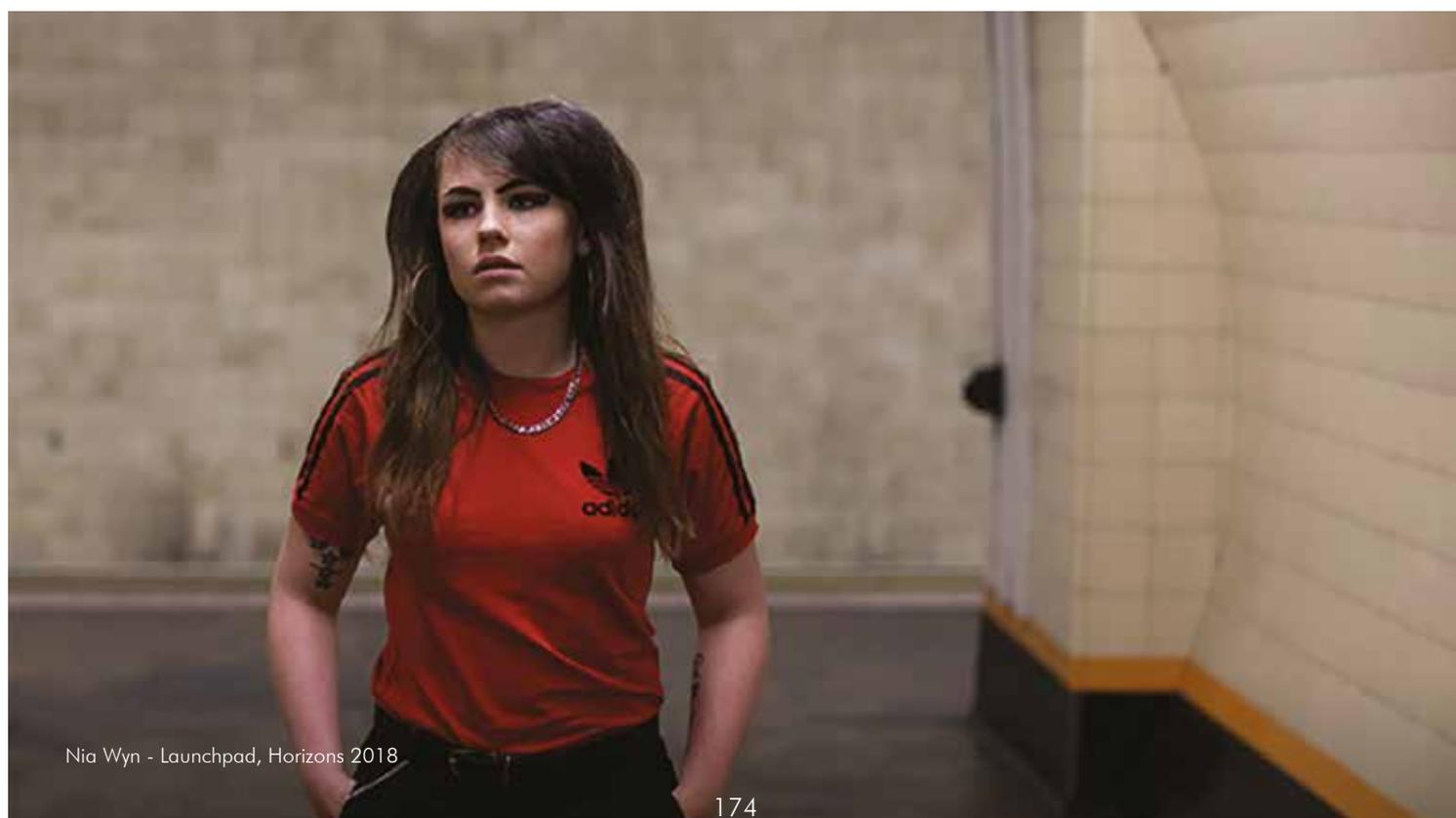
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**TOTAL GRANTS FROM BBC CYMRU WALES**  
net of offers not taken up or withdrawn

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£35,010

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Nia Wyn - Launchpad, Horizons 2018

## Grants administered by Literature Wales

### Writers' Bursaries

Barnett-Phillips, Janine	£3,000
Corbett, Lucy	£3,000
Darcy, Ailbhe	£3,000
Doyle, Jon	£3,000
Evans, Chris Tally	£888
Evans, Jennifer	£3,000
George, J L	£3,000
Griffiths, Jay	£3,000
Hooson, Rhiannon	£3,000
Jones, Philip	£3,000
Lewis, Llŷr Gwyn	£3,000
Lewis, yfan	£3,000
Mac, Mei	£3,000
Maddocks, Llio Elain	£3,000
Markham, Lloyd	£3,000
Potter, Clare E.	£3,000
Roberts, Sara Hawys	£1,000
Sarwar-Skuse, Nasia	£3,000
Thomas, Jo	£3,000
Tudur, Marged	£3,000
Vanderploeg, Emily	£3,000
Williams, Dr Georgia Carys	£3,000

