



Cyngor Celfyddydau Cymru
Arts Council of Wales

General Activities & Lottery Distribution

Report and Financial Statements
for the year ended 31 March 2017



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

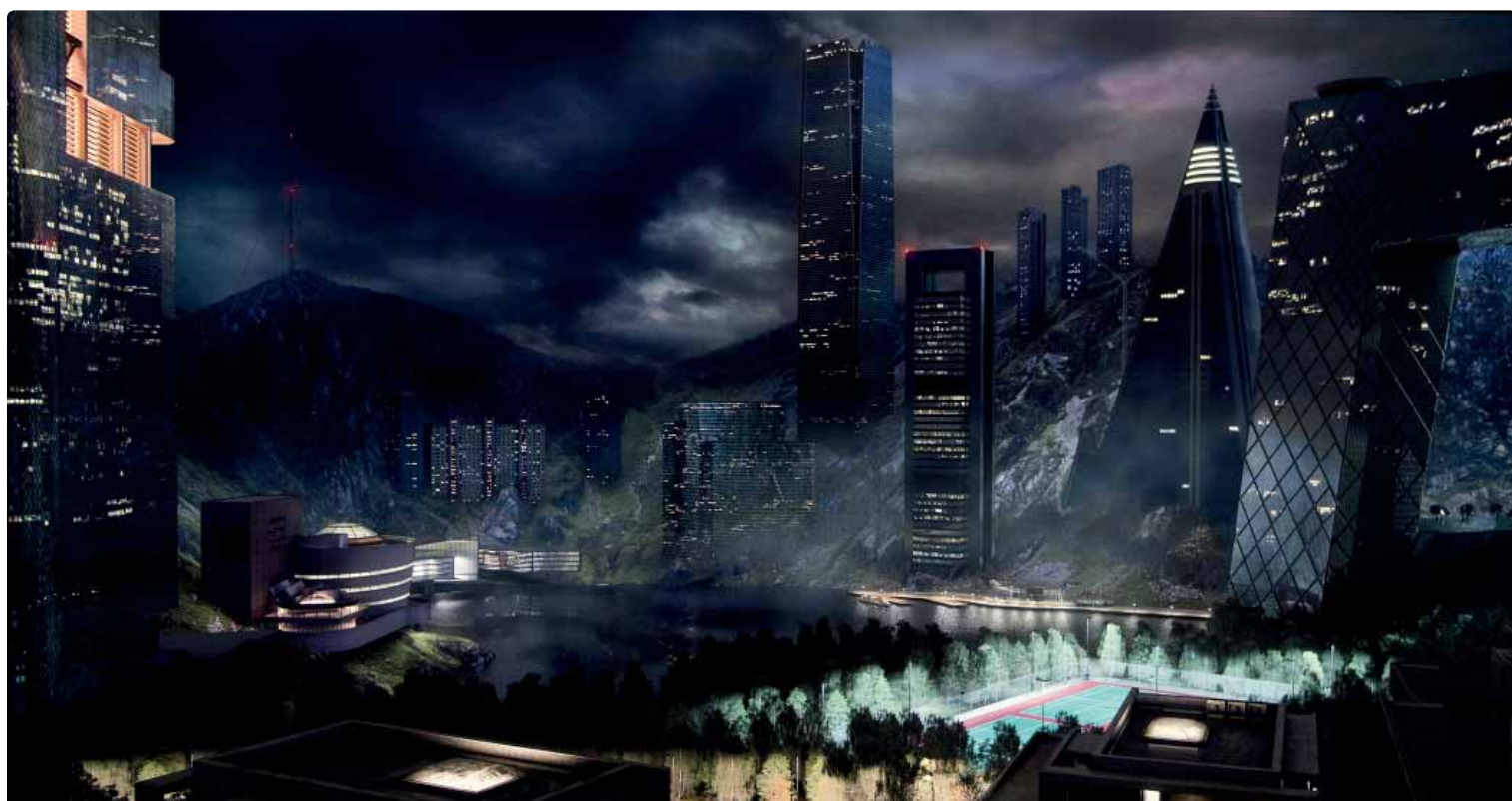


Yn dyfarnu arian / Awarding funds from
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Charity number 1034245

In this report . . .

What we do...	2
Chair's statement	3
Performance Report and Operational Review	5
Chief Executive's statement	6
Our priorities	8
Public benefit	11
Our performance overall	12
Performance highlights against key objectives	14
Building resilience	19
Principal risks and uncertainties	20
Financial and business review	26
Equalities	33
Welsh language	34
Issues of well-being and sustainability	36
The year ahead	40



Accountability Report	44
Corporate Governance	45
Our Trustees	45
Accounting Officer's confirmations	50
Governance statement	51
Remuneration and Staff Report	64
Parliamentary Accountability and Audit report	74
Financial Statements	75
General Activities	75
Lottery Distribution	112
Annexes (not forming part of the financial statements)	133
Grants awarded – General Activities	134
National Lottery policy directions	149
Grants awarded – Lottery Distribution	151



Arts Council of Wales is committed to making information available in large print, braille, audio and British Sign Language and will endeavour to provide information in languages other than Welsh or English on request.

Arts Council of Wales operates an equal opportunities policy.

What we do...

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

Every day, people across Wales are enjoying and taking part in the arts in Wales. We help to support and grow this activity. We do this by using the public funds that are made available to us by the Welsh Government and by distributing the proceeds 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.



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

www.arts.wales

Roald Dahl's Little Red Riding Hood, Ballet Cymru
(image: Sian Trenberth Photography)

Chair's statement



Enabling the arts to thrive, not merely to survive

As I reflect on my first year as Arts Council of Wales Chair, I feel enormously excited by the evidence I've found of a nation alive with creative energy.

I've made it my business this past year to travel widely across Wales, seeing work, meeting artists, talking to the partners who work so hard with us to keep the arts alive. The dynamism, imagination and sheer energy that I've witnessed – in many different places – has been as humbling as it has been inspiring.

We're well used to the excellence of our national companies, routinely performing with distinction at home and across the world. And no-one who was there will forget the sight of 200,000 people flooding Cardiff city centre for the extraordinary Roald Dahl celebration promoted by Wales Millennium Centre and National Theatre Wales. But I've also been hugely moved by the work of those achieving equally outstanding outcomes in more local settings.

From Ucheldre in Holyhead to Valleys Kids and Head for Arts in the South Wales Valleys, Wales has an impressive network of organisations embedded in their local communities demonstrating day in, day out just how important the arts are to people's well-being and quality of life.

This has also been evident in our place-based community regeneration programme *Ideas: People: Places*. From Swansea High Street to Caernarfon Quay, I've seen how exceptionally skilled artists are helping local communities to find their voice and contribute to the key projects that are improving the places in which they live and work.

Identifying and nurturing talent is part of the Arts Council's creative DNA. So it's been a particular pleasure to see the impact of our educational partnership with the Welsh Government, *Creative Learning through the Arts*. Creative skills are key. They will permeate all areas of business activity in the future – the successful economies in the years to come will be those that can capitalise on their creative potential, enabling social inclusion and putting people and skills – 'human capital' – at their core. In today's society this is as critical as any other economic resource.

Creative Learning is ensuring that creative practice and techniques illuminate and support all aspects of the school curriculum, raising standards of attainment and learning. We're seeing some extraordinary effects, with the programme present in more than 500 schools across Wales over the three years to date.

Developing the creative skills of our young people is a natural priority. But our mission to make the arts central to people's lives extends further. Given the impact that the arts can have, it's essential that they're able to be enjoyed by the widest possible cross-section of the Welsh public.

Working with Council this year, I've been determined that we must do more to reach those communities who have yet to benefit from the activities that we support. Talent is everywhere, opportunity is not. This must change.

There have also been changes to the Arts Council itself. In the face of continuing pressure on public funds, it's important that as much money as possible goes directly to the arts. Over recent years we've cut our costs and reduced staff numbers by around 25%. It's been a challenging process for our hard-working and committed staff, but it's been the right thing to do.

Finally, I must thank my excellent Council colleagues who give so generously of their time and expertise. At the end of the year we saw the retirement of two stalwart members of Council – our Vice Chair, Kate Woodward, and Margaret Jervis. They have brought wisdom, experience and insight to our work. They leave a Council that is immeasurably better for the contribution that they've made.



Phil George
Chair

82.9%

of children in Wales attended
the arts at least once a year
or more often

Source: Children's Omnibus Survey 2016

Performance Report and Operational Review



Roald Dahl's City of the Unexpected at Cardiff Castle
National Theatre Wales and Wales Millennium Centre
(Image: Geoff Craddick)

Chief Executive's statement



Taking action to make the arts stronger

Much of our work is about creating a supportive environment in which artists and arts organisations can prosper. We believe passionately that the arts improve our well-being and quality of life, and we're determined that these benefits should be available to everyone in Wales. This is our arts development mission. But it's a mission that comes under stress when resources tighten.

From 2000, there was more than a decade of sustained public and Lottery investment in our cultural life. However, the five years of funding cuts that followed have meant that the value of the growth in Welsh Government funding in the 1990s and 2000s has been eroded. Combined grant-in-aid and National Lottery funding is worth less today than it was 21 years ago.

If the arts in Wales are not only to survive but to thrive, they'll need strong, entrepreneurial leadership. So we're working with artists and organisations to enable them to be imaginative and innovative, squeezing the maximum benefit possible from the public investment that they receive.

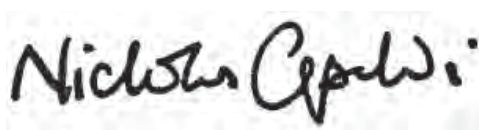
This is why we launched during the year our new *Resilience* programme providing targeted support to some of Wales' most important arts organisations.

A resilient organisation is embedded within the community that it serves, and it adopts a business model that can withstand change, whether planned or unexpected. A resilient organisation is one that has the skill, capacity and drive to endure in the longer term.

These organisational characteristics apply as much to the Arts Council as to those who we fund. It's very important that we demonstrate that we're subject to the same disciplines as organisations across the public sector. So during 2016/17 we undertook a comprehensive review of our costs and staffing, reducing both so that we could invest more funding directly into the arts.

The pressure on public funds continues unabated. In this report you'll find out how we've responded to this challenge during 2016/17. We explain what we've done and set out some of our successes. But we also identify where we've fallen short, in a small number of areas, of the targets we had hoped to achieve.

Most importantly, we highlight some of the exceptional activity that people across Wales have been able to enjoy over the year. At their best – and it's the best we strive to encourage – the arts excite, inspire and entertain. Making the arts stronger, and ensuring that they touch people's lives across Wales – these are the goals that drive our work.



Nick Capaldi
Chief Executive



Betsan Llwyd performing '*Croesi Traeth*' by Dawns i Bawb
Photo supplied by National Dance Company Wales

Our Priorities

Our priorities are described through our 8 corporate objectives

The Welsh Government is the largest sponsor of the Arts Council's activities. Our strategy therefore reflects the broader vision and ambition of the Government.

Make

- 1 Creating the environment for the arts to flourish
- 2 Increasing the value of international working in the arts – culturally, socially and economically

Reach

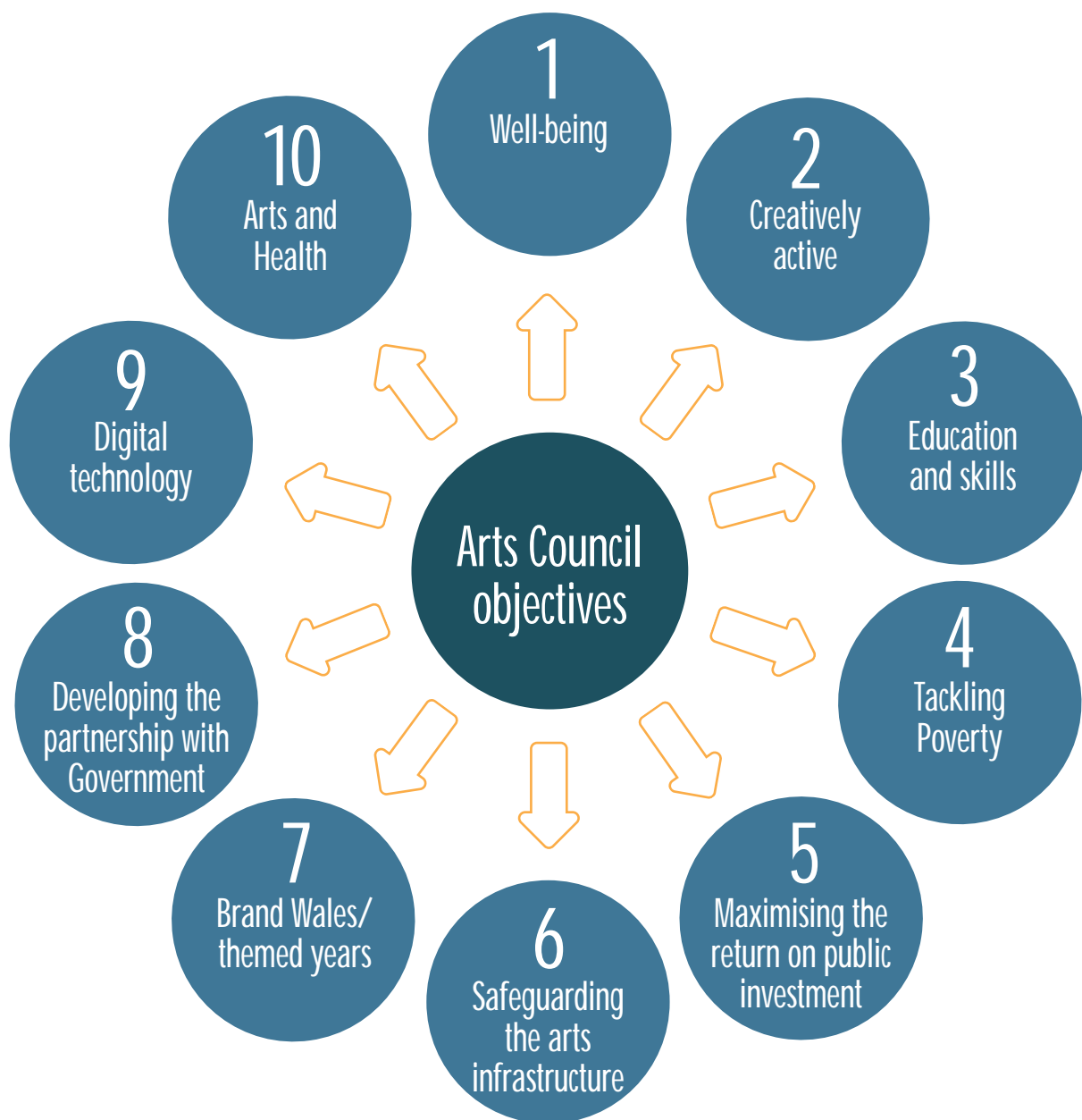
- 3 Finding new opportunities, ways and places for people to enjoy and take part in the arts
- 4 Developing the creativity of children and young people


Sustain

- 5 Encouraging innovation, resilience and sustainability
- 6 Protecting and growing the economic base for the arts in Wales
- 7 Demonstrating the value of the arts
- 8 Making the Arts Council an efficient and effective public body

The Welsh Government's expectations of us are set out in an annual Remit Letter. The Remit Letter describes the priorities of the Welsh Government. These are delivered through Council's corporate objectives.

Our Remit Letter for 2016/17 set out ten areas of priority.





Making the arts central
to the life and well-being
of the people of Wales.

Arts Council of Wales' mission statement

Tre Cwm, CALL Llandudno, *Ideas: People: Places*. Artist Owen Griffiths.

Public benefit

Our mission statement ensures that public benefit occupies a prominent place in all aspects of our work. It is strengthened by our commitment to the Welsh Government's Well-being of Future Generations legislation and, in setting our objectives and planning our activities, our Council members have given serious consideration to the Charity Commission's general guidance on public benefit.

About the Arts Council of Wales

The Arts Council of Wales – Cyngor Celfyddydau Cymru – was established by Royal Charter on 30 March 1994, and exists to support and develop the arts in Wales. It does so for the benefit of people throughout Wales, and to support Welsh art 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](#).

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 increases the choice of activity that can be enjoyed and experienced in Wales
- it reduces the costs of the arts to audiences and participants
- it encourages innovation and risk-taking, raising the quality of the arts made and promoted in Wales

Public funding also helps to address market failure – 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 the arts.

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

1,367

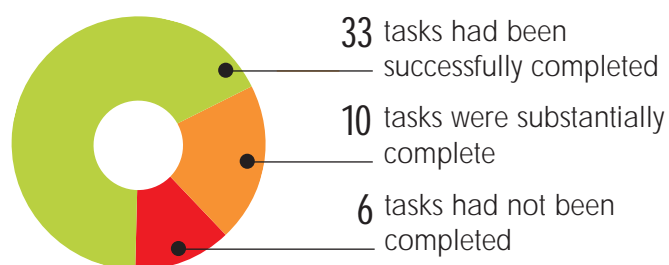
Number of funding applications
processed by Arts Council of Wales
during 2016/17

Our performance overall

A year of strong performance against our corporate objectives

Our Operational Plan for 2016/17 contained 49 corporate tasks, each with its own targets. Progress is monitored throughout the year through quarterly progress reports that are presented to Council.

Overall, Council welcomed the fact that the majority of our tasks in 2016/17 were successfully completed. At the end of the year:



Where targets were not completed, the reason in most cases was a difference in timing between the year end and completion of the target. The outcome was not, therefore, material. However, Council has noted in previous reports that year-on-year reductions in staffing might impact on our capacity to deliver Council's agreed programme of activity. There was evidence during 2016/17 that resource pressures were beginning to affect some aspects of our performance.

Council notes that we did not achieve our targets in 6 areas. These were:

- **increasing the diversity of those participating in our Lottery-funded projects** – anecdotal evidence and informal assessment suggests that we are having some successes in broadening the range of people taking part in Lottery funded activity. We have not, however, been able to undertake sufficiently detailed research to establish baseline data. Long term illness within our Research team has meant that we have been unable to progress this piece of work and we will return to this in 2017/18
- **data on participation and engagement of people from groups with "protected characteristics"** – we set ambitious targets in our action plans (Equalities, Welsh Language and Sustainability). Although we met the majority of targets, we did not see the increased engagement of people from 'protected characteristic' groups that we had hoped. The fact that we could not evidence a more complete picture of achievement led Council to conclude that progress overall had not been satisfactory. Addressing this will be a priority during 2017/18
- **Momentum** – a further round of the Momentum programme, our arts training programme targeted on NEETS, was dependent on identifying match funding for a European funding bid. Funding priorities elsewhere meant that we were not able to progress this
- **European funding for trans national projects** – we were unsuccessful in two bids for European funding. We're re-appraising our approach for 2017/18

- **our recruitment of National Advisers** – our volunteer advisers help us to see, assess and report on the arts across Wales. In spite of several recruitment campaigns we have struggled to find appropriately qualified individuals in all parts of Wales (especially those who are Welsh speaking). Recruitment continues in 2017/18
- **efforts to reduce levels of staff absence and sickness** – Council is committed to reducing levels of staff sickness and absence. Council was therefore disappointed to see the level of sickness and absence at 798 days (3.67% of working days). This is an increase of 1.06% on the previous year's figures, although 1.84% related to long term absence. Renewed effort will be made in 2017/18 to manage absence and to support staff well-being

We exceeded expectations in a number of areas:

- the **Creative Learning through the Arts Programme** is now firmly established. We're ahead of plan with nearly a third of Wales' schools now taking part in the programme
- we have been able to do more to **encourage families to enjoy and take part in the arts** – our Family Arts Campaign exceeded its target for family-friendly events
- we have made it easier **for disabled people across Wales to attend the arts** – our *Hynt* Disability Ticketing scheme has grown significantly since its launch two years ago to include 7,500 members accessing 39 venues
- **our funded project celebrating the Roald Dahl Centenary was a great success** – one of the 'themed years' projects, *City of the Unexpected*, was a massive event, achieving world-wide attention. 5,000 volunteers alongside a large

team of skilled professionals delivered dance, acrobatics, theatre, music and spectacle. 200,000 people are estimated to have been on the streets of Cardiff over the two days of the event

- **our broadcast partnerships** with BBC Cymru Wales and S4C opened up new opportunities to develop and promote Welsh creative talent. Evaluation of the BBC/Arts Council Horizons/ Gorwelion project has confirmed the contribution it has made to supporting emerging musical talent
- **we received excellent feedback** on our Advocacy Toolkit, our information resource for local authority partners. In the face of continuing financial pressures, the case studies, facts and figures have helped to defend support for arts services
- our **Collectorplan** scheme broke all previous records, generating over **£1m of sales of artists' work**

1,177

Number of Collectorplan loans in 2016/17 with a total value of

£1,021,171

Performance highlights against key objectives

Objective

Creating the environment for the arts to flourish

Remit Letter: 2, 3, 8

Progress during 2016/17

We want the arts in Wales to have a positive impact, with artists and arts organisations able to create their best work and to sustain themselves through the quality of their activities.

Attendance at events promoted by portfolio organisations was 4.2m, exceeding the target by 357,000. Participation levels of 1.1m exceeded target by 103,000.

During the year we launched a new "*Resilience*" programme designed to develop the capability of our Portfolio organisations, enabling them to be less dependent on public funding. 54 members of our Arts Portfolio Wales have been accepted onto the programme.

Our capital investment in venues makes a significant contribution to improving the cultural infrastructure across Wales. The Glynn Vivian Gallery in Swansea opened to great acclaim in Autumn 2016 after a significant refurbishment.

As part of our quality monitoring processes we recruit National Advisers to see and assess work that we fund. The lack of appropriately skilled advisers across all parts of Wales meant that we did not meet our target in this area. Addressing this will be a priority in 2017/18.

Increasing the value of international working in the arts – culturally, socially and economically

Remit Letter: 5, 6, 8

We want our leading artists and arts organisations to realise their international ambitions by exploring new international markets and connecting with new partners.

Welsh artists attended a range of international showcases/ trade fairs, including South by South West, WOMEX, Celtic Connections and the Lorient Festival.

Working in partnership with the British Council we launched a new India:Wales funding initiative, supporting 12 projects connecting artists and organisations in Wales and India through new creative collaborations.

Objective

Finding new opportunities, ways and places for people to enjoy and take part in the arts

Remit Letter: 1, 2, 4, 7, 10

Progress during 2016/17

In Spring 2017 we organised a cultural delegation as part of a wider Welsh Government trade mission to China. The visit strengthened international links and opened up new market opportunities for Welsh arts organisations.

Brexit creates uncertainties over how some aspects of our international working will operate in the future. Nevertheless, we're fully engaged in current debate around Wales' relationship within Europe. We continue to advocate the importance of developing new market opportunities for the arts and creative industries.

