

# General Activities & Lottery Distribution

Report and Financial Statements for the year ended 31 March 2021





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



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What we do...

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

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





Summer Hub 2020  
Theatr Clwyd (image: Dafydd Owen, Ffotonant)

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

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

Our [Royal Charter](#) sets out our objectives.

They are to:

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

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

This has been a year of significant disruption and upheaval. The Covid-19 pandemic has had a huge impact on our work and on that of the artists and arts organisations that provide opportunities for the people of Wales to enjoy, take part and work in the arts. Our efforts during the year have therefore had to be redeployed to support the sector to survive and recover and to think afresh about the challenges that are likely to face us in the future.

We look forward to public arts activity resuming and our focus will be on helping the arts to re-build resilience and to reach out to new and wider audiences.

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

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

Take a look at our short animation explaining why [The Arts Matter](#)

## A Turning Point for the Arts and for Wales



It's been a dark and deeply troubling year. Too many have lost loved ones and not been able to mourn them as they longed to do. Major family events such as weddings and significant birthday celebrations have been postponed or shrunk in scale. Many have lost their jobs or fear losing them. The poor and the unvalued and disregarded have suffered the most.

Artists and people who work in the arts have endured these things along with their fellow citizens. Their organisations will be among the last to go back to full, economic activity and jobs will disappear on the way. And many individual freelancers and creators have seen their income disappear completely and are having to look at futures outside the arts.

And yet I've never felt more strongly, in pavement or Zoom conversations and all across the web and social media, how important the arts are to us all. We miss cinema, theatre, live music, visual art, dance – we miss their lifegiving energies and soul-sustaining solace with a deep ache.

And we've been hungry for the human expressivity and imagination we could find online. I've seen it in extraordinary work produced for virtual and digital experience. I've seen it in the way artists have engaged with schools, with mental health support and with particular local needs.

The arts sector is in a battle for survival, a battle against wasting precious creativity, skills and experience. And yet across the sector you hear everywhere the conviction that it's not enough to protect and defend. We need to make radical change, to reach more widely and more fairly with lifegiving and mind-expanding opportunities to experience and create the arts.

The pandemic has glaringly revealed the gross inequalities that blight our society and it's added to their oppressive weight.





Theatr Bara Caws

And we've all been challenged by the voices, the hurts, the deaths of ethnically and culturally diverse people and of disabled people who are so much more vulnerable to the health threats and constrictions which have worried everyone. Black Lives Matter and the We Shall Not Be Removed movement are compelling us to make the change we've talked about for too long.

This has to be a turning point. For sure, we want to go back to sharing arts experiences again. We want to gather in crowds at exciting events and festivals. We want spontaneity and the touch of human contact. We want to shoulder our way to a crowded bar.

But we must not go back to the structural inequalities that have shut out people because of their ethnicity, their disability or the economic poverty in their family and community – communities where currently access to the arts is simply not good enough.

At the Arts Council of Wales, we've committed to changing our own organisation, so that we understand more fully the lived experiences of those people who have suffered exclusion and blocks to fulfilment. And we've committed to working with the 67 organisations we revenue fund to achieve changes in their workforces, boards and programmes of work to make them more representative and diverse.



Our Lottery funding programmes have begun to be made easier to access and more open to excluded voices, with decisions on funding that reflect the urgent need to put right inequalities. Amongst these, in our bilingual nation, we recognise the need to increase activity in the Welsh language, especially in theatre.

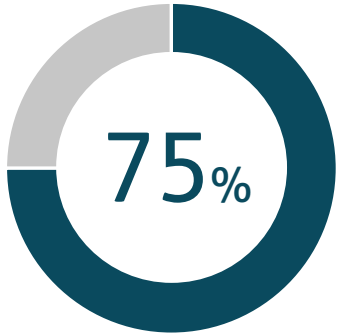
Our cutting-edge programmes of Creative Learning in schools across Wales and of Arts and Health collaboration with the 7 health boards will also broaden access and opportunity. These programmes reach beyond traditional arts venues while seeking to draw a wider range of people into them.

All of these challenges and achievements require the talented and deeply-committed staff that we are fortunate to have. I pay tribute to them here for their unstinting efforts in sustaining and developing the arts sector in a year of urgent need for prompt emergency and recovery funding.

But I end with special thanks to our outgoing Chief Executive, Nick Capaldi. For 13 years, he has shown vision, tenacity, utter commitment, diplomatic skills, crystal clear analysis and above all, the absolute integrity we seek in all our public servants. In challenging times, none more so than in the last year, he has protected and developed the arts sector and shaped our sense of its future at the heart of Welsh society. He deserves our warmest gratitude and we honour him for all he has done.



Phil George  
Chair



of adults in  
Wales attended  
the arts

2019/20: 87%  
Source: Wales Omnibus Survey

# Trustees' Report and Management commentary

## Resilience and renewal...



Chief Executive,  
Nick Capaldi,  
reflects on an  
extraordinary  
year for society  
and the arts.

What a year it has been. Covid-19 has had an unprecedented impact on our economy, our culture and our way of life. Overnight, this global pandemic led to the suspension of all public activities and a collapse in the living and working environment for everybody.

Organisations, unable to generate ticketed and earned income, faced an immediate fight for survival as they tried to find new ways of sustaining their businesses in the face of the threat of insolvency. Individual artists reported the wholesale cancellation of work and many left the arts altogether in search of employment elsewhere. A tragedy in every sense.

The Arts Council responded quickly, working with the Welsh Government to distribute emergency funding. And organisations responded to the Covid restrictions by moving work online where they could, and furloughing staff where they couldn't. The extent and level of our grant-giving far exceeded anything seen in previous years. In all, we distributed £23.9m of urgent and emergency support to over 750 individuals and organisations – a notable achievement given that Arts Council staff were working from home at this time.

In spite of the unprecedented disruption, artists and arts organisations presented inspiring and engaging work under these most difficult of circumstances. Organisations also responded positively to the wider public health need, distributing food, volunteering staff to Test and Trace, making their facilities available for public health screening. The arts demonstrated – once again – their resilience, imagination and their place at the heart of communities.

Now, as we look cautiously towards the easing of Covid restrictions, the world looks very different to how it did before the pandemic. So, as we consider “what next?”, we're not talking about “business as usual” – instead,

we must take a fresh look at how we can achieve a strong and resilient arts sector that properly reflects culture and society in modern-day Wales.

Public health crises aren't equal opportunities events. The most marginalised, and people with the fewest economic and social advantages, are generally the worst affected, while the wealthy, connected and healthy are usually better able to weather the storm. Areas of Wales battling the effects of long-standing poverty and economic disadvantage have been harshly affected by Covid-19. And the heightened attention in recent months given to the lived experiences of culturally and ethnically diverse people and deaf and disabled people have filled our newspapers and television screens. No one can now be unaware of the disproportionate impact of Covid on these people and communities.



Catrin Finch, *Other Voices Cardigan 2021* filmed at the National Museum of Wales in Cardiff. Theatr Mwldan (image: Jennie Caldwell)



But it's not just a question of how quickly venues can re-open and resume activity, it's about what happens when they do.

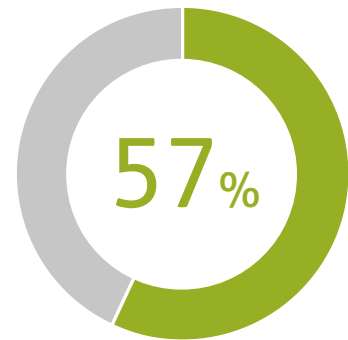
We're seeing a profound questioning and re shaping of values across all aspects of public life. And as these values shift and evolve, we mustn't find ourselves caught between nostalgia for a 'comfortable' past and the worries of an uncertain future.

That change is needed is inarguable. But it's about making 'good' choices. A generous, fair-minded and tolerant society is instinctively inclusive. It values and respects the creativity of all its citizens. And if we want Wales to be fair, prosperous and confident, improving the quality of life of people in all of its communities, then we must make the choices that enable this to happen. We must expect the future to look, and feel, very different.

In conclusion, this is my last annual report as Chief Executive of the Arts Council of Wales. Looking back over my thirteen years in the role I feel enormously privileged to have worked with so many extraordinary people and to have encountered artists and creative professionals of inspirational talent and achievement. I've also been lucky to have enjoyed the support of two excellent Council Chairs – Dai Smith and Phil George – and to have worked with so many eminent and committed Council members. My final words are reserved for my staff colleagues. Your commitment and energy is remarkable. You've been wonderful to work with and have made every one of those thirteen years a complete joy. Thank you.



Nick Capaldi  
Chief Executive



of adults in  
Wales took part  
in arts activity

2019/20: 49%  
Source: Wales Omnibus Survey

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

Our mission

# Our strategy for recovery and renewal

## The principles that drive our work

### Our priorities

Our vision is of a creative Wales where the arts are central to the life and well-being of the nation. We remain committed to our vision, in spite of Covid-19.

Our goal is the re-building of a creative Wales in which our best talents are revealed, nurtured and shared; a country in which the widest possible cross-section of people in Wales is enabled to enjoy and take part in the arts; a country in which excellent work is valued, protected and supported to grow. This is described in more detail in our corporate plan – [“For the benefit of all”](#).

Two priorities underpin this strategy. They are:

- 1 Promoting **Equalities** as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales.
- 2 **Strengthening the Capability and Resilience** of the sector, enabling creative talent to thrive

Council has also identified a further action to support the delivery of these two priorities:

- 3 **Enabling the Arts Council to work more effectively**, collaborating more imaginatively with like-minded partners across Wales

## Responding to Covid-19

2020/21 was a challenging and unpredictable year. And uncertainty will continue for some time to come. Responding to the demands that Covid-19 brings will define, in the immediate term, how we support and invest in the arts. We look forward to a moment when emergency response is not our default position and when we can shift our focus to more developmental activity. But for the time being, defending and protecting the arts will be at the centre of our work and we'll continue to work closely with the Welsh Government to secure those goals.

Our financial strategy will need to be agile and flexible. We'll look carefully at what it's possible to support given the Covid restrictions that apply during the year. But some activities will take longer to re-establish and it will take time before we can confidently invest in types of activity that aren't able, in the short-term, to operate on a financially sustainable basis. How we support this activity to return to a more financially sustainable basis will be an important part of our continuing recovery strategy.

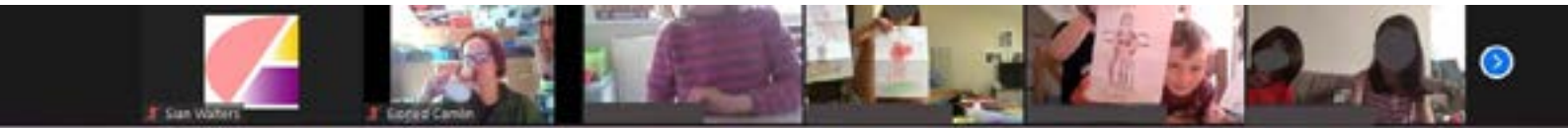
The Covid-19 pandemic is changing the way we all live, our outlook and how we engage in the arts, culture and creativity. At its core, the arts are a social as well as cultural experience. As the Covid-19 restrictions ease, audiences and participants will seek out the social and engagement aspects of art and culture even more than usual. As they do, they're likely to take more of an interest in how the arts connect to them as individuals and communities. Our funding will reflect what's relevant and deliverable given need and circumstance.

**591\***  
arts events  
were run by our  
portfolio of funded  
organisations,  
generating  
attendances of  
**696,507\***

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\* This data summarises the findings of the 2020/21 Arts Portfolio Wales (APW) Surveys. APW organisations are required to complete a biannual survey as a condition of their funding agreements. There are currently 67 APW organisations but only 60 organisations have been able to complete the survey by the extended deadline of 18 June. This data covers those 60 organisations only.





Drawing Games, Arts Connection - Cyswllt Celf

The priorities of the Welsh Government set the overall context for our work. The Welsh Government's expectations of us are set out in an annual Remit Letter. The Remit Letter for 2020/21 set out four categories of activity. These are listed below with the Welsh Government's aims for each:

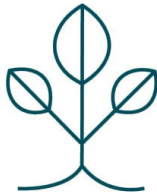
- 1** **United and Connected**  
*“Our aim is to build a nation where people take pride in their communities, in the Welsh identity and language, and our place in the world.”*
- 2** **Ambitious and Learning**  
*“Our aim is to instil in everyone a passion to learn throughout their lives.”*
- 3** **Prosperous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

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



**1**

a prosperous Wales



**2**

a resilient Wales



**3**

a healthier Wales



**4**

a more equal Wales



**5**

a Wales of more cohesive communities



**6**

a Wales of vibrant culture and thriving Welsh Language



**7**

a globally responsible Wales

We also adopt, in our planning and in the delivery of our work, the legislation’s “five ways of working”: **Long-term, Prevention, Integration, Collaboration, Involvement.**





CROMEN, Marc Rees  
Taliesin (image: Hywel Harries)



# Public benefit

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

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

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

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

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

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

We undertake detailed research each year to assess the extent to which we're achieving these goals. In the pages that follow, we set out the key highlights of our work during 2020/21 and the public benefit that these activities deliver.

# Creative learning through the arts

*Creative learning through the arts: an action plan for Wales 2015-2020*, has transformed the learning experiences of pupils across Wales since 2015. By placing the arts and creativity at the heart of education this ground-breaking programme has supported schools in developing new approaches to curriculum design. It has also supported teachers in exploring innovative approaches to teaching and supported pupils to grow as independent, creative learners who are more engaged, more confident and higher achievers.

## A programme of extraordinary reach and impact

Over the first five years of the programme, *Creative learning through the arts* has:



engaged with over  
**1,240**  
state-maintained  
schools  
(83% of schools in Wales)



seen  
**1,566 creative practitioners**  
contracted to work  
in our schools

increased and improved over  
**100 opportunities**  
for teachers and learners in our schools to work with artists and arts/cultural/heritage organisations on a range of more in-depth and exploratory projects through **Creative Collaborations**

provided opportunities for over  
**134,000**  
pupils to engage in arts and creative learning activities

enabled almost  
**4,600 teachers**  
to participate in professional development and training linked to developing creative skills in the expressive arts



supported over  
**800 visits**  
to high-quality arts and cultural events in galleries, theatres, arts centres and other venues through **Go and See**



involved  
**658 schools**  
in intensive creative learning projects through the **Lead Creative Schools Scheme**

provided opportunities for schools and arts organisations to share best practice and find partnerships through **Regional Arts and Education Networks**



The Aloud Charity's Creative Collaborations project, Fitzalan High School, Cardiff  
(image: Jake Morley)

800 learners and 72 teachers from 34 schools participated in the online Lead Creative Schools Scheme.



## Key work in 2020/21

In February 2020, and with the support of the Welsh Government, the Arts Council of Wales was pleased to announce a second phase for the programme. Our focus for this second phase was on continuing to support schools on the journey towards the development and delivery of Curriculum for Wales. The **Lead Creative Schools Scheme** has remained at the heart of delivery, providing opportunities for more schools, pupils and teachers, to experience this transformational approach to teaching and learning.

This phase is designed to:

support more schools to develop creative approaches to teaching and learning, building on the knowledge and expertise of the schools already engaged in the Lead Creative Schools Scheme



provide Continuing Professional Learning opportunities for teachers and artists



support schools to explore creative approaches to curriculum development and design



continue to widen opportunities for learners to explore high quality arts and cultural experiences through **Go and See**

support the development of creative skills in our learners

## A continuation of the learning response to Covid-19

At the very start of the first year of this phase our plans had to be re-designed to respond to the dramatic changes in education due to the onset of Covid-19. As a creative programme, we were able to respond swiftly and imaginatively to these challenges and developed an ‘intervention’ that could be delivered through online platforms.

Our work has included the commissioning of **Expressive Arts Masterclasses** and we curated a virtual **Go and See** collection. This transported teachers and learners into theatre performances, virtual exhibitions, museum tours, behind the scenes visits and more, providing new and stimulating cultural experiences for both home and school settings.

Through a re-imagined **Lead Creative Schools Scheme** that was delivered online, teachers, learners and creative professionals worked in collaboration and found new ways of working to support the creativity and well-being of learners.

**800** learners and **72** teachers from **34** schools participated in the online Lead Creative Schools Scheme.

In the autumn of 2020, we were able to relaunch our Lead Creative Schools Scheme and offered funding to **85** new schools to design and deliver creative learning projects. We trained an additional **221** teachers and **213** creative practitioners.

We launched a strand that has a specific focus on **secondary schools**. We invited secondary schools that were part of the scheme in the first phase to become part of a small cohort of schools working together to explore how creative learning approaches could be embedded across the curriculum. This proved to be a particular challenge in the first phase and the aim is for these schools to explore the methodology and develop learning resources that can be used to support other secondary schools. There will be a strong focus on professional learning as part of this project and the successful schools will come together with creative professionals to co-design an approach and to share their learning. We have **19** schools signed up to this project.

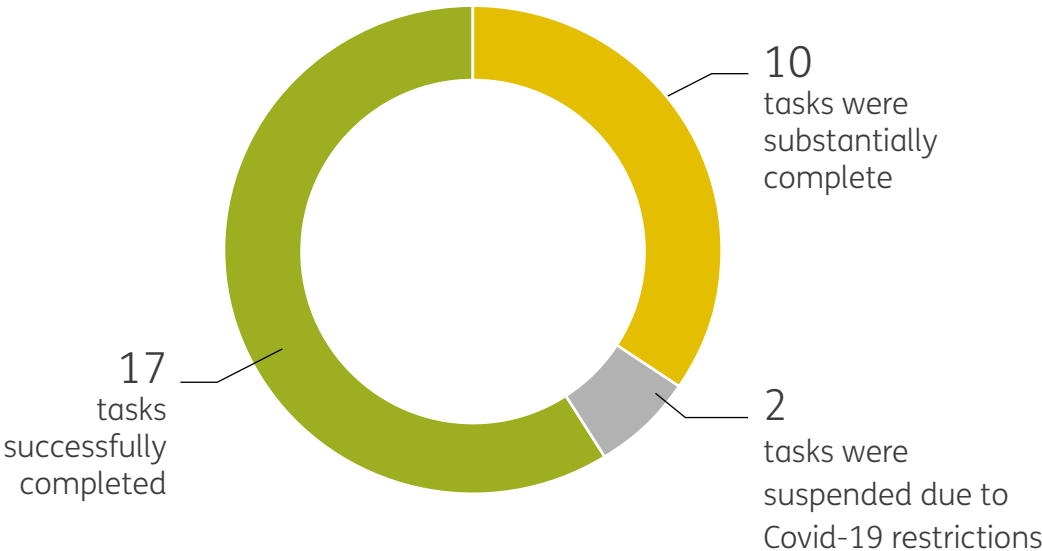
**25** schools and **25** creative professionals have joined forces to devise and deliver innovative and creative projects that explore the key themes of *Cynefin: Black, Asian and minority ethnic Wales*. This draws upon the strengths of the Lead Creative Schools Scheme that has helped schools explore new ideas and approaches to teaching and learning over the last 6 years and involves developing the skills of Black artists to deliver creative learning projects.

# Our performance

## A year of strong performance against our corporate objectives

Our Operational Plan for 2020/21 provided the focus for our work. It contained 29 key tasks, each with its own targets. Progress was monitored throughout the year through quarterly progress reports that are presented to Council. We also met quarterly with officials of the Welsh Government.

We successfully completed over half our tasks in 2020/21. At the end of the year:



Throughout 2020/21, Covid-19 remained the focus of our attention and activity. This is likely to be the case for the foreseeable future as we see a gradual easing of restrictions and emergence from the pandemic.

Consequently we revised a number of our key actions to reflect our response to this and other recent developments, including our departure from the European Union on 31 December 2020. We identified the key pieces of work that we embarked upon throughout this year to support and steer the sector through these issues.

At the same time, we needed to ensure we adapted our own organisation to Covid-19 working and continued to support our staff.

Our position at the year end compared to the original targets in our Operational Plan 2020/21 was as follows.

We re-purposed our originally agreed National Lottery funding programmes to support arts organisations and individual artists through the Covid-19 pandemic

- providing urgent emergency funding of **£5.5m** to over **750** individuals and organisations through an Arts Resilience Fund
- distributing **£5m of National Lottery funding** through our Connect and Flourish programme, encouraging organisations, individuals and creative professionals to work together to re-build public arts activity and,
- in partnership with Welsh Government providing **£18m** of revenue and capital funding through a **Cultural Recovery Fund**, helping **170 organisations** to protect themselves against the impact of the Covid-19 emergency



We implemented a number of activities to widen our engagement with communities and the individuals they serve. We worked to remove barriers to engagement and participation in the arts:

- receiving an unprecedented **55 applications** to our “**Sharing Together**” funding programme reflecting the conversations that we’d held around the **Black Lives Matter** and **#WeShallNotBeRemoved** movements
- developing an action plan based on the recommendations of our commissioned **Welsh Language Mapping Report**
- commissioning, in partnership with **Amgueddfa Cymru**, specific research into community engagement to include social, economic, disability and ethnicity factors





New partnerships helped promote professional development for individuals – we collaborated with:

- **Weston Jerwood Fund** – work is underway with 7 bursaries
- **UK Social Mobility Commission** – to develop a ‘toolkit’ to increase employment opportunities in the creative sector for those from lower socioeconomic backgrounds
- **Natural Resources Wales** – entering into a Memorandum of Understanding focused on developing shared capacity and resources and launching a dedicated Creative Nature Fund to support individual artists
- the campaigning **Freelancer Pledge Steering Group** – becoming a member to ensure fair pay for individual creative practitioners



**JERWOOD  
ARTS**

  
**Social Mobility  
Commission**

 **Cyfoeth Naturiol Cymru  
Natural Resources Wales**

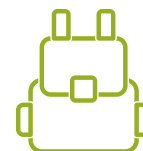
We published our new Strategic Equality Action Plan – priorities included:

- continuing our **Creative Steps** programme, and starting to develop a Creative Steps for Individuals funding strand (to be launched early in 2021/22)
- progressing the **Memorandum of Understanding** with 10 other public bodies in Wales to agree a set of Strategic Equality Objectives that we would implement in partnership as part of our new Strategic Equality Plans 2020-2024
- appointment of our **Agent for Change** to help drive forward our Equality agenda, both within our organisation and externally



## We progressed the second phase of Creative learning through the arts:

- in response to a request from Welsh Government we're currently developing a **Creative Learning Recovery Fund** that will assist learners to re-engage with their learning following the pandemic
- we launched **Cynefin**: Black, Asian and minority ethnic Wales - we received a total of 61 applications. 25 schools have been awarded a grant and a further 18 schools will join us from the autumn term onwards
- training is now complete for Creative Agents, School Coordinators and Creative Practitioners and all **84 Lead Creative Schools** projects are underway.
- awarded 19 applications to our enhanced offer for secondary schools



## We continued to progress our programme of Arts and Health – activities included:

- renewing our **Memorandum of Understanding** with the Welsh NHS Confederation for a further 3 years
- establishing and supporting specialist arts co-ordinator posts in each Health Board
- continuing to promote the benefit of arts in health as part of the **Confederation's Cross Party Group** meetings held online throughout the year
- the set up of the **Health, Arts, Research, People (HARP)** funding programme
- implementing the **Seed Fund** (for Research and Development) – this selected 4 Health challenges to which 54 artists/arts organisations responded, applying to be creative partners
- implementing the **Nourish Fund** (for large grants) with 20 expressions of interest now progressing towards submitting a full application
- developing **Cultural Cwtch** – a website of creative resources to support NHS and social care staff's well-being throughout the pandemic and beyond
- developing a new **Arts, Health and Well-being Lottery Fund** for launch in the new financial year
- launching **NHS Decides**



We engaged in an extensive programme of international activity – this included:

- a formal Partnership Agreement with the Welsh Government around international working which will extend into 2021/22
- the re-opening of our **International Opportunities Fund** that had been suspended earlier in the year because of Covid-19
- undertaking a series of conversations and focus groups with the sector culminating in the report Reimagining International Work in Arts and Culture in Wales and the World
- the announcement of Wales as international partner for Showcase Scotland at **Celtic Connections**
- participation in **UNESCO** meetings around cultural values providing information and intelligence on the potential implications of Brexit
- securing investment from Arts Council England for the **Arts Infopoint** UK project, providing support and advice on artists mobility from the UK to EU, and a commitment to this investment over two financial years
- being a member of the **Wales in Germany** stakeholder group, in preparation for the launch of the Year of Wales in Germany 2021



We've continued to deliver against our key tasks in spite of Covid-19 with all staff equipped to work from home throughout the year. Achievements include:

### Finance and grant-making



- putting in place processes and procedures to pay out an additional £24m of funding in emergency Covid-19 support
- producing full sets of Annual Reports and Financial Statements for 2019/20
- launching a number of new funding programmes and publishing guidance and help notes
- introducing the Welsh Government's new **Cultural Contract**, an initiative designed to ensure that public funding of the arts has a social and cultural as well as economic purpose
- introducing the **Well-being of Future Generations 7 goals** and **5 Ways of Working** into our revised Funding Agreements with our Portfolio organisations

### Communications



- launching a new Bilingualism Promotion Pack in collaboration with the **Welsh Language Commissioner**
- ensuring that our published content is fully bilingual and meets AAA accessibility standards
- increasing our publication of material in alternative formats, including EasyRead and British Sign Language
- introducing weekly information videos for staff, keeping them informed of Arts Council news during the period of homeworking



## Technology

- implementing a new Grants Management System and online application portal
- introducing a new intranet and migration to [SharePoint 2019](#)



## Human Resources

- concluding our Pay and Grading Review, ensuring that our pay structures were fit for purpose
- monitoring staff well-being through surveys and regular contact between line managers and their teams
- continuing development and training opportunities for staff
- appointing an [Agent for Change](#) to progress our Equality Agenda, internally and externally



## Prevention and resilience

- achieving a successful programme of internal audit, providing substantial assurance to our Council
- revising internal policies to accommodate home-working arrangements
- achieving a successful programme of internal audit, providing substantial assurance to our Council
- maintaining [Green Dragon Level 5 accreditation](#) for environmental sustainability
- promoting of the green agenda across all of our activities, internally and externally, through our grant-making activities



Not all targets were fully completed during the year. In most cases, the reason was the need to re-order key activities in response to the onset of Covid-19.