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£61,888

### Other support to writers

375 awards	£14,781
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£14,781

### TOTAL GRANTS FROM LITERATURE WALES

net of offers not taken up or withdrawn

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£76,669

## Grants administered by Tŷ Cerdd

### New music commissions

Cardiff Philharmonic Choir	£500
Cascade Dance Theatre	£2,000
Conwy Arts Trust	£550
Cywair	£1,000
Fishguard International Festival	£400
Llandudno Jazz Festival	£1,000
NAWR	£1,000
North Wales International Music Festival (2 awards)	£2,500
Taking Flight Theatre Company	£2,000
The Republic of the Imagination	£1,800
UPROAR	£2,000
	£14,750

### Youth funding

Bangor Music fesitval	£2,000
Brecon Beacons Music Trust	£2,000
Burry Port Town Band	£800
Cardiff University Operatic Society	£1,050
Conwy Arts Trust	£1,750
Fishguard International Music Festival	£1,080
Gower Festival Society	£940
Ifton Colliery Band (Iftonites)	£1,585
Live Music Now	£1,000
Llandeilo Fawr Festival of Music	£1,750
North Wales International Music Festival	£1,000
Operasonic	£1,800
South Powys Youth Music	£2,000
St Kentigern Hospice	£500
Swansea Philharmonic	£500
Vale of Glamorgan Festival	£1,500
Wales Millennium Centre (RawFfest)	£2,000
Young Music Makers of Dyfed	£2,000
	£25,255

## Programming Welsh music

Bangor Music Festival	£1,000
Ensemble Eos Wales Cymru	£900
Gregynog Festival	£900
Gwyl Beaumaris Festival	£900
Lighthouse Theatre	£1,000
Llandaff Cathedral Choral Society	£500
North Wales International Music Festival	£500
Philomusical of Aberystwyth	£1,000
Presteigne Festival	£800
Sound Affairs	£1,000
UPROAR	£800
Vale of Glamorgan Festival	£1,000
Welsh Proms Cymru	£750
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	£11,050

## Music in Communities

Aberystwyth Silver Band	£500
Barry Male Voice Choir	£500
Beaumaris Band	£500
Blackwood Musical Theatre	£300
Brynmawr Musical Theatre Company	£500
Canton Chorus	£500
Cantorion Menai	£400
Cor Bro Ogwr	£500
Cor Persain	£300
Cor Teifi	£400
Cymdeithas Eisteddfodau Cymru	£400
Hand in Hand Cardiff	£400
Mid Glamorgan Mixed Choir	£500
Montgomery County Music Festival	£500
Newport Philharmonic Choir	£400
Pontarddulais Town Band	£400
Tabernacl Music Society	£400
Urdd Gobaith Wrexham	£500
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	£7,900

## Composer in Residence

Cardiff Guitar Festival	£1,670
Cavatina Singers	£1,000
Codi'r To - Sistema Cymru	£1,875
Cwmni Theatr Arad Goch	£2,000
International Choral Festival Wales	£1,000
Khamira	£1,500
Lighthouse Theatre	£2,000
Pontarddulais Town Band	£1,250
St Fagans	£1,000
Vale of Glamorgan Festival	£2,000
Young Music Makers of Dyfed	£1,750