We are committed to ensuring that the Council's funding is accessible and of benefit to all the citizens of Wales. Ensuring greater access to the arts is a natural priority for a body, such as us, that is in receipt of public funds.

We are fully committed to removing the barriers that prevent and impede people from enjoying and taking part in the arts. We are especially keen to attract those from economically disadvantaged communities but our survey work during 2016/17 shows that the gap in attendance and participation between the most and least affluent in Welsh society is not narrowing as much as we would wish.

We fell just short of our target for *Night Out* community events, with 513 performances achieved (against a target of 530).

We have detailed action plans for Equalities, Welsh Language and Sustainable Development. We publish specific reports on our performance in each of these areas. We achieved significant successes in our work around the implementation of the new Welsh Language Standards and have integrated Sustainability Development across our policy-setting. We were less pleased with our progress across our Equalities work. (This is discussed in more detail on page 33)

Objective

Developing the creativity of children and young people

Remit Letter: 2, 3

Progress during 2016/17

We want all young people to have the opportunity to enjoy high quality arts and to develop their own talents. Our key priority in 2016/17 was working together with the Welsh Government on the establishment of our major partnership project, *Creative Learning through the Arts*.

During the year we exceeded our targets for the Lead Creative Schools programme, with activity now taking place in over a third of Wales' schools. We also launched a new fund, Experiencing the Arts, supporting schools to find new ways of enabling children and young people to visit professional arts organisations.

Encouraging innovation, resilience and sustainability

Remit Letter: 5, 6, 9

Resilience will be key to arts organisations' future survival. We want to deliver a strategy for the Arts Council, and the arts in Wales, that encourages innovation and entrepreneurship and that enables the work of our artists and arts organisations to become more resilient and sustainable.

During the year we have been developing a programme of business development support for our key organisations. The aim is to enhance their business capability so that they are less dependent on public funding.

Protecting and growing the economic base for the arts in Wales

Remit Letter: 5, 6, 8, 9

These are challenging times for public funding. We encourage organisations to be entrepreneurial, generating increased income where they can. This is less easy for many of the partners who work with us to support the arts. Local authorities in particular – our traditional partners in arts funding and development – face increasing difficulties in maintaining current levels of funding.

A priority during 2016/17 was to work with local authorities to find more sustainable solutions that meet local needs and protect services for communities in their locality. We are also trialling new models of community engagement and investment through our *Ideas: People: Places* programme with 7 major projects being piloted across Wales.

Objective

Demonstrating the value of the Arts

Remit Letter: 1-7, 10

Making the Arts Council an efficient and effective public body

Remit Letter: 1-9

Progress during 2016/17

On a more positive note, our *Collectorplan* scheme generated over £1m of sales for individual artists. Artists are frequently amongst the lowest paid of creative professionals – this income is therefore essential to their livelihoods.

We want to promote a positive and engaging view of the arts in Wales, making sure that the arts sector and the wider public in Wales understand what we, the Arts Council, are trying to achieve.

We manage a research programme that helps us to be better informed about the arts in Wales. In 2016/17 we published 2 Omnibus Reports, a Local Authority Expenditure Survey, and our Arts Portfolio Wales Survey.

Our quarterly e-Newsletters and social media tweets keep people informed about the arts in Wales. We also organise our own conferences, symposia and events, and have a presence at other national events (such as the National Eisteddfod and Urdd Eisteddfod).

As a public body we have a responsibility to create a strong, confident organisation providing services that are relevant and useful. We provide professional services across a range of disciplines. We do so in ways which reduce cost and recognise our responsibility to become a more environmentally sustainable organisation.

Financial transactions and supplier payments are made promptly. In 2016/17 we exceeded our target with 96% of invoices paid within the suppliers' terms (target 93%). We paid 85% within 10 days (target 85%).

We deal efficiently with Complaints and Freedom of Information (Fol) requests. 19 Fol requests were received this year, all of which were dealt with in full and within the required timescale.



78.1%
of adults in Wales
attended the arts
at least once a year
or more often

Source: Wales Omnibus Survey 2016

Glynn Vivian Art Gallery, Opening Weekend
image: Phil Rees, © City and County of Swansea

Building Resilience



John Williams
Chair, Capital Committee

Strengthening the arts infrastructure

For more than two decades the Arts 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 the right buildings and physical environments within which to deliver their work. The projects we invest in support organisations to become more sustainable and innovative, able to make, present and exhibit their work in the best possible conditions.

Our priority is to support the consolidation and improvement of those arts organisations that play a leading role in Wales' cultural life. We were therefore pleased during the year to see the completion of the magnificently refurbished Glynn Vivian Museum and Art Gallery in Swansea.

Sustainability

We're committed to sustainable development and expect projects, as far as possible, 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 at the heart of their development plans.

If the arts are to thrive, artists, audiences and participants need high quality facilities in which they can make, enjoy and take part in the arts. The Arts Council has a track-record of investing in architecturally distinctive projects that have become an important creative, social and economic focal point in their locality.

Ensuring value for money

We never fund all of a project's costs. In many cases we'll be a minority funder of capital projects and we expect those who we support to secure funding from other sources.

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.

Principal risks and uncertainties



Lesley Hodgson
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 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 on an almost daily basis. 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.

Taking risks: a balanced approach

Unauthorised access to our systems is just one of a range of potential risks that could compromise our performance. 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 prudence.

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 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 2017/18, 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 0.50% (2015/16: 0.38%) 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 last year's EU Referendum have resulted in a reduction in the buying power of the pound overseas. Council has sought to mitigate the effects of currency fluctuations and 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.

The public rightly expects that the institutions they finance are efficient and cost effective. Those who we work with expect us to get the basics right and to ensure that we manage our affairs in a straightforward and business-like way. Ensuring that we meet these challenges is the Committee's core business.

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

Funding

Cuts in public sector funding could damage the arts across Wales

Key arts organisations fail as a consequence of funding cuts

Grants management

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

Key mitigating actions

Clearly defined project management disciplines exist 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 management team and officials of the Welsh Government.

We've once again had to reduce the level of funding to our portfolio of revenue-funded organisations, our Arts Portfolio Wales (APW). 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 reductions in local authority arts funding. We're working with local authority partners to explore alternative strategies for protecting support for creative activity.

Our 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.

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

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 polices. These were reviewed during the year.

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

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.

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).

IT

Unforeseen or unexpected outages compromise business continuity

There is a breach in our IT security.

Personal Data

Personal data is lost, compromised or stolen

A full emergency 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.

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.

Staffing

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

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.

Principal risks

Our Organisational Review does not achieve the necessary cost savings.

Welsh Language

The new Welsh Language Standards are not introduced to the deadlines set out in our Compliance Notice

Key mitigating actions

Proposals agreed by Council achieve the cost savings required. Implementation of those proposals will be scrutinised by Council during 2017/18 to ensure that savings are delivered.

Council adopts a progressive and forward-looking approach to the Welsh Language Measure. We have been able to implement all of the Standards due to be introduced during 2016/17, and we're confident that we'll manage full implementation of the remaining Standards in 2018.



Anweledig (invisible), Ffion Dafis, Cwmni'r Frân Wen
(image: Kristina Banholzer)

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 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. 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 has delegated its Lottery grant making in a number of strategic areas to Ffilm Cymru Wales,

Nesta, BBC Cymru Wales, Literature Wales, and Ty 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.

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.

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 2017 (2016: £Nil).

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 2017 the unrestricted cash funds were £1,132,000 (2016: £830,000).

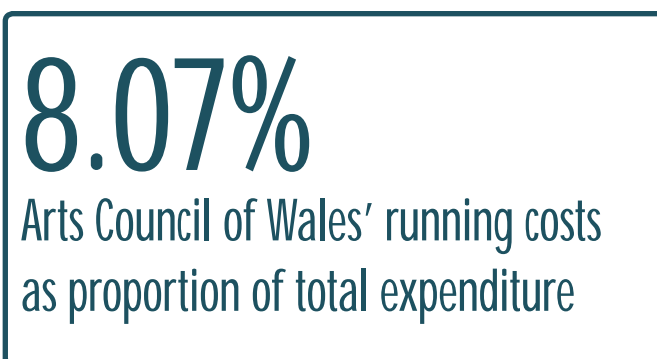
Investment

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 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 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.

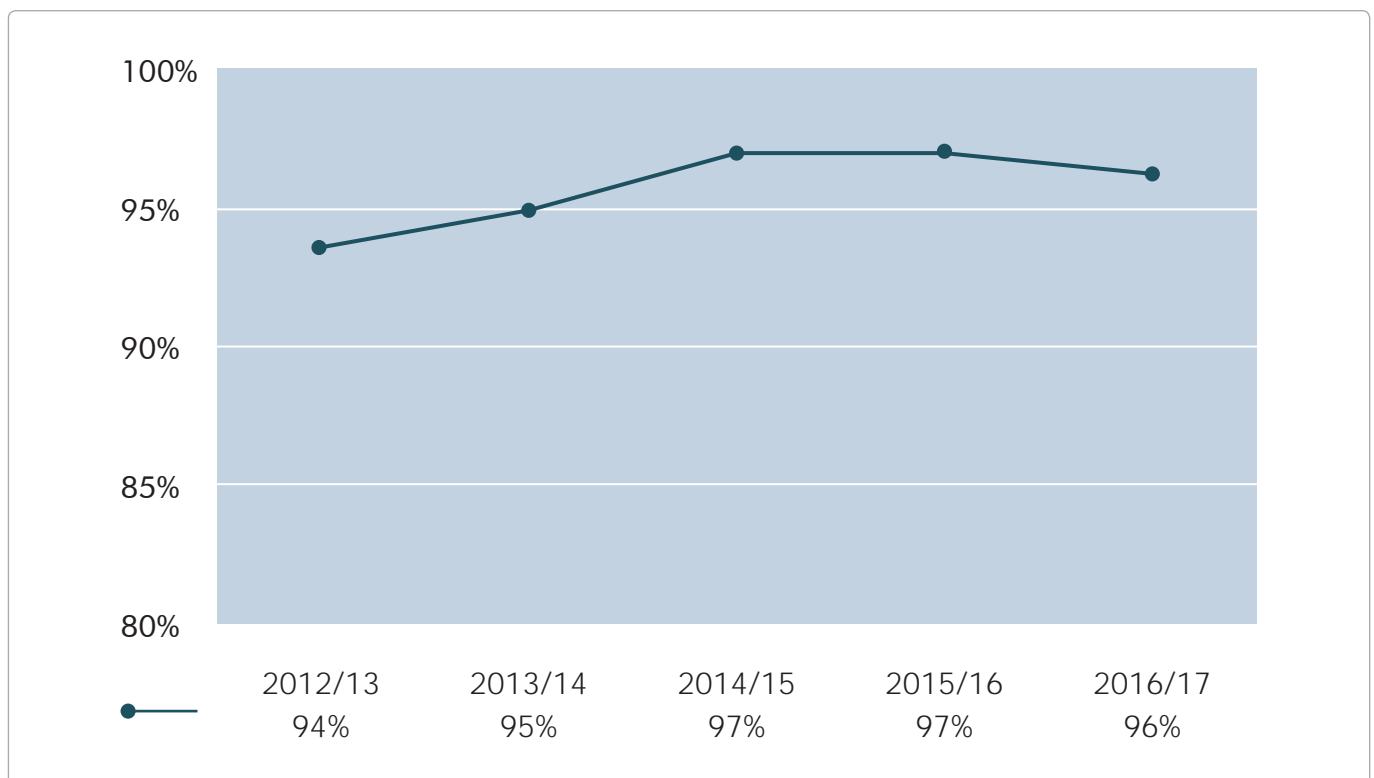


Payment of creditors

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 100% of invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the

year ended 31 March 2017, the Council paid 96% (2015/16: 97%) 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 2016/17 85% (2015/16: 88%) 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	2016/17 £000	2015/16 £000
The General Activities accounts, excluding Lottery distribution activities, show:		
Total income for the year	35,728	36,214
Excess of income over expenditure	631	847
Net current assets	3,200	2,143
Total fund balances at 31 March	2,624	1,993
and		
Forward commitments of grants in respect of the following year	26,744	25,840
The separate Lottery Distribution accounts show:		
The Council's share of the proceeds from the National Lottery	16,300	19,233
The combined:		
Total income for both general and Lottery activities was	52,147	55,588
and		
Total charitable arts expenditure for both general and Lottery activities was	51,421	51,721

The Council's income for 2016/17 was £0.49m (1.3%) less than the previous year. The reduction of £1.26m in grant-in-aid from the Welsh Government was offset by an increase of £0.77m in other income, primarily relating to the funding received for year 2 of our five-year *Creative Learning through the Arts (CLTA)* Programme from the Welsh Government's Education Department and from our own Lottery funds.

During the year we awarded grants to our revenue funded organisations, Arts Portfolio Wales, of £25.8m (2015/16: £27.0m). We committed £3.8m (2015/16: £3.4m) to the CLTA Programme and spent £5.4m (2015/16: £4.1m) through grants and direct expenditure on strategic initiatives and services.

Income for the year exceeded expenditure by £631,000. £623,000 related to restricted funds and £8,000 unrestricted. The majority of the net restricted income related to the CLTA programme

which is managed across the academic year and where the timing of some grant commitments fell after the financial year end. The net unrestricted income reflects the timing of commitments for some of our planned programmes but, with the agreement of the Welsh Government, we carried forward some funds to 2017/18 to offset the costs associated with our Organisational Review.

At 31 March 2017 we had unrestricted reserves of £1.4m (2016: £1.4m) and restricted reserves of £1.2m (2016: £0.6m). The level of our unrestricted reserves is directly affected by the Welsh Government's policy on year-end cash balances, as outlined in the *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.

14

Number of Creative Wales
awards to individual artists
in 2016/17



Intertidal Jar, Adam Buick
Creative Wales Award 2016/17

Financial results - Lottery Distribution	2016/17 £000	2015/16 £000
The Lottery Distribution accounts show:		
Share of proceeds from the National Lottery	16,300	19,233
Net grants made	14,662	13,695
Excess of income over expenditure/(expenditure over income) for the year	(2,251)	1,016
Balance held in the National Lottery Distribution Fund at 31 March	21,291	21,377
Reserves at 31 March	2,844	5,095

Our National Lottery proceeds decreased by 15.2% and was considerably (9.4%) below the original forecast. The fall in the share of proceeds received by the good causes is a reality for all distributors and Council is considering the impact on future Lottery-funded programmes.

We have ring-fenced approximately £22m for our capital grants programme for the five years from 2012/13 to 2016/17. Council has extended this into 2017/18 as there can be a long lead time from the registration of a major capital project to the issue of a formal offer. This often impacts the total value of grants made each year and the overall net income or expenditure.

At year-end grants payable totalled £18.073m (2015/16: £17.711m). Undrawn funds in the National Lottery Distribution Fund plus cash and cash equivalents totalled £21.953m (2015/16: £24.199m). The National Lottery Distribution Fund balance remained at approximately £21m, with little change from last year, however there was a 76.5% decrease in cash and cash equivalents held at the year end.

Grants processed	2016/17	2015/16
Number of applications received:		
Capital schemes	19	16
Revenue schemes	973	1,061
	992	1,077
Number of grants made:	545	589
Value of grants made:	£'000	£'000
Capital schemes	2,192	2,640
Revenue schemes	12,789	12,201
	14,981	14,841
Grants payable at 31 March:		
Capital schemes	6,801	6,404
Revenue schemes	11,272	11,307
	18,073	17,711

Our Arts Portfolio delivered

7,543

participatory sessions targeted at people in the protected characteristics group, with an attendance of

137,131

We aspire to a society that embraces equality and celebrates difference, wherever it's found in race, gender, sexuality, age, language, disability or poverty. However, there are still too many barriers that impede people's access to the arts. Breaking down these barriers must be one of our defining priorities for the future if we're to back up our good intentions with real action.



Rubicon Dance
(Image: Sian Trenberth Photography)

Equalities



Richie Turner
Chair, Equalities
Monitoring Group

Evaluating our approach

During 2016/17 we reviewed what we had achieved since the publication of our first Strategic Equality Plan in 2012. We also consulted on the content of a new Plan for the period 2017 to 2021. It was a revealing process.

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.



Hynt – our Disabled Visitors
Card scheme, issued
3361
cards during 2016/17

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 are funding. The gap is especially striking in the very low number of disabled people and those from black and minority ethnic (BAME) backgrounds employed or represented on boards of management. This is an issue of considerable concern to Council.

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.

Our goal must be an arts workforce that better reflects the diversity of Wales at local and national levels and is 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.

By 2021 disabled people will represent 12.9% of the arts workforce and at least 3.9% of the arts workforce will be from BAME backgrounds. So we're challenging ourselves as an organisation, our portfolio of revenue-funded companies and those we support in the wider arts sector to attach greater importance to equalities.

Transforming the arts sector's performance will be challenging, but we're adamant that it's the right thing to do. We'll respond to the challenge in a spirit of collaboration and with an openness to dialogue. However, our collective failure as a sector to match the demographic profile of the population as a whole – the very least we should expect – cannot be allowed to continue.

Welsh language



Marian Wyn Jones
Chair, Welsh Language
Monitoring Group

A fundamental commitment

We adopt an inclusive and broad approach to Language. 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.

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

An important task for the Monitoring Group during the year 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.

A number of the Standards were required to be in place by January 2017. This was fully completed by the due date. Further Standards will be implemented during 2017/18.

Promoting creativity through the medium of Welsh

For us, engaging with the Welsh Language is not a matter of compliance – it is a deeply cultural issue. The arts in Wales reflect the diversity of language, providing important opportunities to enjoy an extraordinarily rich literature and culture. Our funding and strategy supports this.

However, the evidence demonstrates that there is currently a serious lack of high quality product through the medium of Welsh, especially in theatre. This is a weakness in arts provision that Council is keen to address.

Our Arts Portfolio delivered

9,973

participatory sessions in

Welsh with an attendance of

191,620

Nothing makes Wales more distinctive than the Welsh language. The language provides the means to understand and enjoy an extraordinarily rich literature and culture. The arts thrive on this and are a key component in continuing the Welsh language's vital role at the heart of Welsh life.



BLAS – Pontio's Youth Programme
(image: Iolo Penri)

Issues of well-being and sustainability



Melanie Hawthorne
Chair, Sustainable
Development Monitoring
Group

We fully endorse the Welsh Government's commitment to well-being and sustainability. We believe that civic society in Wales will be stronger and more durable if we embrace the values of fairness and social justice. Looking to the longer term now in the decisions we make today will help safeguard the prospects of future generations.

Explaining our approach

During the year we published a policy statement setting out how the Arts Council of Wales implements its vision for developing and sustaining a creative Wales, reflecting the requirements of the Well-being of Future Generations (Wales) Act 2015.

The Well-being of Future Generations legislation aims to improve the social, economic, environmental and cultural well-being of Wales. The positive role that the arts can play sits comfortably with the well-being goals. A thriving arts sector, committed to excellence and innovation, contributes to the cultural, social, economic and environmental well-being of Wales.

The Council is committed to investing in the future of the people of Wales and we aim to ensure all our organisational actions and policies are resilient and sustainable.

From the day-to-day management of our offices to the conduct of policy reviews, we have placed sustainable development at the heart of our thinking.

All capital projects in which Council invests are expected to meet 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.

Environmental performance

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

We have concentrated on extending the use of our information technology infrastructure to provide business and environmental benefits. All staff are able to access our systems remotely, via secure links, and have full electronic access to all systems and supporting documents. This has enabled us to reduce the volume of paper we process and store.

We are continuing to promote changes in behaviour. The vast majority of our arts development teams are equipped with laptops and smartphones, enabling them to operate on a mobile basis.

This has helped reduce travel to work journeys for some of our staff, and enables more effective travel to clients. We have invested in high quality video conferencing capacity in all three offices and actively promote its use as an alternative to travel. We are 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.

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

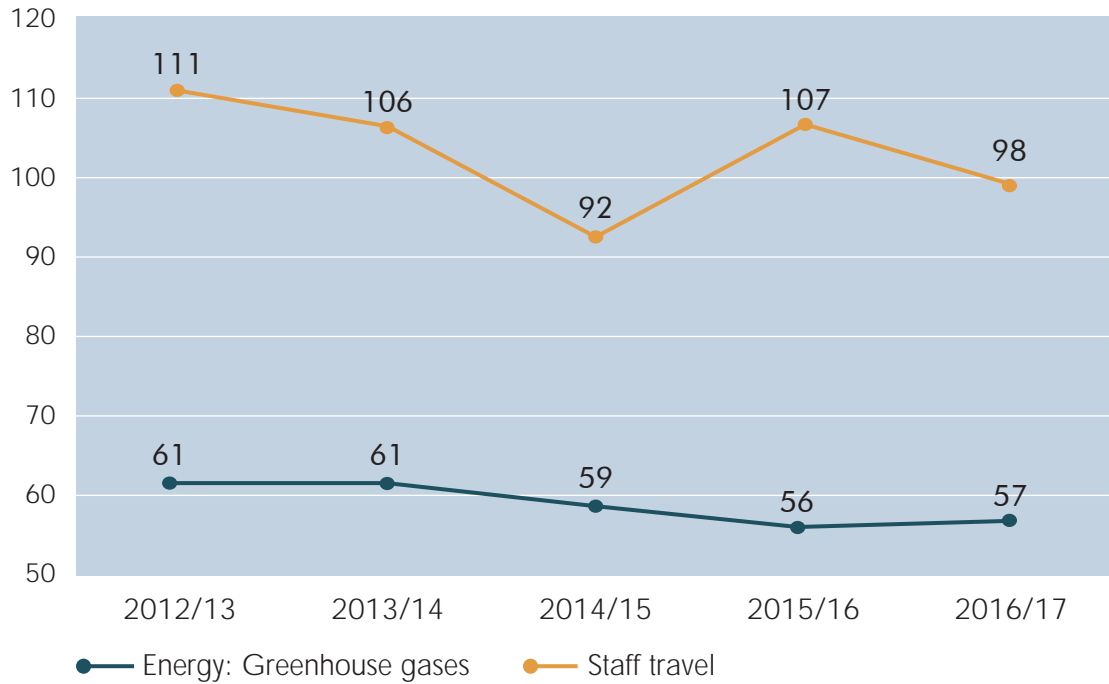
Management information

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 (CO₂e) emissions.

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).