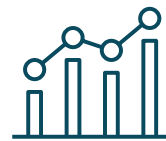
The main projects affected were:

Funding strategy – we had planned a significant review of the way that we fund key organisations and projects:

- the **Investment Review 2020**, our major review of funding to Portfolio Organisations, has been rescheduled to start in Autumn 2021
- we’ve deferred the final stages of our review of Lottery funding because existing funds were temporarily reallocated to the Covid-19 response
- we’ve had to phase in the deployment of our cohort of Arts Associates

Publication of research data – Covid-19 affected some of our planned activity, including:

- our Arts Portfolio Wales Survey and Omnibus Reports
- two tasks were put on hold, our Children and Young People Lottery programme and Night Out activities



AR-LEIN

28 HYDREF - 01 TACHWEDD  
28 OCTOBER - 01 NOVEMBER

ONLINE

**GWYL ARSWYD  
ABERTOIR  
HORROR FESTIVAL  
2020**

**ROGER CORMAN ROBIN INCE ALDO LADO**  
Ffilmiau, Sgyrsiau a Digwyddiadau - ar-lein  
**WWW.ABERTOIR.CO.UK**  
Films, Guests & Special Events - online

CANOLFAN Y CELFYDDYDAU  
ABERYSTWYTH ARTS CENTRE

UNIVERSITY OF  
ABERYSTWYTH

film  
LOTTERY FUNDED




Cymor Celfyddydol Cymru  
Arts Council of Wales

Poster artwork by Peter Stevenson part of the 'Three Skeleton Key' radio play commissioned by Aberystwyth Arts Centre



# Corporate Governance




## Our Trustees




Council Members who served since 1 April 2020 were:




Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	<b>Phil George</b> <b>Chair</b> from 1 April 2016	10						
	<b>Marian Wyn Jones</b> from 1 April 2012 to 31 March 2021 <b>Vice Chair</b> from 1 April 2017 to 31 March 2021 Chair of Welsh Language Committee to 31 March 2021	7					4	
	<b>Kate Eden</b> from 1 April 2017 <b>Vice Chair</b> from 1 April 2021 Chair of Audit & Risk Assurance Committee Member of HR & Remuneration Committee	10	5		3			






Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	<b>Iwan Bala</b> from 1 November 2016  Member of Wales in Venice Advisory Committee	5						
	<b>Lhosa Daly</b> from 1 April 2019  Chair of Future Generations Committee	9						1
	<b>Ceri Ll Davies</b> from 1 April 2021							




Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	<p><b>Devinda De Silva</b> from 1 April 2019</p> <p>Member of Strategic Equality Committee (Chair from 1 April 2021)</p>	9				2		
	<p><b>Andy Eagle</b> from 1 November 2016</p> <p>Chair of Capital Committee</p>	9		4				
	<p><b>Ruth Fabby MBE</b> from 1 April 2021</p>							

Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	<p><b>Michael Griffiths OBE</b> from 1 April 2012 to 31 March 2021</p> <p>Chair of HR &amp; Remuneration Committee to 31 March 2021</p>	10			3			
	<p><b>Professor Tudur Hallam</b> from 1 April 2019</p> <p>Member of Welsh Language Committee (Chair from 1 April 2021)</p>	9					4	
	<p><b>Gwennan Mair Jones</b> from 1 April 2019</p> <p>Member of Future Generations Committee</p>	9						1

Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	<b>Tafsila Khan</b> from 1 April 2021							
	<b>Alison Mears Esswood</b> from 1 April 2019  Member of HR & Remuneration Committee (Chair from 1 April 2021)	9			3			
	<b>Andrew Miller</b> from 1 April 2012 to 31 March 2021  Chair of Strategic Equality Committee to 31 March 2021	10				3		

Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	Keith Murrell from 1 April 2021							
	Victoria Provis from 1 April 2019  Member of Capital Committee	10		4				
	Dafydd Rhys from 1 April 2017  Member of Audit & Risk Assurance Committee	9	4					



Attendance of Trustees at meetings during 2020/21		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
		Number of meetings held:						
		10	5	4	3	3	4	1
	Elen ap Robert from 1 April 2021							
	Prue Thimbleby from 1 April 2021							
	Dr Sarah Younan from 1 April 2019  Member of Audit & Risk Assurance Committee	9	4					

### Attendance of independent Committee members at meetings during 2020/21

	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee	Strategic Equality Committee	Welsh Language Committee	Future Generations Committee
	Number of meetings held:					
	5	4	3	3	4	1
Andrew Butler	4					
Elid Morris	5					
Arwel Thomas	5					
Ruth Cayford		4				
Mark Davies		1				
Roland Evans		1				
Alan Hewson		4				
Valerie Ellis			1			
Philip Westwood			2			
Guto Gwilym-Taylor				3		
Ele Hicks				3		
Lara Ratnaraja				3		
Shereen Williams				2		

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, other than the remuneration of the Chair, are disclosed in the financial statements under *Related party transactions*.

**Personal data related incidents**

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

**Our Chief Executive and Accounting Officer**

Nicholas Capaldi

**Our Offices**

Mid and West Wales: The Mount 18 Queen Street Carmarthen SA31 1JT	North Wales: Princes Park II Princes Drive Colwyn Bay LL29 8PL	South Wales and national office: Bute Place Cardiff CF10 5AL
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<b>Auditor - General Activities</b> Auditor General for Wales Wales Audit Office 24 Cathedral Road Cardiff CF11 9LJ	<b>Auditor - Lottery Distribution</b> Comptroller & Auditor General 157-197 Buckingham Palace Road London SW1W 9SP	<b>Internal auditor</b> Deloitte LLP 5 Callaghan Square Cardiff CF10 5BT
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<b>Solicitors</b> Geldards LLP Dumfries House Dumfries Place Cardiff CF10 3ZF	<b>Bankers</b> Santander UK p.l.c. 9 Queen Street Cardiff CF10 2UD
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## Governance Statement

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

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

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

## The legislative framework

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

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

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

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

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

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

Risk assessment and management 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 **Audit Wales** are all able to investigate the Council's affairs.





Emerge by John Gavan, a participant on our Creative Connections|| Breathing Space project.  
Tanio

## Our Governance arrangements

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

Each Trustee brings specific expertise and knowledge to the oversight and development of our activities. At the year-end our Council comprised of the Chair plus fourteen members, but terms of office for three of those members expired on 31 March 2021. Subsequently, through the Welsh Government's Public Appointments process, six new members have joined so, at the time of signing these accounts, Council membership stands at the maximum allowed by our Royal Charter, seventeen members plus the Chair.

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

## We promote values of good governance

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

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

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



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

Council was content with progress made during the year to address areas identified in last year’s review. Council recognised the importance of ensuring an appropriate mix and diversity of arts expertise and skills on the Trustee Board as new members are appointed. Particular areas of focus will include the recovery and development of artistic activity post Covid-19, our periodic review of our Portfolio membership through our Investment Review, driving further commitment to Equalities and the Welsh language amongst funded organisations, and the effective use of information and communication technology.



HOOF at Christmas 2020 (image: Kirsten McTernan)

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

## Whistleblowing

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

## Taking informed decisions

Decisions taken by our Council and Committees are informed by advice provided by Arts Council staff. Papers and reports produced by officers are expected to show clearly all relevant information needed to enable informed decisions to be taken. All key papers highlight: financial, HR and the Well-being of Future Generations Act's 5 Ways of Working; risks; and an assurance statement.

Papers are circulated in advance of each Council and Committee meeting; tabled items and verbal reports are only accepted in exceptional circumstances. Council was content during the year with the timeliness and quality of information provided for its use. In the rare instances where the information provided does not meet the required standards, the paper is rejected and a replacement commissioned. There were no instances of this happening in 2020/21.

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

## We provide funding to third parties

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

We've developed robust and accountable systems and procedures to support this key activity. Grant-making and monitoring processes are reviewed annually by our internal auditors. Audit Wales also examines our grant-making activities each year. All recommendations made by our internal and external auditors are monitored by our Audit & Risk Assurance Committee to ensure they're implemented on a timely basis.

## Security of data

We hold large amounts of data and treat seriously our obligations under the **Data Protection Act** which, following the United Kingdom's departure from the European Union, incorporates the **General Data Protection Regulations (GDPR)**. 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.

The high-level review over IT controls carried out by our external auditors and our programme of internal audit reviews carried out during the year revealed no serious issues. Similarly, the annual security review on behalf of Welsh Government highlighted no matters of serious concern in this area. To the best of my knowledge and belief, no loss of data occurred during the year.

## Complaints

Complaints about our work are investigated according to our Complaints Policy. Sometimes our policy requires a complaint to be investigated by an Independent Complaints Reviewer. For reasons of openness and transparency, we publish all final reports from the Reviewer. No complaints were referred to the Independent Reviewer in 2020/21.

## Ministerial directions

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



## Our Governance Structure

To help support its work, Council has appointed six committees to provide specialist advice. These are: Audit & Risk Assurance Committee; Capital Committee; HR & Remuneration Committee; Strategic Equality Committee; Welsh Language Committee and Future Generations Committee. There is also an advisory committee for Wales' presence at the international Biennale of Art in Venice and a Health & Safety Advisory Group.

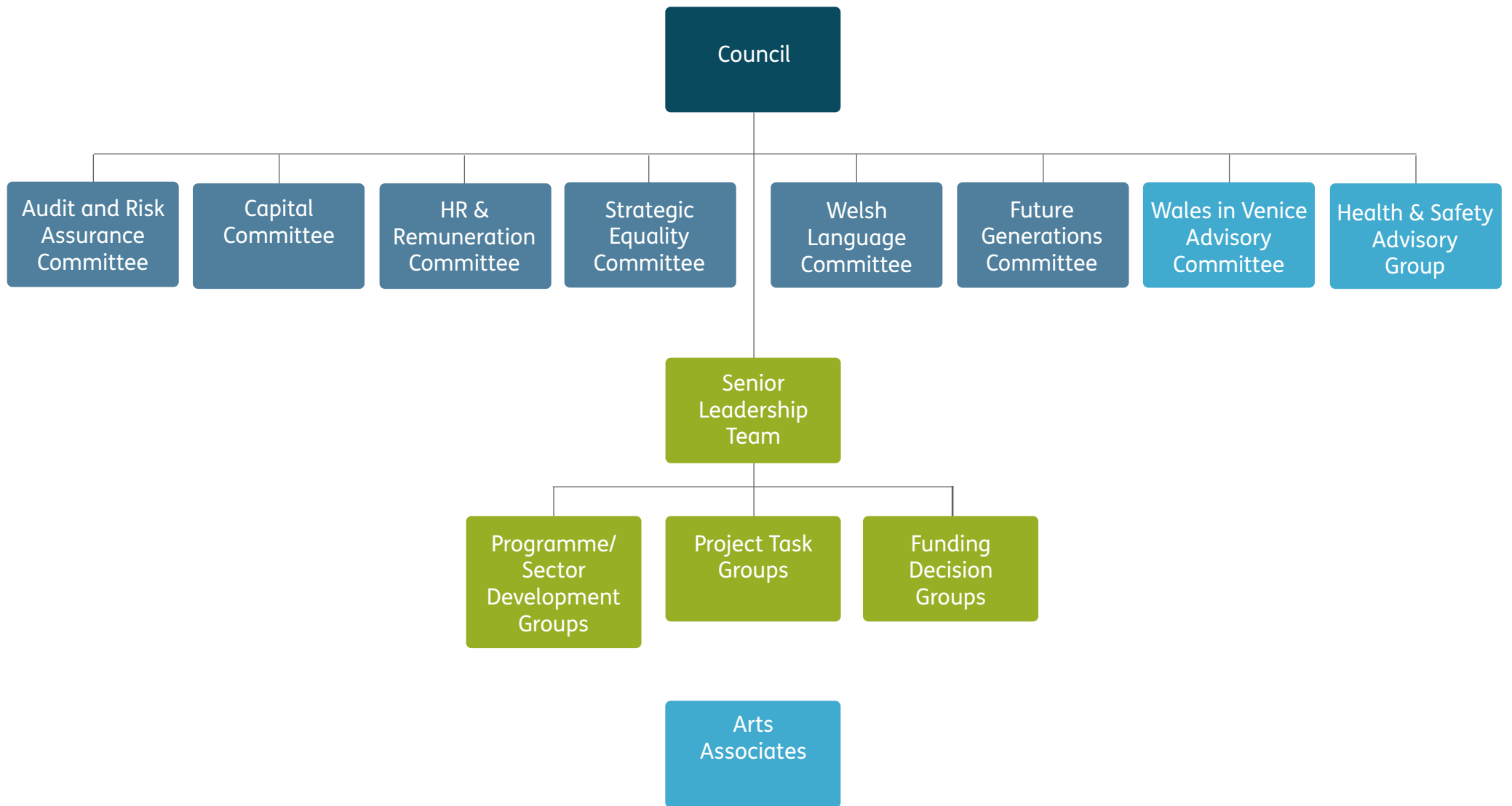
Each Committee includes Council members, one of whom acts as Chair, and has provision for independent committee members appointed through an open selection process for their specialist skills and experience. The minutes of each Committee meeting are provided to Council for discussion and to note. Terms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

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

During the year we continued to draw on the services and experience of our cohort of **Arts Associates**. The Associates, who began their work during 2019/20, support executive staff. Their specialist knowledge contributes to policy development, the assessment of grant applications, and advice to officers.



Postcards to the Future, Glynn Vivian Art Gallery



## Council

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

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

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

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



Rakie Ayola, Who Runs Towards A Fire, Sherman Theatre



### Council activities undertaken during 2020/21 included:

- ① As part of its ongoing scrutiny of **Governance**, preparing and monitoring the **Operational Plan** for the year. Council also received and noted the **Committees'** year-end reports to inform its **Governance Statement** as part of this Annual Report and approved the **Annual Financial Statements 2019/20** and **Budget** allocations for 2020/21
- ② Approving the redeployment of money from our **National Lottery Funding Programmes** and repurposing of these funds for the **Arts Resilience Funds** to offer urgent support to the Sector in response to the Covid-19 pandemic
- ③ Approving the terms of our **Cultural Recovery Fund** programme delivered in partnership with Welsh Government
- ④ Considering and monitoring, through regular briefings, our response to the impact of both **Brexit** and **Covid-19**, both externally on the cultural sector and internally on operational matters
- ⑤ Approving the revised strategy for our **international** work, informed by the recommendations in the **Watch Africa Cymru** Report
- ⑥ Endorsing the findings of the **Welsh Language Mapping Report**, and agreeing an approach with Welsh Government on a further phase of the **Creative Learning programme**
- ⑦ Approving the revised **Strategic Equality Plan 2020-24** in response to issues highlighted through **Black Lives Matter** and **We Shall Not be Removed** and the outcomes of the **Pay Review**.

Council held its meetings online throughout the year. It met 10 times during 2020/21 to discharge its responsibilities. An extraordinary meeting was also called at short notice in April 2020 in response to the Covid-19 pandemic and UK Government announcement of a national lockdown. During the year, members in total attended meetings on 134 out of a possible 150 occasions. Council meetings are normally held approximately every 6 weeks. However, on occasion, additional meetings were arranged this year to consider responses to the pandemic. Copies of agendas and minutes of our Council meetings can be found on our [website](#).

## Our governance response to Covid-19

Protecting the well-being of our staff has been paramount. As concern grew about the spread of the virus we took an early decision to bar international travel and to restrict movement in the UK. And, as soon as it became clear that a strict policy of social distancing would be needed, we closed our offices and asked all staff to work from home.

Fortuitously, we were well-prepared for this shift in working practices. As part of the development of a more 'fleet of foot' organisation, we had been in the process of introducing an Agile Working policy. At the point at which 'lockdown' was enforced, all staff had already been equipped to work remotely. Due to locking down as early as possible, we've not experienced any severe sickness in staff and there have been no absences of key management personnel.

The majority of our internal processes are electronic and have worked well remotely. Physical signatures have been replaced with electronic signatures and email audit trails. Our internal audit plan was conducted remotely with no significant impact on performance or outcomes.

We were able to set up a number of virtual meeting rooms to host all our committee and Council meetings. Duties of each committee have remained the same and Council's ability to make decisions has not been compromised during the pandemic period. We've updated our Corporate Assurance Framework and Risk Register accordingly.

In terms of our risk appetite, we've had to react quickly to the demands of the sector to create emergency funding. In doing so, we had to adjust our processes to efficiently get the funds to where they were most needed. Ordinarily, grants are given after some development discussion with an Arts Council officer. Here, the officer would get to know the artist and help develop the project for funding. With the Urgent Response funds, individuals applied without any background involvement from officers. This meant an increased risk of people applying who were unknown to the Arts Council and a potentially heightened risk of fraud. To mitigate this risk we used, for the first time, the National Fraud Initiative (NFI) 'AppCheck' tool which allowed us to background check applicants, agreeing applicants to the electoral register, checking their addresses and ensuring residency in Wales. All usual background checks which we would have done pre-Covid were performed as well.

In terms of strategic planning and our equalities duties, we remain committed to our corporate priorities and these have formed part of the assessment process of the Urgent Response funds.

We delivered the Cultural Recovery Fund in partnership with Welsh Government. We liaised closely with Welsh Government throughout this process to identify any duplicate applications and reduce the risk of double funding. We continue to report weekly to Welsh Government all payments made from this fund.

We also updated our internal anti-fraud procedures to include consideration of any revised or new working arrangements introduced as a result of the pandemic and the requirement to work from home.

It is our view that the effectiveness of governance hasn't been compromised by the pandemic.

**4.7%**  
Arts Council  
running costs as  
a proportion of  
total income  
(whole Council)

(2019/20: 7.4%)

## Audit & Risk Assurance Committee



“The Committee provides robust oversight of our governance arrangements. It scrutinises the adequacy and effectiveness of our systems of internal control, and tests our risk management arrangements. Our role is to support the organisation to be as efficient as it can, ensuring that Council’s delivery of activity is effective and represents value for money.”

Kate Eden  
Chair, Audit & Risk Assurance Committee

As stewards of public funds we must operate in an efficient and accountable manner. Our priorities and funding decisions are agreed by Council in accordance with the policies and procedures that apply to our use of public funds. The Audit & Risk Assurance Committee's role is to ensure that we deliver on these commitments, doing so in ways that are transparent, accountable and resilient.

An extensive programme of internal audit assists us in this work, assessing the quality of our delivery against the standards that we have set.

Committee activities undertaken during 2020/21 included:

- ① Strengthening the robustness and suitability of the management of Council's work by reviewing and updating our **Corporate Assurance Framework** and **Corporate Risk Register**. Regular scrutiny has given us a clearer view of the potential vulnerabilities in our operations
- ② Reviewing our defences against **Fraud** and **Cyber-crime**, including a comparison of our own anti-fraud procedures against the recommendations set out in Audit Wales' report *Raising our Game – Tackling Fraud in Wales*. We're better able to withstand the increased number and sophistication of external attempts to breach our security, particularly in consideration of the potential increase in external security threats throughout the current lockdown period
- ③ Scrutinising the organisational and financial health of Council's **Arts Portfolio Wales**, and the scale of impact of the Covid-19 pandemic
- ④ Reporting to Council on the outcome of **internal audit reviews** commissioned by the Committee and monitoring the progress of recommendations for action
- ⑤ Understanding key aspects of Council's operations, such as our response to **Covid-19**, the replacement of our **grant management system**, further work being undertaken in response to the recommendations of Audit Wales' report on the Well-being of Future Generations and on the various Memoranda of Understanding, ensuring that the Committee is well informed about Council's wider activities.

The Committee met 5 times during 2020/21 to discharge its responsibilities. During the year, members in total attended meetings on 27 out of a possible 30 occasions. Committee meetings are normally held quarterly, with an additional meeting in early summer.



## Audit outcomes

The findings of the Audit Wales annual audits are reported to our Audit & Risk Assurance Committee which 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.

Our internal auditor, Deloitte LLP, gave the following opinion in their annual report:

“Based on the conclusions of our work, we can provide the Arts Council with **substantial assurance** in relation to the organisation's arrangements for risk management, governance and internal control. Our opinion has not been limited by any shortfall in resources, absence of skills, or any significant limitation of scope of internal audit activity which would adversely affect our ability to form an opinion.”

## Capital Committee



“During an unprecedented year, the Committee has continued to oversee the development of a number of capital projects that are at different stages in the RIBA Plan of Work. This included the monitoring of projects currently on site to recommending significant funding for major capital developments. The Committee also welcomed the delivery of the Covid-19 Cultural Recovery Fund which distributed £1.9m of Welsh Government funding towards capital projects across Wales.”

Andy Eagle  
Chair, Capital Committee

For more than two decades Council has been investing funds from the National Lottery into capital projects. Across Wales we're helping organisations to enhance and extend their activities by funding the creation of exemplary buildings, transforming the places in Wales where people enjoy and take part in the arts.

Council ring-fenced approximately £22m for its most recent Capital programme, originally due to end on 31 March 2017. Our larger, more involved capital projects can take several years to reach a point where we can award major funding and then further time in construction. This meant that there were a number of key projects that were still in development and not in the position to apply for construction funding before this date. Capital Committee and Council agreed that the remainder of the budget could be rolled forward into future years whilst officers work with applicants to develop the projects.

The cycle of a 'normal' capital project involves a number of steps to ensure that our funding is applied as effectively as possible and once a major capital award is made there is still significant work to be done to ensure a successful outcome. In some cases this can take several years after a final application for funding.

As a result of this the number of applications has reduced from the levels of previous years whilst our monitoring and payment processes continue as normal.

Alongside the usual capital application programme, a significant focus for the Council has been to support organisations and individuals impacted through Covid-19. Whilst not overseen by Capital Committee, in 2020/21 officers delivered the Covid-19 Cultural Recovery Fund (Capital). 67 applications were received with a total request of £2.4m. 56 applications were successful with a total awarded of £1.9m.

Although the Committee is not working on new entries into the Capital programme for major works, it continues to scrutinise ongoing projects and accept applications for those earlier entries into the programme that are progressing to later stages of the RIBA programme of works. This includes monitoring spend on projects currently in development and on site, including Pontypridd YMCA, Borough Theatre, Abergavenny, Oriel Myrddin Gallery, Ucheldre Centre and Cwmni'r Fran Wen who were awarded a major capital grant in 2020/2021. It is also working on smaller, discrete elements of funding such as improving accessibility, environmental sustainability and, more recently, ringfenced funding specifically to deal with minor Covid-19 related adaptations.



Covid test centre at Aberswyth Arts Centre

#### Committee activities undertaken during 2020/21 included:

- ① Scrutinising 5 applications with a total request for funding of £1.9m. All were successful and funded in full
- ② Continuing to assist the development of the ambitious plans for the refurbishment of **Theatr Clwyd** including the distribution of £3m of Welsh Government funding (£1.8m in 2020/21 with a further £1.2m in 2021/22) for the delivery of design and development work to RIBA Stage 4
- ③ Ensuring that all capital projects in which Council invests meet **Building Research Establishment Environmental Assessment Method (BREEAM)** sustainability standards.

The Committee met 4 times during 2020/21 to discharge its responsibilities. During the year, members in total attended meetings on 18 out of a possible 24 occasions. Committee meetings are held approximately every 2 months, but with fewer meetings during the summer.

## HR & Remuneration Committee



“Advising on the health and well-being of the Council’s staff is the Committee’s principal function. We encourage the development of progressive, forward looking policies and practice and provide a positive and supportive challenge to the delivery by our staff of HR activities.”

**Mike Griffiths**

Chair, HR & Remuneration Committee  
(to 31 March 2021)



Committee activities undertaken during 2020/21 included:

- ① Publication of a **Pay Policy Statement**. This includes a detailed breakdown of the make up of our staff. It also addresses Gender Equality and Equal Pay reporting
- ② Monitoring the progress of the comprehensive **job evaluation review** and the **restructuring of pay and salary scales**
- ③ Reviewing **HR management information** data to monitor the performance and health and well-being of staff during the Covid-19 pandemic
- ④ Setting levels of **remuneration** and monitoring the performance of the **Chief Executive**
- ⑤ Promoting staff **learning and development** with the implementation of the iHasco portal to deliver **health and safety and general compliance courses**.

Mike Griffiths' term as a Council member ended on 31 March 2021. Council appointed Alison Mears Esswood to succeed him as Chair of the HR & Remuneration Committee from 1 April 2021.

The Committee met 3 times during 2020/21 to discharge its responsibilities. Members in total attended on 12 out of a possible 15 occasions.

## Health & Safety



“The newly formed Advisory Group has focused on ensuring processes and policies are in place to protect our staff from risk and to ensure that the premises, facilities and equipment they use are Covid safe.”

Rebecca Nelson  
Chair, Health and Safety Advisory Group

The Advisory Group held its first meeting in September 2020. Its membership comprises three members of staff and three staff representatives of the Council’s recognised trade union, Unite. The Group is chaired by the Director of Finance and Business Services.

The activities in the Group’s first six months included:

- ① updating and republishing our **Health and Safety Policy**
- ② reviewing all **risk assessments** currently in place
- ③ reviewing and updating the Council’s **Eye Testing Policy**
- ④ managing **Incident Reporting** and monitoring
- ⑤ monitoring and implementation of **Welsh Government Guidelines on Covid-19**
- ⑥ Promoting **staff well-being**, including proposing daily ‘Zoom-free’ time.

## 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.



Nick Capaldi, Accounting Officer  
2 July 2021

Endorsed on behalf of Council:



Phil George, Chair  
2 July 2021

## Equalities



**7,255\***  
participatory  
sessions run  
by our  
portfolio of  
funded  
organisations  
were targeted  
at people in  
the protected  
characteristics  
group

“The global pandemic has resulted in huge challenges for the arts in Wales, none more so than addressing historic under-representation and unequal opportunity - both challenges presented anew in 2020 by the Black Lives Matter and #WeShallNotBeRemoved movements. Andrew Ogun’s appointment as our Agent for Change gives me every confidence that the Council is now set on an irreversible path to deliver positive change for all marginalised communities.”