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£17,045

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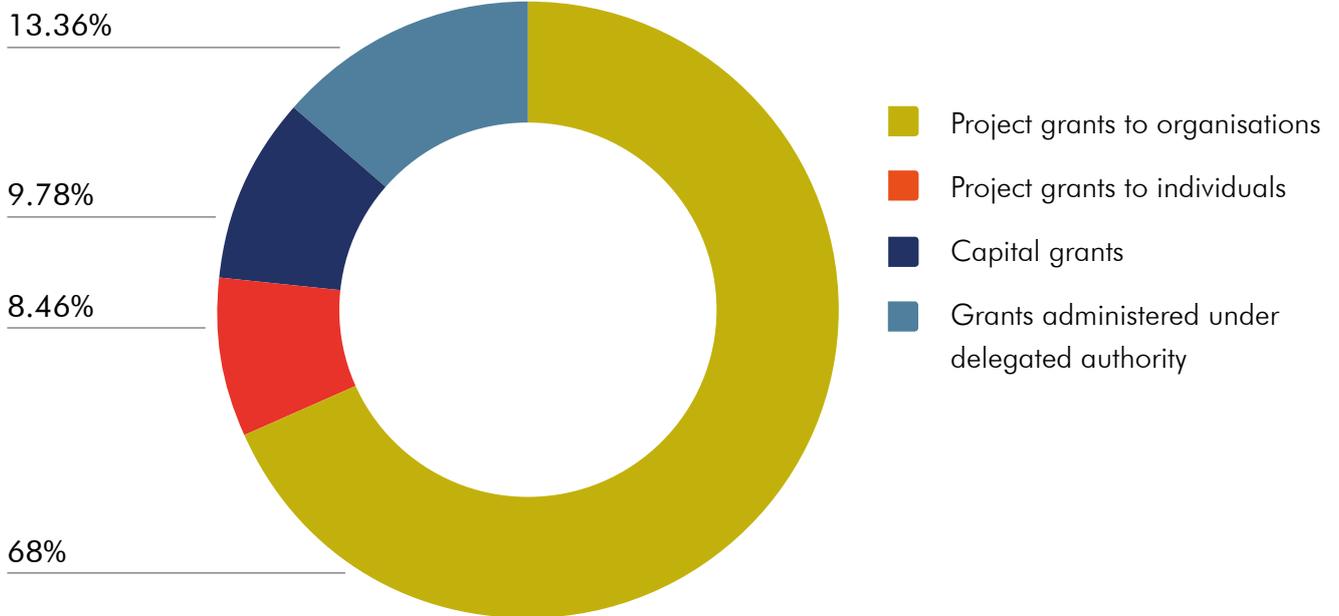
TOTAL GRANTS FROM TŶ CERDD  
net of offers not taken up or withdrawn

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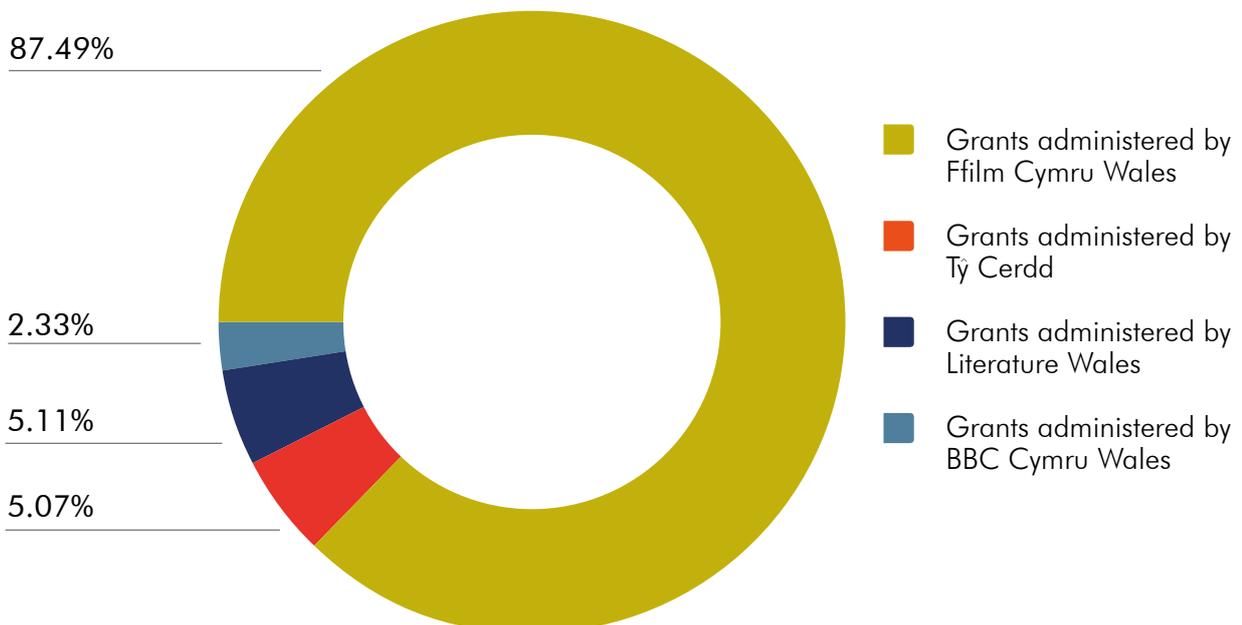
£76,000

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## Grants by type



## Delegated Authority Grants





Cyngor Celfyddydau Cymru  
Arts Council of Wales

[www.arts.wales](http://www.arts.wales)