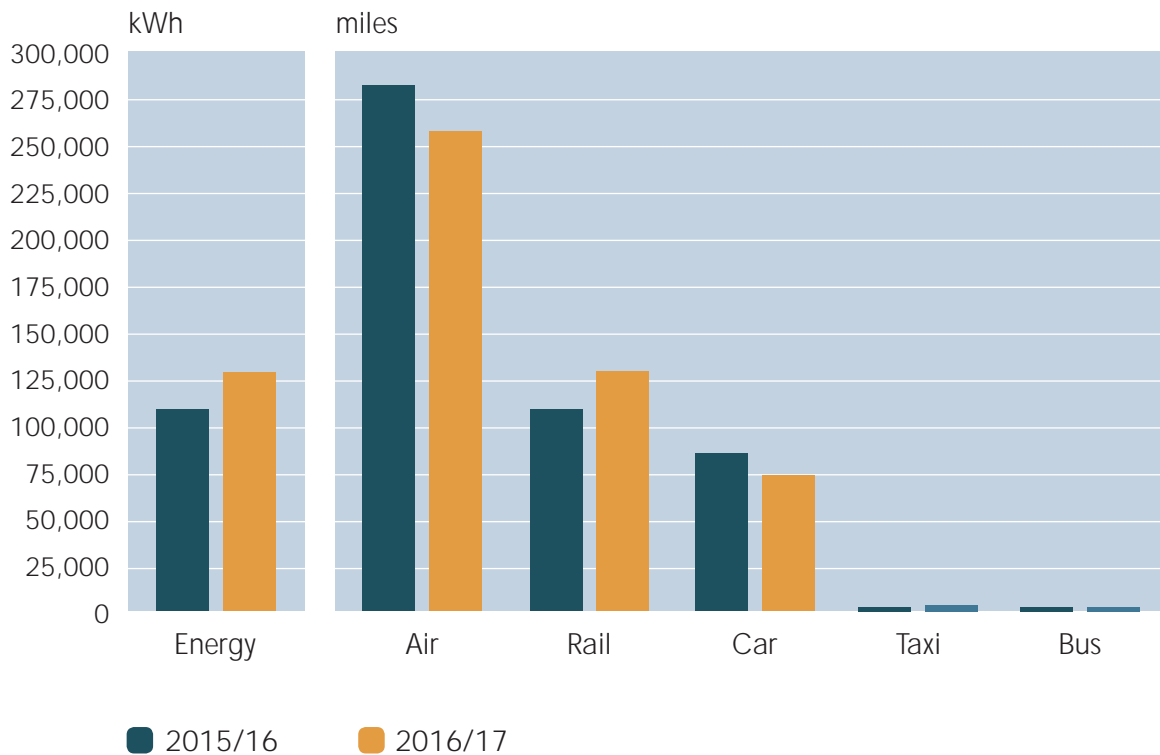
We promote the use of environmentally friendly means of transport, and encourage staff to make journeys by the most efficient means possible, taking account of both environmental and financial considerations. However, we have to balance this against the delivery of our strategic priorities to develop the arts in Wales, and to promote Welsh arts and artists internationally. As a result, there are inevitable fluctuations in the level of CO₂e emissions attributable to travel, especially when we are active internationally. During this year, complementing Welsh Government priorities, we undertook programmes of international work in India and China.

CO₂e 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 8 tonnes of CO₂e included in our reported totals for 2016/17 (2015-16: 6 tonnes).

Energy consumption within our offices and business mileage



WASTE	2016/17	2015/16
Waste:		
Non-financial (tonnes)		
Landfill	0.12	0.12
Reused/recycled	2.74	1.43

ENERGY	2016/17	2015/16
Greenhouse gas emissions (CO ₂ e tonnes)		
Gross emissions, scope 2&3 (indirect)	57	56
Energy consumption (kWh)		
Electricity (non-renewable)	N/A	110,033
Electricity (renewable)	123,359	N/A
Gas (2015/16 in tonnes – kWh not available)	7,381	941
Financial indicators (£)		
Expenditure – energy	14,521	13,448
Water supply costs (office estate) – currently unable to assess, included in service charge	N/A	N/A

STAFF TRAVEL	2016/17	2015/16
Travel emissions (CO ₂ e tonnes)		
Rail	10	8
Air ¹	64	71
Car/vans	24	28
Travel cost (£)		
Rail	28,081	27,364
Air	24,935	24,788
Car/vans	34,905	39,889
Travel (miles)		
Rail	130,946	114,171
Air	256,538	284,562
Car/vans	76,106	86,644

Our air travel reflects the fact that, complementing Welsh Government priorities, we undertook programmes of international work in India and China during 2016/17.

¹ 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_x (nitrous oxides) and water vapour when emitted at high altitude.

The year ahead

We remain focused on our mission and objectives. Encouraging more people, from across Wales' diverse communities, to enjoy and take part in the arts remains our main goal. We will be placing particular emphasis on tackling the barriers, social, cultural and economic that prevent our achievement of this goal.



Memories Dance at Gwanwyn Dance Night
National Dance Company Wales (image: Marc Douet)

Council has focused its programme of work for 2017/18 around its strategy of Make: Reach: Sustain.

The guide for this work is 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 will be a priority that informs all aspects of our work in 2017/18.

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 2017/18 can be found on our [website](#).

3,002

Number of participatory sessions targeted at families by our Arts Portfolio, with an attendance of

78,187

Our Remit Letter sets out ten areas of priority.

1 **Being creatively active** – a long standing priority for the Arts Council, we are fully committed to working in partnership with the Welsh Government to deliver this priority. We want as many people as possible to experience and enjoy the arts: to be inspired by imagination and creativity, excited by ambition and spectacle, intrigued by the new and unfamiliar. We will therefore build on the successes of the key organisations that we fund, encouraging them to continue to reach out to new audiences.

2 **Tackling poverty and disadvantage** – we are working to create more opportunities to introduce people who currently feel excluded from the arts to the benefits of creative activity. Over the past five years, we have seen more people from disadvantaged communities taking part in the arts. But we're determined to ensure that we play our part in bringing high quality arts opportunities within reach of more of the most disadvantaged people in our most deprived areas.

3 **Creative Learning** – we will continue to work in partnership with the Welsh Government to implement our joint strategy *Creative Learning through the Arts*. We will also be looking more broadly at skills development to explore ways in which creativity can provide young people with the capability to succeed in the world of work.

4 **Jobs, skills and the economy** – the arts provide jobs and create wealth for Wales' economy. Exploiting the commercial potential of the arts and creative industries will be an area of priority. The arts are important in their own right. But we also know that the creative and cultural industries are a vital engine for Wales' economy. They contribute directly in terms of job and wealth creation, through the creation, distribution and retail of goods and services.

6 **Regeneration** – Wales is experiencing a period of sustained economic difficulty. The partnership between the Arts Council of Wales and its partners, especially those in local government, provide the foundation for the funding and development of the arts in Wales. New regeneration vehicles such as City Deal and the Capital City Region are re-defining how investment packages are assembled. But these developments cannot be justified solely on the basis of the physical infrastructure that they create. They need to be part of an holistic view of the way that a city lives and breathes and the well-being it creates. These will be important issues for the arts to address.

409

Number of creative arts led projects supported in schools by the end of March 2017.

5 **Health and well-being** – Arts & Health is a growing area of activity. Academic research is demonstrating the positive impact that engaging with creative activity and the arts can have on health and well-being. As well as preventing ill health. The arts can help to regenerate, strengthen and enrich some of our poorest communities and improve the quality of life of disadvantaged and vulnerable people.

7 **International work** – promoting a country's arts can be a highly effective way of raising its visibility and reputation. Seeing the arts of Wales alongside the best that the world can offer raises standards and increases choice. We will also work to improve the international impact and recognition for the arts and culture of Wales on the world stage, bringing national and international cultural events to Wales.

Through our international division, Wales Arts International, we'll continue to work with our international partner, the British Council, to promote opportunities for international exchange and collaboration.

24,014

Number of arts events run by our portfolio in 2016/17, generating attendances of 4.2 million, as well as

64,058

participatory sessions resulting in 1.1 million attendances.

8 **Digital broadcast and publishing** – new technology offers exciting opportunities for creativity, public engagement and the economic exploitation of intellectual property. We will help the arts to build the capacity and skills to understand what new technology has to offer and for making the most of those opportunities.

9 **Resilience** – we help our funded organisations to increase earned income and reduce the level of dependency on public funding. As we plan for the future, we will continue to find new ways of ensuring that the arts – and the Arts Council itself – have the resilience to weather the current economic pressures.

10 **A diverse and bilingual Wales** – Wales is a bilingual nation – legally, socially, culturally and as individuals and communities. Nothing makes Wales more distinctive than the Welsh Language. The language provides the means to understand and enjoy an extraordinarily rich literature and culture. The arts thrive on this and are a key component in continuing the Welsh language's vital role at the heart of Welsh life. We will promote vigorously the right of people to explore their own culture and creativity through the language of their choice, whether as consumer, participant or artist.



Nicholas Capaldi, Accounting Officer
7 July 2017

Endorsed on behalf of Council:



Phil George, Chairman
7 July 2017

Accountability Report

A photograph of three young women in school uniforms and hijabs. They are smiling and appear to be engaged in a hands-on activity, possibly a craft or performance project. One woman in the foreground is wearing a dark blue school uniform with a yellow tie. The woman in the middle is wearing a black hijab and a red cardigan, and is holding a piece of white fabric. The woman in the background is wearing a white hijab and a red cardigan. They are all looking towards the camera with joyful expressions.

513






Number of performances supported by the Arts Council's Night Out scheme







Mount Stuart School, Cardiff. Night Out Young Promoter's Scheme
(image: Patrick Faulkner)






Corporate Governance

Our Trustees

Council Members who served since 1 April 2016 were:

		Attendance at meetings during 2016/17			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		7	6	5	3
	Phil George Chair from 1 April 2016	7			
	Dr Kate Woodward, Vice Chair from 1 April 2008 to 31 March 2017 Chair of Wales at the Venice Biennale of Art Committee (to 31 March 2017)	3			
	Marion Wyn Jones from 1 April 2012 Vice Chair from 1 April 2017 Chair of Welsh Language Monitoring Group	7			
	Iwan Bala from 1 November 2016	2/3			
	Andy Eagle from 1 November 2016 Member (from 9 December 2016) of HR & Remuneration Committee	2/3			0/1

		Attendance at meetings during 2016/17			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		7	6	5	3
	Kate Eden from 1 April 2017	/	/	/	/
	Michael Griffiths OBE from 1 April 2012 Member of Audit & Risk Assurance Committee Member of HR & Remuneration Committee	7	4	/	1
	Melanie Hawthorne from 1 April 2012 Chair of Sustainability Monitoring Group	6	/	/	/
	Dr Lesley Hodgson from 1 April 2012 Chair of Audit & Risk Assurance Committee	6.5	6	/	/
	Margaret Jervis MBE DL from 1 April 2008 to 31 March 2017 Chair of HR & Remuneration Committee (to March 2017)	6	/	/	3
	Andrew Miller from 1 April 2012 Member of HR & Remuneration Committee	7	/	/	2

		Attendance at meetings during 2016/17			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		7	6	5	3
	Rachel O'Riordan from 1 April 2017	/	/	/	/
	Dafydd Rhys from 1 April 2017	/	/	/	/
	Richard Turner from 1 April 2010 Chair of Equalities Monitoring Group	6	/	/	/
	Alan Watkin from 1 April 2010 Member of Capital Committee	7	/	3.5	/
	John C Williams from 1 April 2010 Chair of Capital Committee	6	/	5	/

Attendance at meetings during 2016/17			
Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
Number of meetings held:			
7	6	5	3

Attendance of <i>independent</i> Committee members:			
Andrew Butler	6		
Katrina Michael	3		
Arwel Thomas	5		
Ruth Cayford		5	
Mark Davies		2	
Roland Wyn Evans		2	
Alan Hewson		5	
Philip Westwood			3

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

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

Solicitors

Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Bankers

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

Accounting Officer's confirmations

In accordance with Article 11 of the Council's Royal Charter the Auditor General for Wales conducts the external audit of the Council's General Activities on terms approved by the Welsh Ministers.

In accordance with the National Lottery etc. Act 1993 (as amended) the Comptroller and Auditor General conducts the external audit of the Council's Lottery Distribution function on terms approved by the Secretary of State for Culture, Media and Sport.

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

I consider that the annual report and financial statements as a whole are fair, balanced and understandable and I take personal responsibility for them and the judgments required for determining that they are fair, balanced and understandable.



Nicholas Capaldi
Accounting Officer

7 July 2017

Governance Statement

This Governance Statement is the personal responsibility of me, Nicholas 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 have 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 are 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 Minister for Economy and Infrastructure. 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 are 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 are accountable to the UK's Secretary of State for Culture, Media and 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 are 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 an arrangement with National Audit Office by the Wales Audit Office. The Wales Audit Office also audits our General Activities account.

86.3%

of children in Wales took part in the arts at least once a year or more often

Source: Children's Omnibus Survey 2016

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 have 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.



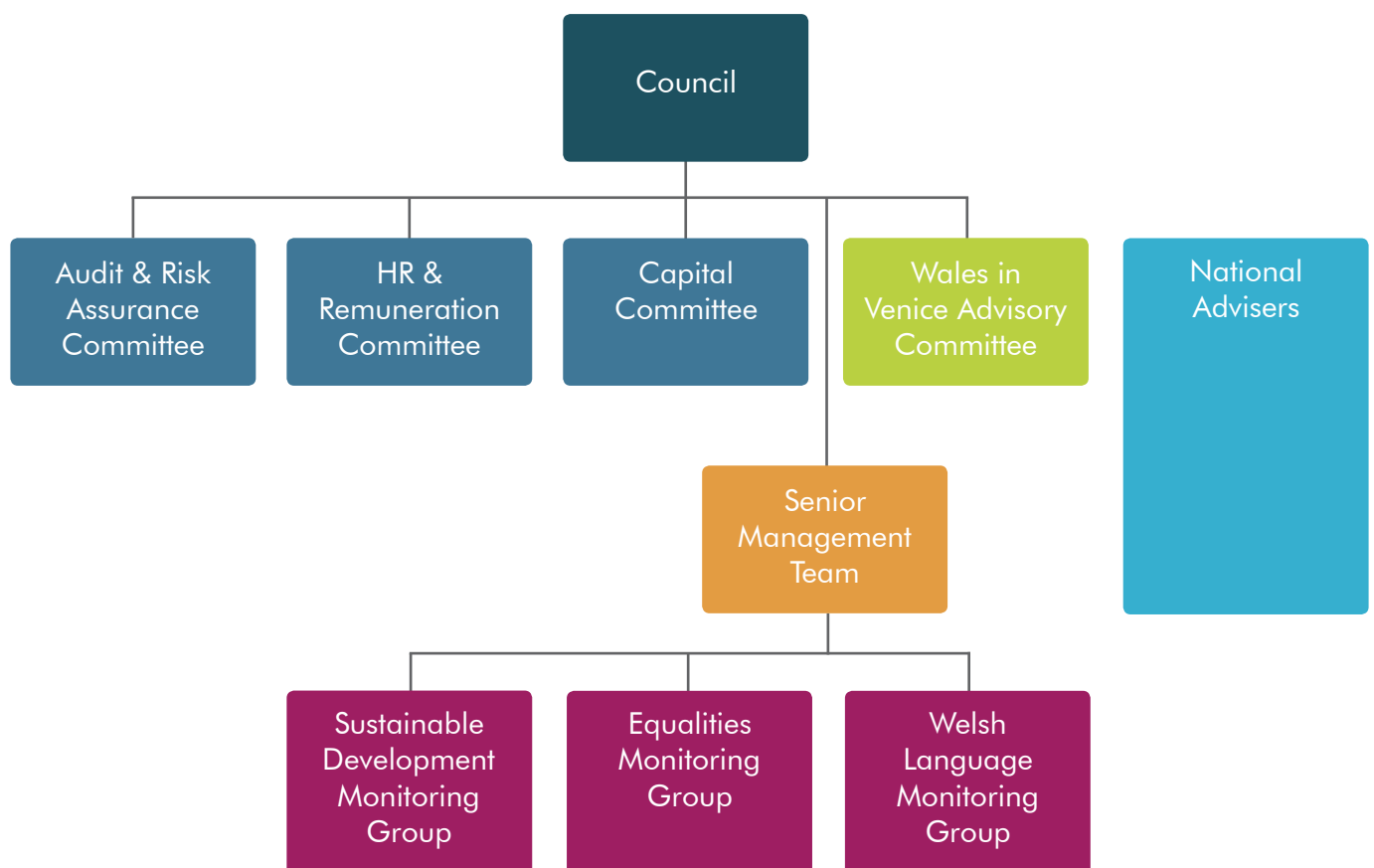
Our Governance structure

We are governed by a Board of Trustees – Council – which consists of a Chair and up to seventeen other independent members, one of whom is appointed as Vice-Chair. Each Trustee brings specific expertise and knowledge to the oversight and development of our activities. At the end of March 2017, 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 thirteen members.

Our Governance arrangements

Our Trustees are appointed by the Minister for Economy and Infrastructure through an open selection process, conducted in accordance with Nolan principles. Appointments are usually for a three year term, renewable for a maximum of two additional terms.

The Chair of Council is a remunerated position, at a rate set annually by 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.



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. They set the annual budget, decide on the annual allocation of grants to organisations in the Arts Portfolio Wales, and approve 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 attend arts events across Wales as representatives of Council.

Summary of Discussions during 2016/17

As part of its ongoing scrutiny of **Governance**, Council reviewed our Corporate Assurance Framework and risk register and completed an assessment of its own performance. It prepared and monitored the **Corporate and Operational Plans**, and received updates on key areas of performance including the **Equalities, Sustainable Development and Welsh Language Plans**.

The focus of policy during the year was overseeing the delivery of our Operational Plan. Key projects included the second year of the **Creative Learning** programme, launch of the **Resilience** programme and planning for the development of a new **Arts and Health** strategy.

A significant task for Council during the year was its oversight of our **Organisational Review**. Council set cost reduction targets and agreed new staffing proposals.

Council

Frequency of meetings and attendance

Council met 7 times during 2016/17 to discharge its responsibilities. During the year, members in total attended meetings on 73 out of a possible 83 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](#).

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. It also has 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 approval. Terms of reference for each committee can be found on our [website](#). Terms of reference are reviewed annually.

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 – **Equalities, Sustainable Development and Welsh Language**. These help drive forward Council's agenda in these areas. Council received minutes of each meeting.

Our **National Advisers** support us in our work, offering their time and expertise on a voluntary basis. Their specialist knowledge and help contributes to policy development, the assessment of grant applications, and advice to officers. They are appointed through an open recruitment process.

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 2016/17

An important aspect of the Committee's work is scrutiny of the **Corporate Assurance Framework** and **Corporate Risk Register**. 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 2016/17 5 reports were presented. Of the areas reviewed, 3 were given a 'substantial' assurance rating and 2 'moderate.' A total of 5 advisory and follow-up reports were also presented.

The Committee was asked by Council to scrutinise aspects of the **Organisational Review**. The Committee's advice on financial and operational matters helped to strengthen the final proposals.

A key issue for Committee during the year was ensuring that the Arts Council's policies and strategies for **cyber security** and for preventing **fraud** remain fit for purpose.

Frequency of meeting

The Committee met 6 times during 2016/17 to discharge its responsibilities. During the year, members in total attended meetings on 24 out of a possible 30 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 2016/17

The Committee's principal activity during the year was monitoring delivery against Council's five year **Capital Development strategy** (2012-2017).

Council is investing in a variety of large and complex capital projects. The completion in February 2016 of the landmark project, Pontio in Bangor, marked an important milestone in the Committee's work, with activity during the year focusing on ensuring compliance with outstanding conditions of funding.

Another milestone was met during the year with the re-opening of the refurbished **Glynn Vivian Museum and Art Gallery** in Swansea.

The Committee also 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.

Frequency of meetings

The Committee met 5 times during 2016/17 to discharge its responsibilities. During the year, members in total attended meetings on 23 out of a possible 30 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 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; for the appointment of senior roles within the executive; and for the oversight and monitoring of HR matters on behalf of Council.

Summary of Discussions during 2016/17

The Committee's principal activities during the year involve oversight of Council's HR policies, and management of pay policies. Council also reviewed management information outlining our performance against HR objectives. It also agreed Council's first **Pay Policy Statement** which will be a publicly available document.

Council specifically sets the remuneration of the Chair and Chief Executive, under guidance issued by the Welsh Government. The **Pay Remit** covers all other salaried members of staff and is submitted to the Welsh Government for approval.

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 staff structure, the Committee also advised on other cost-cutting options, including revisions to **terms and conditions** of employment.

Frequency of meetings

The Committee met 3 times during 2016/17 to discharge its responsibilities. Members in total attended on 9 out of a possible 13 occasions.



151

Number of schools supported by the Lead Creative Schools Scheme in 2016/17

Bryn Hafren Comprehensive School
(image: Rebecca Roach, School Coordinator)

How we work

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 was reviewed and updated during the year. You can find a copy on our [website](#).

Each member of Council, of each Committee, and all National Advisers and staff are required to complete an annual **Declaration of Interest** statement, and to ensure that changes in circumstances are notified promptly. The register of interests of Members of the Council, Committees and National Advisers is available for public inspection, by appointment, at each of the Council's offices during normal working hours.

Council and the Audit & Risk Assurance Committee each carried out an annual self-assessment review of its performance. Overall, the findings of these evaluations were positive during 2016/17. 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 had been 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 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 am 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

The decisions taken by our Council and Committees are informed by advice provided by staff of the Arts Council. Papers and reports produced by officers are expected to show clearly all the relevant information that is 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, for consideration by members, with tabled items and verbal reports only accepted in exceptional circumstances. Council was content during the year with the timeliness and quality of data and information provided for its use. In the rare instances where the information provided does not meet the required



Sinfonia Cymru
(image: Rebecca Thomas, Sunflower Photography)

standards, the paper is rejected and a replacement commissioned.

Where appropriate, advice from officers is supplemented with specialist advice from our National Advisers and, where relevant, 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 most important duties of the Arts Council is the distribution of funding to develop and support the arts in Wales. We are a

major distributor of funding – from the Welsh Government, the National Lottery and other sources, including, where applicable, European funds. We take our responsibilities very seriously.

We have developed robust and accountable systems and procedures to support this key activity. Our grant making and monitoring processes are reviewed annually by our internal auditors to ensure they remain fit for purpose. 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 are implemented on a timely basis.

Decisions to award an organisation revenue funded status and admission to the Arts Portfolio Wales (APW) are taken by Council based on the advice of, and supported by, rigorous assessments carried out by officers.

Security of data

We hold large amounts of data, and treat our obligations under the Data Protection Act seriously. 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. We will continue to monitor them closely.

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.

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.

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.