Andrew Miller  
Chair, Strategic Equality Committee  
(to 31 March 2021)

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\* This data summarises the findings of the 2020/21 Arts Portfolio Wales (APW) Surveys. APW organisations are required to complete a biannual survey as a condition of their funding agreements. There are currently 67 APW organisations but only 60 organisations have been able to complete the survey by the extended deadline of 18 June. This data covers those 60 organisations only.

The end of 2019/20 saw the unprecedented onslaught of the Covid-19 crisis. The sudden onset of this global pandemic in a single night saw the suspension of all arts activities and a change in the living and working environment for everybody. The arts and cultural sector came to a standstill and this situation was set to continue throughout the year.

It was clear from early on that a crisis such as this was going to affect our most vulnerable artists and communities the hardest. This was highlighted during the course of the year by the #WeShallNotBeRemoved campaign, which brought into sharp relief the challenges facing D/deaf, disabled and neurodivergent artists across Wales.

The emergence of Black Lives Matter also focused attention on the very real impact of structural racism that has been prevalent in the arts in Wales and in society as a whole. We engaged in conversations during 2020/21 that resulted in the Council acknowledging structural inequalities within our own organisation and across the arts in Wales. In particular we recognised the pain and trauma that structural racism and ableism inflicts and acknowledged that power and privilege can be a serious barrier to equality, representation and inclusion.



Maker Space, Anya Paintsil – Afro Hair and textile themed project  
Tŷ Pawb

This led to deep reflection and a review of our existing Strategic Equality plan and the development of objectives and a series of actions that will drive forward much needed radical change in our approach.

Activities undertaken by the Strategic Equality Committee during 2020/21 included:

- ① Drafting and publishing our new **Strategic Equality Plan for 2020-24**, identifying a new set of objectives and actions to drive forward substantive change within the Council and across the sector
- ② Appointing an **Agent for Change** whose knowledge and lived experience will lead a process of cultural change within the Arts Council itself and drive forward change across the sector in Wales
- ③ Monitoring where our funding has reached. Data have shown an increase in the number of disability-led organisations and those led by artists from culturally and ethnically diverse backgrounds, successfully applying for funds. This was the same across the re-funding schemes launched throughout the year, including our **Emergency Response Fund, Stabilisation Fund and Cultural Recovery Fund**
- ④ Evaluating and reviewing our **Funding processes**, to inform new approaches to reaching artists and arts organisations that have traditionally faced barriers
- ⑤ Continuing to support 7 organisations on their business development journey through our **Creative Steps** scheme and developing, through sector wide conversations, a strand that will focus on supporting individual artists and creatives
- ⑥ Upgrading our Equalities Monitoring Group to a full **Committee** of the Council.

Andrew Miller's term as a Council member ended on 31 March 2021. Council appointed Devinda de Silva to succeed him as Chair of the Strategic Equality Committee from 1 April 2021.

The Committee met 3 times during 2020/21 to discharge its responsibilities. Members in total attended on 16 out of a possible 18 occasions.



## Welsh language



**3,497\***  
participatory  
sessions were run  
by our portfolio of  
funded  
organisations in  
Welsh, resulting in  
attendances of  
**103,870\***

“Nothing makes Wales more distinctive than the Welsh Language. It is part of what defines us as a nation and the Council has a crucial role towards achieving the Welsh Government’s target of one million speakers by 2050.

We are finding new and innovative ways of producing and promoting creativity through the medium of Welsh informed by the Welsh Language Mapping and the Marketing through the Medium of Welsh reports. In response to these, the Council will invest in a Welsh Language Development Officer so that the language becomes an integral part of a thriving contemporary culture and our artists and arts organisations have access to the support and inspirational ideas they need to make this a reality.”

Marian Wyn Jones  
Chair, Welsh Language Committee  
(to 31 March 2021)

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\* This data summarises the findings of the 2020/21 Arts Portfolio Wales (APW) Surveys. APW organisations are required to complete a biannual survey as a condition of their funding agreements. There are currently 67 APW organisations but only 60 organisations have been able to complete the survey by the extended deadline of 18 June. This data covers those 60 organisations only.

As a bilingual organisation, our commitment to the Welsh language is integral to our work. 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.

In its strategy, Cymraeg 2050, the Welsh Government notes its long term target is to achieve one million Welsh Language speakers by 2050. We believe that in working through the arts, we can support Welsh Government to deliver on its strategic themes within this, particularly around:

- an increase in the number of Welsh speakers
- an increase in the use of Welsh
- creating favourable conditions within the arts sector for the language to thrive.

Activities undertaken by the Welsh Language Committee during 2020/21 included:

- ① Monitoring progress against Council's Welsh Language priorities, identifying for Council where more progress is required
- ② Ensuring successful implementation and maintenance of the Welsh Language Standards
- ③ Publishing a new online Bilingualism Promotion Pack for the arts sector in partnership with the office of the Welsh Language Commissioner
- ④ Partnering with the National Centre for Learning Welsh to improve or refine the language skills of staff and artists within the arts sector, including partnering with Theatr Genedlaethol Cymru on a Iaith Gwaith course
- ⑤ Commissioning two ground breaking reports: the Welsh Language Mapping Report and the Welsh Language Marketing Report and developing action plans in response to the findings.

Marian Wyn Jones' term as a Council member ended on 31 March 2021. Council appointed Tudur Hallam to succeed her as Chair of the Welsh Language Committee from 1 April 2021.

The Committee met 4 times during 2020/21 to discharge its responsibilities. Members in total attended on 8 out of a possible 8 occasions.



*Top: Y Tŵr, Music Theatre Wales & Theatr Genedlaethol Cymru (image: Clive Barda)  
Bottom: Baby, Bird and Bee, Theatr Iolo (image: Kirsten McTernan)*

## Future generations



“Wales should be a fair, prosperous and sustainable country, improving the quality of life of people in all its communities. This vision feels even more relevant and necessary as we move forward into recovery following the impact of Covid-19.

“We all know the impact hasn’t been felt equally. The pandemic has harmed the poor and vulnerable the most and it’s threatening to push millions more into poverty worldwide. Recovery will require us to change our behaviour and do things differently to support those most affected and in need. The Welsh Government’s Well-being of Future Generations legislation challenges us to make better, more sustainable decisions and to plan carefully for the needs of future generations. This is a challenge that we continue to tackle with passion. We will be approaching Covid recovery with this at the forefront of our thinking to ensure sustainable principles and action underpins all of our work.”

Lhosa Daly  
Chair, Future Generations Committee

**The Well-being of Future Generation (Wales) Act 2015** is landmark legislation that aims to improve the economic, social, environmental and cultural well-being of Wales. The Arts Council of Wales is one of the public bodies named in the Act that must comply with the legislation.

The Act has underpinned our mission all year. We strive to undertake our work in a sustainable way, considering the impact that our work has for people living, experiencing and participating in the arts in Wales – now and in the future. We have also embraced the principle of the Act and see it as a vital opportunity to contribute as an arts sector to the 7 Well-being Goals. By taking an holistic approach we can bring creativity and imagination to many aspects of public life for mutual benefit.

Activities undertaken by the Future Generations Committee during 2020/21 were limited this year due to the work dealing with emergency funding and urgent situations relating to the Covid-19 pandemic. However, we embedded our commitment to the 5 Ways of Working even further this year with, amongst many other examples, extensive sector consultations, re-imagining funding schemes and our invigorated response to increasing diversity in the arts and in our own organisation.

**0\***  
performances  
supported by the  
Arts Council's  
Night Out  
scheme  
(2019/20: 537)

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\* The lockdown as a result of the Covid-19 outbreak meant that all Night Out events for 2020/21 were cancelled and no future bookings were accepted. Cancellation fees were paid to performers for the 105 events already booked through the scheme when lockdown began.

Committee activities undertaken during 2020/21 included:

- ① Embedding the Future Generations **Five Ways of Working** (Involve, Collaborate, Prevent, Integrate, Long term), in our policies, strategies and in the delivery of our work. This was of paramount consideration to us during this last year, particularly after the impact of movements such as Black Lives Matter, #WeShallNotBeRemoved and the climate emergency.
- ② Working with the Cultural Alliance in Wales to develop an approach to **environmental responsibility** for funding organisations
- ③ Ensuring retention of our **Green Dragon Level 5 Accreditation** for environmental sustainability
- ④ Reducing our carbon footprint considerably through the use of our **information technology** infrastructure which enabled us to operate remotely throughout lockdown
- ⑤ Reducing the **environmental impact** of our international activity to virtually zero whilst maintaining international contact and exchange.

The Committee met once during 2020/21 to discharge its responsibilities. Members in total attended on 2 out of a possible 2 occasions.



# Environmental performance

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

Waste	2020/21	2019/20
<b>Non-financial (tonnes)</b>		
Landfill	0.001	0.08
Reused/recycled	0.009	3.02

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.

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



Energy	2020/21	2019/20
<b>Greenhouse gas emissions (CO<sub>2</sub>e tonnes)</b>		
Gross emissions, scope 2&3 (indirect)	17	26
<b>Energy consumption (kWh)</b>		
Electricity (renewable)	59,193	91,332
Gas	9,247	11,041
<b>Financial indicators (£)</b>		
Expenditure – energy	10,049	15,364
Water supply costs (office estate) – currently unable to assess, included in service charge	N/A	N/A

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

We promote the use of environmentally friendly means of transport and encourage staff to make journeys by the most efficient means possible, taking account of both environmental and financial considerations. We have to balance this against the delivery of our strategic priorities to develop the arts in Wales, and to promote Welsh arts and artists internationally. Until the Covid-19 pandemic this remained a significant practical challenge. The usual inevitable fluctuations in the level of CO<sub>2</sub>e emissions attributable to travel, especially when we are actively involved in international projects, fell to almost nothing during 2020/21.

In a post-Brexit world, the international marketplace will be increasingly important. During 2019/20 we undertook considerable programmes of international work, much of it supporting Welsh Government priorities in China and Japan. We work actively to lessen the environmental impact and will continue to do so when operations return to more normal levels.

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

Staff Travel	2020/21	2019/20
<b>Travel emissions (CO<sub>2</sub>e tonnes)</b>		
Rail	0	9
Air <sup>1</sup>	0	72
Car/vans	0	20
<b>Travel cost (£)</b>		
Rail	8	37,883
Air	0	39,221
Car/vans	635	28,585
<b>Travel (miles)</b>		
Rail	24	128,827
Air	0	283,808
Car/vans	1,410	63,522

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

# Principal risks and uncertainties

## Managing our affairs effectively

As stewards of public funds we must operate in an efficient and accountable manner. Our priorities and funding decisions are agreed by Council in accordance with the policies and procedures that apply to our use of public funds. The Audit & Risk Assurance Committee's (ARAC'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 ARAC's work has been reviewing our defences against **Fraud** and **Cyber-crime**. Attempts to illegally gain access to our funds and ICT systems occur regularly. Council takes these issues very seriously and ARAC has been looking carefully at our policies and processes to ensure that they're robust and secure. There were no successful attacks during the year.

## Taking risks: a balanced approach

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

Our systems of internal control identify and prioritise the risks that could prevent us achieving Council's policies, aims and objectives. They evaluate the likelihood of the risks being realised, consider the impact should they occur, and seek to manage them efficiently, effectively and economically. We continually seek to improve our internal control systems.

ARAC continued to review the robustness and suitability of this aspect of Council's work. The **Corporate Assurance Framework (CAF)** and separate **Corporate Risk Register** were scrutinised at regular intervals throughout the year. An additional risk register was created to capture risks across the organisation that pertained directly to the Covid-19 pandemic. This provided members with greater clarity on the levels of assurance in

operation across all of the Council's activities and the corresponding risks identified. ARAC reviewed the Horizon Scanning section of the CAF at each of its meetings.

## Financial risk and capital management

The Council holds financial instruments mainly 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.

### Risks are managed as follows:

**Fraud risk** – the Arts Council, in common with most other organisations, is exposed to fraud risk on an increasing and ever more sophisticated scale. We noted a potential for increased fraud risk given current circumstances with Covid-19 and updated our internal anti-fraud controls and checks in response.

**Liquidity risk** – the Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2020/21, 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 0.15% (2019/20: 0.5%) in the year.

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

**Foreign currency risk** – the Council is not currently exposed, to any significant degree, to foreign exchange risks.

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

**Credit risk** – The Council is not exposed to any significant credit risk as the majority of debtors relate to Welsh Government income.

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

Principal risks	Key mitigating actions
<p><b>Coronavirus</b> Staff contracting virus results in organisation/teams/services becoming inoperable</p> <p>Covid-19 has significant and long term detrimental impact on Sector including:</p> <ul style="list-style-type: none"> <li>• individual artists and freelancers</li> <li>• organisations/Arts Portfolio Wales</li> </ul>	<p>All staff redeployed to work from home since 17 March 2020 and offices closed. UK and Welsh Governments’ direction on preventative measures observed. Daily Health Survey circulated to record current health and self-isolating status across all staff, monitored by HR, with results reported to Senior Leadership Team.</p> <p>Future 2020/21 provision of lottery programmes suspended to allow funds to be diverted to help protect Sector from impact of Covid-19 and subsequent longer-term repercussions.</p> <p>Additional funding secured from external partners, stakeholders and other sources.</p> <p>Resilience Fund designed to accommodate immediate and longer-term needs, including considerations other than those based on artistic activity and outputs (e.g. financial).</p> <p>Delivery of the Cultural Recovery Fund in partnership with Welsh Government, to help sustain organisations until they can resume publicly accessible activity. This fund also saw the introduction of the Cultural Contract, designed to encourage organisations to adopt new commitments that ensure that public investment is deployed with a social purpose.</p> <p>Additional, regular guidance published on alternative sources of funding that may be available to individuals and organisations (e.g. Government emergency schemes).</p> <p>Arts Portfolio Wales (APW) organisations offered rescheduled revenue funded payments to ease cashflow considerations.</p>



Principal risks	Key mitigating actions
<p><b>Governance</b>            Poor management results in a significant failure to deliver the key objectives in corporate and operational plans</p>	<p>Anticipated outcomes are clearly defined. We use project management disciplines to assist Council officers in the delivery of their work. A formal progress report is presented to Council each quarter. This report also forms the basis for Quarterly Monitoring Meetings between Council’s senior leadership team and officials of the Welsh Government.</p>
<p><b>Funding</b>            Cuts in public sector funding could damage the arts across Wales</p>	<p>National Lottery income continues to be unpredictable. We manage the underlying trend of reducing levels of income for the Lottery good causes. We continue to maximise efficiencies in our own running costs. This helps us to ensure that as much funding as possible is available for direct arts expenditure.</p> <p>Key areas of risk are the financial impact of Covid-19 and the continuing reduction in local authority arts funding. We’re working with Welsh Government, local authority partners and other key stakeholders to explore alternative strategies for protecting support for creative activity.</p>
<p>Key arts organisations fail as a consequence of funding cuts or Covid-19</p>	<p>The organisations in our Arts Portfolio Wales account for the majority of our grant-in-aid funding. The Portfolio’s artistic, financial and operational effectiveness is closely monitored by officers. Regular updates on the financial health, governance and stability of our annually funded organisations are provided to Audit &amp; 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.</p>

Principal risks	Key mitigating actions
<p><b>Grants management</b>            Poor or fraudulent funding applications mean that public funds are not used for the purposes intended</p>	<p>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.</p> <p>Council takes fraud, corruption and maladministration very seriously and has policies to prevent, and deal with, both, including whistleblowing and anti-fraud polices. These were reviewed during the year.</p>
<p><b>Brexit</b>            Continuing uncertainty over Brexit and the end of the Transition period has a detrimental impact on the operation of our funded organisations and our own data protection and data sharing considerations</p>	<p>We continue to monitor developments closely.</p> <p>We have convened a Task Group including representatives from the Welsh Government and UK Arts Councils. Between us we identify potential risks, lobby the UK Government and provide advice to the sector.</p> <p>In accordance with advice issued by the Information Commissioner and Welsh Government we have made preparations to ensure appropriate data protection considerations are in place should the UK Government fail to reach an Adequacy Agreement.</p>
<p><b>Capital projects</b>            Poor management of key Lottery Capital projects causes delays that place additional funding burdens on the Arts Council</p>	<p>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.</p>

Principal risks	Key mitigating actions
<p><b>IT</b> Unforeseen or unexpected outages compromise business continuity</p>	<p>A full Disaster Recovery Plan is in place and tested annually. Should an incident arise, alternative offsite IT facilities are available. Our staff are equipped to work remotely and have been doing so since 17 March with no significant IT issues.</p>
<p>There is a breach in our IT security.</p>	<p>Cyber security and IT penetration tests are conducted annually. We comply with IASME security standards.</p>
<p><b>Personal Data</b> Personal data is lost, compromised or stolen</p>	<p>The Council has controls and policies in place to ensure data security and integrity. Encrypted IT systems ensure that the physical security of data is tightly controlled.</p>
<p><b>Staffing</b> Recurrent pressure to cut costs reduces staff capacity to an unacceptable level</p>	<p>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.</p>
<p><b>Environment</b> Published strategy to develop and promote the arts in Wales and internationally has a detrimental impact on the Council's environmental targets</p>	<p>Projects and activity we financially support through grant applications and procurement are required to demonstrate an understanding or development of environmental considerations.</p> <p>We hold Green Dragon level 5 accreditation and adopt Future generations resilience considerations including Fair trade, printing / consumables, energy usage and recycling considerations across our offices. Our Travel and Subsistence Policy is based on agreed HMRC and Governmental practices and rates.</p>
<p><b>Equalities</b> We make little or no progress regarding our equalities agenda</p>	<p>We have developed a joint action plan with other Welsh public bodies to drive this agenda forward. Our own Strategic Equality Plan has been revised and republished. Our Strategic Equality Committee assesses our performance against our published commitments and reports to our Council. We have created a new post and appointed an Agent for Change.</p>

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

## Grant making policies

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

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

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

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

**1,705**  
funding  
applications  
processed

(2019/20: 1,417)

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. Ongoing monitoring of our grant 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 withheld and/or deferred.



Question and answer session. R & D performance of *The Night Porter* at The Park & Dare Theatre (image: Abigail Savage Lewis)



## Cash reserves – General Activities

The Council's policy on restricted funds is to record separately 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 2021.

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 2021 the unrestricted cash funds were £593,000 (2020: £1.796m).

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

## Investment

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

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

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

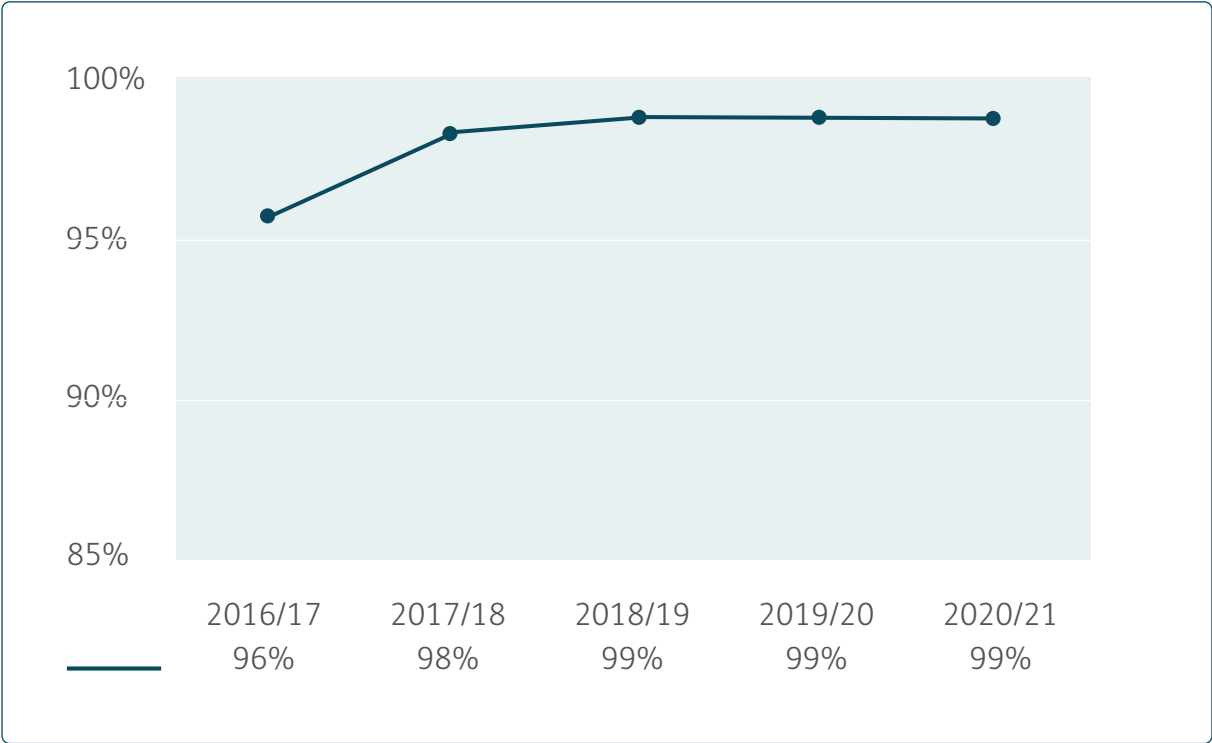
Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Digital, Culture, Media and Sport so, although the

Council receives investment income on its share of such balances, the Council has no investment powers over the Fund.

### Payment of creditors

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

We aim to pay all invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2021, the Council paid 99% (2019/20: 99%) 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 2020/21, 95% (2019/20: 95%) 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

	2020/21 £000	2019/20 £000
<b>Headlines from the General Activities accounts:</b>		
• Total income for the year	55,281	35,787
• Excess of expenditure over income	(374)	(6)
• Net current assets	2,399	2,776
• Total fund balances at 31 March	2,466	2,840
• Forward commitments of grants for the following year	27,082	27,082
<b>The separate Lottery Distribution accounts show:</b>		
• The Council's share of the proceeds from the National Lottery	18,138	17,761
<b>The combined:</b> Total income for both general and Lottery activities was	73,478	53,687
<b>and</b> Total charitable arts expenditure for both general and Lottery activities was	67,718	48,433

The Council's income for 2020/21 was £19.5m (55%) more than the previous year. The main reason was the substantial restricted income of £18.3m from Welsh Government for the Cultural Recovery Fund to provide support to arts organisations during a year which has been defined by the Covid-19 pandemic. We are also grateful to the Freelands Foundation for their contribution of £0.5m towards our Urgent Response awards to individual creative practitioners.

There was a net reduction in funds of £374,000: unrestricted funds reduced by £701,000 while restricted funds increased by £327,000.

The reduction in unrestricted funds reflects our use of reserves from the previous year. The Welsh Government had approved a sum of £1.166m be brought forward and used for our Urgent Response awards. This is reflected in the gross transfers between our unrestricted and restricted funds during the year.

The outbreak of the pandemic impacted our plans significantly, not least the Creative Learning through the Arts programme. As a result, expenditure on that programme was considerably less (£1.541m in 2020/21 compared with £3.016m in 2019/20)

than expected and this is the main reason for the net increase in our restricted funds this year. We have included these funds in our budget for 2021/22.

At 31 March 2021 we had unrestricted reserves of £1.3m (2020: £2m) and restricted reserves of £1.2m (2020: £0.8m). The level of our unrestricted reserves is directly affected by the Welsh Government's policy on year-end cash balances, as outlined in the *Cash reserves* section above. The Council is permitted to carry over from one financial year to the next no more than 2% of its total non-Lottery income. We were within this cap on 31 March 2021 but £800,000 of this year's cash grant-in-aid was undrawn and will be drawn down during 2021/22 to meet liabilities accruing to 2020/21 and included in this year's financial statements.

## 478

### Collectorplan loans to support the purchase of contemporary art

(2019/20: 960)

## Financial results – Lottery Distribution

	2020/21 £000	2019/20 £000
<b>Headlines from the Lottery Distribution accounts:</b>		
• Share of proceeds from the National Lottery	18,138	17,761
• Net grants made	9,827	10,388
• Excess of income over expenditure	4,382	3,268
• Balance held in the National Lottery Distribution Fund at 31 March	22,121	18,036
• Reserves at 31 March	12,345	7,963

### Grants processed

	2020/21	2019/20
Number of applications received:		
Capital schemes	5	11
Arts Resilience Fund (Covid-19)	446	-
Revenue schemes	161	654
	<b>612</b>	<b>666</b>
<b>Number of grants made:</b>	<b>387</b>	<b>411</b>
<b>Value of grants made:</b>	£'000	£'000
Capital schemes	1,990	1,406
Arts Resilience Fund (Covid-19)	2,994	-
Revenue schemes	5,030	9,305
	<b>10,014</b>	<b>10,711</b>
<b>Grants payable at 31 March:</b>		
Capital schemes	4,643	4,024
Arts Resilience Fund (Covid-19)	244	-
Revenue schemes	6,000	6,546
	<b>10,887</b>	<b>10,570</b>

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

The ring-fencing of funds for our ongoing Capital programme and the progress of development of those key projects continues to impact our annual cash flows. Council allocated a total of £22m for the programme in 2012/13 for a period of five years. However, a number of projects remain in development so the remaining budget allocation of approximately £2.6m has been rolled through to 2021/22.

Our ability to grant Lottery funding in 2020/21 has been severely impacted by the pandemic and we are reporting a significant underspend. Arts activity that is normally funded by National Lottery proceeds has been curtailed by the impact of lockdown and social distancing. Our initial response was to repurpose funding to support our Urgent Response and Stabilisation Funds. We also increased our delegated budgets to further deliver our priorities: we gave additional funding of £450,000 to Nesta, our Arts and Health partner; £50,000 to Tŷ Cerdd for community music organisations unable to access support elsewhere; and an additional £15,000 to BBC Cymru Wales for the Launchpad scheme. Strategically, we developed and awarded funding of £2.275m under our Connect and Flourish scheme, the purpose of which was to provide a new way of thinking in the sector with a focus on collaborative working.