Nicholas Capaldi, Accounting Officer
7 July 2017

Endorsed on behalf of Council:



Phil George, Chairman
7 July 2017

“ Based on our work undertaken as detailed in our internal audit report in 2016/17 and our follow up work in relation to 2015/16 audit findings, our overall assessment is that the classification of assurance for corporate governance and risk management remains as **substantial assurance**.

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 **moderate assurance** regarding the achievement of the Arts Council’s objectives. ”

Internal Audit Annual Report
Deloitte LLP
Internal Auditor

Remuneration and Staff Report

The terms of appointment of the Chairman 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 upon performance established by the Council's system of personal development reviews.

With the approval of the Charity Commission the Chairman is remunerated at a rate determined by the Welsh Government which reflects a minimum time commitment to Council business. Annual increases of the Chairman's salary are also advised by the Welsh Government but he receives no bonus payments and is not a member of the 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 2016/17 and has indicated that he would accept, once the annual pay remit is agreed, 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 Chairman, Phil George, took over the chairmanship on 1 April 2016.

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.

151

Number of projects supported
by the Experiencing the Arts
Fund in 2016/17

The dates of commencement of employment are:

	<p>Phil George Chairman</p> <p>1 April 2016</p>		<p>Diane Hebb Director of Engagement and Participation from 1 February 2012</p> <p>13 January 1992</p>
	<p>Nicholas Capaldi Chief Executive</p> <p>15 September 2008</p>		<p>Siân Tomos Director of Enterprise and Regeneration from 1 February 2012</p> <p>3 May 1994</p>
	<p>David Alston Director of Arts</p> <p>1 July 2005</p>		<p>Hywel Tudor Director of Finance and Resources</p> <p>21 January 2002</p>
	<p>Dr Katherine Davies Director of Investment and Funding Services from 1 February 2012</p> <p>24 August 1998</p>		

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:

$$\begin{aligned}
 & \text{(real increase in pension* x 20)} \\
 + & \text{(real increase in any lump sum)} \\
 - & \text{(contributions made by member)}
 \end{aligned}$$

*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 <i>Position</i>	2017			2016		
	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000	Emoluments ¹ band £'000	Pension benefits £'000	Single total remuneration £'000
Nicholas Capaldi <i>Chief Executive</i>	95-100	22	115-120	95-100	27	120-125
David Alston <i>Director of Arts</i>	70-75	17	85-90	70-75	22	90-95
Katherine Davies <i>Director of Investment and Funding Services</i>	65-70	36	105-110	65-70	54	120-125
Diane Hebb <i>Director of Engagement and Participation</i>	65-70	28	95-100	65-70	38	100-105
Siân Tomos <i>Director of Enterprise and Regeneration</i>	65-70	35	100-105	65-70	48	110-115
Hywel Tudor [†] <i>Director of Finance and Resources</i>	70-75	16	85-90	70-75	24	90-95

[†] The Director of Finance and Resources is to be paid compensation of £95,000 (gross) for loss of office during 2017/18. The amount is not included in his single total remuneration figure for this year but is included in the total of accrued redundancy and compensation costs.

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

	2017		2017		2017	2016	2017
Name Position	Real increase in pension and related lump sum at age 65 £'000		Total accrued pension at age 65 as at 31/03/17 and related lump sum £'000		Cash Equivalent ¹ Transfer Value at 31/03/17 £'000	Cash Equivalent Transfer Value at 31/03/16 £'000	Real increase ² in Cash Equivalent Transfer Value £'000
Nicholas Capaldi <i>Chief Executive</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 30-35	220	167	21
David Alston <i>Director of Arts</i>	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	5-10 25-30	227	187	18
Katherine Davies <i>Director of Investment and Funding Services</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	25-30 70-80	555	437	34
Diane Hebb <i>Director of Engagement and Participation</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 40-45	323	252	27
Siân Tomos <i>Director of Enterprise and Regeneration</i>	Pension Lump sum	0-2.5 5-7.5	Pension Lump sum	20-25 60-65	470	361	33
Hywel Tudor <i>Director of Finance and Resources</i>	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	10-15 40-45	324	268	16

¹ **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.

² **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 £10,893 (2015/16: £13,759) was reimbursed to 12 (2015/16: 13) Council members for travel and subsistence costs incurred on Council business. The aggregate amount allocated to general activities was £4,547 (2015/16: £7,105) and £6,346 (2015/16: £6,654) to lottery distribution.

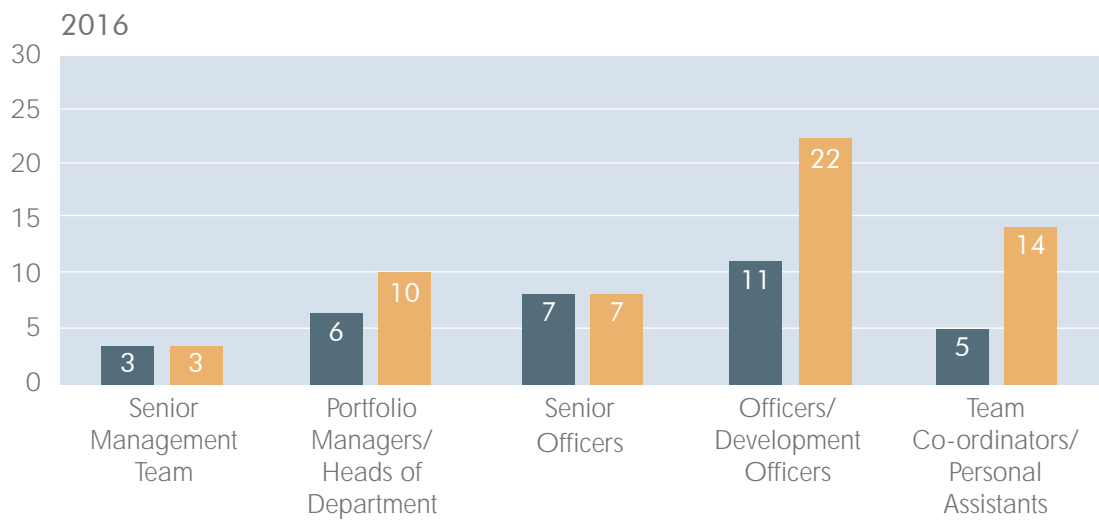
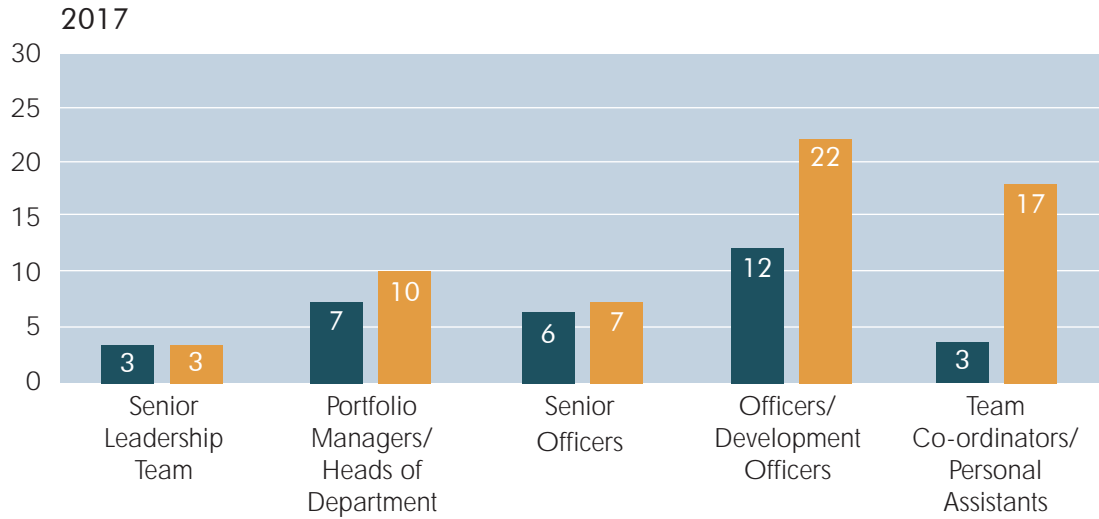
The total actual emoluments of the Chairman and Chief Executive were made up of (subject to audit):

	2017 £	2016 £
Chairman		
Salary	43,810	43,810
Chief Executive		
Salary	95,250	95,248
Employer's pension contribution	19,050	19,050
	114,300	114,298
Reimbursed travel and subsistence expenses incurred and defrayed whilst on Council business:		
Chairman	£4,298	£2,217
Chief Executive	£5,489	£5,925

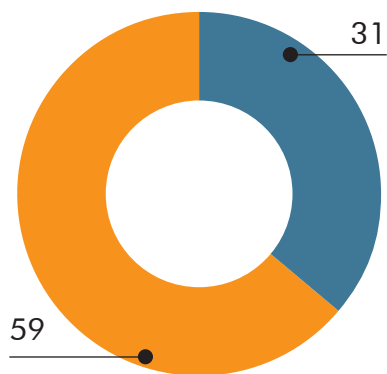
64% (2015/16: 64%) of the Chairman's and Chief Executive's emoluments are charged to general activities and 36% (2015/16: 36%) to lottery distribution.

The median annual remuneration (full time equivalents) at 31 March was (whole Council) (subject to audit):	£31,700	£31,700
The range of annual remuneration (full time equivalents) at 31 March was (whole Council) (subject to audit):	£20,147 to £95,250	£19,752 to £95,248
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

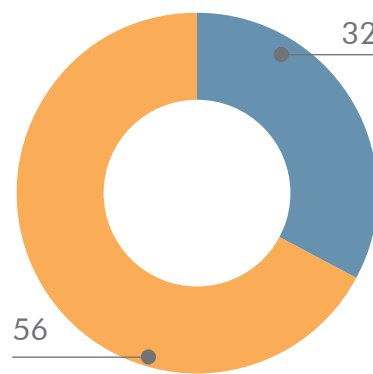
Staff composition at 31 March (Full time equivalents - whole Council)



Total 2017 (90)



Total 2016 (88)



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	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
£10,000 to £24,999	-	-	3	-	3	-
£25,000 to £49,999	-	-	3	-	3	-
£50,000 to £99,999	2	-	3	-	5	-
Total number of exit packages	2	-	9	-	11	-
Total cost (£'000)	167	-	360	-	527	-

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.

All 'other departures agreed' related to requests for redundancy where, in accordance with the Council's redundancy policy, the employees' posts either disappeared in the new structure or were filled by other employees who would otherwise have been compulsorily redundant. There is no difference in the compensation entitlements of volunteers and those who are compulsorily redundant.

52% of the redundancy costs are charged to general activities and 48% to lottery distribution.



149

Number of international exchange projects
and visits supported during 2016/17

Khamira, India Wales, Wales Arts International

Staffing



Margaret Jervis
Chair, HR & Remuneration
Committee

The HR & Remuneration Committee members who served since 1 April 2016 were:

Margaret Jervis MBE DL (Council member)
to 31 March 2017

Michael Griffiths OBE (Council member)

Andrew Miller (Council member)

Andy Eagle (Council member)
from 9 December 2016

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.

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

The Council's staff represent an invaluable source of knowledge and expertise. Council owes a duty of care. We want our staff to be confident, competent and fulfilled, given every opportunity to succeed in their work.

Council operates a number of HR policies that reflect its 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

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.

Pension scheme

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. In accordance with the Council's accounting policies, the scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with FRS 102 and IAS 19.

The Council has also introduced 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 and IAS 19.

Sickness absence

During 2016/17 staff sickness absence totalled 798 days (2015/16: 584 days). This represented 3.67% (2015/16: 2.61%) based on 251 working days, including 1.84% (2015/16: 1.32%) as a result of long term absence (over 28 days).

Consultancy

During 2016/17 the Council paid consultancy costs of £10,000 (2015/16: £12,000) in relation to expert advice and opinion obtained to assist in strategic decision-making. £5,000 (2015/16: £4,000) was charged to general activities and £5,000 (2015/16: £8,000) to lottery distribution.

Tax arrangements of public sector appointees

The table below shows details of off-payroll engagements for more than £220 per day lasting longer than six months:

	2016/17	2015/16
Number of new engagements between 1 April and 31 March	-	48
Number of the above which include contractual clauses giving the Council the right to request assurance in relation to income tax and national Insurance obligations	-	48
Number for whom assurance has been requested	-	48
Of which:		
number for whom assurance has been received	-	42
number for whom assurance has not been received	-	6
Number that have been terminated as a result of assurance not being received	-	-

All of the 2015/16 engagements related to the team of creative agents contracted to the Lead Creative Schools Scheme of our *Creative Learning through the Arts* programme. The agents worked for an agreed number of days across the academic year, acting as catalysts by responding to the individual development priorities and needs of the schools with which they are matched. Different contractual arrangements have applied from April 2016.

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.

The Council undertook an organisational review during the year. As a result, the Council has commitments to pay compensation to members of staff who will leave during 2017/18. The costs of exit packages have been disclosed in the Remuneration and Staff Report.

Fees and charges income

The Council has no material income of this kind.



Nicholas Capaldi
Accounting Officer
7 July 2017

Endorsed on behalf of Council:



Phil George
Chairman
7 July 2017

Financial Statements

General Activities



The Golden Dragon, Music Theatre Wales
(image: Clive Barda)

Statement of Council's and 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, recognised gains and losses 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; and
- prepare the financial statements on a going concern basis.

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.



Nicholas Capaldi
Accounting Officer
7 July 2017

Endorsed on behalf of Council:



Phil George
Chairman
7 July 2017

The Certificate and Report of the Auditor General for Wales to the Trustees of the Arts Council of Wales

I certify that I have audited the financial statements of the Arts Council of Wales General Activities Account for the year ended 31 March 2017 under Article 11 of the Council's Royal Charter. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

Respective responsibilities of the Council, Accounting Officer and auditor

As explained more fully in the Statement of Council's and 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 Council's Royal Charter and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the

accounting policies are appropriate to the Arts Council of Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Arts Council of Wales; and the overall presentation of the financial statements.

In addition, I obtain evidence sufficient 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.

In addition I read all the financial and non-financial information in the Performance Report, Operational Review, and Accountability Report 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 certificate and report.

Opinion on Financial Statements

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 2017 and of its net income for the year then ended; and
- have been properly prepared in accordance with the Welsh Ministers' directions issued under Article 11 of the Council's Royal Charter.

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.

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 Council's Royal Charter; and
- the information included within the Performance Report, Operational Review, and Accountability Report 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:

- the Governance Statement does not reflect compliance with Welsh Ministers' guidance;
- 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.

Huw Vaughan Thomas
Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

11 July 2017

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 2017

	Note	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
INCOME					
<i>Donations:</i>					
Grant-in-aid from the Welsh Government		30,226	750	30,976	32,238
Other grants and donations	3	-	4,336	4,336	3,680
		<u>30,226</u>	<u>5,086</u>	<u>35,312</u>	<u>35,918</u>
<i>Income from charitable activities:</i>					
Services and sponsorship	4	215	53	268	201
<i>Investment income:</i>					
Bank interest		11	3	14	10
Other income	5	134	-	134	85
Total income		<u>30,586</u>	<u>5,142</u>	<u>35,728</u>	<u>36,214</u>
EXPENDITURE					
Charitable activities	6,7,8	30,363	4,642	35,005	35,272
Governance costs	9	81	-	81	85
Bank interest surrendered to Welsh Consolidated Fund		11	-	11	10
Total expenditure		<u>30,455</u>	<u>4,642</u>	<u>35,097</u>	<u>35,367</u>
Net income/(expenditure)		131	500	631	847
Gross transfers between funds	16	(123)	123	-	-
Net movement in funds		<u>8</u>	<u>623</u>	<u>631</u>	<u>847</u>
Reconciliation of funds					
Fund balances brought forward		1,406	587	1,993	1,146
Total funds carried forward		<u>1,414</u>	<u>1,210</u>	<u>2,624</u>	<u>1,993</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 82 to 111 form part of these financial statements.

Consolidated Balance sheet

as at 31 March 2017

		2017		2016 (restated)	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	10a		4		5
Tangible fixed assets	10b		57		104
Total fixed assets			<u>61</u>		<u>109</u>
Current assets					
Grants paid in advance	11	219		300	
Debtors	12	3,416		3,100	
Cash and cash equivalents		2,480		1,053	
Total current assets		<u>6,115</u>		<u>4,453</u>	
Liabilities: falling due within one year					
Creditors	13a	(2,866)		(2,109)	
Provisions for liabilities	14	(49)		(49)	
		<u>(2,915)</u>		<u>(2,158)</u>	
Net current assets			<u>3,200</u>		<u>2,295</u>
Total assets less current liabilities			<u>3,261</u>		<u>2,404</u>
Creditors: falling due after more than one year					
Creditors	13b	(177)		(152)	
Provisions for liabilities	14	(460)		(259)	
			<u>(637)</u>		<u>(411)</u>
Net assets			<u>2,624</u>		<u>1,993</u>
The funds of the charity					
Unrestricted funds	16		1,414		1,406
Restricted funds	16		1,210		587
			<u>2,624</u>		<u>1,993</u>

The notes on pages 82 to 111 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
7 July 2017



Phil George, Chairman
7 July 2017

Consolidated Statement of Cash Flows

for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Net cash inflow from operating activities	18a	1,438	499
Net cash inflow from investing activities	18b	3	-
Net cash outflow associated with capital assets	18c	(14)	(10)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,427	489
Cash and cash equivalents brought forward		1,053	564
Cash and cash equivalents carried forward		<u>2,480</u>	<u>1,053</u>

The notes on pages 82 to 111 form part of these financial statements

Notes forming part of the Financial Statements

for the year ended 31 March 2017

1. Accounting policies

a. Basis of preparation

These financial statements are prepared 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 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.

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 21)

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 Culture, Media and 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 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 20, are not charged to the Statement of Financial Activities. As the grant-in-aid to meet these commitments cannot be recognised until it is received, the Trustees do not believe their inclusion 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, 7 and 8.

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 9.

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 entered into an agreement to make payments to fund a deficit relating to past service so recognises a provision for the present value of contributions payable that result from the terms of that agreement. The annual contribution towards the deficit is charged to the Statement of Financial Activities.

The Council also introduced a defined contribution scheme, The People's Pension, effective 1 May 2014, 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 2016/17 share of the proceeds from the National Lottery of £16,300,000 (2015/16: £19,233,000). The combined total income for both general and Lottery activities for 2016/17 was £52,147,000 (2015/16: £55,588,000). The combined total direct charitable arts expenditure for 2016/17 was £51,421,000 (2015/16: £51,721,000).

3. Income

Donations: Other grants and donations

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
<i>Creative Learning through the Arts</i> Programme (note 22):				
Welsh Government grant	-	1,900	1,900	1,787
Arts Council of Wales Lottery grant	-	2,283	2,283	1,890
British Council contribution for India:Wales	-	150	150	-
The Eirian Llwyd Trust	-	3	3	3
	-	4,336	4,336	3,680

4. Income from charitable activities

Services and sponsorship

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Community Touring scheme:				
- contributions from venues/promoters	135	-	135	138
Wales Arts International:				
- contribution from the British Council	23	5	28	-
- contributions from others	-	8	8	5
<i>Collectorplan</i> - gallery fees	41	-	41	39
Annual Conference - delegate fees	9	-	9	-
Nesta – for <i>Digital Innovations</i>	7	-	7	18
Other income	-	-	-	1
	215	13	228	201

5. Other income

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Contribution from the Lottery Distribution account:				
for use of fixed assets	30	-	30	39
for annual payment towards pension deficit	23	-	23	-
Proceeds from disposal of tangible assets	1	-	1	-
Cerdd Cymru:Music Wales income (note 21)	80	-	80	46
	134	-	134	85

6. Expenditure

Charitable activities

	Direct activities £'000	Grant funding £'000	Support costs £'000	2017 Total £'000	2016 Total £'000
Grant making and arts development	1,446	26,499	504	28,449	28,833
<i>Creative Learning through the Arts</i>					
Programme (note 22)	1,625	2,120	37	3,782	3,372
Arts strategy	858	-	197	1,055	1,138
International	484	-	75	559	779
Services: <i>Night Out & Collectorplan</i>	593	-	73	666	660
Advocacy and research	371	-	42	413	430
Impairment of investment in					
Cerdd Cymru:Music Wales (note 21)	-	-	-	-	15
Cerdd Cymru:Music Wales expenditure (note 21)	81	-	-	81	45
	5,458	28,619	928	35,005	35,272

Grant funding:

	To institutions £'000	To individuals £'000	2017 Total £'000	2016 Total £'000
from unrestricted funds				
Arts Portfolio Wales	25,540	-	25,540	26,716
Strategic awards	211	2	213	370
from restricted funds				
Arts Portfolio Wales	300	-	300	300
<i>Creative Learning through the Arts</i> Programme	2,120	-	2,120	2,386
Strategic awards	111	-	111	370
Capital awards	326	-	326	55
Memorial awards	-	9	9	9
	28,608	11	28,619	29,836

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

7. Operating costs

	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2017 Net charge to General Activities £'000	2016 Net charge to General Activities £'000
Charged to Direct activities (note 6)				
Grant making and arts development	774	449	325	187
Arts strategy	251	124	127	96
International	48	-	48	39
Services: <i>Night Out & Collectorplan</i>	47	-	47	37
Advocacy and research	45	18	27	19
	<u>1,165</u>	<u>591</u>	<u>574</u>	<u>378</u>
Charged to Support costs (note 6)				
Staff related costs	38	13	25	21
Organisation Review	5	2	3	-
Infrastructure	201	73	128	122
Office running costs	10	4	6	6
Professional fees	59	44	15	10
Provisions	90	-	90	(14)
Irrecoverable VAT	52	21	31	30
Amortisation and depreciation	29	7	22	28
	<u>484</u>	<u>164</u>	<u>320</u>	<u>203</u>
Total	<u><u>1,649</u></u>	<u><u>755</u></u>	<u><u>894</u></u>	<u><u>581</u></u>

8. Staff costs

a. Total staff costs consist of:

	Permanently employed £'000	Other £'000	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2017 Net charge to General Activities £'000	2016 Net charge to General Activities £'000
Wages and salaries	2,670	461	3,131	931	2,200	2,039
Social security costs	289	43	332	101	231	168
Other pension costs	561	64	625	213	412	413
Redundancy costs	527	-	527	255	272	-
Agency costs	3	-	3	1	2	-
	4,050	568	4,618	1,501	3,117	2,620

Staff costs are incorporated in the financial statements as follows:

Charged to Direct activities (note 6)

Grant making and arts development	2,007	887	1,120	831
<i>Creative Learning through the Arts Programme</i>	497	-	497	284
Arts strategy	684	246	438	428
International	166	-	166	173
Services – <i>Night Out & Collectorplan</i>	162	-	162	165
Advocacy and research	124	30	94	86
	3,640	1,163	2,477	1,967

Charged to Support costs (note 6)

Management and internal control	343	116	227	240
Finance	178	64	114	112
Information and computer technology	154	52	102	106
Facilities management	68	23	45	47
Human resources	73	25	48	44
Communications	113	41	72	72
	929	321	608	621

Charged to Governance (note 9)

Chairman's remuneration	49	17	32	32
	4,618	1,501	3,117	2,620

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

	Permanently employed	Other	Across the whole Council	On Lottery Distribution activities	2017 On General activities	2016 On General activities
On charitable activities:						
directly charged	8	12	20	-	20	16
recharged	55	-	55	22	33	34
In support of our charitable activities	10	3	13	7	6	6
Agency staff	-	-	-	-	-	-
	73	15	88	29	59	56

Staff composition at 31 March

(full time equivalents – whole Council)

	2017			2016		
	Male	Female	Total	Male	Female	Total
Senior Leadership Team	3	3	6	3	3	6
Portfolio Managers/Heads of Department	7	10	17	6	10	16
Senior Officers	6	7	13	7	7	14
Officers/Development Officers	12	22	34	11	22	33
Team Co-ordinators/Personal Assistants	3	17	20	5	14	19
	31	59	90	32	56	88
	34%	66%		36%	64%	

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

2017	£31,700	2016	£31,072
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The range of annual remuneration (full time equivalents) at 31 March was (whole Council):

2017	£20,147 to £95,250	2016	£19,752 to £95,248
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The ratio between the median annual remuneration and the annual remuneration of the highest paid member of staff was (whole Council):

2017	1:3	2016	1:3
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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	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
£10,000 to £24,999	-	-	3	-	3	-
£25,000 to £49,999	-	-	3	-	3	-
£50,000 to £99,999	2	-	3	-	5	-
Total number of exit packages	2	-	9	-	11	-
Total cost (£'000)	167	-	360	-	527	-

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.

All 'other departures agreed' related to requests for redundancy where, in accordance with the Council's redundancy policy, the employees' posts either disappeared in the new structure or were filled by other employees who would otherwise have been compulsorily redundant. There is no difference in the compensation entitlements of volunteers and those who are compulsorily redundant.

52% of the costs are charged in these 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:

(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:

Name <i>Position</i>	2017			2016		
	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000
Nicholas Capaldi <i>Chief Executive</i>	95-100	22	115-120	95-100	27	120-125
David Alston <i>Director of Arts</i>	70-75	17	85-90	70-75	22	90-95
Katherine Davies <i>Director of Investment and Funding Services</i>	65-70	36	105-110	65-70	54	120-125
Diane Hebb <i>Director of Engagement and Participation</i>	65-70	28	95-100	65-70	38	100-105
Siân Tomos <i>Director of Enterprise and Regeneration</i>	65-70	35	100-105	65-70	48	110-115
Hywel Tudor† <i>Director of Finance and Resources</i>	70-75	16	85-90	70-75	24	90-95

† The Director of Finance and Resources is to be paid compensation of £95,000 (gross) for loss of office during 2017/18. The amount is not included in his single total remuneration figure for this year but is included in the total of accrued redundancy and compensation costs at note 8a above.

The pension benefits of the Senior Leadership Team:

Name <i>Position</i>	2017		2017		2017	2016	2017
	Real increase in pension and related lump sum at age 65 £'000		Total accrued pension at age 65 as at 31/03/17 and related lump sum £'000		Cash Equivalent ¹ Transfer Value at 31/03/17 £'000	Cash Equivalent Transfer Value at 31/03/16 £'000	Real increase ² in Cash Equivalent Transfer Value £'000
Nicholas Capaldi <i>Chief Executive</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 30-35	220	167	21
David Alston <i>Director of Arts</i>	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	5-10 25-30	227	187	18
Katherine Davies <i>Director of Investment and Funding Services</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	25-30 75-80	555	437	34
Diane Hebb <i>Director of Engagement and Participation</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 40-45	323	252	27
Siân Tomos <i>Director of Enterprise and Regeneration</i>	Pension Lump sum	0.2-5 5-7.5	Pension Lump sum	20-25 60-65	470	361	33
Hywel Tudor <i>Director of Finance and Resources</i>	Pension Lump sum	0-2.5 0.2-5	Pension Lump sum	10-15 40-45	324	268	16

- ¹ **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.
- ² **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 2016/17 include an aggregate amount of £10,893 (2015/16: £13,759) reimbursed to 12 (2015/16: 13) Council members.

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

	2017 £	2016 £
Chairman		
Salary	43,810	43,810
Chief Executive		
Salary	95,250	95,248
Employer's pension contribution	19,050	19,050
	<u>114,300</u>	<u>114,298</u>

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

Chairman	4,298	2,217
Chief Executive	5,489	5,925

64% (2015/16: 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	
	2017	2016	2017	2016
on or before 31 August 2006	22.0%	22.0%	1.5%	1.5%
from 1 September 2006 to 31 March 2010	20.0%	20.0%	3.5%	3.5%
on or after 1 April 2010	17.5%	17.5%	6.0%	6.0%

The Council was also required to contribute a minimum payment of £48,700 towards the deficit during 2016/17 (2015/16: £48,700).

From 1 April 2017 contributions changed to:

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

¹ It has been agreed that all employees' contributions will increase to 6% by April 2019.

There has been no change to the minimum annual payment towards the deficit.

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 introduced a defined contribution scheme, The People's Pension, as an alternative option for employees that were not members of the ACRP. The Council contributes 4% and the employee 1%. These rates will change in the future, in line with the requirements of the legislation.

9. Resources expended

Governance costs

	2017 Total £'000	2016 Total £'000
Chairman's remuneration	32	32
Auditor's remuneration - Audit	22	22
Internal audit	11	16
Council meetings, including Members' travel and subsistence	7	7
Committee meetings, including travel and subsistence	9	8
	<u>81</u>	<u>85</u>

10. Fixed assets

a. Intangible fixed assets

	Computer software licences £'000
Cost at 1 April 2016	581
Additions	4
Disposals	(1)
Cost at 31 March 2017	<u>584</u>
Amortisation at 1 April 2016	576
Charge for the year	4
Disposals	-
Amortisation at 31 March 2017	<u>580</u>
Net book value at 31 March 2017	<u>4</u>
Net book value at 1 April 2016	<u>5</u>

b. Tangible fixed assets

	Alterations to leasehold properties £'000	Computer system, furniture, etc £'000	Website £'000	Total £'000
Cost at 1 April 2016	107	610	95	812
Additions	-	11	-	11
Disposals	-	(19)	-	(19)
Cost at 31 March 2017	<u>107</u>	<u>602</u>	<u>95</u>	<u>804</u>
Depreciation at 1 April 2016	85	528	95	708
Charge for the year	11	47	-	58
Disposals	-	(19)	-	(19)
Depreciation at 31 March 2017	<u>96</u>	<u>556</u>	<u>95</u>	<u>747</u>
Net book value at 31 March 2017	<u>11</u>	<u>46</u>	<u>-</u>	<u>57</u>
Net book value at 1 April 2016	<u>22</u>	<u>82</u>	<u>-</u>	<u>104</u>

	2017 £'000	2016 £'000
Amortisation and depreciation charged has been allocated to charitable activities as follows (note 6):		
Direct activities	40	51
Support costs	22	28
	<u>62</u>	<u>79</u>

c. Net book value at 31 March 2017 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.

11. 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.

	2017 £'000	2016 £'000
Payments in respect of the following year's grants	<u>219</u>	<u>300</u>
12. Debtors (falling due within one year)	2017 £'000	2016 £'000
<i>Collectorplan</i> loans ¹	556	526
Trade debtors	70	61
Other debtors	1,995	1,893
	<u>2,621</u>	<u>2,480</u>
<i>Deduct</i> Specific provision for doubtful debts	(11)	(12)
<i>Sub-total: Debtors</i>	<u>2,610</u>	<u>2,468</u>
Prepayments	296	278
	<u>2,906</u>	<u>2,746</u>
Due from Lottery distribution fund for recharged costs:		
Cost apportionments	510	184
<i>Creative Learning through the Arts</i> Programme	-	170
	<u>3,416</u>	<u>3,100</u>

¹ *Collectorplan* is 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.

13. Creditors:	2017	2016
	£'000	(restated) £'000
a. Creditors: falling due within one year		
Grants payable	1,765	1,446
Taxation and social security	92	105
Trade creditors	40	50
Other creditors	89	113
Accruals and deferred income	866	392
Current liabilities of Cerdd Cymru:Music Wales (note 21)	14	3
	<u>2,866</u>	<u>2,261</u>
b. Creditors: falling due after more than one year		
Grants payable	177	152
	<u>177</u>	<u>152</u>
14. Provisions for liabilities	2017	2016
	£'000	£'000
Provision for pension deficit at 1 April	308	350
Amount charged against the provision during the year	(49)	(49)
Annual adjustment following a triennial valuation and changes in discount rates	250	7
Provision at 31 March	<u>509</u>	<u>308</u>
Of which:		
Falling due within one year	49	49
Falling due after more than one year	460	259
	<u>509</u>	<u>308</u>

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

15. 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.

16. Statement of funds

	At 1 April 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 March 2017 £'000
Unrestricted income funds					
General fund	1,406	30,586	(30,455)	(123)	1,414
Total unrestricted funds	1,406	30,586	(30,455)	(123)	1,414
Restricted funds					
Income					
Welsh Government for specific arts activity	107	758	(720)	72	217
Development and Strategies	11	-	(7)	1	5
CLTA Programme	363	4,186	(3,781)	37	805
Eirian Llwyd Memorial Fund	-	3	(3)	-	-
Wales Arts International: contributions from the British Council	-	195	(124)	12	83
	481	5,142	(4,635)	122	1,110
Capital					
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)	93	-	(7)	1	87
	106	-	(7)	1	100
Total restricted funds	587	5,142	(4,642)	123	1,210
Total funds	1,993	35,728	(35,097)	-	2,624

The Alun Llywelyn Williams and Brian Ross Memorial Funds are represented by cash at bank and are within the total of £2,480,000 shown on the Balance Sheet.

17. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2017 are represented by:			
Fixed assets	61	-	61
Current assets	2,955	3,160	6,115
Creditors: falling due within one year	(1,142)	(1,773)	(2,915)
Creditors: falling due after more than one year	(460)	(177)	(637)
Total net assets	1,414	1,210	2,624

18. Cash flow information

	2017 £'000	2016 £'000
a. Cash flows from operating activities		
Net incoming/(outgoing) resources	631	847
Bank interest received (net of surrender)	(3)	-
Amortisation and depreciation (note 10b)	62	79
(Increase)/Decrease in grants paid in advance	81	44
(Increase)/Decrease in debtors	(316)	(1,967)
Increase/(Decrease) in creditors falling due within one year	757	1,386
Increase/(Decrease) in creditors falling due after more than one year	226	110
Net cash inflow from operating activities	1,438	499
b. Cash flows from investing activities		
Bank interest received	14	10
Bank interest surrendered to Welsh Consolidated Fund	(11)	(10)
Net cash inflow from operating activities	3	-
c. Cash flows associated with capital assets		
Payments to acquire intangible fixed assets (note 10a)	(4)	(5)
Payments to acquire tangible fixed assets (note 10b)	(11)	(5)
Proceeds from disposal of tangible assets	1	-
Net cash outflow associated with capital assets	(14)	(10)

19. Commitments on operating leases

At 31 March 2017 the Council had the following commitments for future payments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Total due				
within one year	206	206	4	4
later than one year and not later than five years	226	226	1	7
later than five years	7	17	-	-

Lease payments of £210,000 have been recognised as an expense during the year (2015/16: £210,000). 52% of the costs are charged in these financial statements and the remainder to lottery distribution activities.

20. Forward commitments	2017	2016
	£'000	£'000
Grants		
Forward funding - grants formally offered	26,744	25,840

Forward funding at 31 March 2017 represents allocations to organisations and individuals in respect of projects due to commence in 2017/18 and where payments are expected to be made within 12 months.

21. 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.

	2017		2016	
	Total £'000	Arts Council of Wales' share £'000	Total £'000	Arts Council of Wales' share £000
Profit & Loss Account				
Income (note 5)	80	80	92	46
Expenditure (note 6)	(81)	(81)	(89)	(45)
Net incoming/(outgoing) resources	(1)	(1)	3	1
Statement of Financial Position				
Current assets:				
Cash at bank and in hand	11	11	2	1
Current liabilities (note 13)	(14)	(14)	(5)	(3)
Net assets/(liabilities)	(3)	(3)	(3)	(2)
Reserves	(3)	(3)	(3)	(2)

22. *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 Culture, Media and Sport.

	2017	2016
	£'000	£'000
Income		
Welsh Government grant	1,900	1,787
Arts Council of Wales Lottery grant	2,283	1,890
Bank interest	2	-
	<u>4,185</u>	<u>3,677</u>
Expenditure		
Lead Creative Schools	2,449	1,804
Arts and education programme (2017: write back from previous year)	(36)	999
Arts and creative learning cross-programme	645	38
Central management costs	686	473
Support costs (from unrestricted funds)	37	58
	<u>3,781</u>	<u>3,372</u>

23. 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 2016/17 £32,876,000 or 92% of the Council's income was derived from the Welsh Government (2015/16: £34,025,000 or 94%). Of the remaining income £2,283,000 or 6% was derived from the Arts Council of Wales' Lottery Distribution account for the *Creative Learning through the Arts Programme* (2015/16: £1,890,000 or 5%) and £569,000 or 2% was derived from investment income and sundry income (2015/16: £299,000 or 1%). 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 (2015/16: 0.38%). The effective unrestricted cash balance at the year end was £1,132,000 (2016: £830,000). 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.

24. Corporation Tax

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

25. 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.

26. 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 grant-in-aid disclosed in the Statement of Financial Activities.

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 2016/17 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 2017 £
Council Members				
Phil George (Chair)				
Former Chair	National Theatre Wales	Grant (3)	1,627,898	66,398
Adviser-Creative Economy Project	Cardiff University	Invoice (3)	20,144	Nil
		Receivable (3)	(40,094)	(16,061)
Andy Eagle				
Board member	Music Theatre Wales	Grant (1)	211,530	Nil
Board member	Swansea City Opera	Grant (1)	24,500	13,475
Board member	Cardiff Dance Festivals	Invoice (1)	123	Nil
Employment	Chapter	Grant (3)	817,986	5,658
		Invoice (1)	941	Nil
Michael Griffiths				
Member	University of South Wales	Invoice (2)	914	Nil
Margaret Jervis				
Director of Operations and Employment (Family member)	Valleys Kids	Grant (1)	118,244	Nil
Marian Wyn Jones				
Director and Volunteer	Canolfan Gerdd William Mathias	Grant (1)	77,537	Nil
		Invoice (1)	147	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Andrew Miller Employment	Royal Welsh College of Music and Drama	Grant (1)	24,868	24,868
Richard Turner Freelance consultant	Aneurin Leisure Trust	Invoice (6)	4,250	Nil
Employment	Artis Community Cymuned	Grant (1)	193,198	Nil
Employment	Royal Welsh College of Music and Drama	Grant (1)	24,868	24,868
Alan Watkin Board Member – Vice-chairman	Theatr Clwyd	Grant (2)	1,803,499	Nil
John C Williams Employment	Theatr Iolo	Grant (2)	250,567	250
Former Associate Director (unpaid)	Sherman Cymru	Invoice(3)	3,600	Nil
		Grant (1)	1,087,920	Nil
		Invoice (1)	500	Nil
Dr Kate Woodward Management Committee member	Aberystwyth University (including Aberystwyth Arts Centre)	Grant (1)	518,498	Nil
		Invoice(1)	731	Nil
Former employment (Family member)	Arad Goch	Grant(4)	408,012	72,855
		Invoice(2)	142	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Committee Members				
Andrew Butler Employment (Family member)	Wales Audit Office	Invoice (3)	26,905	Nil
Ruth Cayford Employment	Cardiff Council (including St David's Hall)	Invoice (3)	640	Nil
Mark Davies Employment	BBC Cymru Wales (including BBC National Orchestra of Wales)	Grant (1) Invoice (5)	777,906 12,364	Nil Nil
Roland Evans Employment	Gwynedd County Council	Invoice (1)	240	Nil
Alan Hewson Exhibitions Curator (Family member)	Aberystwyth University (including Aberystwyth Arts Centre)	Grant (1) Invoice (1)	518,498 731	Nil Nil
Members of the Senior Leadership Team				
Katherine Davies Employment (Family member)	Cardiff Council (including St David's Hall)	Invoice (3)	640	Nil
Katherine Davies Employment (Family member)	Ballet Cymru	Grant (2) Invoice (5)	253,842 5,480	Nil Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Diane Hebb Governing Body Member	Gwernyfed High School	Grant (1)	3,200	Nil
Siân Tomos Employment (Family member)	BBC Cymru Wales (including BBC National Orchestra of Wales)	Grant (1) Invoice (5)	777,906 12,364	Nil Nil
Other members of staff				
Daniel Allen Former employment	Royal Welsh College of Music and Drama	Grant (1)	24,868	24,868
Nathalie Camus Board Member (Family member) Consultancy (Family member)	Mostyn Gallery Emrys Williams	Grant (1) Invoice (1) Invoice (8)	376,053 36 6,730	Nil Nil Nil
Mark Condron Employment (Family member)	Urdd Gobaith Cymru	Invoice (2)	366	Nil
Dafydd Frayling Employment	Cardiff University	Invoice (3) Receivable (3)	20,144 (40,094)	Nil (16,061)

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Emily Garside Board member	Taking Flight Theatre	Grant (1)	2,500	Nil
		Invoice (7)	4,827	250
Hannah Greys Employment	Sherman Cymru	Grant (1)	1,087,920	Nil
		Invoice (1)	500	Nil
Osian Gwynn Employment (Family member)	Sherman Cymru	Grant (1)	1,087,920	Nil
		Invoice (1)	500	Nil
Duncan Lackie Employment (Family member)	University of South Wales	Invoice (2)	914	Nil
Sally Lewis Employment (Family member)	Ballet Cymru	Grant (2)	253,842	10,000
		Invoice (5)	5,480	Nil
Ruth Lloyd Freelance consultant	Celf O Gwmpas	Invoice (2)	2,372	Nil
Freelance consultant	National Museum of Wales	Invoice (3)	36,000	Nil
Freelance consultant	Jukebox collective	Grant (1)	16,200	Nil
		Invoice (1)	2,250	Nil
Freelance consultant	Oriel Myrddin	Grant (1)	45,553	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Ian McAndrew Former employment	Valleys Kids	Grant (1)	118,244	Nil
	Artis Community Cymuned	Grant (1)	193,198	Nil
Betsan Moses Councillor (Family member)	Carmarthenshire County Council	Invoice (2)	1,109	Nil
Daniel Trivedy Freelance employment Freelance employment	Oriel Myrddin Gallery	Grant (1)	45,553	Nil
	Mission Gallery	Grant (1)	92,075	Nil
Louise Wright Employment (Family member)	University of South Wales	Invoice (2)	914	Nil

Financial Statements
Lottery Distribution



Vanishing Point, Kelly Best, Oriel Davies, 2017
(image: John Fallon)

Statement of Council's and the 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 Culture, Media and 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, changes in equity 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 Culture, Media and 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; and
- prepare the financial statements on a going concern basis.

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.



Nicholas Capaldi
Accounting Officer

7 July 2017

Endorsed on behalf of Council:



Phil George
Chairman

7 July 2017

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

I certify that I have audited the financial statements of the Arts Council of Wales Lottery Distribution Account for the year ended 31 March 2017 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability disclosures within the Accountability Report that is described in that report as having been audited.

Respective responsibilities of the Council, Accounting Officer and auditor

As explained more fully in the Statement of Council's and the 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. My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

This includes an assessment of: whether the accounting policies are appropriate to the Arts Council of Wales Lottery Distribution Account's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Arts Council of Wales; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Report accompanying the financial statements 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 certificate.

I am required to obtain evidence sufficient to give reasonable assurance that 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.

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.

Opinion on financial statements

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 2017 and of the net expenditure 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 with the approval of HM Treasury.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited has been properly prepared in accordance with Secretary of State directions made with HM Treasury approval under the National Lottery etc. Act 1993; and
- the information given in the Performance and Accountability Report 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 part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of 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.

Sir Amyas C E Morse
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

13 July 2017

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 Expenditure

for the year ended 31 March 2017

	Note	2017		2016	
		£'000	£'000	£'000	£'000
Expenditure					
Management and administration:					
Staff costs	2a	1,501		1,202	
Other operating costs	2b	753		711	
			<u>2,254</u>		<u>1,913</u>
Irrecoverable grants:					
Increase/(Decrease) in provision for doubtful debts		-		(4)	
			<u>-</u>		<u>(4)</u>
Expenditure on the arts:					
Grants made		14,981		14,841	
Less: Lapsed and revoked grants		(319)		(1,146)	
Net grants made	7		14,662		13,695
Delegated distributors	9		1,361		2,528
Other arts awards	3		308		190
Direct costs of grant making	2c		85		36
			<u>16,416</u>		<u>16,449</u>
Total expenditure			<u>18,670</u>		<u>18,358</u>
Income					
Share of proceeds from the National Lottery	4		16,300		19,233
Investment income on balances in the National Lottery Distribution Fund	4		53		78
Interest receivable			11		9
Grants recoverable			55		54
Total income			<u>16,419</u>		<u>19,374</u>
Net income/(expenditure)			(2,251)		1,016
Other Comprehensive Income					
Net unrealised gain/(loss) on the revaluation of investment in the National Lottery Distribution Fund	4		-		-
Total Comprehensive Income/(Expenditure) for the year			<u><u>(2,251)</u></u>		<u><u>1,016</u></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 119 to 132 form part of these financial statements.