Our resourcing and staffing has also been heavily affected by the delivery of the Cultural Recovery Fund, which saw an additional £18m of Welsh Government funding awarded to the sector by us. Consequently, less officer time has been spent on the delivery of Lottery programmes.

Our plans presented to Council in February 2021 show a commitment to spend these reserves in 2021/22 and they have been built into our budget for next year.

At year-end grants payable totalled £10.887m (2020: £10.570m). Undrawn funds in the National Lottery Distribution Fund plus cash and cash equivalents totalled £24.264m (2020: £19.160m). Our share of balances held in the National Lottery Distribution Fund increased by approximately 23% from last year.



# Remuneration and Staff Report

## Equal opportunities

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

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

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

## Our HR policies

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

## Employee communication, consultation and negotiation

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

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

## Job Evaluation

During 2020/21 we continued to work with our union colleagues to finalise our comprehensive process of **job review and evaluation**. A new pay and grading system was introduced from 1 August 2020.

## Remuneration

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

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

With the approval of the Charity Commission the Chair is remunerated at a rate determined by the Welsh Government which reflects a minimum time commitment to Council business. Annual increases of the Chair’s salary are also advised by the Welsh Government but he receives no bonus payments and is not a member of the Arts Council’s pension scheme.

The Chief Executive’s remuneration consists of a basic salary plus eligibility for an annual bonus. Annual bonuses are recommended to Council by the HR & Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives. The Committee’s recommendation that the Chief Executive be offered a full bonus was endorsed by Council. However, as in previous years, the Chief Executive waived his entitlement to a non-consolidated bonus for 2020/21 and has accepted the same level of consolidated increase as other eligible members of staff.

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

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

**31,192\***  
participatory  
sessions were run  
by our portfolio  
of funded  
organisations,  
resulting in  
attendances of  
**948,387\***

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\* This data summarises the findings of the 2020/21 Arts Portfolio Wales (APW) Surveys. APW organisations are required to complete a biannual survey as a condition of their funding agreements. There are currently 67 APW organisations but only 60 organisations have been able to complete the survey by the extended deadline of 18 June. This data covers those 60 organisations only.

The dates of commencement and termination of employment are:



**Phil George**  
Chairman

1 April 2016



**Nicholas Capaldi**  
Chief Executive

15 September 2008



**Richard Nicholls**  
Director of Operations

28 September 2020



**Diane Hebb**  
Director of Arts  
Engagement  
from 1 February 2012

13 January 1992



**Rebecca Nelson**  
Director of Finance  
and Business Services

17 June 2019



**Siân Tomos**  
Director of Arts  
Development  
from 1 February 2012

3 May 1994

### Sickness absence

Across the whole Council:

	2020/21	2019/20
Days lost as a result of sickness	240.5	556
Average number of employees (headcount)	81.75	86.75
Average number of days lost per employee	2.94	6.41

This represented an absence rate of 1.17% (2019/20: 2.54%) based on 250.5 (2019/20: 252) working days.

### Consultancy

During 2020/21 the Council paid consultancy costs of £2,000 (2019/20: less than £1,000) in relation to expert advice and opinion obtained to assist in strategic decision-making. An amount of £2,000 is charged to General Activities (2019/20: less than £1,000) and an amount of less than £1,000 to Lottery Distribution (2019/20: less than £1,000).

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:

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

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

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

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

Name Position	2020/21			2019/20		
	Emoluments band	Pension benefits	Single total remuneration	Emoluments band	Pension benefits	Single total remuneration
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Nicholas Capaldi</b> Chief Executive	100-105	30	130-135	95-100	24	120-125
<b>Richard Nicholls</b> Director of Operations from 28 September 2020 Full year equivalent	35-40  75-80	1	40-45	N/A	N/A	N/A
<b>Katherine Davies</b> Director of Arts Funding Services to 31 December 2019 Full year equivalent	-	-	-	55-60  70-75	16	70-75
<b>Diane Hebb</b> Director of Arts Engagement	75-80	26	100-105	70-75	19	90-95
<b>Rebecca Nelson</b> Director of Finance and Buisness Services from 17 June 2019 Full year equivalent	70-75	18	90-95	55-60  70-75	13	65-70
<b>Siân Tomos</b> Director of Arts Development	75-80	32	105-110	70-75	22	95-100

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

Name Position		2020/21 Real increase in pension and related lump sum at age 65 £'000		2020/21 Total accrued pension at age 65 as at 31/03/21 and related lump sum £'000	2020/21 Cash Equivalent <sup>1</sup> Transfer Value at 31/03/21 £'000	2019/20 Cash Equivalent Transfer Value at 31/03/20 £'000	2020/21 Real increase <sup>2</sup> in Cash Equivalent Transfer Value £'000
<b>Nicholas Capaldi</b> Chief Executive	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	15-20 45-50	338	309	27
<b>Richard Nicholls<sup>3</sup></b> Director of Operations from 28 September 2020	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	0-5 0-5	1	N/A	1
<b>Diane Hebb</b> Director of Arts Engagement	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	15-20 55-60	421	400	23
<b>Rebecca Nelson</b> Director of Finance and Business Services	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	0-5 5-10	27	12	11
<b>Siân Tomos</b> Director of Arts Development	Pension Lump sum	0-2.5 5-7.5	Pension Lump sum	25-30 85-90	633	600	28



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

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

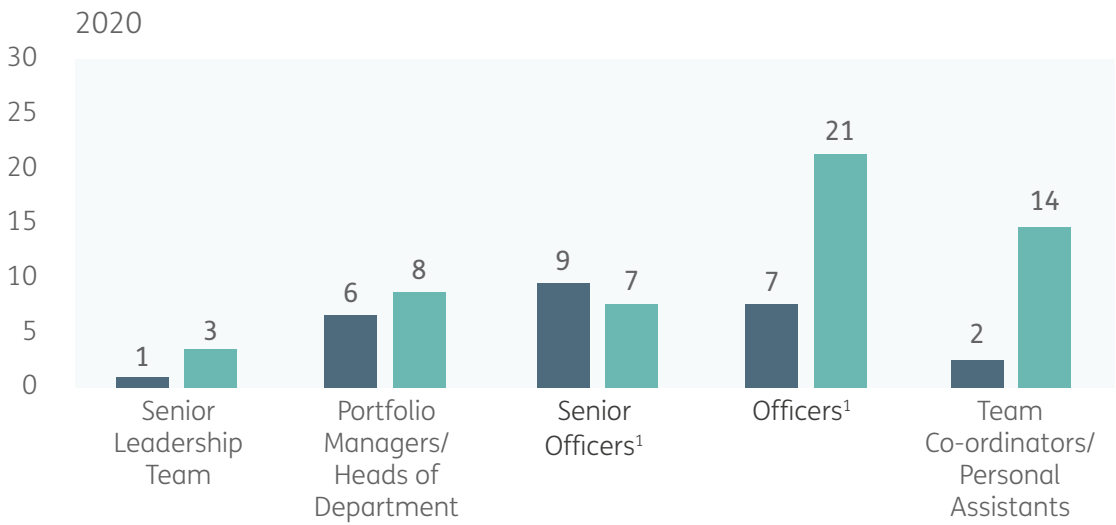
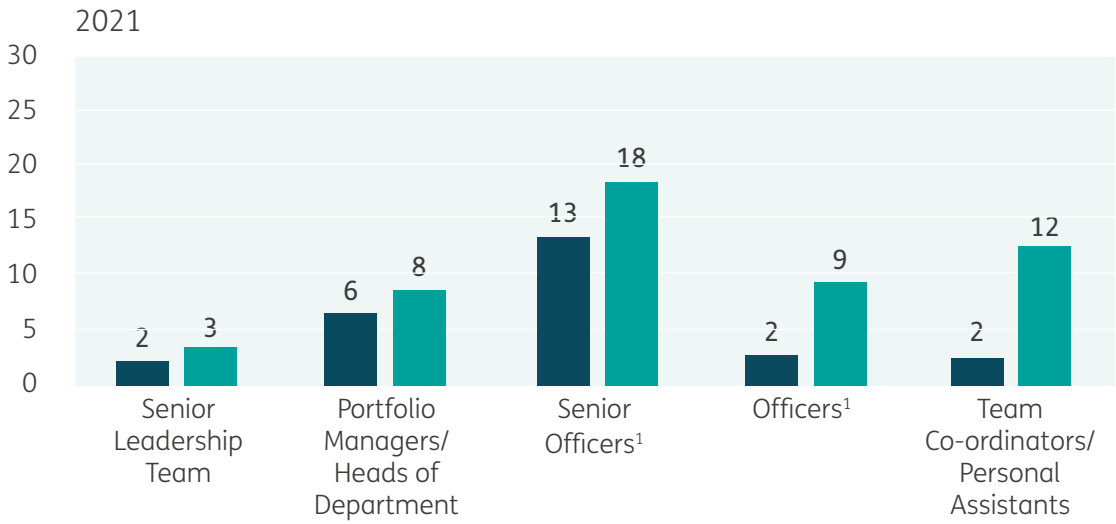
<sup>3</sup> In addition to the above, Richard Nicholls was a member of the People's Pension defined contribution scheme for a period of five months from his appointment until 28 February 2021. Total employee and employer contributions for this period were £1,510.

The Chair 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 £16 (**2019/20: £15,216**) was reimbursed to 1 (**2019/20: 14**) Council member for travel and subsistence costs incurred on Council business. The aggregate amount allocated to General Activities was less than £1,000 (**2019/20: £8,223**) and similarly for Lottery Distribution (**2019/20: £6,993**).

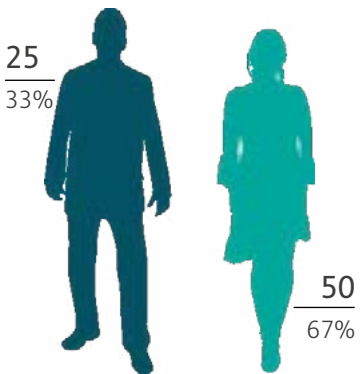
The total actual emoluments of the Chair and Chief Executive were made up of (subject to audit):

	2020/21 £	2019/20 £
<b>Chairman</b>		
Salary	43,810	43,810
<b>Chief Executive</b>		
Salary	101,830	99,346
Employer's pension contribution	21,282	21,260
	<b>123,112</b>	<b>120,606</b>
<p>67% (2019/20: 68%) of the Chair's and 72% (2019/20: 70%) of the Chief Executive's emoluments are charged to General Activities and 33% (2019/20: 32%) of the Chair's and 28% (2019/20: 30%) of the Chief Executive's to Lottery Distribution.</p>		
<p>Reimbursed travel and subsistence expenses incurred and defrayed whilst on Council business:</p>		
Chairman	£16	£4,631
Chief Executive	£41	£5,963
<p>51% (2019/20: 53%) of the Chair's and Chief Executive's expenses are charged to General Activities and 49% (2019/20: 47%) to Lottery Distribution.</p>		
<p>The median annual remuneration (full time equivalents) at 31 March was (whole Council) (subject to audit):</p>		
	£42,656	£33,063
<p>The range of annual remuneration (full time equivalents) at 31 March was (whole Council) (subject to audit):</p>		
	£23,419 to £101,830	£21,013 to £99,346
<p>The ratio between the median annual remuneration and the annual remuneration of the highest paid member of staff was (whole Council) (subject to audit):</p>		
	1:2.4	1:3.0

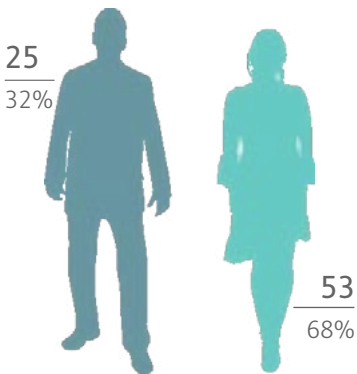
Staff composition at 31 March (full time equivalents – whole Council)



Total 2021 (75)



Total 2020 (78)



Male  
Female

<sup>1</sup> A new pay and grading system was introduced from 1 August 2020.

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	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Up to £10,000	-	4	-	-	-	4
£10,001 to £25,000	-	1	-	-	-	1
<b>Total number of exit packages</b>	-	5	-	-	-	5
<b>Total cost (£'000)</b>	-	32	-	-	-	32

Redundancy costs are determined in accordance with the provisions of the Council's redundancy policy. The Council usually pays exit costs when employment ends but provides for the exit costs in full at the point when there is sufficiently detailed information to do so.

All of last year's costs were charged to General Activities.

# Parliamentary Accountability and Audit Report (subject to audit)

## Remote contingent liabilities

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

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

It is not practical to estimate the financial impact.

## Losses, special payments and gifts

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

## Fees and charges income

The Council has no material income of this kind.



Nick Capaldi, Accounting Officer  
2 July 2021

Endorsed on behalf of Council:



Phil George, Chairman  
2 July 2021

The year ahead: 2021/22

We are operating in the most severe of times for our sector. The Covid-19 emergency means that our immediate aim for the future is to sustain and support our key organisations and artists in Wales whilst still focusing on the need to provide arts ‘For the benefit of all...’





Wales Millennium Centre (image: Nick Morrish)

## Impact on the arts

The world looks very different today from how it did before Covid-19. We've seen an unprecedented impact on our economy, our culture and our way of life. Overnight, the global pandemic led to the suspension of all public activities and a collapse in the social, living and working environment for everybody. Arts venues closed, artists and creative freelancers were without work. Areas of Wales where people experience severe poverty and economic disadvantage have been harshly affected by Covid-19. And the heightened attention in recent months given to the lived experiences of D/deaf, disabled and neurodivergent people, and Ethnically and Culturally Diverse people has filled our newspapers and television screens.

No one can now be unaware of the disproportionate impact of the Covid-19 virus on diverse communities.

That change is needed is inarguable. But it's about making 'good' choices to ensure that we build back a better future for the arts in Wales – a future that's truly "For the benefit of all". By working together, we have the opportunity to "reset the dial", creating arts that are strong, diverse and inclusive. This is the focus of our Operational Plan for 2021/22.

## Re-building the resilience and capability of the arts sector

# Encouraging and supporting the creation of exciting and engaging high quality arts is our “core business”.

We work to create a supportive environment in which artists and arts organisations are more likely to prosper – an environment which:

- identifies and nurtures creative talent, wherever it’s found in Wales, to its full potential
- supports and celebrates imagination, innovation and ambition
- recognises the fundamental importance of equality and fair access to funding
- nurtures creativity through the medium of Welsh and English
- enables artists to develop a professional career in Wales
- equips individuals and organisations with the skills and knowledge to exploit new markets
- is connected internationally, with well-being commitments contributing towards meeting global goals

Recovering from the destructive consequences of Covid-19 will be the focus of our work in 2021/22. The resilient organisation of the future will be embedded within the community that it serves. It will adopt a business model that can withstand change, whether planned or unexpected.

As the sector recovers after Covid-19, safeguards will be required to ensure that public funding for arts organisations benefits the freelance workforce. All those involved in the arts must pull together to protect the precarious freelance workforce as recovery begins to take root. If we don’t, we risk the diversity and success of the wider arts and creative industries.

An important part of achieving this will be the work that we're doing to develop a new "Cultural Contract".

The Cultural Contract is a partnership project with the Welsh Government. It aims to ensure that public funding for the arts has social, cultural and economic purposes.

At the heart of the Cultural Contract is a commitment to:

- improving the diversity of organisations' boards, workforce and programmes of work
- increasing opportunities for individual artists and creative freelancers
- ensuring that those working in the arts are fairly paid
- encouraging organisations to measure the environmental and well-being impact of their activities against the Well-being of Future Generations Goals

During 2021/22 we'll also be recommencing work on our deferred Investment Review – our periodic review of our Arts Portfolio Wales. The aim of the Investment Review is to identify the organisations best able to help us to deliver our cultural priorities. During 2021/22 we will examine the terms of reference of the Review and the key outcomes we want to achieve as its result.

**Our key actions:**

- ① Protecting the sustainability of the revenue-funded Arts Portfolio Wales (APW)
- ② Recommencing our Investment Review
- ③ Embedding the Cultural Contract in APW Funding Agreements and Lottery funding programmes, reporting on its impact
- ④ Promoting Lottery funding programmes that encourage collaboration between organisations, artists, audiences and participants in a Covid safe way
- ⑤ Launching a new Lottery funding programme to support individual artists and creative freelancers to make work and develop skills
- ⑥ Ensuring that fair rates of pay and gender equality are adopted as standard across the arts
- ⑦ Promoting opportunities for creative professionals to work in our Creative Learning through the Arts and our Arts and Health programmes
- ⑧ Working with the Future Generations Commissioner to establish benchmarks and protocols to monitor the environmental and well-being impact of activities, including international activities of the Arts Portfolio Wales
- ⑨ Working with partners on strategic opportunities to develop the skills of creative professionals

## Our approach will continue to reflect the Welsh Government's Well-being of Future Generations Act

The arts self-evidently contribute to our well-being and quality of life and we know that the arts can bring substance and imagination to the delivery of a wide range of civic strategies. Ensuring that we make a positive contribution to the well-being agenda remains a priority that informs all aspects of our work in 2021/22.

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

We will engage in the 5 ways of working to provide a holistic response to the future of the sector, engaging with a wide variety of stakeholders to lead the debate. Our achievements will also be underpinned by the Future Generations Committee which will look at how our activity will operate during and after the Covid-19 crisis.

### Widening engagement

**We must expect the future to look, and feel, very different. And by this we mean better – more diverse and more representative of the social and cultural richness of contemporary Wales.**

There's no hierarchy of equality. We should embrace equality and celebrate difference, wherever it's found in race, gender, sexuality, age, disability, language and economic poverty. We mustn't ignore ableist and racist behaviour or the systemic and structural oppression of individuals and communities who have experienced discrimination. Neither should we ignore the impact that poverty can have on people's opportunity to enjoy and take part in the arts. Poverty is one of the worst injustices that anyone can face and it pervades communities in many parts of Wales.

Change is long overdue, and our specific commitments are set out in our Strategic Equality Plan 2020 to 2024.

Traditional definitions of culture, creativity and the arts can sometimes themselves be barriers to people taking part. We need to make sure our funding supports different kinds of arts and reaches a greater range of artists and communities. We want more people in Wales to be able to choose to make the arts a part of their lives.

We know the arts in Wales will be stronger, more exciting and more relevant if they embrace more people. The arts still tend to be seen as for the most privileged in society. We need to change this.

**Our key actions:**

- ① Implementing our Strategic Equality Plan and reporting on its impact
- ② Driving forward the commitments in Council's Black Lives Matters statement, improving the diversity of the Arts Council's decision making structures, its workforce and its funding
- ③ Requiring our Arts Portfolio Wales organisations to adopt ambitious equalities plans that embrace the growing multiculturalism and multilingualism of Wales in their governance structures, workforce and activities
- ④ Extending our Creative Steps programme, building the resilience of organisations and development of individuals from diverse backgrounds
- ⑤ Increasing the amount of funding allocated and opportunities available to deliver on our equalities targets
- ⑥ Investing in new ways of working with diverse communities across Wales, including implementation of the Welsh Government Race Equality Plan
- ⑦ Appointing an "Agent for Change"



## Promoting Welsh Language activity

Few things make Wales more distinctive than the Welsh Language. But if we're to help sustain the language, it's very important that there are opportunities to socialise, discuss, debate and engage with a broad range of artistic activity and experiences – and that these reflect the diversity of Welsh-speaking communities across Wales.

We'll insist on the fair and equal treatment of Welsh. It's not just a matter of compliance with the requirements of Government language legislation. It's about committing to development and seizing the opportunities that Welsh language creativity offers.

Any artist or arts organisation in Wales should find it as easy and rewarding to work in Welsh as in English. This isn't always the case. So we want to fund more work in Welsh.

### Our key actions:

- ① Ensuring that Welsh Language speakers are well represented on our Council and workforce
- ② Requiring our Arts Portfolio Wales organisations to adopt ambitious Welsh Language plans that include clear targets for the inclusion of Welsh speakers in their governance structures, workforce and activities
- ③ Implementing the recommendations in our response to the “Welsh Language Mapping report” published in 2020
- ④ Increasing, and reporting on, the Welsh language activity that we fund, creating specific funds to invest in developing, making and presenting Welsh language arts
- ⑤ Supporting and promoting the UNESCO Decade of Indigenous Languages and connecting to local well-being and global goals

## Supporting health and well-being through the arts

The importance of the Arts for health and well-being is central to our mission and becoming ever-more widely accepted.

The positive impact that creative activities have on our well-being has never been more evident than during the current pandemic when people, communities and frontline workers have increasingly turned to the arts as a vital source of enjoyment, connection, meaning and solace. [Our Arts & Health work](#) involves some of the most marginalised and vulnerable people in our communities delivering benefits across the full ranges of age, class and geography in Wales.

Partnerships underpin all our Arts & Health work. We work closely with colleagues within the NHS and Social Care to embed and grow creative approaches to healthcare within the system as well as to develop links out to the arts community.

Well-being is a healthy ambition that requires a holistic approach across all aspects of life. The well-being agenda underpins our wider strategy and activity – it's not limited to Arts and Health.

Additionally, our resources are small in relation to Health. This is why we're being clear about where our interventions will have most impact. Key to this is aligning our work with the priorities of Government and the Health Boards and to respond to the challenge of making scalable interventions in key areas of well-being and health in the Welsh population.

### Our key actions:

- ① Continuing to invest in specialist Arts and Health posts in each of Wales' Health Boards and driving forward our partnership work with the Welsh NHS Confederation
- ② Launching a new Lottery funding programme to support innovative Arts and Health projects
- ③ Developing a website of creative resources to support NHS and social care staff's well-being (as part of the wider suite of NHS support for the healthcare workforce)

## Young People and Creative Learning

An active engagement with the arts can transform the way children and young people learn and explore the world around them.

It can change the way they see themselves – even what they dream of for the future – as well as helping them to develop the self-respect and worth that will be such an important part of their life skills for the future.

Developing our young people as Creative Contributors is at the heart of the new curriculum for Wales. Our strategy continues to pioneer new ways in which more schools can draw on practical ways of bringing the excitement and inspiration of the arts into the classroom and develop the creativity of our young people. This is embodied in our Creative Learning programme. Creative Learning has challenged Government to place the arts at the heart of the school curriculum. It has challenged the Arts Council to harness the power of the arts to reinvigorate the school day and through ambitious professional development to re-ignite the creativity of teachers themselves.

We're equally interested in supporting those young people whose life chances are disadvantaged through social and economic influences.

Our approach therefore focuses on two objectives: supporting our young people to develop their creative skills and talents; and fostering an environment in which that talent can be identified, inspired, nurtured and celebrated.

We want as many young people as possible in Wales to believe that the opportunity is there for them to be the best they can – or want – to be, performing with their peers at the highest level, celebrating and demonstrating their creative talents. Above all else, we want young people to have the opportunity to enjoy and take part in creative activity that they find relevant, contemporary, and exciting.

### Our key actions:

- 1 Implement the second year of the Creative Learning extension phase, developing proposals for the future sustainability of the programme
- 2 Develop a funding programme to support the development and delivery of youth arts projects in communities
- 3 Embed the involvement of young people in strategies across Council's wider work

## Bro a Byd - local well-being and global goals

### Working internationally is essential to developing a dynamic and exciting, open and welcoming country with creativity at its heart.

Our arts, our culture and our languages give Wales its unique global personality. Our historical involvement in colonialisation, both as colonised and as part of a colonising empire, gives us a unique cultural context that resonates with many other minority cultures. Our story is relatable around the world.

The global pandemic has put the livelihoods of artists in Wales and around the world at risk. It has also thrown structural inequalities into sharp focus. Movements like Black Lives Matter, We Shall Not Be Removed as well as the Climate Emergency have highlighted the value of Wales' Well-being Act to "build back equal" and in a sustainable way.

The arts have a change-making role to play in enabling communities to maximise their contribution towards local and global well-being goals and, importantly, in creating a different story for us all to pass on to future generations.

Covid-19 restrictions and quarantines are affecting the ease of international travel. But as international working becomes possible again, it will be essential that those Wales-based artists and organisations who depend on international work for their livelihoods are able to nurture new opportunities. It will also be important to share those opportunities with emerging talents in Wales, removing barriers to artists from minoritised communities by eradicating potential inequalities in our processes and programmes.

We can learn from the *pause* in international travel and consider how a 'blended approach' of digital and physical activity can benefit the arts in Wales to connect internationally.

The growth of digital content responding to the well-being agenda in Wales during the pandemic is an unplanned but welcome development. We must learn from this growth in our sector how content created on platforms like AM is now designed with, and for, international and local audiences.

International collaboration currently faces the "double whammy" of Covid-19 and the post-Brexit UK/EU Trade Agreement. New arrangements represent a fundamental change to how we engage with our European and global partners.

Thanks to our membership of the On the Move European network for artists mobility, Arts Council of Wales is leading on the creation of a new UK Arts Infopoint, in partnership with Arts Council England, the Arts Council of Northern Ireland and Creative Scotland. Together we're now gathering the intelligence and information needed for organisations to continue to employ European artists, present artistic programme and tour in the EU.

Europe is a source of key talent and expertise for the arts and creative industries in Wales. The reciprocal and easy two-way flow of this talent has been a core part of the success of the creative industries as a major growth area of the UK economy. Exceptional talent in the arts and creative industries is as vital to the success of the sector and European workers provide a steady stream of skills in areas where we currently lack capacity or expertise. It will be difficult for Wales and the UK to attract and retain talent from the EU without new interventions.