Statement of Financial Position

as at 31 March 2017

	Note	31 March 2017		31 March 2016	
		£'000	£'000	£'000	£'000
Non-current assets:					
Trade and other receivables	5a		150		150
Current assets:					
Financial assets:					
Investments - balance held in the National Lottery Distribution Fund	4	21,291		21,377	
Trade and other receivables	5b	-		3	
Cash and cash equivalents	8	662		2,822	
Total current assets			<u>21,953</u>		<u>24,202</u>
Total assets			<u>22,103</u>		<u>24,352</u>
Trade payables and other current liabilities – amounts falling due within one year:					
Trade and other payables	6	(532)		(377)	
Other liabilities:					
Delegated distributors	6, 9	(654)		(1,169)	
Grants	6, 7	(13,163)		(12,621)	
Total payables and other current liabilities			<u>(14,349)</u>		<u>(14,167)</u>
Non-current assets plus net current assets			7,754		10,185
Trade payables and other liabilities – amounts due after more than one year:					
Grants	7		(4,910)		(5,090)
Assets less liabilities			<u>2,844</u>		<u>5,095</u>
Equity/Reserves:					
Net Expenditure account			<u>2,844</u>		<u>5,095</u>

The notes on pages 119 to 132 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
7 July 2017



Phil George, Chairman
7 July 2017

Statement of Cash Flows

for the year ended 31 March 2017

	2017	2016
	£'000	£'000
Cash flows from operating activities		
Net income/(expenditure)	(2,251)	1,016
Bank interest	(11)	(9)
(Increase)/Decrease in the balance held in the National Lottery Distribution Fund	86	981
(Increase)/Decrease in trade and other receivables	3	(2)
Increase /(Decrease) in trade and other payables and other liabilities	(360)	446
Increase/(Decrease) in grants payable	362	(1,264)
Net cash inflow/(outflow) from operating activities	<u>(2,171)</u>	<u>1,168</u>
Cash flows from investing activities		
Bank interest	11	9
Net cash inflow from investing activities	<u>11</u>	<u>9</u>
Cash and cash equivalents		
Net increase/(decrease) in cash and cash equivalent balances	(2,160)	1,177
Balance at 1 April	2,822	1,645
Balance at 31 March	<u>662</u>	<u>2,822</u>

Statement of changes in equity

for the year ended 31 March 2017

	2017	2016
	£'000	£'000
Balance at beginning of year	5,095	4,079
Net income/(expenditure) for the year	(2,251)	1,016
Balance at end of year	<u>2,844</u>	<u>5,095</u>

The notes on pages 119 to 132 form part of these financial statements.

Notes forming part of the financial statements

for the year ended 31 March 2017

1 Accounting policies

a Basis of preparation

These financial statements are prepared under the historical cost convention. They have been prepared in a form directed by the Secretary of State for Culture, Media and 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).

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 Culture, Media and Sport. However, the share of these balances attributable to the Council is as shown in the accounts at market value and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by the Council in respect of current and future commitments.

It is appropriate to classify the National Lottery Distribution Fund investments as 'available for sale', being in line with the Department for Culture, Media and Sport accounting policy, and this accounting treatment is appropriate to the Council. The policy is that investments are held at fair value with any unrealised profit or loss recognised through reserves.

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 entered into an agreement to make payments to fund a deficit relating to past service so recognises a provision for the present value of contributions payable that result from the terms of that agreement. A share of the change in the present value of the deficit is charged to the Statement of Comprehensive Net Income/Expenditure (note 2b).

The Council has also introduced a defined contribution scheme, The People's Pension, effective 1 May 2014, 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 appropriate allowances for estimated irrecoverable amounts. 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 **2017** **2016**

a Management and administration: Staff costs

	Permanently employed	Other	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries charged to Lottery distribution activity	894	37	931	918
Social security costs	98	3	101	78
Other pension costs	210	3	213	206
Redundancy payments	255	-	255	-
Agency costs	1	-	1	-
	<u>1,458</u>	<u>43</u>	<u>1,501</u>	<u>1,202</u>

b Management and administration: Other operating costs **2017** **2016**
£'000 **£'000**

Staff related costs	59	51
Organisational Review	8	-
Infrastructure	335	328
Lottery promotion	12	12
Office running costs	17	18
Professional fees	146	120
Irrecoverable VAT	98	90
Charge for use of fixed assets	30	39
Auditor's remuneration – Audit ¹	19	19
Internal audit	10	15
Bad debts written off	1	-
Council meetings, including Members' travel and subsistence	18	19
	<u>753</u>	<u>711</u>

¹ 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 48% (2015/16: 48%).

c	Expenditure on the arts: Direct costs of grant making	2017	2016
		£'000	£'000
	Assessors' fees	30	35
	<i>Resilience</i> Fund support	46	-
	<i>Criw Celf</i>	4	-
	Creative Wales Awards – scheme expenses	5	1
		<u>85</u>	<u>36</u>
3	Other arts awards	2017	2016
		£'000	£'000
	Cross Border Touring	150	150
	<i>Beyond Borders</i> awards in association with PRS Foundation	20	40
	<i>Unlimited</i> awards in association with Arts Council England	138	-
		<u>308</u>	<u>190</u>
4	National Lottery Distribution Fund	2017	2016
		£'000	£'000
	Balance held in the National Lottery Distribution Fund (NLDF) at 1 April	21,377	22,358
	Allocation of Lottery proceeds	16,300	19,233
	Investment income receivable	53	78
	Net unrealised gain/(loss) on investment in NLDF during the year	-	-
	Drawn down in the year	(16,439)	(20,292)
		<u>21,291</u>	<u>21,377</u>
	Balance held in the National Lottery Distribution Fund at 31 March		
		<u>21,291</u>	<u>21,377</u>
	The balance in the National Lottery Distribution Fund at 31 March 2017 is in accordance with the Interim Certificate issued by the Department for Culture, Media and Sport.		
5	Trade and other receivables	2017	2016
		£'000	£'000
a	Non-current assets		
	Other receivables	<u>150</u>	<u>150</u>

	2017	2016
	£'000	£'000
b Current assets		
Grants recoverable	-	3
<i>Deduct</i> Specific provision for doubtful debts	-	-
	<u>-</u>	<u>3</u>
6 Trade payables and other current liabilities	2017	2016
– amounts falling due within one year	£'000	£'000
Trade and other payables:		
Trade payables	1	5
Due to the Arts Council of Wales General Activities account:		
for apportioned costs ¹	510	184
for the <i>Creative Learning through the Arts</i> Programme	-	170
Accruals and deferred income	21	18
<i>Sub-total: Trade and other payables</i>	<u>532</u>	<u>377</u>
Other liabilities:		
Delegated distributors ²	654	1,169
Grants (note 7)	13,163	12,621
<i>Sub-total: Other liabilities</i>	<u>13,817</u>	<u>13,790</u>
Total current liabilities	<u>14,349</u>	<u>14,167</u>
¹ The amount due to the Arts Council of Wales General Activities account is made up of:		
Recharges of apportioned costs		
- Staff	112	100
- Overheads	113	45
- Redundancy costs	255	-
- Charge for use of assets	30	39
	<u>510</u>	<u>184</u>
² The Council has delegated Lottery funds (note 9) to the following distributors:		
Undrawn funds at 31 March		
- Ffilm Cymru Wales (for film)	579	789
- BBC Wales (for the <i>Horizons</i> scheme)	-	300
- Literature Wales (for writers' bursaries)	75	80
	<u>654</u>	<u>1,169</u>

7	Grants			2017	2016
		£'000	£'000	£'000	£'000
		Capital	Revenue schemes	Total	Total
	Payable at 1 April	6,404	11,307	17,711	18,975
	Grants made in the year	2,192	12,789	14,981	14,841
	Amounts not taken up	(56)	(263)	(319)	(1,146)
	Charged to Statement of Comprehensive Net Income/Expenditure	2,136	12,526	14,662	13,695
	Grants paid in the year	(1,739)	(12,561)	(14,300)	(14,959)
	Payable at 31 March ¹	6,801	11,272	18,073	17,711
	Falling due within one year	2,939	10,224	13,163	12,621
	Falling due after more than one year	3,862	1,048	4,910	5,090
		6,801	11,272	18,073	17,711
¹	Ageing of grants payable:				
	2016/17	-	-	-	12,621
	2017/18	2,939	10,224	13,163	4,017
	2018/19	3,623	932	4,555	1,041
	2019/20	217	111	328	32
	2020/21	22	5	27	-
		6,801	11,272	18,073	17,711
	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			-	50
8	Cash and cash equivalents			2017 £'000	2016 £'000
	The following balances at 31 March were held at:				
	Commercial banks and cash in hand			662	2,822

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 amateur music £'000	2017 Total £'000	2016 Total £'000
Undrawn funds at 1 April	789	-	300	80	-	1,169	884
Adjustment to prior year allocation	-	-	(150)	-	-	(150)	-
Delegated for the year	1,351	-	-	96	64	1,511	2,528
	2,140	-	150	176	64	2,530	3,412
Drawn down in the year	(1,561)	-	(150)	(101)	(64)	(1,876)	(2,243)
Undrawn funds at 31 March	579	-	-	75	-	654	1,169
Grants recorded as payable by the delegated distributors at 31 March	1,173	4	-	89	-	1,266	1,291

Full lists of the grants administered by the delegated distributors during 2016/17 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 Culture, Media and 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 Culture, Media and Sport (DCMS). Land sales are likely to take place over a lengthy period, estimated to be from 2016/17 to 2036/37. DCMS estimates the first payments to the Lottery Distributors to come through around 2020/21.

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 2016/17 £16,300,000 or 99.3% of the Council's Lottery distribution income was derived from the National Lottery (2015/16: £19,233,000 or 99.3%). Of the remaining income £53,000 or 0.3% was derived from investment returns from the balance held with the National Lottery Distribution Fund (2015/16: £78,000 or 0.4%) and £66,000 or 0.4% from other investment income and sundry income (2015/16: £63,000 or 0.3%). 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 (2015/16: 0.38%). The cash and cash equivalents balance at the year end was £662,000 (2016: £2,822,000). 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 Culture, Media and Sport which is regarded as a related party. During the year the Council had no material transactions with the Department for Culture, Media and 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 Ty Cerdd 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 2016/17 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 2017 £
Council members				
Andy Eagle				
Board member	Music Theatre Wales	Grant (2)	95,598	62,132
Board member	Swansea City Opera	Grant (2)	9,218	Nil
Board member	Cardiff Dance Festival	Grant (2)	64,402	35,421
Employer	Chapter	Grant (3)	90,300	24,300
Phil Georgs				
Advisor to Creative Economy project	Cardiff University	Grant (1)	3,225	Nil
Margaret Jervis				
Director	Valleys Kids	Grant (2)	74,999	74,999
Marian Wyn Jones				
Board member	Canolfan Gerdd William Mathias	Grant (1)	7,000	92
Former board member	Bangor New Music Festival	Grant (1)	5,000	Nil
Non-executive director	Betsi Cadwaladr Health Board	Grant (1)	100,000	55,000
Andrew Miller				
Employment	Royal Welsh College of Music and Drama	Grant (1)	30,000	30,000
Lottery funded changemaker	Arts Council England	Invoice (1)	150,000	Nil
Richard Turner				
Freelance employment	Aneurin Leisure Trust	Grant (1)	9,479	948
		Invoice (1)	1,825	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Freelance employment	Royal Welsh College of Music and Drama	Grant (1)	30,000	30,000
		Invoice (1)	210	Nil
Business consultant	Operasonic	Grant (1)	30,000	3,000
Employment (Family member)	Hay International Festivals Ltd	Grant (1)	60,000	60,000
Alan Watkin Board member	Theatr Clwyd	Grant (1)	100,000	100,000
John C Williams Employment	Theatr Iolo	Grant (2)	70,203	56,364
Associate producer	Sherman Cymru	Grant (3)	103,027	Nil
Dr Kate Woodward Committee member	Aberystwyth University (including Aberystwyth Arts Centre)	Grant (1)	20,738	20,738
Employment (Family member)	Arad Goch	Grant (2)	70,080	70,080
Sub-committee member	BAFTA Cymru	Grant(1)	5,000	5,000
Committee members				
Ruth Cayford Employment	Cardiff Council (St David's Hall)	Grant (1)	98,000	98,000
		Invoice (2)	922	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Members of the Senior Leadership Team				
Kath Davies				
Employment (Family member)	Cardiff Council (St David's Hall)	Grant (1)	98,000	98,000
		Invoice (2)	992	Nil
Employment (Family member)	Ballet Cymru	Grant (5)	234,246	125,323
Diane Hebb				
Project participant (Family member)	It's My Shout Ltd	Grant (2)	87,999	42,628
Other members of staff				
Dan Allen				
Previous employment	Royal Welsh College of Music and Drama	Grant (1)	30,000	30,000
		Invoice (1)	210	Nil
Eleri Allsobrook				
Employment (Family member)	Arts & Business Cymru	Grant (1)	30,000	30,000
		Invoice (1)	854	Nil
Emrys Barnes				
Previous employment	Arts Active Trust	Grant (1)	182,130	182,130

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Nathalie Camus Board member (Family member)	Mostyn Gallery	Grant (2) Invoice (2)	40,000 361	28,750 Nil
Mark Condron Employment (Family member)	Urdd Gobaith Cymru	Grant (2)	60,000	46,500
Dafydd Frayling Part-time employment	Cardiff University	Grant (1)	3,225	Nil
Emily Garside Board member	Taking Flight Theatre	Grant (3)	128,890	97,418
Hannah Greys Employment	Sherman Cymru	Grant (3)	103,027	Nil
Osian Gwynn Employment (Family member)	Sherman Cymru	Grant (3)	103,027	Nil
Director (Family member)	Cwmni Pluen	Grant (1)	14,873	14,873
Nia Wyn Jones Freelance employment	Bread & Goose	Grant (1)	4,650	Nil

Member Role	Organisation	Transaction (number)	Total Value £	Total balance outstanding at 31 March 2017 £
Sally Lewis Associate (Family member)	Ballet Cymru	Grant (5)	234,246	125,323
Ruth Lloyd Freelance employment	CELF O Gwmpas	Grant (1)	18,000	1,800
Ian McAndrew Previous employment Previous employment	Valleys Kids Chainworks	Grant (2) Grant (1)	74,999 5,000	74,999 Nil
Leanne Rahman Panel member Forum member	Voluntary Arts Wales Race Council Cymru	Grant (1) Grant (1)	48,128 20,000	26,471 Nil
Elen Roberts Band members (Family members)	HMS Morris	Grant (1)	5,000	Nil
Daniel Trivedy Director Freelance employment Lead Artist	Elysium Gallery Mission Gallery Cross Pollination Project – University of Wales, Trinity St David	Grant (1) Grant (4) Grant (1)	22,498 245,434 19,550	2,250 229,905 1,955

Annexes

not forming part of the financial statements



General Activities - Grants 2016/17

Core funding to Arts Portfolio Wales organisations

Aberystwyth Arts Centre	£518,498
Arad Goch	£335,157
Artes Mundi Prize Limited	£142,958
Artis Community Cymuned	£193,198
Arts Alive	£75,000
Arts Care Gofal Celf	£128,420
Arts Connection - Cyswllt Celf	£62,999
Ballet Cymru	£243,842
Bangor University	£270,645
BBC National Orchestra of Wales	£777,906
Blackwood Miners' Institute	£125,000
Canolfan Gerdd William Mathias	£77,537
Chapter	£635,160
Community Music Wales	£101,767
Cwmni'r Frân Wen	£225,133
Dawns i Bawb	£82,383
Disability Arts Cymru	£159,823
Ffotogallery	£192,727
g39	£67,845
Galeri Caernarfon Cyf	£305,543
Glynn Vivian Art Gallery	£121,151
Hafren	£103,395
Head4Arts	£145,382
Hijinx Theatre	£150,422
Jukebox Collective	£162,000
Literature Wales	£717,163
Live Music Now Wales	£43,614
Llantarnam Grange Arts Centre	£82,383
Mid Wales Opera	£100,798
Mission Gallery	£92,075
MOSTYN	£376,053
Music Theatre Wales	£211,530
National Dance Company Wales	£805,977
National Theatre Wales	£1,552,082
NEW Dance	£72,969
NoFit State Community Circus	£188,027
Oriel Davies Gallery	£216,230
Oriel Myrddin Trust	£45,553
Pontardawe Arts Centre	£61,060
Powys Dance	£108,794

Rhondda Cynon Tâf County Borough Council	£145,721
Rubicon Dance	£188,027
Ruthin Craft Centre	£376,053
Sherman Cymru	£1,087,920
Sinfonia Cymru	£210,459
Taliesin Arts Centre	£212,470
The Riverfront	£121,151
Theatr Bara Caws	£270,341
Theatr Brycheiniog	£188,027
Theatr Clwyd	£1,741,999
Theatr Felinfach	£58,153
Theatr Genedlaethol Cymru	£994,751
Theatr Iolo	£248,067
Theatr Mwldan	£258,821
Theatr na n'Óg	£305,403
Torch Theatre Company Limited	£432,462
Trac - Music Traditions Wales	£77,537
Tŷ Cerdd - Music Centre Wales	£153,164
Ucheldre Centre	£72,691
Valley & Vale Community Arts	£169,224
Valleys Kids	£118,244
Volcano Theatre Company Limited	£202,129
Wales Millennium Centre	£3,708,132
Welsh National Opera	£4,380,654
Ystradgynlais Miners' Welfare and Community Hall Trust Ltd	£40,202

Total Arts Portfolio Wales grants	£25,840,001
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Creative Learning through the Arts Programme

Lead Creative Schools

Abermule Primary School	£10,000
Alaw Primary School	£10,000
Alexandra Community Primary School	£10,000
Alun School	£3,200
Archbishop McGrath Catholic High School	£29,000
Bishop Childs Church in Wales Primary School	£10,000
Bishop Vaughan Catholic Secondary School	£29,000
Blaenavon Heritage VC Primary School	£5,800

Broughton Primary School	£10,000
Bryn Primary School	£2,000
Bryngwyn School	£16,000
Brynmawr Foundation School	£16,000
Brynnau Primary School	£13,000
Builth Wells High School	£16,000
Burry Port Community Primary School	£2,000
Cadoxton Primary School	£2,000
Canolfan Addysg Y Bont	£16,000
Cefn Hengoed Community School	£3,200
Cefn Saeson Comprehensive School	£16,000
Chepstow Primary Alliance	£2,600
Clase Primary School	£10,000
Coed Y Garn Primary	£2,000
Coedpenmaen Primary School	£10,000
Cogan Primary School	£10,000
Coychurch Llangrallo Primary	£10,000
Cradoc Primary School	£10,000
Crickhowell High School	£3,200
Croesty Primary School	£10,000
Cwmaber Infants School	£10,000
Cwmaman Infants	£13,000
Cynffig Comprehensive School	£16,000
Dolau Primary School	£10,000
Elfed High School	£16,000
Fitzalan High School	£16,000
Franksbridge Primary School	£10,000
Garth Primary School	£10,000
Gilfach Fargoed Primary	£10,000
Glan Y Mor School	£16,000
Glyncoed Primary School	£10,000
Gwaunmeisgyn Primary School	£10,000
Gwenfô Church in Wales Primary School	£10,000
Gwernyfed High School	£3,200
Hawthorn Primary School	£10,000
Kitchener Primary School	£2,000
Lansdowne Primary School	£10,000
Llancaeath Junior School	£10,000
Llandrillo yn Rhos	£10,000
Llanidloes High School	£29,000
Lliswerry High School	£16,000
Maes Y Morfa Primary School	£2,000

Maesycwmmmer Primary School	£10,000
Millbrook Primary School	£2,000
Miskin Primary School	£10,000
Monnow Primary School	£10,000
Newbridge on Wye Church in Wales School	£2,000
Old Road School	£10,000
Oldcastle Primary School	£10,000
Park Lane School	£16,000
Pembrey Primary School	£10,000
Pembroke Comprehensive School	£3,200
Pembroke Dock Community School	£2,000
Pen y Dre High School	£16,000
Pencoed Primary School	£10,000
Pennard Primary School	£10,000
Penrhiwceibr Primary School	£10,000
Peter Lea Primary School	£10,000
Pontypridd High School	£16,000
Porth County Community School	£16,000
Queen Elizabeth Cambria Comprehensive School	£16,000
Rogerstone Primary School	£10,000
Romilly Primary School	£10,000
Severn Primary School	£10,000
Sofrydd Primary School	£13,000
Springwood Primary School	£10,000
St Athan Primary School	£10,000
St Cenydd Community School	£3,200
St David's Church in Wales Primary School	£10,000
St Giles Primary School	£10,000
St Gwladys Bargoed	£10,000
St Joseph's Roman Catholi Primary School	£10,000
St Martin's School	£16,000
St Mellons Church in Wales Primary School	£10,000
St Woolos Primary School	£2,000
St. David's High School	£16,000
The Meads Infant and Nursery School	£10,000
Thornhill Primary School	£2,000
Ton-yr-Ywen Primary School	£10,000
Trinity Fields School and Resource Centre	£3,200
Troedyrhiw Junior School	£10,000
Undy Primary School	£10,000
Usk Church in Wales Primary School	£2,000
Victoria Community Primary School	£10,000

Wauanceirch Primary School	£10,000
West Park Primary School	£10,000
Ysgol Aberconwy	£16,000
Ysgol Acrefair	£10,000
Ysgol Ardudwy	£16,000
Ysgol Bod Alaw	£10,000
Ysgol Bro Carmel	£13,000
Ysgol Bro Cinmeirch	£10,000
Ysgol Bro Dinefwr	£16,000
Ysgol Bro Pedr	£16,000
Ysgol Bryn Garth Primary School	£13,000
Ysgol Bryn Teg	£10,000
Ysgol Cefn Coch	£13,000
Ysgol Clywedog	£16,000
Ysgol Crud y Werin	£2,000
Ysgol Cynwyd Sant	£2,000
Ysgol Deganwy	£10,000
Ysgol Dolbadarn	£10,000
Ysgol Dyffryn Aman	£16,000
Ysgol Dyffryn Conwy	£16,000
Ysgol Dyffryn Teifi	£5,800
Ysgol Eifionydd	£29,000
Ysgol Emrys ap Iwan	£16,000
Ysgol Ffridd y Llyn	£13,000
Ysgol Garndolbenmaen	£13,000
Ysgol Glan Clwyd	£16,000
Ysgol Gogarth, Llandudno	£16,000
Ysgol Gwaun Gynfi	£10,000
Ysgol Gyfun Cwm Rhymini	£3,200
Ysgol Gyfun Gwyr	£16,000
Ysgol Gyfun Gymraeg Bryn Tawe	£3,200
Ysgol Gyfun Gymraeg Bro Myrddin	£16,000
Ysgol Gyfun Gymraeg Llangynwyd	£16,000
Ysgol Gyfun Rhydywaun	£16,000
Ysgol Gyfun Ystalyfera	£16,000
Ysgol Gymraeg Parc y Tywyn	£10,000
Ysgol Gymraeg Pontardawe	£10,000
Ysgol Gymunedol Cwrtnewydd	£13,000
Ysgol Gynradd Gymraeg Evan James	£10,000
Ysgol Gynradd Gymraeg Llwynderw	£10,000
Ysgol Iolo Morgannwg	£2,000
Ysgol Llanddulas	£10,000

Ysgol Min Y Ddol	£10,000
Ysgol Morgan Llwyd	£16,000
Ysgol Pencoed	£5,800
Ysgol Penglais School	£16,000
Ysgol Rhos Helyg	£10,000
Ysgol Rhosnesni High School	£29,000
Ysgol Santes Gwenfaen	£10,000
Ysgol Tir Morfa	£16,000
Ysgol Tudno	£2,000
Ysgol Uwchradd Bodedern	£16,000
Ysgol Uwchradd Caereinion	£16,000
Ysgol Y Berllan Deg	£10,000
Ysgol Y Dderi	£10,000
Ysgol Y Gelli	£2,000
Ysgol Y Wern	£10,000
	£1,616,800

Experiencing the Arts

Abercaseg	£1,000
Abertillery Sculpture Garden Project	£24,833
Adamsdown Primary School	£500
Alun School	£580
Arad Goch (3 awards)	£72,855
Arts Connection - Cyswllt Celf	£7,500
Berriew Community Primary School	£724
Birchgrove Primary School	£260
Bronllys County Primary School	£504
Bryn Hafren Comprehensive School	£519
Brynllwarch Hall School	£84
Brynteg County Primary School	£430
Cadoxton Primary School	£1,000
Caersws County Primary School	£315
Canolfan y Gors Pupil Referral Unit	£18,00
Cantonian Reintegration Centre	£472
Christchurch County Primary School	£500
City and County of Swansea	£25,000
Clyro Church in Wales Primary School	£1,000
Coedpenmaen Primary School	£1,000
Coychurch Llangrallo Primary	£502

Dawns i Bawb	£12,281
Deri Primary School	£270
Fishguard Arts Society	£5,400
Fitzalan High School	£1,000
Garth Primary School (2 awards)	£450
Gladestry Church in Wales Primary School	£1,000
Glan-yr-Afon Primary	£198
Goetre Primary School	£960
Gower College Swansea	£1,000
Guilsfield County Primary School	£1,000
Gwasanaeth Ysgolion William Mathias	£7,793
Hafod Primary School	£1,000
Hawthorn High School	£1,000
Herbert Thompson Primary (2 awards)	£1,500
High Cross Primary School	£249
Holy Name Catholic Primary School	£789
Irfon Valley County Primary School	£635
King Henry VIII Comprehensive School	£495
Kitchener Primary School	£810
Ladywell Green Nursery and Infants' School	£280
Learning Links International	£8,100
Leighton County Primary School	£414
Llanfaes Community Primary School	£851
Llangatwg Community School	£1,000
Llangedwyn School	£300
Llanrhaeadyr Ym Mochnant Primary School	£1,000
Llanrhidian Primary School	£351
Machen Primary School	£333
Maesyrrhandir County Primary School	£826
Maindee Primary School	£11,439
Malpas Park Primary School	£700
Mid Wales Opera	£5,700
Miskin Primary School	£720
Montgomery Church in Wales School	£726
Motion Control Dance (MCD)	£7,993
Mount Street Junior School	£900
National Theatre Wales	£20,930
NEW Dance	£10,926
Nantyllyllon Primary School	£990
North Wales International Music Festival	£8,500
Pantysgallog Primary School	£882
Pencoed Comprehensive (2 awards)	£1,150



Go and See
 Bryn Hafren Comprehensive School
 (image: Rebecca Roach, School Coordinator)

Penllwyn Primary School	£926
Pen-y-bryn	£243
Penygraig Junior School	£1,000
Pontarddulais Comprehensive School	£900
Pontybrenin Primary School	£1,000
Rhydygors Special School	£600
Romilly Primary School	£750
Royal Welsh College of Music and Drama	£24,868
Ruabon High School	£135
Severn Primary School	£450
Shirenewton Primary School	£1,000
Sistema Cymru Codi'r To (2 awards)	£29,926
St Alban's Roman Catholic High School	£925
St Christopher's School	£1,000
St Cuthbert's RCCatholic Primary School	£279
St Mary's RCCatholic Primary School	£1,000
St Mellons Church in Wales Primary School	£860
St. Joseph's Roman Catholic High School	£157
St. Joseph's Roman Catholic Primary School	£576
St. Paul's Church in Wales Primary School	£540
Stepaside County Primary School	£288

Sully Primary	£405
Swansea City Opera	£24,500
Talgarth Primary School	£838
The Cory Band	£24,000
The Pathway Centre	£405
Tondu Primary School	£320
Troedyrhiw Community Primary School	£1,000
Venue Cymru	£13,000
Windsor Clive Primary School	£450
Ynysfach Primary School	£240
Ynystawe Primary School	£900
Young Music Makers of Dyfed (2 awards)	£50,000
Ysgol Awel y Mynydd	£25,000
Ysgol Bassaleg	£234
Ysgol Betws	£528
Ysgol Bro Cynllaith	£766
Ysgol Bro Dinefwr (2 awards)	£529
Ysgol Bro Hyddgen	£290
Ysgol Bro Tawe	£900
Ysgol Caer Drewyn	£440
Ysgol Carrog	£250
Ysgol Dolbadarn	£835
Ysgol Dyffryn Aman	£980
Ysgol Gwynedd	£900
Ysgol Gyfun Emlyn	£180
Ysgol Gyfun Garth Olwg	£306
Ysgol Gyfun Gymraeg Bryn Tawe	£113
Ysgol Gyfun Gymraeg Llangynwyd	£387
Ysgol Gymraeg Aberystwyth	£1,000
Ysgol Gymraeg Bryn Y Mor	£603
Ysgol Gymraeg Brynsierfel	£17,559
Ysgol Gymraeg Dewi Sant	£940
Ysgol Gymraeg Nant Caerau	£350
Ysgol Gynradd Gymraeg Aberdare	£1,000
Ysgol Gynradd Llanfyllin	£1,000
Ysgol Hen Felin School	£12,034
Ysgol Heol Goffa	£1,000
Ysgol Maes Y Gwendraeth	£261
Ysgol Merllyn (2 awards)	£702
Ysgol Min Y Ddol	£500
Ysgol Morgan Llwyd	£890

Ysgol Penllwyn	£859
Ysgol Pennant	£310
Ysgol Sant Elfod	£1,000
Ysgol y Creuddyn	£441
Ysgol Y Ddraig	£1,000
Ysgol y Moelwyn	£180
Ysgol Bro Hyddgen	£385
	<hr/>
	£538,552
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Total <i>Creative Learning through the Arts</i> grants	<u>£2,119,660</u>

169

Number of Go and See grants issued by the end of March 2017 with a total value of £102,775.

Approximately

10,108

learners would have benefited from these grants making the average spend £10.17 per head

Strategic awards

India:Wales

Chapter Cardiff Ltd.	£56,576
National Theatre Wales	£54,886
	<hr/>
	£111,462

Memorial awards

Chick, Luz Erika	£3,000
Moxon, Rhi	£2,500
Stenina, Anja	£3,000
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	£8,500

Strategic – Arts directorate

Ffilm Cymru Wales	£20,000
	<hr/>
	£20,000

Strategic – Engagement & participation directorate

Arts Development UK	£2,500
Celf-Able	£2,494
engage (National Association for Gallery Education) (2 awards)	£5,000
Ensemble Cymru	£2,450
Get the Chance CIC	£2,500
O'Shea, Karen	£2,495
The Riverfront	£1,500
Taking Flight Theatre Company	£2,500
Theatr Brycheiniog	£40,000
Theatr Iolo	£2,500
Youth Arts Network Cymru	£2,500
	<hr/>
	£66,439

Welsh Government capital funding

Ballet Cymru	£10,000
Congress Theatre Company	£20,000
Cwmni'r Frân Wen	£60,000
Dance Blast	£25,000
Galeri Caernarfon Cyf	£30,000
Llangollen International Musical Eisteddfod (2 awards)	£50,000
Pontardawe Arts Centre	£20,000
Theatr Brycheiniog	£20,000
Theatr Clwyd	£61,500
Torch Theatre Company Limited	£30,000

£326,500

Venice Biennale of Art - Curator

Ffotogallery	£126,250
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£126,250

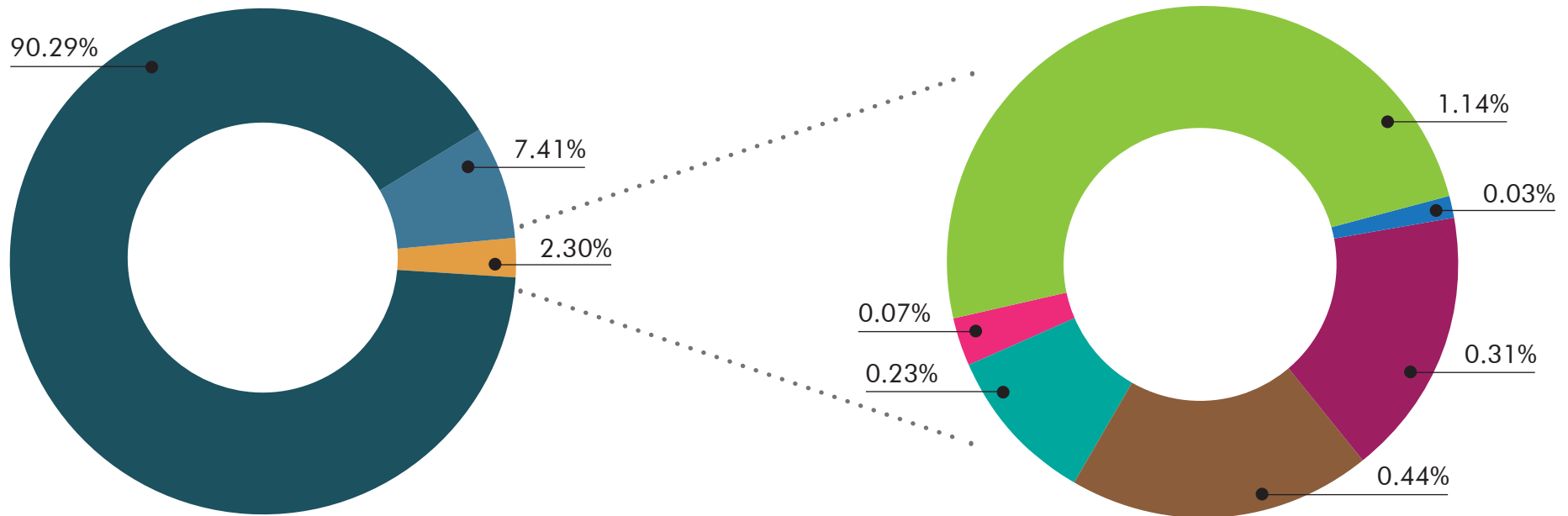
Total Strategic awards

£659,151

TOTAL GRANTS OFFERED

£28,618,812

General activities grants by type



- Core funding to Arts Portfolio Wales organisations
- Memorial Awards
- Venice Biennale of Arts - Curator
- Strategic - Arts Directorate

- Creative Learning through the Arts
- India:Wales
- Strategic - Engagement & Participation Directorate
- Welsh Government Capital Funding

What did our grants support?

	Value of grants		No of grants
Grants to support:			
Theatres & arts centres	£6,766,516	23.64%	16
Theatre production & presentation	£6,432,106	22.48%	8
Opera	£4,692,982	16.40%	3
Visual & applied arts	£1,713,028	5.99%	10
Dance	£1,663,992	5.81%	7
Music	£1,340,217	4.68%	6
Arts & young people	£1,113,760	3.89%	4
Community arts	£1,052,387	3.68%	9
Literature	£717,163	2.51%	1
Circus & carnivals	£188,027	0.66%	1
Disability arts	£159,823	0.56%	1
<i>Creative Learning through the Arts</i>	£2,119,660	7.41%	291
Other grants:			
Strategic awards	£659,151	2.30%	30
	£28,618,812		387



Here is Where we Came From, Holly Davey

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;

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 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

Lottery Distribution - Grants 2016/17

Net of offers not taken up or withdrawn

Grants to Organisations

Capital grants

Arad Goch	£10,080
Ballet Cymru	£99,746
Canolfan Gerdd William Mathias Cyf	£7,000
Chapter Cardiff Ltd.	£29,500
Galeri Caernarfon Cyf	£1,500,000
Makers Guild in Wales	£27,756
Mission Gallery	£10,099
Music Theatre Wales	£5,400
Oriel Davies Gallery	£131,159
The Riverfront	£29,027
Theatr Clwyd	£100,000
Theatr Felinfach	£18,750
Theatr Genedlaethol Cymru	£34,604
Theatr Iolo	£39,450
Theatr Mwldan	£50,000
Torch Theatre Company Limited	£31,892
Valleys Kids	£64,999
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	£2,189,462

Large grants (over £5,000)

Aberjazz	£12,500
ABMU Arts in Health Board	£19,411
AGE Cymru (2 awards)	£230,260
Aneurin Leisure Trust	£9,479
Arad Goch	£60,000
Arcadecardiff C.I.C	£30,000
Artes Mundi Prize Limited	£28,000
Arts Connection - Cyswllt Celf	£15,000
August 012 Limited	£30,000
Awen Cultural Trust	£78,750
Ballet Cymru (4 awards)	£134,500
Ballet Nimba (2 awards)	£80,000
Bangor University (4 awards)	£120,000
Be Aware Productions LTD	£30,000
Betsi Cadwaladr University Health Board	£100,000
Blackwood Miners' Institute	£22,720
Borough Theatre Abergavenny	£29,000

Brecon Beacons Music Trust	£13,000
Butetown Artists	£29,565
Caerphilly County Borough Council	£5,040
Cardiff Dance Festival	£25,000
Chapter Cardiff Ltd. (2 awards)	£60,300
Citrus Arts	£29,920
Clore Leadership Programme	£30,000
Cofis Bach	£30,000
Community Music Wales (2 awards)	£59,326
Company of Sirens	£11,300
Cowbridge Music Festival	£25,000
Cwmni Mega Cyf/ Ltd	£55,000
Cwmni Pluen Company	£14,873
Cwmni'r Frân Wen (2 awards)	£149,366
Dance Blast	£42,450
De Oscuro	£30,000
Denbighshire County Council	£30,000
Difficult Stage	£30,000
Dirty Protest	£12,000
Eisteddfod Genedlaethol Cymru	£60,000
Elysium Gallery	£22,498



ZinZam, Unity Festival 2016, Hijinx (image: Jonathan Dunn)

engage (National Association for Gallery Education)	£29,363
Ensemble Cymru (2 awards)	£150,000
Familia de la Noche	£17,358
Ffotogallery (2 awards)	£102,500
FIO	£30,000
Fishguard Music Festival	£40,000
Flying Bridge Theatre (2 awards)	£51,000
Focus Wales	£30,000
Fuel	£20,000
g39	£30,000
Galeri Caernarfon Cyf	£30,000
gentle / radical	£26,270
G-Expressions	£25,330
Green Man Trust Ltd	£60,000
Gregynog Festival	£40,000
Gritty Films Limited	£19,400
Gwyl Beaumaris Festival	£10,000
Gwyn Emberton Dance (2 awards)	£94,129
Hafren	£18,500
Hay Festival of Literature and the Arts Ltd	£60,000
Head4Arts	£27,357
Helfa Gelf Cyfyngedig	£30,000
Hijinx Theatre	£80,000
International Ceramics Festival	£24,000
Invertigo Theatre Company	£17,500
Laugharne Literary Festival	£25,000
Laura H Drane Associates Ltd	£15,840
Light Ladd & Emberton (2 awards)	£41,995
Literature Wales	£30,000
Little Light	£30,000
Living Pictures Productions	£11,745
Llangollen Fringe Festival	£20,000
Llangollen International Musical Eisteddfod	£80,000
Locws International	£20,000
Lucid	£75,999
Made In Roath (2 awards)	£50,000
Makers Guild in Wales	£30,000
Mappa Mundi	£70,000
Mavron String Quartet	£46,107
Menter Caerdydd	£25,000
Merthyr Tydfil Leisure Trust	£29,998
Mess up the Mess Theatre Company	£30,000
Mid Powys Youth Theatre	£22,404

Mid Wales Opera (2 awards)	£161,170
Mission Gallery	£78,480
MOSTYN	£25,000
Motherlode Theatre Ltd (2 awards)	£39,085
Mr and Mrs Clark (2 awards)	£21,536
Museum of Modern Art, Machynlleth (2 awards)	£37,528
National Dance Company Wales	£19,200
Neontopia Cyf	£21,850
NEW Dance	£30,000
North Wales International Music Festival	£40,000
North Wales Jazz Society	£21,500
October Sixty Six Productions LLP	£27,000
Omidaze Productions (2 awards)	£99,515
operasonic cyf	£30,000
OPRA Cymru Cyf	£100,000
Oriel Davies Gallery	£13,865
Oriel Davies Gallery (was Glyndwr Cymru, Canal and River Trust)	£28,800
Oriel Plas Glyn-y-Weddw Cyfyngedig	£30,000
Oriel Wreccsam	£120,000
Papertrail	£25,200
Pirates of the Carabina	£24,996
Pontardawe Arts Centre (2 awards)	£37,830
Presteigne Festival of Music and the Arts Ltd	£37,500
Queens Hall	£29,000
Race Council Cymru	£20,000
Rhondda Cynon Tâf County Borough Council	£30,000
Royal Cambrian Academy	£29,036
Royal Welsh College of Music and Drama	£30,000
Ruthin Craft Centre (2 awards)	£92,313
Sesiwn Fawr Dolgellau	£17,500
Sherman Theatre	£27,500
Sistema Cymru Codi'r To	£44,853
Small World Theatre Ltd	£16,500
Span Arts Ltd (2 awards)	£45,000
St. Davids Cathedral Festival	£25,000
St. David's Hall	£98,000
Stiwt Arts Trust Ltd.	£30,000
Swansea Festival of Music and the Arts Ltd (2 awards)	£110,000
Swansea Jazzland	£30,000
SWN Festival	£27,878
Taking Flight Theatre Company (2 awards)	£123,890
Taliesin Arts Centre (2 awards)	£126,346
The Cory Band	£28,600

The Devil's Violin Co	£30,000
The Escape Artists North Wales CIC	£16,000
The Kickplate Project	£18,584
The Other Room (2 awards)	£45,000
The Riverfront	£24,700
The Welsh Chamber Orchestra Ltd.	£30,000
Theatr Brycheiniog (2 awards)	£60,000
Theatr Colwyn	£30,000
Theatr Mwldan	£24,153
Theatr Pena (2 awards)	£113,500
Tin Shed Theatre Company	£15,770
trac - Music Traditions Wales	£39,670
TRIONGL	£9,930
UCAN Productions	£29,950
University of Wales Trinity Saint David	£19,550
University of Wales, Aberystwyth (Ceramic Archive)	£20,738
Urdd Gobaith Cymru (2 awards)	£60,000
Vale of Glamorgan Festival	£80,000
Valleys Kids	£10,000
Venue Cymru	£90,000
Volcano Theatre Company Ltd	£20,000
Voluntary Arts Network	£48,128
Wales Arts Review	£12,282
Welsh Refugee Council	£49,950
Youth of Creative Arts	£30,000
Ystradgynlais Miners' Welfare and Community Hall Trust Ltd	£30,000

£7,162,804

Small grants (up to £5,000)

Addo	£5,000
Allan yn y Fan	£4,433
Art Shell	£5,000
Artes Mundi Prize Limited	£4,020
Arts Alive (2 awards)	£9,965
BAFTA Cymru	£5,000
balletLORENT	£5,000
Bangor New Music Festival Society	£5,000
Billy Bibby & The Wry Smiles	£5,000
Bread & Goose	£4,650
Brecon Jazz Club	£5,000
Calan	£5,000

Canolfan a Menter Gymraeg Merthyr Tudful	£4,500
Cardiff M.A.D.E. C.I.C.	£4,665
Cardiff University	£3,225
Celtic Neighbours	£4,830
ChainWorks Productions	£5,000
Change Wrexham For Our Future	£5,000
Cimera	£4,225
CircusWorks T/A UK Youth Circus Network	£5,000
Club 1400	£4,850
Community Music Wales	£5,000
Critical Ambition	£4,570
Cwmni Pendraw	£3,600
Cyffordd Llandudno Junction Trakz	£5,000
Cymdeithas Ty Tawe	£3,750
Dean & Chapter of Brecon Cathedral	£5,000
Disability Arts Cymru	£9,475
Disability Arts Shropshire	£3,645
Ensemble Eos	£4,800
Equinox Theatre	£3,300
FIO	£5,000
Fire in the Mountain Festival LTD	£3,000
Fishguard Folk Festival	£5,000
Flossy and Boo Ltd	£5,000
Flying Bridge Theatre	£5,000
Focus Wales	£5,000
Gagglebabble (2 awards)	£9,850
Galeri Caernarfon Cyf (3 awards)	£15,000
Gwasanaeth Ysgolion William Mathias	£3,960
Gwyl Cefni	£5,000
Gwyl Gopr Amlwch Copperfest	£5,000
Gwyl Nol a Mlan (2 awards)	£10,000
HMS Morris	£5,000
Holy Hiatus	£4,990
Illumine Theatre Company Ltd	£2,938
Inside Out Cymru	£4,987
Invertigo Theatre Company	£3,850
JABADAO	£5,000
Leeway Productions	£4,900
Light Ladd & Emberton	£5,000
Likely Story Theatre	£4,888
Listen To This	£5,000
Liveartshow	£5,000
Liz Clarke & Company	£5,000

Maindee Festival Association	£4,500
Mary Bijou Cabaret and Social Club	£4,950
Mavron String Quartet	£4,800
Maynard	£4,569
Menai Science Park Ltd	£5,000
Menter Iaith Bro Morgannwg	£5,000
Mercury Theatre Wales	£5,000
Merthyr Tydfil Global Village	£4,917
Merthyr Tydfil Leisure Trust (2 awards)	£8,347
Mess up the Mess Theatre Company	£21,816
Mid Border Community Arts Ltd	£5,000
Monico Blonde	£3,999
Neuadd Dwyfor	£5,000
NOVA	£4,950
Opera'r Ddraig	£5,000
Parama 2	£5,000
Ransack Dance Company	£4,848
Recordiau Blinc	£2,364
Ricochet Enterprises Ltd	£3,000
Run Amok Theatre Company	£5,000
Ruthin Craft Centre	£5,000
Sherman Cymru	£4,250
Sign Dance Collective	£3,940
Stephens and George Charitable Trust	£5,000
Swansea City Opera (2 awards)	£9,218
tactileBOSCH Projects	£5,000
Taking Flight Theatre Company	£5,000
The Kala Chethena Kathakali Troupe	£5,000
The Lumen Prize Exhibition	£4,990
Theatr Felinfach	£5,000
THIS Project	£4,290
Tredeggar House Folk Festival	£5,000
University of Wales Swansea	£5,000
Wales Circus Festival	£4,630
Welshpool Poetry Festival	£815