#### Our key actions:

- ① Revising and re-launching the International Opportunities Fund in Autumn 2021 ensuring it is equal, open, accessible, representative and transparent
- ② Investing in and developing the “Bro a byd – local and global well-being goals”. Connecting to the wider diversity and equalities agenda of Council and through our Lottery funding programmes
- ③ Working with the Welsh Government on projects that support the realisation of its International Strategy and action plans. Priority will be given this year to Celtic partnerships that support the “Year of Wales” in Celtic Connections, the new Statement of Intent with Ireland, Year of Wales in Germany, a new programme with Welsh Government in Canada and North America as well as our continued work with Welsh Government in Japan
- ④ Leading on establishing the UK Arts Infopoint to capture intelligence, and to advise government and the sector post-Brexit on artists mobility and visa issues
- ⑤ Building and strengthening our relationships with key European Networks such as Informal European Theatre Movement (IETM), “On the Move” and Culture Action Europe

# Financial Statements

## General Activities



## Statement of the Accounting Officer's responsibilities

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

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

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

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

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

Endorsed on behalf of Council:



Nick Capaldi  
Accounting Officer  
2 July 2021



Phil George  
Chair  
2 July 2021

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Arts Council of Wales General Activities Account for the year ended 31 March 2021 under Article 11 of the Arts Council of Wales' Royal Charter. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the Arts Council of Wales' affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under Article 11 of the Arts Council of Wales' 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 Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

## **Other information**

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

I have nothing to report in this regard.

## **Report on other requirements**

### **Opinion on other matters**

Although there are no legislative requirements for a Remuneration and Staff Report, the Arts Council of Wales has prepared such a report and, in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with Welsh Ministers' directions made under Article 11 of the Arts Council of Wales' Royal Charter.

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

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

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Operational Review and Accountability Report or the Governance Statement.

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

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

## **Responsibilities**

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

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for preparing the financial statements in accordance with Article 11 of the Arts Council of Wales' Royal Charter and Welsh Ministers' directions made thereunder, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Arts Council of Wales' internal auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Arts Council of Wales' policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals, accounting estimates and grant funding; and
- obtaining an understanding of the Arts Council of Wales' framework of authority that had a direct effect on the financial statements.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Assurance Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all of the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Arts Council of Wales' controls, and the nature, timing and extent of the audit procedures performed.

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

### **Responsibilities for regularity**

The Accounting Officer is responsible for ensuring the regularity of financial transactions. I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

### **Report**

I have no observations to make on these financial statements.

**Adrian Crompton**  
Auditor General for Wales

24 Cathedral Road  
Cardiff, CF11 9LJ

9 July 2021

# General Activities Account

## Consolidated Statement of Financial Activities

for the year ended 31 March 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	2020/21 Total £'000	2019/20 Total £'000
<b>INCOME</b>					
Donations:					
Grant-in-aid from the Welsh Government		31,978	300	32,278	31,582
Other grants and donations	3	<u>1</u>	<u>22,948</u>	<u>22,949</u>	<u>3,984</u>
		31,979	23,248	55,227	35,566
Income from charitable activities:					
Services and sponsorship	4	22	1	23	180
Investment income:					
Bank interest		1	1	2	14
Other income	5	29	-	29	27
<b>Total income</b>		<u>32,031</u>	<u>23,250</u>	<u>55,281</u>	<u>35,787</u>
<b>EXPENDITURE</b>					
Charitable activities	6	30,728	24,860	55,588	35,706
Governance costs	8	66	-	66	76
Bank interest surrendered to Welsh Consolidated Fund		1	-	1	11
<b>Total expenditure</b>		<u>30,795</u>	<u>24,860</u>	<u>55,655</u>	<u>35,793</u>
<b>Net income/(expenditure)</b>		<b>1,236</b>	<b>(1,610)</b>	<b>(374)</b>	<b>(6)</b>
Gross transfers between funds	14	<u>(1,937)</u>	<u>1,937</u>	-	-
<b>Net movement in funds</b>		<b>(701)</b>	<b>327</b>	<b>(374)</b>	<b>(6)</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward	14	1,996	844	2,840	2,846
<b>Total funds carried forward</b>		<u>1,295</u>	<u>1,171</u>	<u>2,466</u>	<u>2,840</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 130 to 158 form part of these financial statements



# General Activities Account Consolidated balance sheet

as at 31 March 2021

	Note	31 March 2021		31 March 2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible fixed assets	9a		1		2
Tangible fixed assets	9b		66		91
<b>Total fixed assets</b>			<u>67</u>		<u>93</u>
<b>Current assets</b>					
Grants paid in advance	10	-		140	
Debtors	11	6,338		2,079	
Cash and cash equivalents		1,416		2,301	
<b>Total current assets</b>		<u>7,754</u>		<u>4,520</u>	
<b>Liabilities: falling due within one year</b>					
Creditors	12a	(5,322)		(1,744)	
		<u>(5,322)</u>		<u>(1,744)</u>	
<b>Net current assets</b>			<u>2,432</u>		<u>2,776</u>
<b>Total assets less current liabilities</b>			<u>2,499</u>		<u>2,869</u>
<b>Creditors: falling due after more than one year</b>					
Creditors	12b		(33)		(29)
<b>Net assets</b>			<u>2,466</u>		<u>2,840</u>
<b>The funds of the charity</b>					
Unrestricted funds	14		1,295		1,996
Restricted funds	14		1,171		844
			<u>2,466</u>		<u>2,840</u>

The notes on pages 130 to 158 form part of these financial statements

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



Nick Capaldi, Accounting Officer  
2 July 2021



Phil George, Chair  
2 July 2021

# General Activities Account

## Consolidated Statement of Cash Flows

for the year ended 31 March 2021

	Note	2020/21 £'000	2019/20 £'000
Net cash outflow from operating activities	16a	(852)	(105)
Net cash inflow from investing activities	16b	1	3
Net cash outflow associated with capital assets	16c	<u>(34)</u>	<u>(45)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(885)</b>	<b>(147)</b>
Cash and cash equivalents brought forward		2,301	2,448
<b>Cash and cash equivalents carried forward</b>		<b><u>1,416</u></b>	<b><u>2,301</u></b>

The notes on pages 130 to 158 form part of these financial statements

# General Activities Account

## Notes forming part of the financial statements

for the year ended 31 March 2021

### 1. Accounting policies

#### a. Basis of preparation

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

#### Impact of standards not yet effective

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

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

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

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

The transactions of the subsidiary are included within the consolidated financial statements on the ‘line by line’ method (see note 19).

#### c. Income

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

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

**d. Lottery distribution**

These financial statements do not cover the Council's lottery distribution function for which separate financial statements have been prepared in accordance with directions issued by the Secretary of State for Digital, Culture, Media & Sport.

The Council incurs costs which support both its general activities and 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.

The apportionments are usually reviewed every two years and whenever there is a significant change to the staff structure or the programmes of activity.

**e. Expenditure**

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

**f. Grants awarded**

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

Forward commitments made in the year relating to next year's activity, as disclosed in note 18, are not charged to the Statement of Financial Activities. The grant-in-aid to meet these commitments cannot be recognised until it is received so, in this respect, we have been unable to apply all principles of paragraph 7 of the SORP. The Trustees do not believe the inclusion of the forward commitments would provide a true and fair view of the application of the Council's resources.

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

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

**g. Services and sponsorship**

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

**h. Allocation of operating costs**

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

**i. Governance costs**

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

**j. Foreign currency**

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

**k. Recognition of liabilities**

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

**l. Fund accounting**

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

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

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

**m. Fixed assets**

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

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

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

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

**n. Amortisation and depreciation**

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

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

**o. Leases**

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

**p. Pensions**

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

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

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

q. **Taxation**

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

r. **Financial instruments**

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

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

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

The separate Lottery distribution account shows the Council's 2020/21 share of the proceeds from the National Lottery of £18,138,000 (2019/20: £17,761,000). The combined total income for both general and Lottery activities for 2020/21 was £73,478,000 (2019/20: £53,687,000). The combined total direct charitable arts expenditure for 2020/21 was £67,718,000 (2019/20: £48,433,000).

3. **Income**

**Donations: Other grants and donations**

	Unrestricted funds £'000	Restricted funds £'000	2020/21 Total £'000	2019/20 Total £'000
<i>Creative Learning through the Arts Programme</i> (note 20):				
Welsh Government grant	-	750	750	2,000
Arts Council of Wales Lottery grant	-	1,083	1,083	1,299
Other income	-	45	45	14
Prior year grants no longer required or repaid	-	4	4	7
Welsh Government Cultural Recovery Funding	-	18,348	18,348	-
Welsh Government contribution for other activities	-	2,208	2,208	614
Freelands Foundation	-	500	500	-
Private donations	1	10	11	50
	<b>1</b>	<b>22,948</b>	<b>22,949</b>	<b>3,984</b>



#### 4. Income from charitable activities - Services and sponsorship

	Unrestricted funds £'000	Restricted funds £'000	2020/21 Total £'000	2019/20 Total £'000
<i>Night Out scheme:</i>				
- contributions from venues/promoters	2	-	2	136
Contributions for Wales Arts International	1	1	2	2
<i>Collectorplan</i> - gallery fees	18	-	18	33
Other income	1	-	1	9
	<b>22</b>	<b>1</b>	<b>23</b>	<b>180</b>

#### 5. Other income

	Unrestricted funds £'000	Restricted funds £'000	2020/21 Total £'000	2019/20 Total £'000
Contribution from the Lottery Distribution account:				
for use of fixed assets	29	-	29	27

#### 6. Expenditure - Charitable activities

	Direct activities £'000	Grant <sup>1</sup> funding £'000	Support <sup>2</sup> costs £'000	2020/21 Total £'000	2019/20 Total £'000
Grant making and arts development	842	50,424	1,752	53,018	30,466
<i>Creative Learning through the Arts</i> Programme (note 20)	609	932	-	1,541	3,016
Arts strategy	234	-	8	242	439
International	416	-	14	430	874
Services: <i>Night Out &amp; Collectorplan</i>	193	-	7	200	634
Advocacy and research	152	-	5	157	277
	<b>2,446</b>	<b>51,356</b>	<b>1,786</b>	<b>55,588</b>	<b>35,706</b>
From unrestricted funds				30,728	31,703
From restricted funds				24,860	4,003
				<b>55,588</b>	<b>35,706</b>

<sup>1</sup> Grant funding	To institutions £'000	To individuals £'000	2020/21 Total £'000	2019/20 Total £'000
From unrestricted funds				
Arts Portfolio Wales	26,782	-	26,782	26,490
Covid-19 support	472	408	880	-
Strategic awards	384	24	408	924
From restricted funds				
Arts Portfolio Wales	300	-	300	300
Covid-19 support	19,514	500	20,014	-
<i>Creative Learning through the Arts Programme</i>	932	-	932	1,612
Strategic awards	1,947	93	2,040	150
	<b>50,331</b>	<b>1,025</b>	<b>51,356</b>	<b>29,476</b>

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

<sup>2</sup> Support costs	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2020/21 Net charge to General Activities £'000	2019/20 Net charge to General Activities £'000
Staff and related costs	2,394	1,124	1,270	1,294
Pensions	-	-	-	212
Infrastructure	664	327	337	371
Office running costs	16	8	8	6
Professional fees and promotion	121	78	43	40
Irrecoverable VAT	140	72	68	64
Amortisation and depreciation	60	-	60	58
	<b>3,395</b>	<b>1,609</b>	<b>1,786</b>	<b>2,045</b>

## 7. Staff costs

### a. Total staff costs consist of:

	Permanently employed £'000	Other £'000	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2020/21 Net charge to General Activities £'000	2019/20 Net charge to General Activities £'000
Wages and salaries	2,734	414	3,148	862	2,286	2,383
Social security costs	278	40	318	80	238	227
Other pension costs	506	73	579	163	416	430
Apprenticeship Levy	1	-	1	-	1	1
Redundancy costs	-	-	-	-	-	32
Agency costs	-	-	-	-	-	2
	<b>3,519</b>	<b>527</b>	<b>4,046</b>	<b>1,105</b>	<b>2,941</b>	<b>3,075</b>

Staff costs are incorporated in the financial statements as follows:

Charged to Direct activities (note 6)	1,678	-	1,678	1,852
Charged to Support costs (note 6)	2,319	1,089	1,230	1,190
Charged to Governance (note 8)	49	16	33	33
	<b>4,046</b>	<b>1,105</b>	<b>2,941</b>	<b>3,075</b>

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

	Permanently employed	Other	Across the whole Council	On Lottery Distribution activities	2020/21 On General activities	2019/20 On General activities
On charitable activities:						
directly charged	8	9	17	-	17	20
recharged	27	-	27	-	27	28
In support of our charitable activities	29	2	31	22	9	9
Agency staff	-	-	-	-	-	-
	<b>64</b>	<b>11</b>	<b>75</b>	<b>22</b>	<b>53</b>	<b>57</b>

#### Staff composition at 31 March

(full time equivalents – whole Council)

	2021			2020		
	Male	Female	Total	Male	Female	Total
Senior Leadership Team	2	3	5	1	3	4
Portfolio Managers/Heads of Department	6	8	14	6	8	14
Senior Officers <sup>1</sup>	13	18	31	9	7	16
Officers/Development Officers <sup>1</sup>	2	9	11	7	21	28
Team Co-ordinators/Personal Assistants	2	12	14	2	14	16
	<b>25</b>	<b>50</b>	<b>75</b>	<b>25</b>	<b>53</b>	<b>78</b>
	<b>33%</b>	<b>67%</b>		<b>32%</b>	<b>68%</b>	

<sup>1</sup> A new pay and grading system was introduced from 1 August 2020.

	<b>2021</b>	2020
The median annual remuneration (full time equivalents) at 31 March was (whole Council):	£42,656	£33,063
The range of annual remuneration (full time equivalents) at 31 March was (whole Council):	£23,419 to £101,830	£21,013 to £99,346
 The ratio between the median annual remuneration and the annual remuneration of the highest paid member of staff was (whole Council):	 1:2.4	 1:3

**Compensation schemes - exit packages (whole Council):**

	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Up to £10,000	-	4	-	-	-	4
£10,001 to £25,000	-	1	-	-	-	1
<b>Total number of exit packages</b>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
 <b>Total cost (£'000)</b>	 <u>-</u>	 <u>32</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>32</u>

Redundancy costs were 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.

100% of the costs were charged in last year's financial statements.

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

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

The value of pension benefits is calculated as follows:

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

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

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

The single total remuneration figures of the Senior Leadership Team:

Name Position	2020/21			2019/20		
	Emoluments band	Pension benefits	Single total remuneration	Emoluments band	Pension benefits	Single total remuneration
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Nicholas Capaldi</b> Chief Executive	100-105	30	130-135	95-100	24	120-125
<b>Richard Nicholls</b> Director of Operations from 28 September 2020 Full year equivalent	35-40  75-80	1	40-45	N/A	N/A	N/A
<b>Katherine Davies</b> Director of Arts Funding Services Services to 31 December 2019 Full year equivalent	-	-	-	55-60  70-75	16	70-75
<b>Diane Hebb</b> Director of Arts Engagement	75-80	26	100-105	70-75	19	90-95
<b>Rebecca Nelson</b> Director of Finance and Business Services from 17 June 2019 Full year equivalent	70-75	18	90-95	55-60  70-75	13	65-70
<b>Siân Tomos</b> Director of Arts Development	75-80	32	105-110	70-75	22	95-100



Name Position	2020/21		2020/21		2020/21	2019/20	2020/21
	Real increase in pension and related lump sum at age 65		Total accrued pension at age 65 as at 31/03/21 and related lump sum		Cash Equivalent <sup>1</sup> Transfer Value at 31/03/21	Cash Equivalent Transfer Value at 31/03/20	Real increase <sup>2</sup> in Cash Equivalent Transfer Value
	£'000		£'000		£'000	£'000	£'000
<b>Nicholas Capaldi</b> Chief Executive	Pension	0-2.5	Pension	15-20	338	309	27
	Lump sum	2.5-5	Lump sum	45-50			
<b>Richard Nicholls<sup>3</sup></b> Director of Operations from 28 September 2020	Pension	0-2.5	Pension	0-5	1	N/A	1
	Lump sum	0-2.5	Lump sum	0-5			
<b>Diane Hebb</b> Director of Arts Engagement	Pension	0-2.5	Pension	15-20	421	400	23
	Lump sum	2.5-5	Lump sum	55-60			
<b>Rebecca Nelson</b> Director of Finance and Business Services	Pension	0-2.5	Pension	0-5	27	12	11
	Lump sum	2.5-5	Lump sum	5-10			
<b>Siân Tomos</b> Director of Arts Development	Pension	0-2.5	Pension	25-30	633	600	28
	Lump sum	5-7.5	Lump sum	85-90			

- 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.
- 3 In addition to the above, Richard Nicholls was a member of the People's Pension defined contribution scheme for a period of five months from his appointment until 28 February 2021. Total employee and employer contributions for this period were £1,510

The Chair, 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 2020/21 include an aggregate amount of £16 (2019/20: £15,216) reimbursed to 1 (2019/20: 14) Council member.

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

	2020/21 £	2019/20 £
Chair Salary	<u>43,810</u>	<u>43,810</u>
Chief Executive Salary	101,830	99,346
Employer's pension contribution	21,282	21,260
	<u><u>123,112</u></u>	<u><u>120,606</u></u>

67% (2019/20: 68%) of the Chair's and 72% (2019/20: 70%) of the Chief Executive's emoluments are charged in these financial statements and the remainder to lottery distribution activities.

	2020/21 £	2019/20 £
Travel and subsistence expenses incurred and defrayed whilst on Council business:		
Chair	16	4,631
Chief Executive	41	5,963

51% (2019/20: 53%) of the Chair's and Chief Executive's expenses 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 2019, came into effect on 1 April 2020. 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, until 31 March 2029.

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 key financial assumptions used were:

- Retail Prices Index (RPI) increases - Market Implied RPI Inflation curve with allowance for 0.3% per annum (p.a.) inflation risk premium
- Consumer Prices Index (CPI) increases - RPI curve less 1.0% p.a.
- Pension increases - equal to the relevant inflation assumption
- Salary increases - in line with CPI inflation
- Discount rate (past service) - market implied gilt yield curve plus 1.25% per annum
- Discount rate (future service) - market implied gilt yield curve plus 1.60% per annum

Contributions by the Council and its employees were:

	Council		Employees	
	2020/21	2019/20	2020/21	2019/20
For all staff	20.9%	21.4%	6.0%	6.0%

In 2019/20 the Council made an additional lump sum payment of £400,000 and it was agreed with the actuaries that no further deficit payments would be needed until the next revaluation. The Council's Lottery Distribution account contributed £188,000 towards that deficit payment.

There were no changes to the contribution rates from 1 April 2021.

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

Under Auto Enrolment legislation all eligible employees are required to join a qualifying pension scheme, unless they formally opt out. We have a defined contribution scheme, The People's Pension, as an alternative option for employees who are not members of the ACRP. The Council contributed 5% and the employee 3% during the year. These rates may change in the future, in line with the requirements of the legislation.

## 8. Resources expended

### Governance costs

	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2020/21 Net charge to General Activities £'000	2019/20 Net charge to General Activities £'000
Chair's remuneration	49	16	33	33
Auditor's remuneration - Audit	47	22	25	23
Internal audit	17	9	8	9
Consultancy fees	0	0	0	1
Council meetings, including travel and subsistence	0	0	0	8
Committee meetings, including travel and subsistence	0	0	0	2
	<b>113</b>	<b>47</b>	<b>66</b>	<b>76</b>

## 9. Fixed assets

### a. Intangible fixed assets

	Computer software licences £'000
Cost at 1 April 2020	297
Additions	-
Disposals	-
Cost at 31 March 2021	<u>297</u>
Amortisation at 1 April 2020	295
Charge for the year	1
Disposals	-
Amortisation at 31 March 2021	<u>296</u>
<b>Net book value at 31 March 2021</b>	<b><u>1</u></b>
Net book value at 1 April 2020	<u>2</u>

b. Tangible fixed assets

	Alterations to leasehold properties £'000	Computer system, furniture, etc £'000	Website £'000	Total £'000
Cost at 1 April 2020	107	672	95	874
Additions	-	34	-	34
Disposals	-	-	-	-
Cost at 31 March 2021	<u>107</u>	<u>706</u>	<u>95</u>	<u>908</u>
Depreciation at 1 April 2020	107	581	95	783
Charge for the year	-	59	-	59
Disposals	-	-	-	-
Depreciation at 31 March 2021	<u>107</u>	<u>640</u>	<u>95</u>	<u>842</u>
<b>Net book value at 31 March 2021</b>	<u>-</u>	<u>66</u>	<u>-</u>	<u>66</u>
Net book value at 1 April 2020	-	91	-	91

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

- c. Net book value at 31 March 2021 represents fixed assets used by the Council in support of its charitable activities.

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

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

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

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

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

## 10. Grants paid in advance

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

	2020/21 £'000	2019/20 £'000
Payments in respect of the following year's grants	-	140

## 11. Debtors (falling due within one year)

	2020/21 £'000	2019/20 £'000
Welsh Government – grant-in-aid	800	-
Welsh Government – Cultural Recovery Funding	3,687	-
<i>Collectorplan</i> loans <sup>1</sup>	266	422
Trade debtors	60	140
Other debtors	1,102	1,050
	<u>5,915</u>	<u>1,612</u>
<i>Deduct</i> Specific provision for doubtful debts	-	-
Sub-total: Debtors	5,915	1,612
Prepayments	238	267
	<u>6,153</u>	<u>1,879</u>
Due from Lottery distribution fund for recharged costs:		
Cost apportionments	185	200
	<u>6,338</u>	<u>2,079</u>

<sup>1</sup> *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.

## 12. Creditors

	2020/21 £'000	2019/20 £'000
<b>a. Creditors: falling due within one year</b>	<b>4,911</b>	<b>932</b>
Grants payable	94	111
Taxation and social security	31	238
Trade creditors	76	118
Other creditors	210	320
Accruals and deferred income	-	25
Current liabilities of Cerdd Cymru:Music Wales (note 19)	<u>5,322</u>	<u>1,744</u>
<b>b. Creditors: falling due after more than one year</b>		
Grants payable	<u>33</u>	<u>29</u>

### 13. 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.

### 14. Statement of funds

	At 1 April 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 March 2021 £'000
<b>Unrestricted income funds</b>					
General fund	1,996	32,031	(30,795)	(1,937)	1,295
<b>Total unrestricted funds</b>	<b>1,996</b>	<b>32,031</b>	<b>(30,795)</b>	<b>(1,937)</b>	<b>1,295</b>
<b>Restricted funds</b>					
<b>Income</b>					
Welsh Government Cultural Recovery Funding	-	18,348	(18,975)	627	-
Welsh Government for other specific arts activity	49	2,508	(3,791)	1,291	57
Freelands Foundation support for individual artists affected by the Covid-19 pandemic	-	500	(517)	17	-
CLTA Programme	656	1,883	(1,541)	1	999
National Centre for Learning Welsh	34	-	(27)	1	8
Wales Arts International activity	12	11	(9)	-	14
	751	23,250	(24,860)	1,937	1,078
<b>Capital</b>					
Alun Llywelyn Williams Memorial Fund (income to provide bursary for young artist)	13	-	-	-	13
Brian Ross Memorial Fund (income to provide bursary for young visual artist)	80	-	-	-	80
	93	-	-	-	93
<b>Total restricted funds</b>	<b>844</b>	<b>23,250</b>	<b>(24,860)</b>	<b>1,937</b>	<b>1,171</b>
<b>Total funds</b>	<b>2,840</b>	<b>55,281</b>	<b>(55,655)</b>	<b>-</b>	<b>2,466</b>

The Alun Llywelyn Williams and Brian Ross Memorial Funds are represented by cash at bank and are within the total of £1,416,000 shown on the Balance Sheet.



## 15. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2021 are represented by:			
Fixed assets	67	-	67
Current assets	5,846	1,908	7,754
Creditors: falling due within one year	(4,585)	(737)	(5,322)
Creditors: falling due after more than one year	(33)	-	(33)
<b>Total net assets</b>	<b>1,295</b>	<b>1,171</b>	<b>2,466</b>

## 16. Cash flow information

	2020/21 £'000	2019/20 £'000
<b>a. Cash flows from operating activities</b>		
Net incoming/(outgoing) resources	(374)	(6)
Bank interest received (net of surrender)	(1)	(3)
Amortisation and depreciation (note 9)	60	58
(Increase)/Decrease in grants paid in advance	140	162
(Increase)/Decrease in debtors	(4,259)	(378)
Increase/(Decrease) in creditors falling due within one year	3,578	34
Increase/(Decrease) in creditors falling due after more than one year	4	28
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(852)</b>	<b>(105)</b>
<b>b. Cash flows from investing activities</b>		
Bank interest received	2	14
Bank interest surrendered to Welsh Consolidated Fund	(1)	(11)
<b>Net cash inflow from operating activities</b>	<b>1</b>	<b>3</b>
<b>Cash flows associated with capital assets</b>		
Payments to acquire intangible fixed assets (note 9a)	-	(3)
Payments to acquire tangible fixed assets (note 9b)	(34)	(42)
<b>c. Net cash outflow associated with capital assets</b>	<b>(34)</b>	<b>(45)</b>

## 17. Commitments on operating leases

At 31 March 2021 the Council had the following commitments for future payments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Total due				
within one year	132	132	2	2
later than one year and not later than five years	494	499	-	2
later than five years	360	488	-	-
	<u>986</u>	<u>1,119</u>	<u>2</u>	<u>4</u>

Lease payments of £108,000 have been recognised as an expense during the year (2019/20: £215,000). 51% (2019/20: 53%) of the costs are charged in these financial statements and the remainder to lottery distribution activities.

## 18. Forward commitments

	2021 £'000	2020 £'000
Grants		
Forward funding - grants formally offered	27,082	27,082

Forward funding at 31 March 2021 represents allocations to Arts Portfolio Wales organisations for 2021/22.

## 19. 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 company has been dormant in recent years with all overseas activity managed through Wales Arts International. In March 2021 Council approved the voluntary winding up of the company.

	2020/21 £'000	2019/20 £'000
<b>Profit &amp; Loss Account</b>		
Income	-	-
Expenditure	-	-
Net incoming/(outgoing) resources	<u>-</u>	<u>-</u>

	2020/21 £'000	2019/20 £'000
<b>Statement of Financial Position</b>		
Current assets:		
Cash at bank and in hand	-	2
Current liabilities (note 12)	-	(25)
Net assets/(liabilities)	<u>-</u>	<u>(23)</u>
Reserves	<u>-</u>	<u>(23)</u>

## 20. 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

The first phase, from 2015 to 2020, has been funded by a joint investment of £20 million pounds from the Welsh Government in partnership with the Arts Council of Wales, working with the regional education consortia, schools, local authorities and the wider arts and cultural sector. The Programme requires the active involvement of artists, creative professionals and arts, culture and heritage organisations working in partnership with teachers and schools.

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

	2020/21 £'000	2019/20 £'000
<b>Income</b>		
Welsh Government grant	750	2,000
Arts Council of Wales Lottery grant	1,083	1,299
Prior year grants repaid	4	7
Partnership income	45	14
Bank interest	1	2
	<u>1,883</u>	<u>3,322</u>

	2020/21 £'000	2019/20 £'000
<b>Expenditure</b>		
Lead Creative Schools	1,073	911
Arts and education programme	10	600
Arts and creative learning cross-programme	48	562
Central management costs	410	907
Support costs (from unrestricted funds)	-	36
	<u>1,541</u>	<u>3,016</u>

## 21. 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 2020/21 £53,584,000 or 97% of the Council’s income was derived from the Welsh Government (2019/20: £34,196,000 or 95%). Of the remaining income £1,083,000 or 2% was derived from the Arts Council of Wales’ Lottery Distribution account for the Creative Learning through the Arts Programme (2019/20: £1,299,000 or 4%) and £614,000 or 1% was derived from investment income and sundry income (2019/20: £292,000 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 0.15% in the year (2019/20: 0.50%). The effective unrestricted cash balance at the year end was £593,000 (2020: £1,796,000). 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.

*Credit risk* – The Council is not exposed to any significant credit risk as the majority of debtors relate to Welsh Government income.

## 22. Corporation Tax

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

## 23. 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.

## 24. Related party transactions

### Public bodies

The Council is a Welsh Government sponsored body.

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

### Subsidiary

Cerdd Cymru:Music Wales Limited is a wholly-owned subsidiary of the Council and the transactions of the company are reported in note 19. There were no balances outstanding at year end.

### Individuals

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

Where the individuals and/or their close family were members of the Boards of Management (or equivalent) or were senior employees of organisations offered grants or other payments by the Council in 2020/21 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 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Council members</b>				
<b>Devinda De Silva</b>				
Employment	National Theatre Wales	Grant (1)	1,624,075	Nil
Board member	Dirty Protest	Grant (3)	121,966	15,835
		Invoice (1)	2,266	Nil
Board member	Disability Arts Cymru	Grant (3)	205,586	3,335
		Invoice (2)	1,300	Nil
<b>Andy Eagle</b>				
Employment	Chapter	Grant (4)	1,425,854	62,110
Board member	Swansea City Opera	Grant (1)	27,200	2,720
<b>Kate Eden</b>				
Council member	Aberystwyth University	Grant (3)	1,191,996	60,244
<b>Professor Tudur Hallam</b>				
Employment	Swansea University	Invoice (1)	9,409	Nil
<b>Marian Wyn Jones</b>				
Board member	Canolfan Gerdd William Mathias	Grant (3)	128,383	4,725
Non-Executive Director	Betsi Cadwaladr Health Board	Grant (0)	Nil	2,500
Council member	Bangor University	Invoice (2)	2,375	Nil

Member Role	Organisation	Transaction 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Gwennan Mair</b>				
Employment	Theatr Clwyd	Grant (5)	5,374,758	1,300,196
Drama board member	Eisteddfod Genedlaethol	Grant (1)	300	300
		Invoice (1)	174	Nil
<b>Andrew Miller</b>				
Board member	Welsh National Opera	Grant (1)	4,583,851	Nil
	National Youth Arts Wales	Grant (1)	189,074	18,907
<b>Dafydd Rhys</b>				
Employment	Aberystwyth Arts Centre	Grant (3)	1,191,996	60,244
<b>Dr Sarah Younan</b>				
Employment	National Museum Wales	Grant (1)	110,000	1,395
Volunteer	Watch Africa Cymru	Grant (1)	5,300	5,300
<b>Committee members</b>				
<b>Andrew Butler</b>				
Employment (Family member)	Audit Wales	Invoice (1)	22,519	Nil
<b>Roland Evans</b>				
Employment	Gwynedd County Council	Grant (2)	50,388	19,783



Member Role	Organisation	Transaction 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
Mark Davies Employment	BBC Wales	Grant (1)	813,989	Nil
Ruth Cayford Employment	Cardiff Council (including St David's Hall & New Theatre)	Grant (4)	1,642,497	921,023
Valerie Ellis Employment	Welsh Parliament	Invoice (1)	34,000	Nil
<b>Members of the Senior Leadership Team</b>				
Diane Hebb Governing Body Member	Gwernyfed High School	Grant (1)	8,000	8,000
<b>Other members of staff</b>				
Ann Wright Employment (Family member)	KK Solutions	Invoice (1)	54	Nil
Daniel Trivedy Employment	Elysium Gallery	Grant (2)	94,345	9,435

Member Role	Organisation	Transaction 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Eluned Hâf Williams</b> Employment (Family member)	Canolfan Gerdd William Mathias BBC Wales	Grant (3)	128,383	4,725
		Grant (1)	813,989	Nil
<b>Gillian Hughes</b> Employment (Family member)	Awen Cultural Trust	Grant (2)	169,628	13,095
<b>Ian McAndrew</b> Board member	Sound Progression	Grant (2)	65,480	6,548
<b>Judith Musker Turner</b> Employment (Family member)	Calan	Invoice (1)	550	Nil
<b>Rhian Hâf</b> Member	Eisteddfod Genedlaethol Cymru	Grant (1)	300	300
		Invoice (1)	175	Nil
<b>Sally Lewis</b> Employment (Family member)	National Dance Company Wales Ballet Cymru	Grant (2)	961,313	11,795
		Grant (3)	321,629	4,000
		Invoice (5)	1,867	Nil

Member Role	Organisation	Transaction 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Sera Walker</b> Employment (Family member)	Llantarnam Grange Arts Centre	Grant (1)	97,892	Nil
<b>Sophie Hadaway</b> Employment (Family member)	Aberystwyth Arts Centre	Grant (3)	1,191,996	60,244

<sup>1</sup> The total balance outstanding at the year-end may include amounts in respect of grants awarded in previous years but not yet paid.

# Financial Statements

## Lottery Distribution

## Lottery Distribution Account Statement of Accounting Officer's responsibilities

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

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

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

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

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

Endorsed on behalf of Council:



Nick Capaldi  
Accounting Officer  
2 July 2021



Phil George  
Chair  
2 July 2021

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and Members of the Senedd

## Opinion on financial statements

I certify that I have audited the financial statements of the Arts Council of Wales Lottery Distribution Account for the year ended 31 March 2021 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Income, Financial Position, Cash Flows and Changes in Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by the Government Financial Reporting Manual issued by HM Treasury.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Arts Council of Wales Lottery Distribution Account's affairs as at 31 March 2021 and of total comprehensive income for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

## Opinion on regularity

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

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Arts Council of Wales Lottery Distribution Account in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Arts Council of Wales Lottery Distribution Account's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Arts Council of Wales Lottery Distribution Account's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Arts Council of Wales Lottery Distribution Account is adopted in consideration of the requirements set out in the Government Financial Reporting Manual issued by HM Treasury, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Report accompanying the financial statements, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Council and the Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and



- the information given in the Performance Report 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**

In the light of the knowledge and understanding of the Arts Council of Wales Lottery Distribution Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability report. 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; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; 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.

### **Responsibilities of the Council and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Arts Council of Wales and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Council and the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the Arts Council of Wales Lottery Distribution Account's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council and the Accounting Officer anticipates that the services provided by Arts Council of Wales Lottery Distribution Account will not continue to be provided in the future.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

- inquiring of management, the Arts Council of Wales Lottery Distribution Account's internal auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Arts Council of Wales Lottery Distribution Account's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with key laws and regulations which include the National Lottery etc Act 1993 and Managing Welsh Public Money;
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals, accounting estimates and grant payments; and
- obtaining an understanding of the Arts Council of Wales Lottery Distribution Account's framework of authority as well as other legal and regulatory frameworks that the Arts Council of Wales Lottery Distribution Account operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Arts Council of Wales Lottery Distribution Account. The key laws and regulations I considered in this context included the National Lottery etc Act 1993, Managing Welsh Public Money, Employment Law, and Tax Legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Assurance Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

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

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
Comptroller and Auditor General

9 July 2020

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

# Lottery Distribution Account

## Statement of Comprehensive Net Income

for the year ended 31 March 2021

		2020/21		2019/20	
	Notes	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Management and administration:					
Staff costs	2a	1,105		1,240	
Other operating costs	2b	580		665	
			<u>1,685</u>	<u>1,905</u>	
Expenditure on the arts:					
Grants made		10,014		10,711	
Less: Lapsed and revoked grants		(187)		(323)	
Net grants made	7		9,827		10,388
Delegated distributors	9		2,195		2,038
Other arts awards	3		90		45
Direct costs of grant making	2c		18		256
			<u>12,130</u>	<u>12,727</u>	
<b>Total expenditure</b>			<u><b>13,815</b></u>	<u><b>14,632</b></u>	
Share of proceeds from the National Lottery					
Investment income on balances in the National Lottery	4		18,138		17,761
Distribution Fund	4		10		86
Interest receivable			3		10
Grants recoverable			46		43
<b>Total income</b>			<u><b>18,197</b></u>	<u><b>17,900</b></u>	
<b>Total Comprehensive Income for the year</b>			<u><u><b>4,382</b></u></u>	<u><u><b>3,268</b></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 169 to 181 form part of these financial statements.

# Lottery Distribution Account Statement of Financial Position

as at 31 March 2021

	Notes	31 March 2021		31 March 2020	
		£'000	£'000	£'000	£'000
<b>Non-current assets:</b>					
Trade and other receivables	5a		-		150
<b>Current assets:</b>					
Financial assets:					
Investments - balance held in the National Lottery Distribution Fund	4	22,121		18,036	
Trade and other receivables	5b	151		-	
Cash and cash equivalents	8	2,143		1,124	
<b>Total current assets</b>			<u>24,415</u>	<u>19,160</u>	
<b>Total assets</b>			<u>24,415</u>	<u>19,310</u>	
<b>Trade payables and other current liabilities – amounts falling due within one year:</b>					
Trade and other payables	6	(210)		(298)	
Other liabilities:					
Delegated distributors	6	(973)		(479)	
Grants	6	(9,004)		(8,104)	
<b>Total payables and other current liabilities</b>			<u>(10,187)</u>	<u>(8,881)</u>	
<b>Non-current assets plus net current assets</b>			14,228	10,429	
<b>Trade payables and other non-current liabilities – amounts due after more than one year:</b>					
Grants	7		(1,883)	(2,466)	
<b>Assets less liabilities</b>			<u>12,345</u>	<u>7,963</u>	
<b>Equity/Reserves:</b>					
Net Expenditure account			<u>12,345</u>	<u>7,963</u>	

The notes on pages 169 to 181 form part of these financial statements.

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



Nick Capaldi, Accounting Officer  
2 July 2021



Phil George, Chair  
2 July 2021

# Lottery Distribution Account

## Statement of Cash Flows

for the year ended 31 March 2021

	2020/21 £'000	2019/20 £'000
<b>Cash flows from operating activities</b>		
Net income	4,382	3,268
Bank interest	(3)	(10)
(Increase)/Decrease in the balance held in the National Lottery Distribution Fund	(4,085)	(3,142)
(Increase)/Decrease in trade and other receivables	(1)	-
Increase/(Decrease) in trade and other payables and other liabilities	406	244
Increase/(Decrease) in grants payable	317	(619)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,016</b>	<b>(259)</b>
<b>Cash flows from investing activities</b>		
Bank interest	3	10
<b>Net cash inflow from investing activities</b>	<b>3</b>	<b>10</b>
<b>Cash and cash equivalents</b>		
Net increase/(decrease) in cash and cash equivalent balances	1,019	(249)
Balance at 1 April	1,124	1,373
Balance at 31 March	<b>2,143</b>	<b>1,124</b>

## Statement of Changes in Equity

for the year ended 31 March 2021

	2020/21 £'000	2019/20 £'000
Balance at beginning of year	7,963	4,695
Net income for the year	4,382	3,268
<b>Balance at end of year</b>	<b>12,345</b>	<b>7,963</b>

The notes on pages 169 to 181 form part of these financial statements.

# Lottery Distribution Account

## Notes forming part of the financial statements

for the year ended 31 March 2021

### 1. Accounting policies

#### a. Basis of preparation

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

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as interpreted for the public sector context within the Government Financial Reporting Manual issued by HM Treasury.

IFRS 16 is a new accounting standard that sets out the principles for the recognition, measurement, presentation and disclosure of leases. It is generally effective from 1 January 2019 but for UK public sector bodies has been deferred until 1 April 2022.

IFRS 17 is a new accounting standard that sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts. It is generally effective from 1 January 2023.

#### Impact of standards not yet effective

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

#### b. Recognition of income and expenditure

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

#### c. General activities

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

#### d. Grants

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



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

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

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

**e. Delegation to external partners**

The Council has fully operational delegation agreements in place with a number of bodies to act as lead organisations in the delivery of grant schemes. The statutory grant decision-making function is delegated to the bodies. The terms of the external delegation are set out in formal agreements and satisfy the conditions of the Council's Financial Directions. The obligations of the Council's Accounting Officer are unchanged by the delegation.

Annual sums delegated by the Council to the partners are recognised as expenditure in the Statement of Comprehensive Net Income/Expenditure. Funds are drawn down by the partners to meet grant commitments as they fall due. Undrawn funds at the year-end are included in the Statement of Financial Position as liabilities. Further details are disclosed in note 9.

**f. National Lottery Distribution Fund**

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

**g. Pensions**

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

The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with IAS 19. The Council has made payments to fund a deficit relating to past

service. If further deficit payments are needed, following future revaluations, the Council will recognise a provision for the present value of contributions payable in accordance with the terms of any relevant funding agreement. A share of all contributions towards the deficit is charged to the Statement of Comprehensive Net Income/Expenditure.

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

**h. 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.

**i. 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.

The apportionments are usually reviewed every two years and whenever there is a significant change to the staff structure or the programmes of activity.

**j. Financial instruments**

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

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

## 2. Costs in support of our operations

a	Management and administration: Staff costs	2020/21			2019/20
		Permanently employed £'000	Other £'000	Total £'000	Total £'000
	Wages and salaries charged to Lottery distribution activity	834	28	862	808
	Social security costs	77	3	80	79
	Other pension costs <sup>1</sup>	157	6	163	352
	Agency costs	-	-	-	1
		<b>1,068</b>	<b>37</b>	<b>1,105</b>	<b>1,240</b>

<sup>1</sup> Including payments totalling £188,000 towards the pension deficit in 2019/20.

More detailed disclosures are contained in the Remuneration and Staff Report.

b	Management and administration: Other operating costs	2020/21	2019/20
		£'000	£'000
	Staff related costs	35	87
	Infrastructure	327	327
	Office running costs	8	5
	Professional and consultancy fees	57	82
	Lottery promotion	21	16
	Irrecoverable VAT	72	81
	Charge for use of fixed assets	29	27
	Auditor's remuneration – Audit <sup>1</sup>	22	21
	Internal audit	9	8
	Council and committee meetings, including travel and subsistence	0	11
		<b>580</b>	<b>665</b>

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

Management and administration costs are apportioned between the Council's general activities and Lottery distribution accounts with reference to the time spent on, or the consumption of, the relevant resources by the respective functions. The rates applied differ according to the expenditure heading and geographical region but the average charge to Lottery activities was 49% (2019/20: 47%).

<b>c</b>	<b>Expenditure on the arts: Direct costs of grant making</b>	<b>2020/21</b>	<b>2019/20</b>
		£'000	£'000
	Assessors' fees	11	18
	Resilience Fund support	4	195
	NLDF Central administration	-	6
	Irrecoverable VAT	3	37
		<u>18</u>	<u>256</u>

### 3. Other arts awards

		<b>2020/21</b>	<b>2019/20</b>
		£'000	£'000
	<i>Beyond Borders</i> awards in association with PRS Foundation	30	45
	<i>Unlimited</i> awards in association with Arts Council England	60	-
		<u>90</u>	<u>45</u>

### 4. National Lottery Distribution Fund

Distributing activities are funded by allotted proceeds from the National Lottery which are held in the National Lottery Distribution Fund (NLDF). The NLDF is administered by the Department for Digital, Culture, Media and Sport. The National Lottery operator calculates the proceeds on an annual basis as set out in the National Lottery Licence. Payments are made to the NLDF each week on the basis of actual sales and prizes. The percentages of proceeds receivable into the NLDF then payable to each lottery distributing body are set out in National Lottery etc. Act 1993 sections 22 and 23 as amended by Statutory Instrument 2010 No. 2863 'The Apportionment of Money in the National Lottery Distribution Fund Order 2010'. The Council receives 1% of total annual proceeds receivable into the NLDF and draws down the proceeds when needed.

		<b>2020/21</b>	<b>2019/20</b>
		£'000	£'000
	Balance held in the National Lottery Distribution Fund at 1 April	18,036	14,894
	Allocation of Lottery proceeds	18,138	17,761
	Investment income receivable	10	86
	Drawn down in the year	(14,063)	(14,705)
	Balance held in the National Lottery Distribution Fund at 31 March	<u>22,121</u>	<u>18,036</u>

The balance in the National Lottery Distribution Fund at 31 March 2021 is in accordance with the Interim Certificate issued by the Department for Digital, Culture, Media & Sport.

## 5. Trade and other receivables

	2020/21 £'000	2019/20 £'000
<b>a. Non-current assets</b>		
Other receivables	-	150
<b>b. Current assets</b>	150	-
Other receivables	1	-
Grants recoverable	151	-

## 6. Trade payables and other current liabilities – amounts falling due within one year

	2020/21 £'000	2019/20 £'000
Trade and other payables:		
Trade payables	2	64
Due to the Arts Council of Wales General Activities account:		
for apportioned costs <sup>1</sup>	177	200
for other recharges	8	-
Accruals and deferred income	23	34
<i>Sub-total: Trade and other payables</i>	<u>210</u>	<u>298</u>
Other liabilities:		
Delegated distributors <sup>2</sup>	973	479
Grants (note 7)	9,004	8,104
<i>Sub-total: Other liabilities</i>	<u>9,977</u>	<u>8,583</u>
<b>Total current liabilities</b>	<u><b>10,187</b></u>	<u><b>8,881</b></u>

<sup>1</sup> The amount due to the Arts Council of Wales General Activities account is made up of:

Recharges of apportioned costs

- Staff	111	114
- Overheads	37	59
- Charge for use of assets	29	27
	<u>177</u>	<u>200</u>

<sup>2</sup> The Council has delegated Lottery funds (note 9) to the following distributors:

Undrawn funds at 31 March

- Ffilm Cymru Wales (for film)	781	405
- Tŷ Cerdd (for community & Welsh music)	91	-
- BBC Wales (for digital development)	85	-
- Literature Wales (for writers' bursaries)	16	74
	<u>973</u>	<u>479</u>

## 7. Grants

	£'000	£'000	2020/21 £'000	2019/20 £'000
	Capital	Revenue schemes	Total	Total
Payable at 1 April	4,024	6,546	10,570	11,189
Grants made in the year	1,990	8,024	10,014	10,711
Amounts not taken up	(3)	(184)	(187)	(323)
Charged to Statement of Comprehensive Net Income/Expenditure	1,987	7,840	9,827	10,388
Grants paid in the year	(1,368)	(8,142)	(9,510)	(11,007)
Payable at 31 March <sup>1</sup>	4,643	6,244	10,887	10,570
Falling due within one year	3,021	5,983	9,004	8,104
Falling due after more than one year	1,622	261	1,883	2,466
	4,643	6,244	10,887	10,570
Ageing of grants payable:	-	-	-	8,104
2020/21	3,021	5,983	9,004	2,137
2021/22	1,622	238	1,860	329
2022/23	-	23	23	-
2023/24	4,643	6,244	10,887	10,570
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			-	109

## 8. Cash and cash equivalents

	2020/21 £'000	2019/20 £'000
The following balances at 31 March were held at: Commercial banks and cash in hand	2,143	1,124

## 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 <i>Horizons</i> & digital development £'000	Literature Wales for writers' bursaries £'000	Tŷ Cerdd for community & Welsh music £'000	2020/21 Total £'000	2019/20 Total £'000
Undrawn funds at 1 April	405	-	-	74	-	479	316
Delegated for the year	1,415	450	190	49	91	2,195	2,038
Drawn down in the year	(1,039)	(450)	(105)	(107)	-	(1,701)	(1,875)
Undrawn funds at 31 March	781	-	85	16	91	973	479
Grants recorded as payable by the delegated distributors at 31 March	1,180	173	-	32	86	1,471	779

Full lists of the grants administered by the delegated distributors during 2020/21 are included in the annexes to this Annual Report.



## 10. Contingent asset

### Sale of Olympic Park

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State for Digital, Culture, Media & Sport and the Greater London Authority (GLA) dated 29 March 2012 which sets out the distribution of funds between the GLA and the Lottery Distributors via the Department for Digital, Culture, Media & Sport (DCMS). Land sales are likely to take place over a lengthy period, estimated to be up to 2036/37. The GLA has advised that sales are forecast to return less than £200m with payments to the Lottery Distributors beginning in 2026/27.

## 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 2020/21 £18,138,000 or 99.7% of the Council's Lottery distribution income was derived from the National Lottery (2019/20: £17,761,000 or 99.2%). Of the remaining income £10,000 or 0.05% was derived from investment returns from the balance held with the National Lottery Distribution Fund (2019/20: £86,000 or 0.5%) and £49,000 or 0.25% from other investment income and sundry income (2019/20: £53,000 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 0.15% in the year (2019/20: 0.5%). The cash and cash equivalents balance at the year end was £2,143,000 (2020: £1,124,000). 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.

*Credit risk* – The Council is not exposed to any significant credit risk.

### 13. Related party transactions

#### **Public bodies**

The Council is a Welsh Government sponsored body.

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

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

#### **Delegated Lottery distributors**

As disclosed in note 9, Ffilm Cymru Wales, Nesta, BBC Cymru Wales, Literature Wales and Tŷ 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 2020/21 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 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Council members</b>				
<b>Iwan Bala</b> Member	Butetown Artists Group – Bay Art	Grant (0)	Nil	18,662
<b>Devinda De Silva</b> Employment Board member	National Theatre Wales Dirty Protest	Grant (0) Grant (1)	Nil 29,772	3,569 3,977
<b>Andy Eagle</b> Employment Board member	Chapter Swansea City Opera	Grant (0) Grant (1)	Nil 26,852	121,584 2,686
<b>Kate Eden</b> Council member	Aberystwyth University	Grant (1)	145,000	149,289
<b>Marian Wyn Jones</b> Non-Executive Director	Betsi Cadwaladr Health Board	Grant (0)	Nil	3,000
<b>Gwennan Mair</b> Employment Drama board member	Theatr Clwyd Eisteddfod Genedlaethol	Grant (1) Grant (0)	48,160 Nil	5,965 7,500

Member Role	Organisation	Transaction 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Victoria Provis</b> Council member	University of Wales Trinity Saint David	Grant (2)	158,000	256,950
<b>Dafydd Rhys</b> Employment	Aberystwyth Arts Centre	Grant (1)	145,000	149,289
<b>Committee members</b>				
<b>Ruth Cayford</b> Employment	Cardiff Council (St David's Hall)	Grant (1)	Nil	54,856
<b>Roland Evans</b> Employment	Gwynedd County Council	Grant (0)	Nil	13,485
<b>Members of staff</b>				
<b>Lauren Burgess</b> Employment (Family member)	Insole Court Trust	Grant (1)	31,050	3,105
<b>Sophie Hadaway</b> Employment (Family member)	Aberystwyth Arts Centre	Grant (1)	145,000	149,289

Member Role	Organisation	Transaction 2020/21 (number)	Total Value 2020/21 £	Total balance outstanding at 31 March 2021 <sup>1</sup> £
<b>Rhian Hâf</b> Lle Celf group member	Eisteddfod Genedlaethol Cymru	Grant (0)	Nil	7,500
<b>Gillian Hughes</b> Employment (Family member)	Awen Cultural Trust	Grant (0)	Nil	5,000
<b>Sally Lewis</b> Employment (Family member)	Ballet Cymru	Grant (1)	58,000	74,470
<b>Judith Musker Turner</b> Band member (Family member)	Calan	Grant (0)	Nil	1,726
<b>Daniel Trivedy</b> Director Chair of the Friends	Elysium Gallery Glynn Vivian Art Gallery	Grant (0) Grant (0)	Nil Nil	7,477 5,226
<b>Sera Walker</b> Employment (Family member)	Llantarnam Grange Arts Centre	Grant (1)	4,375	4,215

<sup>1</sup> The total balance outstanding at the year-end may include amounts in respect of grants awarded in previous years but not yet paid.