£471,059

Training grants

Articulture	£49,210
Arts & Business Cymru	£30,000
Celf O Gwmpas	£18,000
Coleg Cambria	£25,000
Creu Cymru - The Development Agency for Theatres and Arts Centres in Wales	£43,338
De Oscuro	£2,082
Ffotogallery	£1,800
g39	£30,000
Helfa Gelf Cyfyngedig	£13,000
It's My Shout Ltd (2 awards)	£87,999
Literature Across Frontiers	£22,000
Live Music Now Wales	£13,174
Re-Live	£30,000
Rubicon Dance	£15,900
Venue Cymru	£8,000
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	£389,503

Strategic grants

Cyfnewidfa Lên Cymru	£75,000
MOSTYN	£15,000
Music Theatre Wales	£93,198
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	£183,198

International Opportunities Fund

9Bach	£5,000
Celtic Neighbours	£2,500
Flying Bridge Theatre	£4,687
Hijinx Theatre	£2,891
Lewis & Leigh	£1,850
Mess up the Mess Theatre Company	£3,815
Mission Gallery	£5,000
Motherlode Theatre Ltd	£5,000
Peasant's King	£5,000
Theatr Ardudwy Ltd (2 awards)	£2,141
Theatr Genedlaethol Cymru	£1,500
Volcano Theatre Company Ltd	£5,000
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	£44,384



How to Win Against History, Aine Flanagan Productions & Seiriol Davies
Wales in Edinburgh 2016
(image: © Rah Petherbridge)

India Wales Fund

Cardiff Dance Festival	£39,402
Ffotogallery	£54,350
Khamira	£35,274
Literature Across Frontiers	£40,000
Living Pictures Productions	£18,700
Parthian Books Limited	£30,000
Theatr Iolo	£30,753
Winding Snake Productions	£38,700
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	£287,179

Criw Celf

Arts Active Trust	£182,130
Flintshire County Council	£186,045
Llantarnam Grange Arts Centre	£74,200
Mission Gallery	£151,425
Powys County Council	£48,575
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	£642,375

Arts Portfolio Wales

National Youth Arts Wales (2 awards)	£377,697
WJEC CBAC Ltd.	£322,303
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	£700,000

Creative Learning through the Arts Programme

Arts Council of Wales (General Activities)	£2,282,760
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	£2,282,760

Total grants to organisations	<hr/> <hr/> £13,710,349
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Grants to Individuals

Small grants (up to £5,000)

Acheson-Elmassry, Eli	£2,700
Bell, Ellen	£2,517
Bell-Hughes, Terence	£3,000
Berney, Hannah Katie	£5,000
Best, Kelly	£2,800
Bettridge, Dan	£5,000
Borthwick, Ben	£1,670
Bowers, Richard	£3,000
Boyd Williams, Florence	£2,000
Brett, Jessie	£2,775
Britton, Matthew	£3,000
Bruno, Sebastian	£5,000
Bulgo, Matthew	£3,000
Burrows, Alice	£1,240
Campbell, Kathryn	£3,000
Campbell, Rona	£3,000
Cashmore, Jenny	£3,477
Chambers, Gareth (2 awards)	£2,215
Clode, Simon	£3,000
Constantini, Lucy May	£3,000
Copp, Gemma	£3,141
Cotsen, Jonathan	£4,250
Daly, Stacey	£4,498
Davies, Angela	£5,000
Davies, Ellen	£3,000
Dooley, Freya	£3,000
Duckhouse, Rory	£2,021
Ellis, Carwyn	£4,460
Evans, Chris Tally	£4,200
Evans, David	£3,000
Evans, Tracy	£2,960
Fowler, Dylan	£3,290
Harnisch-Lacey, Sandra	£5,000
Harries, Llinos Mai	£3,000
Harris, Tracy	£2,690
Howard, Caroline	£4,175
Ifans, Mair Tomos	£5,000
Jones, Lucia	£1,573
Jones, Penny D	£3,000
Khan, Imran	£1,930

Lawlor, Patrick	£4,660
Lawrence, Kate	£5,000
Lewis, Charlotte	£3,000
Lewis, Robin Danielle	£4,800
Light, Deborah	£3,000
Lockwood, Lou	£3,000
Loftus, Chloe	£2,920
Lowe, Krystal	£1,578
Lowe, Ticky	£1,800
Matthews, Angharad	£2,000
Moore, Jeremy	£1,649
Morris, Hannah	£3,000
Morus-Baird, Gwilym	£2,660
Murray, Heather	£2,000
Norris, Linda	£1,500
O'Doherty, Sian	£5,000
Owen, Rhiannon	£2,900
Pallant, David	£995
Pasotra, Tina	£3,000
Pasut, Melissa	£3,000
Paton, Elaine	£3,000
Pedley-Miller, Rachel	£5,000
Peel, Cally	£2,982
Pendrell, Marged	£3,000
Philp, Jack	£3,000
Plowman, Lynne	£3,000
Pugh, Nigel	£5,000
Sabin, Caroline	£3,000
Saki, Sahar	£5,000
Scholz, Ev	£2,925
Sidebotham, Abigail	£5,000
Skinner, Emily	£5,000
Stanier, Hugh	£1,730
Thomas, Bryan	£3,000
Thomas, Owen	£2,980
Tyson, James	£5,000
Wearing, Paul	£5,000
Williams, Bedwyr	£5,000
Williams, Georgia	£5,000
Williams, Llyr	£1,510
Williams, Rebecca (2 awards)	£7,400
Williams, Sue	£3,050
Younan, Sarah	£3,000

£275,621

Large grants (over £5,000)

Best, Kelly	£25,000
Colquhoun, Morag	£24,737
Dewis, Adeola	£25,000
Emberton, Gwyn	£24,760
Hartwig, Johana	£8,000
Hedley, John	£14,700
Ingham, Karen	£18,250
Ladd, Eddie	£7,500
Lawrence, Wendy	£10,000
Legall, Kyle	£20,005
Miles, Rhodri	£12,818
Owen, Rhodri	£19,650
Paton, Elaine	£25,000
Powlesland, Beth	£9,598
Preece, Zoe	£15,250
Roberts, Judith	£25,000
Sabin, Caroline	£25,000
Whittaker, Paul	£8,776
Williams, Ali	£30,000
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	£349,044

International Opportunities Fund

Berney, Hannah Katie (2 awards)	£6,484
Bonada, Marja	£1,690
Bonello, Gareth	£1,675
Bowen, Robin	£1,179
Brown, Carol	£3,900
Campbell-Moore, Roy	£3,500
Cartwright, Jason	£2,800
Chambers, Gareth	£4,000
Charles, Eric Ngalle	£2,300
Copp, Gemma	£1,720
Cox, Richard	£4,762
Creighton Griffiths, Benjamin	£2,455
Dalton, Gordon	£3,000
Davies, Rhodri	£1,000
Devlin, Ronan	£1,217
Dowmunt, Zosia	£2,000
Duncan, Alexander	£1,700
Edmunds, Laura	£1,056

Emberton, Gwyn	£3,285
Gegenwart, Beate	£4,900
Gilhespy, Tom	£700
Greenhalgh, Jill	£892
Griffiths, Owen	£2,750
Gwyn, Richard	£1,000
Harris, Alan	£1,650
Hopkinson, Joseph	£1,345
Hughes, Rhiannon Wyn	£998
Husted, Mary	£4,618
Jenkins, Lowri	£1,605
Koppel, Gideon	£1,480
Lacey, Ali	£845
Ladd, Eddie	£1,500
Lawlor, Patrick	£744
Morgan, Richard Huw	£4,000
Owen-Jones, Ceri	£3,923
Palser, Maja	£486
Perry, Samuel	£1,397
Rees, Sara	£1,304
Rhys, Marged	£3,625
Steffan, Lleuwen	£3,700
Thomas, Bryan	£2,140
Trow, Ben	£5,000
Whitehead, Lawrence	£4,000
Williams, John	£2,700
Williams, Tomos	£3,640
Younan, Sarah	£2,921

£113,586

Creative Wales awards

Billingham, Richard	£19,993
Bowes, Zillah	£20,000
Bowman, Elen	£20,000
Buick, Adam	£19,590
Davey, Holly	£22,000
Davies, Rhodri	£19,840
Haf, Rhian	£25,000
Lewis, Gwyneth	£18,000
O'Reilly, Kaite	£19,455
Orrell, Jeanette	£25,000
Smith, Fern	£24,300
Vicary, Sean	£24,522
White, Rhiannon	£20,000
Young, Joanna	£20,000

£297,700



The Nose, Sean Vicary
Creative Wales Award 2016/17

Advanced Study in Music awards

Allmand, Bethan	£3,000
Bayley, Naomi (2 awards)	£8,000
Browne, Rupert Clarence	£5,000
Dempsey Roberts, Daire (2 awards)	£5,700
Dunne, Thomas	£1,700
Dyer, Rhian Awel (2 awards)	£3,200
Evans, Huw	£5,000
Gittins, Carys	£5,000
Green, Christopher	£2,000
Gwilym, Eleri	£1,700
Hare, Catherine	£3,000
Jago, Olivia (2 awards)	£5,000
Jones, Osian Meilir (2 awards)	£10,000
Lewis, Jason	£5,000
McDougal, Jack (2 awards)	£4,700
Pearce, Lloyd	£4,700
Perry-Cockings, Jack	£3,000
Roberts, Meinir Wyn	£3,500
Scaife, Thomas	£5,000
Smith, Ben	£4,000
Thomas, Lowri Elen	£3,100
Watkins, Tomos	£2,000
Whitehurst, Lily	£5,000
Williams, Ellen	£1,700

£100,000

India Wales Fund

Mathews, Jessica	£21,500
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£21,500

Total Grants to Individuals £1,157,451

TOTAL GRANTS OFFERED

net of offers not taken up or withdrawn £14,867,800

Grants administered by Ffilm Cymru Wales

Development

Afan Film Ltd	£12,000
Barefoot Rascals	£12,000
Chewing Monkey Ltd	£10,000
Cliff Edge Pictures	£14,500
Ffleur Daffeydd	£9,000
Fliker Book Films	£12,000
Free Wheeling Films	£15,000
Genesis	£20,000
IE IE Productions Limited	£10,000
Linstrum, Catherine	£5,000
Milkwood Film Production	£7,000
Mount Stuart Media Ltd T/A Calon	£15,000
Parallel Films	£10,000
Perfect Motion (Rob Alexander)	£4,000
Rainy Day Films Ltd	£20,000
Revolution Films Ltd	£7,000
Samson Films	£15,000
Severn Screen Ltd	£13,200
Silver Salt Films	£10,000
Truth Department (Dewi Gregory) (3 awards)	£29,000
Wright, Joanna	£10,500
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	£260,200

Production

Cliff Edge Pictures	£150,000
Endor Productions	£100,000
Jacqui Davies Ltd	£100,000
Not A Witch Limited (2 awards)	£101,459
Red and Black Films Ltd	£24,995
Severn Screen Ltd	£100,000
Western Edge Pictures	£2,000
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	£578,454

Education

Arts Connection	£1,860
Arts Live Wales	£7,650

Berney-Lane, Caroline	£3,400
Football Association Wales	£7,000
The Festivals Company Ltd	£7,868
Winding Snake Productions (2 awards)	£22,212
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	£49,990
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Exhibition Cinema Funding

Aberystwyth Arts Centre	£16,000
Chapter Arts Centre	£23,000
Clwyd Theatr Cymru	£11,500
Galeri Caernarfon	£3,000
Memo Arts Centre	£2,000
Neuadd Dwyfor	£2,000
Penarth Pier Pavilion	£2,000
Pontardawe Arts Centre	£3,500
Riverfront Theatre	£2,200
Taliesin Arts Centre	£8,000
The Welfare Ystradgynlais	£2,000
Theatr Mwldan	£9,351
Theatr Ucheldre Development	£2,000
Theatre Gwaun	£3,000
Torch Theatre	£4,800
Wyeside Arts Centre	£4,000
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	£98,351
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Exhibition Festivals

Aberystwyth Arts Centre	£15,000
Bulldozer Films	£2,500
Cardiff Community Housing Association	£10,000
Cymmer Community Library	£4,261
Galeri Caernarfon	£7,776
The Festivals Company Ltd	£15,000
Wales International Documentary Festival	£6,880
Wales One World Film Festival Ltd	£9,000
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	£70,417
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TOTAL GRANTS FROM FFILM CYMRU WALES
net of offers not taken up or withdrawn

£1,057,412

Grants administered by BBC Cymru Wales

Horizons: Launchpad Fund

Afro Cluster	£1,300
ANELOG	£670
ARGRPH	£500
Baby Queens	£1,200
Band Pres Llaireggub	£2,000
Billy Bibby & The Wry Smiles	£1,500
Breathe In The Silence	£1,000
Bryony Sier	£1,500
CADNO	£1,000
Cally Rhodes	£1,400
CaStLeS	£800
Chroma UK	£1,800
Chupa Cabra	£1,500
Endaf	£1,000
ESTRONS	£1,500
Fleur De Lys	£1,000
Florence Black	£1,250
GINTIS	£1,440



Reuel Elijah
Horizons at the Royal Welsh Show 2016

Hannah Grace	£1,400
Himalayas	£2,000
Hipicat	£600
Hyll	£1,000
Into the Ark	£1,000
Iwan Huws	£1,200
Jodie Marie	£2,000
John Adams	£700
Kidsmoke	£1,550
LSN audio	£1,000
Mace	£2,000
Monico Blonde	£2,000
Palomino Party	£1,100
Reuel Elijah	£1,000
Sonny Double 1	£2,000
The Sandinistas	£1,000
Tibet	£1,289
Upbeat Sneakers	£2,000
Violet Skies	£1,725
Ysgol Sul	£1,075

£49,999

TOTAL GRANTS FROM BBC CYMRU WALES

net of offers not taken up or withdrawn

£49,999

Grants administered by Literature Wales

Writers' Bursaries

McKeand, Sophie	£2,000
Henry, Paul	£4,000
Trezise, Rachel	£4,000
Moriarty, Eve Elizabeth	£1,000
Rhys, Manon	£3,000
Parker, Mike	£4,000
Harvey, Damien	£3,000
Morris, Thomas	£4,000
Jones, Gareth Hugh Evans	£2,000
Down-Roberts, Sarah	£4,000
Graham, Angela	£3,000
Ellis, Kat	£3,000

Akinyemi, Tanya Atinuke	£6,000
Llwyd, Alan	£5,000
Larsen, Lowri	£3,000
Rawlence, Ben	£5,000
Glyn, Carys Haf	£1,000
Jordan, Meirion	£2,000
Phillips, Karen	£3,000
Jones, Liz	£4,000
Müller, Holly	£4,000

£70,000

Other support to writers

89 awards	£14,990
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£14,990

TOTAL GRANTS FROM LITERATURE WALES
net of offers not taken up or withdrawn

£84,990

Grants administered by Tŷ Cerdd

New music commissions

Asking4It Productions	£2,000
Bangor Music Festival	£1,120
Cor y Penrhyn	£1,700
Fishguard Festival	£2,000
North Wales International Festival	£1,250
Swansea International Festival (2 awards)	£4,000
Vale of Glamorgan Festival	£1,750
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	£13,820

Youth funding

Abergavenny Borough Band	£2,000
Bangor Music Festival	£1,000
Burry Port Town Band	£500
Canolfan Gerdd William Mathias Music Service	£2,000
Cardiff County and Vale of Glamorgan Youth Orchestra	£2,000
Community Music Projects	£1,850
Cor Meibion Morlais	£2,000
Friends of National Youth Choir of Wales	£2,000
Llandeilo Fawr Festival of Music	£2,000
North Wales International Festival	£2,000
Operasonic	£2,000
The Glam Organisation	£2,000
UCAN Productions	£1,895
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	£23,245

Programming Welsh composers

Bangor Music Festival	£1,000
BBC National Orchestra of Wales	£1,000
Burry Port Town Band	£1,000
Cardiff County and Vale of Glamorgan Youth Orchestra	£1,000
Community Music Projects	£1,000
Cor Bro Ogwr	£1,000
Cor Meibion Mynydd Mawr	£500
Cor y Gleision	£1,000
Cymdeithas Eisteddfodau Cymru	£1,000

Fishguard International Festival	£1,000
Friends of St Augustine's Church	£775
Gregynog Festival	£1,000
North Wales International Music Festival (2 awards)	£2,000
Vale of Glamorgan Festival	£1,000

£14,275

Support for Music in Wales

Aberystwyth Silver Band	£500
Blackwood Musical Theatre Society	£500
Brynmawr Amateur Operatic Society	£500
Canton Chorus	£500
Cantorion Menai	£500
Chepstow Town Band	£500
Goodwick Brass Band	£500
Montgomeryshire County Music Festival	£500
Newport Philharmonic Choir	£500
Opera in Situ	£500
Tabernacl Music Society, Bridgend	£500
The Glam Organisation (2 awards)	£1,000

£6,500

Composer in Residence

Hijinx Theatre	£2,000
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£2,000

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

£59,840

Grants administered by Nesta

Digital Innovation Fund

Artis Community	£54,345
Arts Alive Wales	£24,700
BBC Cymru Wales	£10,500
Bombastic Dance	£73,080
g39	£63,195
Hijinx	£35,916
Theatr Genedlaethol Cymru	£10,000

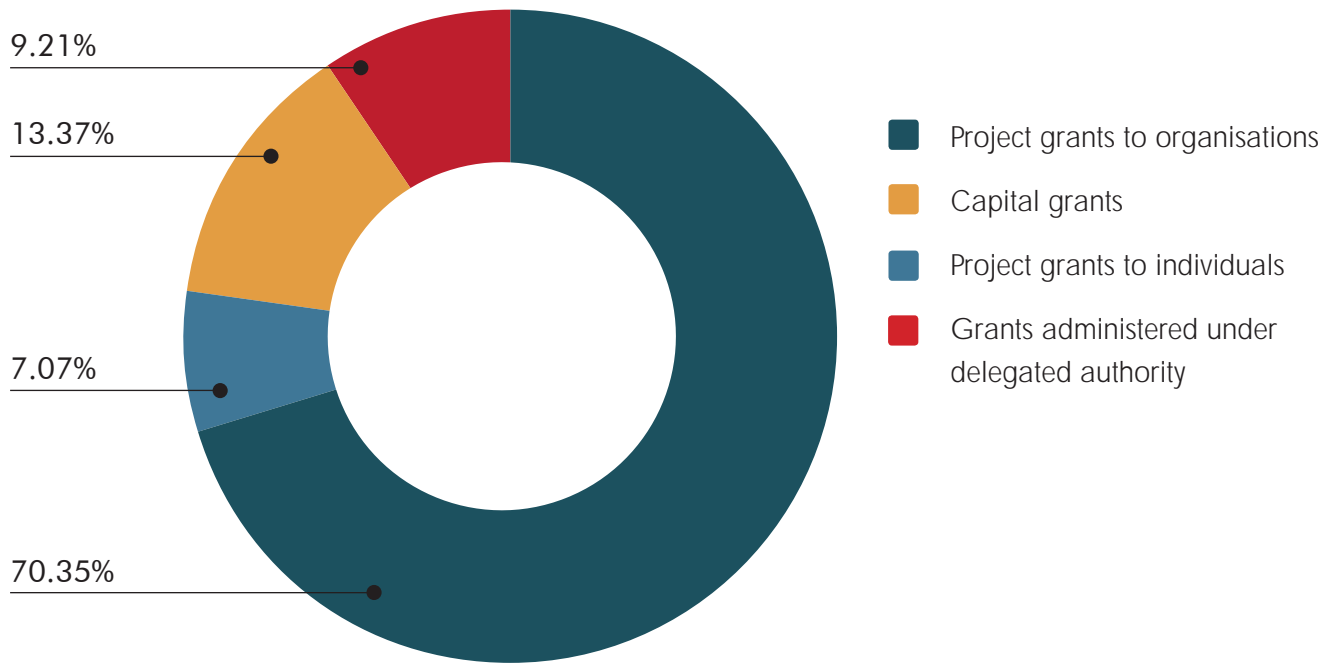
£271,736

TOTAL GRANTS FROM NESTA

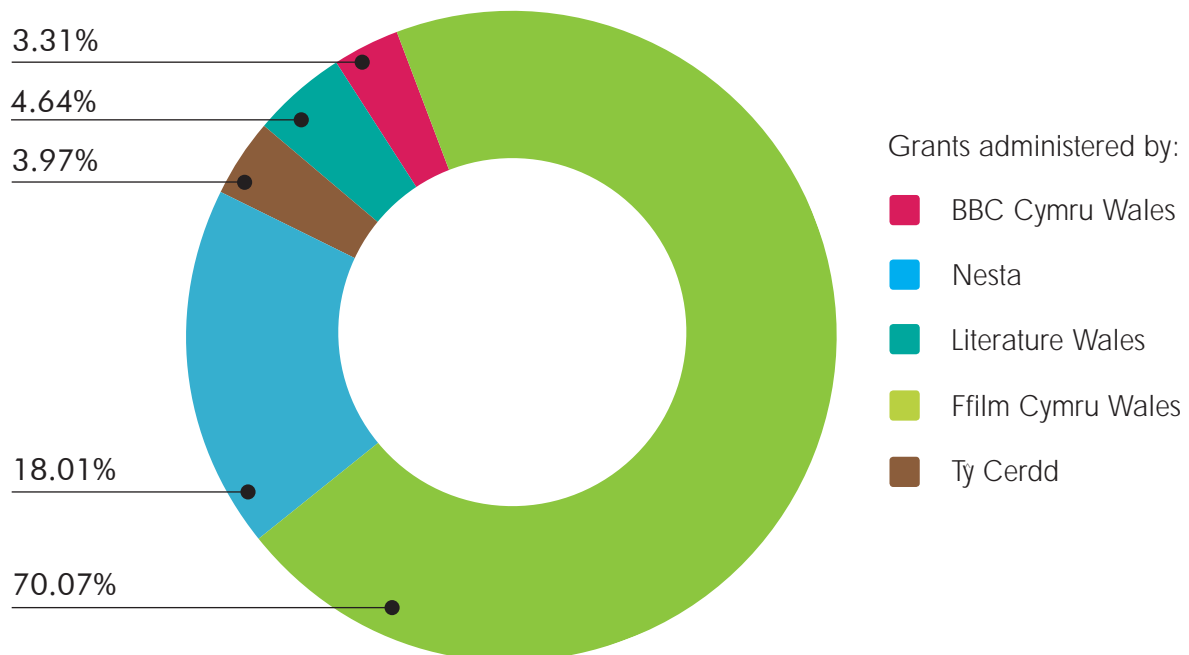
net of offers not taken up or withdrawn

£271,736

Grants by type



Delegated Authority Grants





Cyngor Celfyddydau Cymru
Arts Council of Wales

www.arts.wales