# Annexes

not forming part of the  
financial statements

# General Activities - Grants 2020/21

## Core funding to Arts Portfolio Wales organisations

Aberystwyth Arts Centre	£542,548
Arad Goch	£350,703
Artes Mundi Prize	£149,590
Artis Community Cymuned	£202,160
Arts Care	£134,377
Arts Connection	£65,921
Ballet Cymru	£255,152
BBC National Orchestra of Wales	£813,989
Blackwood Miners' Institute	£130,798
Canolfan Gerdd William Mathias	£81,134
Chapter Cardiff Ltd.	£664,622
Community Music Wales	£106,488
Cwmni'r Frân Wen	£235,576
Dawns i Bawb	£86,204
Disability Arts Cymru	£167,237
Ffotogallery	£201,666
g39	£70,992
Galeri	£319,716
Glynn Vivian Art Gallery	£126,770
Hafren	£108,191
Head4Arts	£152,125
Hijinx Theatre	£157,400
Impelo	£113,841
Jukebox Collective	£169,514
Literature Wales	£750,429
Live Music Now Wales	£45,637
Llantarnam Grange Arts Centre	£86,204
Mid Wales Opera	£105,474
Mission Gallery	£96,346
Mostyn	£393,496
Music Theatre Wales	£221,342
National Dance Company Wales	£843,362
National Theatre Wales	£1,624,075
NEW Dance	£76,354
NoFit State Community Circus Ltd	£196,749
Oriel Davies Gallery	£226,260
Oriel Myrddin Trust	£47,666
Peak	£78,479
Pontardawe Arts Centre	£63,892
Pontio Arts	£283,199
Rhondda Cynon Tâf Theatres	£152,480



Riverfront	£126,770
Rubicon Dance	£196,749
Ruthin Craft Centre	£393,496
Sherman Theatre	£1,138,383
Sinfonia Cymru	£220,221
Taliesin Arts Centre	£222,325
Tanio (Valley and Vale Community Arts)	£177,074
Theatr Bara Caws	£282,881
Theatr Brycheiniog	£196,749
Theatr Clwyd	£1,822,802
Theatr Felinfach	£60,850
Theatr Genedlaethol Cymru	£1,040,892
Theatr Iolo	£259,573
Theatr Mwldan	£270,827
Theatr na nÓg	£319,569
Torch Theatre	£452,522
trac - Music Traditions Wales	£81,134
Tŷ Cerdd	£206,775
Ucheldre Centre	£76,063
Valleys Kids	£123,729
Volcano Theatre Company Ltd	£211,505
Wales Millennium Centre	£3,876,834
Welsh National Opera	£4,583,851
Ystradgynlais Miners' Welfare	£42,067
<b>Total Arts Portfolio Wales grants</b>	<b>£27,081,799</b>

### *Creative Learning through the Arts Programme*

#### Arts and education networks

Arts Active Trust	£10,000
	<b>£10,000</b>

#### Lead Creative Schools

Abbey Primary School	£10,000
Bishopston Comprehensive School	£10,000
Brecon High School	£10,000
Broad Haven Primary School	£10,000
Bryn Hafod Primary School	£10,000
Cardiff West Community High School	£8,000
Castle Park Primary	£10,000

Cefn Fforest Primary	£10,000
Christchurch CP School	£10,000
Cwmbach Church in Wales Primary	£10,000
Cyfarthfa High School	£8,000
Darran Park Primary School	£10,000
Ewloe Green School	£10,000
Ffaldau Primary School	£10,000
Fitzalan High School	£8,000
Gelli Primary School	£10,000
Georgetown Primary School	£10,000
Glan Yr Afon Primary School	£10,000
Glanhowy Primary School	£10,000
Glyncollen Primary School	£10,000
Gronant County Primary School	£10,000
Gwauncelyn Primary	£10,000
Gwernyfed High School	£8,000
Hawarden Village Church School	£10,000
Hawthorn High School	£8,000
Heolddu School	£10,000
Islwyn High School	£10,000
Llanishen High School	£10,000
Llansannor & Llanharry C/W Primary School	£10,000
Morrison Primary School	£10,000
Newbridge School	£8,000
Nottage Primary School	£10,000
Oak Field Primary School	£10,000
Our Lady & St Michaels Primary School	£10,000
Pantside Primary School	£10,000
Pontnewydd Primary and Nursery School	£10,000
Porth County Community School	£10,000
Priory Church in Wales School	£10,000
Rhos Primary School	£10,000
Roath Park Primary School	£10,000
St Brigid's School	£10,000
St Mary's and St Patrick's Catholic Primary	£10,000
St Mary's RC Primary Newport	£10,000
St. David's Church in Wales	£10,000
St. David's R.C. Primary School	£10,000
St. Michaels R.C Primary School	£10,000
St.Alban's Catholic Primary School	£10,000
The Maelor School	£10,000
Tir-y-berth Primary School	£10,000
Tredegan Park Primary School	£10,000

Treorchy Comprehensive School	£8,000
Ty'n y Wern Primary	£10,000
Waunfawr Primary School	£10,000
Windsor Clive Primary School	£10,000
Y Bont Faen Primary	£10,000
Ynyshir Primary School	£10,000
Ysgol Aberconwy	£8,000
Ysgol Bro Gwaun	£8,000
Ysgol Bro Hyddgen	£10,000
Ysgol Bryn Coch	£10,000
Ysgol Cedewain	£8,000
Ysgol Cefnlllys	£10,000
Ysgol Crug Glas	£8,000
Ysgol Cwm Banwy, Ysgol yr Eglwys yng Nghymru.	£10,000
Ysgol Dafydd Llwyd	£10,000
Ysgol David Hughes	£10,000
Ysgol Dyffryn Ardudwy	£10,000
Ysgol Dyffryn Conwy	£8,000
Ysgol Ein Harglwyddes	£10,000
Ysgol Gellifor	£10,000
Ysgol Glantwymyn	£10,000
Ysgol Gogarth, Llandudno	£8,000
Ysgol Gyfun Cwm Rhymni	£8,000
Ysgol Gyfun Gymraeg Bro Myrddin	£8,000
Ysgol Gyfun Gymraeg Bryn Tawe	£8,000
Ysgol Gyfun Gymraeg Glantaf	£10,000
Ysgol Gymraeg Bro Allta	£10,000
Ysgol Gymraeg Cwm Derwen	£10,000
Ysgol Gymraeg Cwmbran	£10,000
Ysgol Gymraeg Gwenllian	£10,000
Ysgol Gymraeg Sant Baruc	£10,000
Ysgol Gynradd Carno	£10,000
Ysgol Gynradd Gymraeg Calon y Cymoedd	£10,000
Ysgol Gynradd Nefyn	£10,000
Ysgol Gynradd Rhiwlas	£10,000
Ysgol Hafodwenog	£10,000
Ysgol Harri Tudur School	£8,000
Ysgol Llanbryn-mair	£10,000
Ysgol Llanfyllin	£10,000
Ysgol Llanon	£10,000
Ysgol Maes y Felin	£10,000
Ysgol Manod	£10,000
Ysgol Pen y Groes	£10,000

Ysgol Rhos Helyg	£10,000
Ysgol Uwchradd Caergybi	£8,000
Ysgol Wat's Dyke	£10,000
Ysgol y Ddwylan	£10,000
Ysgol Y Felinheli	£10,000
Ysgol y Foryd	£10,000
Ysgol y Llan	£10,000
Ysgol y Llys	£10,000
Ysgol y Moelwyn	£8,000

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£982,000

Total Creative Learning through the Arts grants

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£992,000

## Strategic awards

### Cultural Recovery Fund (Covid-19 support for organisations)

4Pi Productions (Capital funding)	£9,250
4Pi Productions	£79,655
Aberystwyth Arts Centre (Capital funding)	£50,000
Aberystwyth Arts Centre	£599,448
Aberystwyth Printmakers (Capital funding)	£6,710
Addo	£49,899
Afan Arts	£17,891
Aneurin Leisure Trust	£70,315
Artes Mundi Prize Limited	£100,000
Articulture	£23,494
Arts Migrations CIC	£27,567
Aubergine Cafe and Events CIC (Capital funding)	£7,608
Avant Cymru	£20,000
Awen Cultural Trust (Capital funding)	£38,677
Awen Cultural Trust	£130,951
Ballet Cymru (Capital funding)	£41,477
Ballet Cymru	£25,000
Bay Productions Ltd	£75,212
Borough Theatre Abergavenny	£74,553
Burry Port Town Band	£12,880
Canolfan Gerdd William Mathias Cyf	£20,100
Canolfan Ucheldre Centre (Capital funding)	£10,000
Canolfan Ucheldre Centre	£40,000
Cardiff M.A.D.E. C.I.C.	£17,205
Cardiff Pottery Workshops Foundation	£23,895

Carmarthenshire County Council	£15,942
CARN (Capital funding)	£1,748
CAVMS Ltd	£17,386
Celf O Gwmpas	£27,000
Cellb (Capital funding)	£50,000
Chapter Cardiff Ltd. (Capital funding)	£27,239
Chapter Cardiff Ltd.	£558,993
Cimera (Capital funding)	£7,572
Cimera	£10,156
Citrus Arts (Capital funding)	£7,579
Citrus Arts	£37,634
Common Wealth	£35,005
Community Music Wales (Capital funding)	£11,880
Company of Sirens	£13,860
Congress Theatre Company (Capital funding)	£25,000
Congress Theatre Company	£24,538
Côr Meibion Glynnedd	£1,700
Côr Meibion Maelgwn	£6,500
Côr Meibion Pontypridd	£5,000
Creu Cymru - The Development Agency for Theatres and Arts Centres in Wales	£24,600
Culture Colony (Capital funding)	£43,806
Culture Colony	£47,043
Cwmni Theatr Arad Goch (Capital funding)	£3,438
Cwmni Theatr Arad Goch	£75,404
Cwmni'r Frân Wen (Capital funding)	£9,590
Cwmni'r Frân Wen	£36,892
Dance Blast	£16,148
Dawns i Bawb	£29,000
Denbighshire Leisure Limited	£149,659
Denbighshire Music Cooperative	£73,682
Dirty Protest Theatre (Capital funding)	£45,366
Dirty Protest Theatre	£74,600
Disability Arts Cymru	£33,349
Ebbw Valley Brass (Capital funding)	£16,695
Ebbw Valley Brass	£5,624
Elite Stage Crew	£63,074
Elysium Gallery	£61,718
Ensemble Cymru	£21,495
Ffiwsar	£16,942
Ffotogallery (Capital funding)	£9,428
Ffotogallery	£87,380
Friends of Ceredigion Young Musicians Association	£8,918
g39	£57,840

Galeri Caernarfon Cyf (Capital funding)	£43,500
Galeri Caernarfon Cyf	£934,424
Galerie Simpson Artists	£11,500
Glynn Vivian Art Gallery	£100,000
Goodwick Brass Band	£11,300
Gwyn Emberton Dance	£14,403
Gwyn Hall - Celtic Leisure	£190,998
Hafren (Capital funding)	£8,500
Hafren	£146,957
Hijinx Theatre	£49,878
Ifton Colliery Band	£13,004
Impelo	£15,850
It's My Shout Ltd	£43,039
Jony Easterby Productions	£50,510
JR Events Promotions	£224,629
Leeway Productions	£24,290
Lewis Merthyr Band	£12,500
Light Ladd & Emberton	£23,741
Lighthouse Theatre Ltd	£15,000
Live Music Now Wales	£30,000
Llantarnam Grange Arts Centre (Capital funding)	£11,688
Majical Youth CIC (Capital funding)	£7,531
Majical Youth CIC	£28,125
Makers Guild in Wales	£33,646
Melville Centre For The Arts CIC (Capital funding)	£7,980
Memorial Hall and Theatre (Capital funding)	£8,031
Memorial Hall and Theatre	£95,000
Menai Bridge Band (Capital funding)	£11,125
Mentrau Creadigol Cymru	£79,978
Mercator	£19,775
Mercury Theatre Wales	£10,250
Merthyr Tydfil Leisure Trust (Capital funding)	£50,000
Mess up the Mess Theatre Company	£14,493
Mewn Cymeriad/In Character	£17,363
Mid Wales Arts (Capital funding)	£50,000
Mid Wales Arts	£28,537
Mid Wales Opera	£20,855
Mission Gallery	£19,355
MOSTYN	£21,041
Music in Hospitals & Care Cymru	£48,657
National Dance Company Wales	£117,951
National Youth Arts Wales	£189,074
Neuadd Dwyfor (Capital funding)	£19,783

Neuadd Dwyfor	£17,828
NEW Dance	£17,998
New Theatre (Capital funding)	£9,994
New Theatre	£878,456
Newbridge Memo	£38,536
NoFit State Community Circus Ltd (Capital funding)	£7,915
NoFit State Community Circus Ltd	£234,090
NOVA	£14,623
operasonic cyf	£9,833
OPRA Cymru Cyf	£22,059
Organised Kaos Youth Circus Ltd	£18,000
Oriel Davies Gallery	£61,935
Oriel Plas Glyn-y-Weddw Cyfyngedig	£211,168
Papertrail / Llwybr Papur	£9,190
Peak (Capital funding)	£9,950
Penclawdd Brass Band	£8,000
PeopleSpeakUp LTD	£26,076
Pontardulais Town Band	£3,500
Pontio Arts	£350,000
Pontypridd YMCA (Capital funding)	£190,000
PuppetSoup Ltd	£22,500
pyka	£22,000
Race Council Cymru (Capital funding)	£49,229
Race Council Cymru	£75,350
Radiate Arts CIC	£10,000
Rhiwbina Amateur Theatrical Society	£3,000
Rhondda Cynon Tâf County Borough Council	£458,300
Rhondda Cynon Tâf County Borough Council	£13,890
Rhyl Little Theatre (Capital funding)	£9,995
Royal Buckley Town Band	£4,401
Royal Cambrian Academy	£22,760
Ruthin Craft Centre	£32,689
Samba Galez	£4,000
Seindorf Beaumaris Band (Capital funding)	£24,604
Sherman Theatre	£494,899
Small World Theatre Ltd (Capital funding)	£9,930
Small World Theatre Ltd	£40,443
Sound Progression	£30,480
Span Arts Ltd	£3,168
Spectacle Theatre Ltd	£40,472
Spit and Sawdust	£24,690
St. David's Hall (Capital funding)	£29,227
St. David's Hall	£724,820

Stage Design Ltd	£17,760
Stiwt Arts Trust Ltd.	£50,000
Swansea City Opera	£27,200
Swansea Grand Theatre (Capital funding)	£50,000
Swansea Grand Theatre	£890,000
Tabernacl (Bethesda) Cyf (Capital funding)	£50,000
Tabernacl (Bethesda) Cyf	£31,535
tactileBOSCH Projects (Capital funding)	£8,000
Taking Flight Theatre Company	£57,667
Taliesin Arts Centre	£87,870
Tape Community Music and Film Ltd (Capital funding)	£9,870
Tape Community Music and Film Ltd	£68,320
The Albert Hall Theatre (Capital funding)	£1,995
The City of Cardiff (Melingriffith) Brass Band	£9,750
The Cory Band	£19,855
The Dragon Theatre	£43,111
The Forget-me-Not Chorus Cardiff	£22,500
The Other Room	£28,564
The Riverfront Theatre and Arts Centre - Newport Live (Capital funding)	£50,000
The Riverfront Theatre and Arts Centre - Newport Live	£126,770
The Sustain Theatre CIC (Capital funding)	£10,000
Theatr Brycheiniog (Capital funding)	£40,000
Theatr Brycheiniog	£168,312
Theatr Clwyd (Capital funding)	£50,000
Theatr Clwyd	£500,000
Theatr Colwyn (Capital funding)	£31,706
Theatr Felinfach (Capital funding)	£10,000
Theatr Felinfach	£8,500
Theatr Iolo (Capital funding)	£15,000
Theatr Mwldan (Capital funding)	£49,762
Theatr Mwldan	£228,000
Theatr Twm o'r Nant	£10,000
Theatrau Sir Gar	£175,878
Torch Theatre Company Ltd	£350,000
Tredeggar Town Band Society	£19,193
Treorchy Male Choir	£12,320
Tŷ Cerdd	£50,000
Tŷ Pawb (Capital funding)	£13,246
Tŷ Pawb	£96,411
UPROAR	£6,175
Venue Cymru (Capital funding)	£47,965
Vision Fountain CIC	£11,480
Visual Arts Group Wales	£70,300



Volcano Theatre Company Ltd (Capital funding)	£3,379
Volcano Theatre Company Ltd	£14,660
Voluntary Arts Network	£27,203
Wales Arts Review Ltd	£8,580
Wales Millennium Centre (Capital funding)	£493,828
Wales Millennium Centre	£3,406,352
Winding Snake Productions	£13,704
Wonderbrass	£10,210
Wyeside Arts Centre Ltd	£65,000
Y Tŷ Celf - The Art House Ltd CIC	£10,000
Yello brick	£31,000
Ystradgynlais Miners' Welfare and Community Hall Trust Ltd (Capital funding)	£7,040

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**£18,348,440**

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#### Arts Resilience Fund (Covid-19 Urgent Response and Stabilisation support)

4Pi Productions	£29,863
9Bach	£18,000
Adams, John	£2,500
Addo	£30,416
Allison, Justine	£2,500
Allpress, Alexander	£2,000
Amgueddfa Llandudno Museum	£33,171
Anderson, Hazel	£2,500
Andrew, Richard	£2,500
Arcade Campfa	£10,445
Ashill, Kathryn	£2,500
August 012 Limited	£35,000
Badger, Michael	£2,000
Balla, Jessica	£2,500
Barnes, Emrys	£2,500
Bedwani, Jay	£1,350
Beecham, Wayne	£2,500
Beer, Cheryl	£2,500
Biant, Prithpal	£2,500
Bird-Jones, Christine	£2,000
Blythe, Stacey	£2,500
Bolton, Andrew	£1,500
Bonada, Marja	£2,500
Bowles, Joshua	£2,000
Boyd Williams, Florence	£2,500
Boyd, Patrick	£1,500
Brayley, David	£2,500

Brown, Lisa jên	£2,500
Bruno Sanchez, Sebastian	£2,500
Bryan, Tania	£2,500
Bunstead, Thomas	£2,500
Callan, Jessica	£2,500
Cannon, Martin	£1,500
Canolfan Gerdd William Mathias Cyf	£27,149
Caswell, May	£2,500
Cawte, Claire	£2,500
Cellb	£21,411
Chapter Cardiff Ltd.	£175,000
Charles, Clare	£2,500
Cicolani, Gaia	£2,200
Citrus Arts	£22,799
Clark, Gareth	£2,500
Clarke, Garrin	£1,800
Clough, Siobhan	£845
Clwb Ifor Bach	£35,000
Community Music Wales	£25,200
Coombs, Callum	£2,500
Copeland-Watts, Paul	£2,500
Cordwell, Cara	£1,500
Cove, Robyn	£2,500
Cwmni'r Frân Wen	£21,272
Davies, Mared	£2,500
Davies, Nicola	£850
Davies, Thomas	£2,500
Day-Williams, Jordan	£2,500
Debono, Michael	£2,500
Dickson, Lucy	£2,000
Dimech, Francesca	£2,500
Doreen Patricia	£700
Dunbar, Debbie	£2,000
Eglin, Oliver	£2,000
Eglin, Philip	£2,500
Eiddior, Gwyn	£2,500
Elliott, Christopher	£2,000
Elysium Gallery	£32,627
Evans, Lowri	£2,000
Familia de la Noche	£24,306
Ffotogallery	£34,670
Fiera, Marco	£2,000
Flood-Molyneux, Caitlin	£1,700

Foldi, Janos	£1,000
Furlong, Beth	£2,500
Furlong, Joseph	£2,500
g39	£37,500
Gagglebabble	£17,780
Galeri Caernarfon Cyf	£100,000
Gastaldon, Fagner	£2,400
G-Expressions	£21,000
Gilbert, Adam	£1,800
Gomez, Olivia	£2,500
Gough, Beverley	£2,500
Gould, Rebecca	£2,500
Greenhalgh, Beth	£750
Griffiths, Ellis	£2,500
Griffiths, Marieanne	£2,400
Hafren	£25,000
Hammond, Sonia	£1,500
Harris, Rebecca	£1,500
Hazell, Andy	£2,500
Hopkins, Robert	£2,000
Hudis, Rosalind	£1,000
Hudson, James	£1,249
Hughes, Dafydd	£2,000
Hughes, Erin	£1,800
Hunt, Sue	£800
Huws, Urien	£2,500
It's My Shout Ltd	£35,000
James, Noel	£2,000
James, Richard	£500
James, Ross	£2,500
Janneh, Mo	£2,500
Jeffrey, Aline	£2,500
Jenkins, Angharad	£2,500
Jenkins, Paul	£1,500
John, Sean Tuan	£2,500
Johns, Dick	£2,500
Johnson, Rebecca	£2,500
Johnson-Soliz, Cecile	£1,500
Jones, Emyr Wyn	£2,500
Jones, Francesca	£1,500
Jones, Karina	£4,500
Jones, Lefi	£2,500
Jones, Osian Meilir	£2,500

Jones, Patrick	£1,000
Kinchin, Rachel	£2,500
King, Jeremy	£2,000
Konstantakou, Chrisoula	£1,500
Lane, Cadi	£2,000
Latham, Jack	£2,500
Laura H Drane Associates Ltd	£11,867
Lewis, Craig	£2,500
Lighthouse Theatre Ltd	£10,000
Likely Story Theatre	£11,863
Lipman, Joel	£2,500
Live Music Now Wales	£18,800
Llewelyn, Jack	£2,500
Llewelyn-Williams, Daniel	£2,500
Lloyd, Clara	£1,000
MacAskill, Blue	£2,000
MacIntyr Huws, Meirion	£2,500
Made In Roath	£6,252
Mallitte, Thomas	£800
Manby, Glen	£600
Manuel, Gavin	£1,000
Marsden, Ami	£2,500
Mavron, Christiana	£2,200
May, Nicole	£2,000
Maynard, Clare	£1,200
Mercer, Katie	£1,000
Mid Wales Arts	£35,000
Miles, Geraint	£2,500
Moger, Alison	£2,500
Morgan, Glyn	£1,800
Morris, Terry	£2,500
Morrison, Craig	£1,650
MOSTYN	£35,000
Mumford, Sarah	£2,500
Murphy, Yvonne	£2,500
Myers, Aidan	£1,500
Nadles, Jasna	£1,800
Noble, Kimberley	£2,050
Noel, Anna	£2,100
Noel, Seren	£1,500
NoFit State Community Circus Ltd	£31,910
O'Connor, Paul	£2,500
Oliver, Stephen	£2,500

OPRA Cymru Cyf	£10,000
Organised Kaos Youth Circus Ltd	£25,508
Oriel Davies Gallery	£35,000
Owen, Damon	£2,000
Owen, Rhodri	£2,500
Owen, Sarah	£2,500
Palfrey, Lowri	£2,000
Papertrail / Llwybr Papur	£4,828
Parry, Lisa	£1,750
Parry-Williams, Emilie	£2,500
Patterson, Michelle	£2,500
Peak	£21,290
Perkins, Charlotte Zoe	£740
Perrott Shiels, Michele	£2,500
Phillips, Kristian	£2,000
Pilyarov, Ruslan	£2,500
Pritchard, Mari	£1,800
Pugh, Timothy	£2,500
Ratigan, Jon	£2,500
Rea, John	£2,500
Redgrave, Gaia	£2,780
Rees, Thomas	£2,500
Restall, Jayne	£2,500
Richardson, Fakhra	£2,500
Roberts, Craig	£2,500
Roche, Nik	£1,500
Rooney, Lauren	£2,500
Russell, Tanya	£2,500
Samuel, Liynyuy Mfikela Jean	£2,500
Saunders, Alun	£2,055
Sawtell, Paul	£2,000
Scully, Philip	£600
Sherman Theatre	£73,500
Smith, Andrew	£700
Smith, Angharad	£2,500
Smith, Rachael	£2,500
Smith, Robert Teddy	£2,500
Smith, Steven	£2,500
Sound Progression	£35,000
Stephens, Carmen	£2,000
Stephens, Clêr	£2,000
Strang, Rosie	£1,500
Syed, Naseem	£2,500
Talbot, Rowan	£2,470

Tattersall, Charlie	£1,000
Taylor, Lisa Eurgain	£2,500
Thair, Richard	£2,500
The Other Room	£35,000
The Riverfront - Newport Live	£34,037
The VC Gallery	£24,660
Theatr Brycheiniog	£60,000
Thomas, Fern	£2,150
Thomas, Gareth	£1,200
Thomas, Laura	£1,500
Thomas, Peter	£2,500
Thomson, Gwen	£800
Tiernan, Kate	£2,000
Torch Theatre	£35,000
Touch Trust Ltd.	£34,802
Tŷ Cerdd - Music Centre Wales	£23,978
Tyler, Gordon	£2,500
Valleys Kids	£27,000
Van Rijswijk, Angharad	£500
Wales Millennium Centre	£175,000
Wall, Leighton	£2,500
Wardlaw, Sarah	£2,500
Watkins, Claire	£2,500
Watkins, Gary	£2,500
Watkins, Jeremy	£1,000
Watkins-Hyde, Ieuan	£2,500
Webb, Celia	£2,500
Whitfield, Alan	£3,500
Whiting, Amanda	£2,500
Willcox, Joe	£2,500
Williams, Angharad	£2,100
Williams, Catrin	£2,500
Williams, Eloise	£2,500
Williams, Jeremy Huw	£2,500
Williams, Llinos	£2,500
Williams, Mari Wyn	£2,500
Williams, Thomas Emlyn	£500
Wimperis, Clare	£2,250
Winding Snake Productions	£10,080
Wyn, Casi	£2,500
Wynne-Paton, Catherine	£1,597

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**£2,046,320**

## Arts Resilience Fund

(Covid-19 Urgent Response support for individuals funded by the Freelands Foundation)

Abell, John	£2,500
Afonwy-Jones, Rebecca	£2,500
Ahmun, Shakeera	£2,500
Antolin, Marc	£2,500
Atwood, Liam	£2,500
Baker, Denise	£2,000
Bale, Gareth	£1,600
Barker, Meredydd	£2,500
Battaglia, Andreamaria	£2,500
Baxter, Samuel	£2,500
Beakhouse, Beau	£2,500
Beatty, Jemma	£2,500
Bevan, Emma	£2,500
Blackhurst, Spike	£2,500
Blade, Carole	£2,500
Boomer, Emma Therese	£2,500
Booth, Helen	£1,900
Bowes, Zillah	£2,500
Brook, Matthew	£2,500
Campbell, Krystal	£1,250
Carless, Rosanna	£2,500
Carter, William	£2,500
Cartwright, Jason	£1,500
Ceidiog Hughes, Gethin	£2,500
Chambers, Allen	£2,500
Chambers, Gareth	£2,000
Chapman, Harriet	£2,500
Choo, Edmond	£2,500
Christensen, Sarah	£2,500
Cooke, Lowri	£2,500
Cooke, Lyndy	£2,500
Cooke-Tapia, Ian	£2,500
Cordwell, Chloe	£1,700
Cotsen, Jonathan	£2,500
Crutchley-Mack, Theo	£2,000
Davies, Angharad	£1,604
Davies, Norman Guy	£1,700
Davies, Wiliam Gareth	£2,500
Dewis, Adeola	£2,200
Dicks, Sophie	£2,500
Dodd, Glyn	£2,500
Dower, Tanya	£2,500

Dubois, Pascal-Michel	£2,500
Dumbleton, Kate	£1,800
Dyer, Kevin	£2,500
Easterby, Jonathan	£2,500
Edwards, Luke	£2,500
Elliott, Helen	£2,500
Erwood, Russel	£2,500
Evans, Angharad	£2,500
Evans, Aron	£2,500
Evans, Geraint	£2,500
Evans, Tudur	£2,500
Farquharson, Andrew	£2,500
Felix, Fany	£786
Ferguson-Walker, Clare	£2,500
Finnemore, Peter	£2,500
Folds, Mark	£2,500
Foley, Ross	£2,500
Fortuna, Jose	£1,000
Found, Jack	£1,585
Gardner, Jan	£1,980
Gardner, Julian	£2,500
Gibbs, Anne	£2,500
Gibbs, Michael	£1,200
Goldberg, Maud	£2,500
Graham, Elaine	£2,500
Griffiths, Carys Hedd	£2,500
Griffiths, Jay	£2,500
Griffiths, Niall	£2,500
Griffiths, Owen	£2,300
Groves, Ellen	£2,500
Gwynfryn Evans, Huw	£2,000
Harmon, Marissa	£2,500
Harries, Ruth	£2,500
Harris, Georgina	£2,000
Harry, Edward-Rhys	£2,500
Hayes, Maria	£1,200
Hazen, Colette	£2,500
Heneker, Joanna	£2,500
Hobson, Louise	£2,500
Hook, Jodie	£2,100
House, Lee	£2,500
Howells, Oliver	£2,500
Howells, Simon	£2,500
Huball, Kristoffer Calan	£2,500



Hughes, Darren	£2,500
Humphreys, Samiwel	£2,500
Hutchinson, Sian	£2,500
Issa, Hanan	£2,500
Jarvis, Bethan Eleri	£2,500
Jenkins, Delyth	£2,500
Jensen, Denni	£2,500
Jones, Dewi Ellis	£2,500
Jones, John Glyn	£2,500
Jones, Lisa	£2,500
Jones, Paul	£2,500
Jones, Rhodri Prys	£2,500
Keenor, Lee-Paul	£2,500
Keineg, Katell	£2,500
Kelly, Rebecca Wyn	£2,500
KilBride, Gerard	£2,500
KilBride, Sarah	£2,500
Kim, Jin Eui	£2,000
Land, Graham	£2,500
Laughlin, Sam	£1,500
Leadill, Sophia	£2,135
Lee, Jaejun	£2,500
Lewis, Carys	£2,500
Lewis, Catherine	£2,500
Lloyd, Kathleen	£2,500
Llwyd, Manon	£2,500
Lopez-Norton, Mathilde	£2,500
Mackinnon-Smith, Stevie	£2,500
Mahoney, David	£2,500
Malia, Helen	£1,945
Marshall, Robert	£2,500
Mason, Bethan Nia	£2,500
Mason, John	£2,500
Massey, Daniel	£2,500
Matthews, Rhiannon	£2,500
McConnach, Andrew	£2,500
McGill, Eric	£2,000
Mckee, Caitlin	£2,500
McParlin, Patricia	£2,500
Melican, Michael	£2,500
Moorhouse, Sara	£2,500
Morris, Elin	£1,500
Morris, Ffion	£2,500
Munn, Zoe	£1,500

Najera, Janire	£2,500
Nicholls, Matt	£2,500
Norris, Linda	£2,500
O hAodha, James	£2,500
Oakley, Elliot	£2,500
Ognjenovic-Morgan, Helen	£2,500
O'kane, Maureen	£2,000
Owen, Dafydd	£2,500
Owen, Geraint	£2,500
Palser, Marega	£2,500
Park, Oliver	£2,500
Parry-Jones, Clare	£2,500
Pavey, Mark	£2,500
Pearce, Nicola	£2,500
Pearson, Gareth Wyn	£2,500
Peate, Claire	£2,500
Pedican, Honor	£2,500
Pickard, Ali	£2,000
Pike, Andrew	£2,500
Podger, Rachel	£2,500
Price, Rhian	£2,500
Rafferty, Michael	£2,500
Rau, Dominika	£2,500
Razi, Mehdi	£2,500
Rees, Laura	£2,500
Rhys, Dyfan Llyr	£2,500
Roberts, Alys	£2,500
Roberts, Dylan Cernyw	£2,500
Roberts, Endaf	£2,500
Roberts, Judith	£2,500
Roberts, Siôn	£2,500
Robinson, Jessica	£2,500
Rust, Clara	£2,500
Saki, Sahar	£2,500
Scurlock, Clifton	£2,500
Shapland, Jo	£2,500
Shelley, Ellen Ruth	£1,200
Shiers, Owen	£2,500
Smith, Christine	£2,500
Smith, Sara	£2,500
Smith-Davies, Bethan	£1,716
Southgate, Barnaby	£2,500
Spencer, Julia	£2,500
Stamp, Shaun	£2,500

Strand, Sylvia	£2,500
Taffinder, Tom	£2,500
Tarrant, Anouska	£2,500
Taylor-Beales, William	£2,500
Thomas, Lowri Elen	£2,500
Thomas, Marc Owain Warren	£2,500
Thomas, Nia Miar	£2,500
Thomas, Sarah	£2,500
Tombs, Sarah	£2,000
Tommis, Colin	£2,500
Tournet, Marine	£2,500
Treharne, Amy	£1,600
Turner, Claire	£2,500
Tyson, Alana	£2,500
Vickerman, Lauren	£2,500
Walsh, Rachel Helena	£2,300
Welsby, Luke	£2,500
White, Joanna	£2,500
White, Thomas	£2,000
White, William	£2,500
Williams, Aled	£2,500
Williams, Daniel	£2,500
Williams, Dominic	£2,500
Williams, Dylan (different individuals same name)	£2,500
Williams, Dylan	£2,500
Williams, Elizabeth Jane	£2,500
Williams, Gwion	£2,500
Williams, Huw	£2,500
Williams, Thomas	£2,500
Williams, Tumi	£1,200
Williams-Jones, Bethan	£2,500
Willis, Richard	£2,000
Withey, Deborah Ann	£2,500
Wood-Bevan, Eleri	£2,000
Yamamoto, Satoko	£2,500
Yhnell, Dean	£2,500
Young, Christopher	£2,500
Zeppellini Verissimo, Susan	£2,500

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£500,001

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### Welsh Government Capital awards

Amgueddfa Cymru - National Museum Wales	£110,000
Antonia Osuji	£10,000
Dafydd Williams	£10,000
Emily Laurens	£10,000
Geraint Evans	£10,000
Jo-Anna Duncalf	£10,000
Joao Saramago	£10,000
Michael Roberts	£10,000
Philip Cheater	£10,000
Theatr Clwyd	£1,800,000

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**£1,990,000**

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### Strategic grants – Arts Development

Arts & Business Cymru	£50,000
Dawns i Bawb	£20,000
Menter Caerdydd	£15,000
Society of London Theatre & UK Theatre	£5,000

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**£90,000**

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### Strategic grants – Arts Engagement

Artes Mundi Prize Limited	£2,000
Articulture	£2,000
Avant Cymru	£2,000
Bolt, Stephanie	£1,590
Canolfan a Menter Gymraeg Merthyr Tudful	£40,000
Common Wealth	£1,350
Community Leisure UK	£1,850
Cwmni Theatr Arad Goch	£2,000
Dirty Protest Theatre	£2,000
Disability Arts Cymru	£5,000
FIO	£5,000
Gambogi, Tiago	£2,000
G-Expressions	£18,425
Gough, Matthew	£1,960
Head4Arts	£2,000
Hijinx Theatre	£2,000
Kokoro Arts Ltd	£1,989
Lewis Merthyr Band	£2,000
Lowe, Krystal	£2,000
Maclaen, Ella	£2,000
Mercer, Katie	£4,000
Mughal, Durre	£2,000

Rau, Dominika	£2,000
Rhondda Arts Festival Treorchy	£2,000
Shape Arts	£15,000
South Riverside Community Development Centre	£4,000
Span Arts Ltd	£1,883
Spectacle Theatre Ltd	£1,950
Stark, Alicia	£2,000
Taking Flight Theatre Company	£11,870
The North Wales Development Trust Ltd	£1,800
Theatr Clwyd	£1,956
Thomas, Amelia	£2,000
Tŷ Cerdd	£2,000
Voluntary Arts Network	£19,586
Yarnell, Anushiye	£2,000

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**£175,209**

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#### **Strategic grants – Arts & Health**

ABMU (now Swansea Bay) Arts in Health Board	£25,000
Cardiff & Vale University Health Board	£25,000
Cwm Taf University Health Board	£25,000
engage (National Association for Gallery Education)	£35,000
GARTH	£25,000
National Youth Arts Wales	£7,656

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**£142,656**

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#### **Strategic grants – Wales Arts International**

CARN	£2,500
Ealaín na Gaeltachta Teo	£5,000
Eisteddfod Genedlaethol Cymru	£300
FOCUS Wales	£15,000
Kelly Owens	£10,000
Mercator	£4,891
Rhondda Arts Festival Treorchy	£3,000
Thomas Burmeister	£3,105
Watch Africa Cymru	£5,300

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**£49,096**

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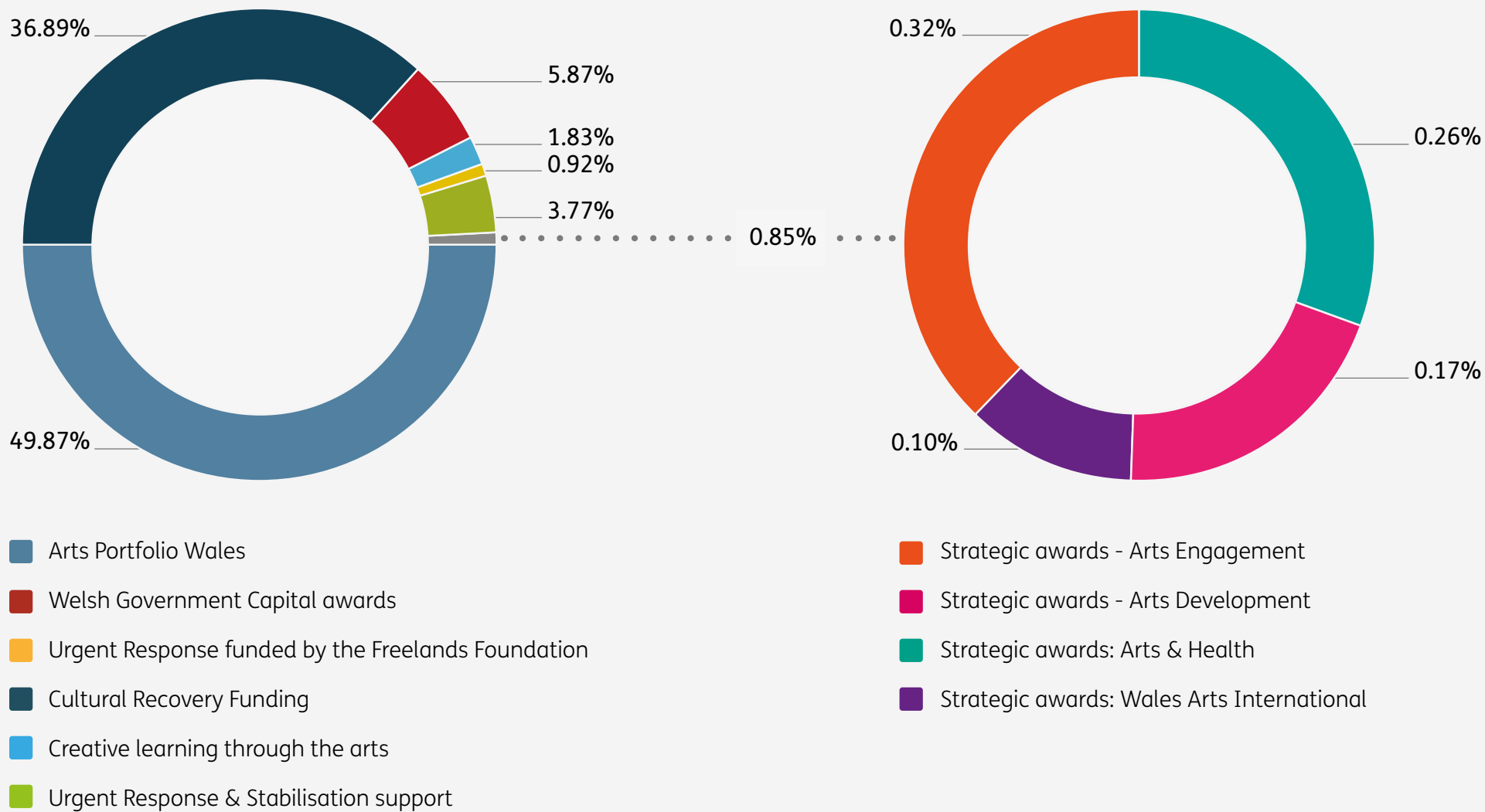
**Total Strategic awards** **£23,341,722**

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**TOTAL GRANTS OFFERED** **£51,415,521**

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## General Activities grants by type



# What did our grants support?

	Value of grants		No of grants
<b>Grants to support Arts Portfolio Wales:</b>			
Theatres & arts centres	£7,077,081	13.76%	16
Theatre production & presentation	£6,730,460	13.09%	8
Opera	£4,910,667	9.55%	3
Visual & applied arts	£1,792,486	3.49%	10
Dance	£1,741,176	3.39%	7
Music	£1,448,890	2.82%	6
Arts & young people	£1,165,421	2.27%	4
Community arts	£1,101,203	2.14%	9
Literature	£750,429	1.46%	1
Circus & carnivals	£196,749	0.38%	1
Disability arts	£167,237	0.33%	1
<i>Creative Learning through the Arts</i>	£992,000	1.93%	103
<b>Other grants:</b>			
Strategic awards	£23,341,722	45.40%	732
	<b>£51,415,521</b>		<b>901</b>

# 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 2020/21

net of offers not taken up or withdrawn

## Grants to Organisations

### Capital grants

Cwmni'r Frân Wen	£1,800,000
Impelo	£10,500
Llantarnam Grange Arts Centre	£4,375
Theatr Brycheiniog	£97,500
Torch Theatre	£77,731

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**£1,990,106**

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### Business Development - Open Lottery

Ballet Cymru	£58,000
Cwmni'r Frân Wen	£100,000
FIO	£98,578
G-Expressions	£91,300
Llangollen International Musical Eisteddfod	£100,000
Mercator: Wales Literature Exchange and Literature Across Frontiers (University of Wales Trinity Saint David)	£95,000
Raymond Williams Foundation	£5,000
Taking Flight Theatre Company	£67,290
The Successors of the Mandingue	£51,680
Tŷ Pawb	£137,050

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**£803,898**

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### Children and young people - Open Lottery

Galeri Caernarfon Cyf	£10,000
GISDA Cyf	£10,000

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**£20,000**

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### Commissioning, Making and Presenting - Open Lottery

Fishguard Folk Festival	£5,000
Mercury Theatre Wales	£10,000

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**£15,000**

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### Connect & Flourish

Aberystwyth Arts Centre	£145,000
Action For Arts Trust Ltd	£80,000
Art Shell	£129,500

Arts & Business Cymru	£69,795
Aubergine Cafe and Events CIC	£77,446
Breaking Barriers Community Arts	£11,672
Butetown Arts & Culture Association	£50,000
Caerphilly County Borough Council Arts Development Team	£9,180
Canolfan a Menter Gymraeg Merthyr Tudful	£150,000
Celf O Gwmpas	£9,750
Celtic Neighbours	£8,420
Cwmni Theatr Invertigo	£10,000
Ffiwsar	£138,996
Ffynnon Llandysul Eglwys Bresbyteriaidd Cymru	£68,800
Jukebox Collective	£23,300
Kokoro Arts Ltd	£67,245
Ladies of Rage Cardiff	£22,396
Leeway Productions	£48,260
Llangollen International Musical Eisteddfod	£150,000
Mercator: Wales Literature Exchange and Literature Across Frontiers (University of Wales Trinity Saint David)	£63,000
Mr and Mrs Clark	£17,664
Natural Resources Wales	£54,000
NoFit State Community Circus Ltd	£163,930
Powys County Council	£47,849
Sub-Saharan Advisory Panel	£102,175
Taking Flight Theatre Company	£173,487
The Successors of the Mandingue	£47,750
Theatr Clwyd	£48,160
Tŷ Cerdd	£81,901
Undercurrents	£19,750
Urban Circle Productions	£130,510
Urdd Gobaith Cymru	£16,210
Volcano Theatre Company Ltd	£39,005
	<hr/>
	<b>£2,275,151</b>
<b>Creative Pathways - Open Lottery</b>	
The Space CIC	£46,500
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	<b>£46,500</b>
<b>Equalities - Creative Steps</b>	
Gentle/Radical	£9,328
Laku Neg	£7,560
Race Council Cymru	£142,520
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	<b>£159,408</b>

### International Opportunities Fund

Beyond the Border Storytelling Festival	£5,000
Dirty Protest Theatre	£4,990
Gentle Radical	£3,750
Majical Youth CIC	£4,875
Prestatyn & Meliden Community Action Group	£4,920
Vertical Dance Kate Lawrence	£5,000

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**£28,535**

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### Wales and the World - Open Lottery

Cynhyrchiadau Pam Lai? Productions	£9,570
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**£9,570**

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### Widening Engagement - Open Lottery

Reality Theatre Community Interest Company	£8,383
Shakespeare Link	£10,000

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**£18,383**

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### Arts Portfolio Wales

National Youth Arts Wales	£353,850
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**£353,850**

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### Arts Resilience Fund (Covid-19 support)

73 Degree Community Limited	£3,750
Afan Arts	£12,780
Andrew Logan Museum of Sculpture	£11,255
Ardour Academy	£19,704
Art and Soul Tribe CIC	£14,990
Articulture	£27,950
Arts & Business Cymru	£20,000
Aubergine Cafe and Events CIC	£19,777
Avant Cymru	£9,195
Between The Trees Ltd	£5,289
Beyond the Border Storytelling Festival	£35,000
Bombastic	£33,000
Canolfan a Menter Gymraeg Merthyr Tudful	£35,000
Cardiff Animation Festival	£23,471
Cardiff M.A.D.E. C.I.C.	£21,679
Cardiff Pottery Workshops Foundation	£35,000

Celf Able Limited	£8,911
Celf O Gwmpas	£14,038
Cimera	£15,937
Dance Blast	£14,820
Dirty Protest	£29,772
Flying Bridge Theatre	£35,000
FOCUS Wales	£25,000
Galerie Simpson Artists	£7,446
good cop bad cop productions	£21,500
Green Man Trust Ltd	£35,000
Groundwork Pro	£34,805
Gwyn Emberton Dance	£30,090
Hay Festival of Literature and the Arts Ltd	£35,000
Hummadruz	£7,600
Insole Court Trust	£31,050
Kidz R Us	£12,000
Le Public Space	£32,860
Lewis Merthyr Band	£8,800
Light Ladd & Emberton	£34,963
Majical Youth CIC	£33,236
Makers Guild in Wales	£34,086
Making Sense Community Interest Company	£15,196
Memorial Hall and Theatre	£33,189
Merthyr Tydfil Leisure Trust	£35,000
Mess up the Mess Theatre Company	£20,411
Motion Control Dance (MCD)	£15,500
Museum of Modern Art, Machynlleth	£16,759
Newport Philharmonic Choir	£1,300
PeopleSpeakUp LTD	£33,590
Pigtown Theatre CIC	£1,577
PuppetSoup Ltd	£11,957
Ransack Dance Company	£13,650
Re-Live	£20,633
Rhiwbina Amateur Theatrical Society	£3,544
Site Sit	£10,540
Small World Theatre Ltd	£22,000
Span Arts Ltd	£24,810
Stiwt Arts Trust Ltd.	£30,704
Striking Attitudes	£12,490
Swansea City Opera	£26,852
Tabernacl (Bethesda) Cyf	£23,034
TeliMon Cyf	£7,000
The Cory Band	£35,000

The Forget-me-Not Chorus Cardiff	£12,500
The Gate Arts and Community Centre	£35,000
The Little Theatre Club Rhyl	£17,358
The Potters' Gallery - Oriel y Crochenwyr	£10,926
The Successors of the Mandingue	£13,521
The Welsh Chamber Orchestra Ltd.	£6,300
Tredeggar Town Band Society	£16,911
Up Side Down Circus CIC	£10,000
UPROAR	£18,346
Vale of Glamorgan Festival	£10,050
Vic Studios LTD	£14,000
Waunifor Art Club	£11,299
Wyeside Arts Centre Ltd	£5,445

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£1,426,146

***Creative Learning through the Arts Programme***

Arts Council of Wales (General Activities)	£1,083,000
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£1,083,000

**TOTAL GRANTS TO ORGANISATIONS**

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£8,229,547

## Grants to individuals

### Commissioning, Making and Presenting - Open Lottery

Chappell, Richard	£10,000
Fletcher, Lee	£10,000
Goodridge, Francesca	£9,934
Harvey, Michael	£10,000
Matthews, Peter	£8,350
Parri, Sian	£10,000
Rees, Marc	£10,000
Tinnion, Lee	£6,552
Willis, Marcus	£9,941

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**£84,777**

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### Creative Pathways - Open Lottery

Williams, Ceriann	£9,058
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**£9,058**

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### Widening Engagement - Open Lottery

Greenhalgh, Beth	£5,600
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**£5,600**

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### International Opportunities Fund

Angharad Harrop	£3,880
Eric Ngalle Charles	£3,600
Joao Saramago	£2,000
Jorge Lizalde Cano	£2,370
Krystal Lowe	£4,000
Linda Norris	£2,000
Sadia Pineda Hameed	£4,900

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**£22,750**

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### Arts Resilience Fund (Covid-19 support)

Ackers, Stacey	£3,500
Adams, Becky	£6,215
Ahmun, Shakeera	£8,500
Allen, Connor	£5,014
Allpress, Alexander	£3,900
Anderson, Hazel	£8,975



Anderson, Pete	£8,345
Argent, Sarah	£5,450
Ashill, Kathryn	£12,016
Aspland, Lee	£10,000
Balla, Jessica	£9,949
Barley, Emma	£8,534
Barnes, Samuel	£4,050
Beeby, Beca	£7,350
Beer, Cheryl	£9,747
Best, Kelly	£10,000
Bettridge, Dan	£6,200
Bird-Jones, Christine	£7,500
Blade, Carole	£3,200
Blythe, Stacey	£4,390
Bond, Kerry	£3,955
Bond, Stuart (2 awards)	£9,028
Bonello, Gareth	£7,600
Bowen, Alex	£5,000
Bower, Ric	£10,000
Bowes, Zillah	£9,985
Bowles, Joshua (2 awards)	£10,840
Brett, Jessie	£10,000
Briton, Jesse	£9,900
Bromage, Tim	£4,280
Brown, Tammi	£8,434
Bruno Sanchez, Sebastian	£10,000
Bux, Monique	£3,000
Callan, Jessica	£10,000
Campbell, Krystal	£6,521
Carless, Rosanna	£5,000
Carter, Alison	£4,000
Chambers, Gareth	£8,930
Chapple, Carl	£8,743
Clark, Gareth	£9,500
Cliffe, Justin	£9,965
Clifford, Helen	£6,016
Cotsen, Jonathan	£10,300
Crawford, Eady	£8,055
Daimond, Colin	£3,546
Darby, Hannah	£5,040
Davies, Angela	£5,000
Davies, Catherine	£7,546
Davies, Lowri	£7,123

Davies, Rhiannon	£2,160
Davies, Teresa Jenellen	£5,050
De Jesus, Toni	£8,732
Dear, Bethan	£9,680
Divall, Luke	£3,203
Dooley, Freya	£2,786
Dowdall, Morgan	£7,007
Duncan, Alastair	£10,000
Dyson, Catherine	£8,457
Eglin, Oliver	£5,200
Elliot, Rachael	£9,668
Elmi, Asma	£5,000
Elstob, Tom	£2,805
Emerald, Teifi	£2,385
Engelkamp, Hannah	£8,715
Evans, Chris Tally	£8,000
Evans, Geraint	£7,000
Evans, Tracy	£9,950
Evans, Tudur	£10,000
Finch, Catrin	£8,000
Finnemore, Peter	£10,000
Fong, Joanne	£6,975
Goldberg, Maud	£8,917
Griffin, Isabel	£6,535
Griffiths, Tamsin	£12,400
Groves, Ellen	£7,786
Haf, Cêt	£8,085
Hallas, Penny	£1,492
Hameed, Sadia	£6,810
Harris, Christopher	£4,500
Harris, Georgina	£9,948
Harris, Sean	£6,750
Harris, Tracy	£3,250
Hart, Nicola	£9,525
Hartwig, Johana	£6,026
Harvey, Michael	£3,400
Haywood, Kate	£2,000
Heckler, Lauren	£9,730
Hembrough, Graham	£7,975
Higson, Rauni	£1,150
Hill, Mathew David	£4,680
Hill, Rob	£7,000
Hobson, Louise	£7,460

House, Lee	£5,000
Howells, Simon	£7,000
Hughes, Ailsa Mair	£8,239
Hunt, Sue	£6,412
Ifans, Mair Tomos	£1,600
Issa, Hanan	£10,000
Iwanowski, Michal	£3,850
James, Catriona	£2,320
James, Ceri	£10,000
James, Richard	£3,500
Jenkins, Angharad	£6,950
Jenkins, Delyth	£6,615
Jensen, Denni	£9,450
John, Sean Tuan	£6,000
Jones, Gareth	£8,655
Jones, Nathan	£4,252
Jones, Richard	£8,770
Jones, Sam	£5,400
Karadog, Aneirin	£7,200
Keineg, Katell	£7,600
KilBride, Gerard	£5,000
KilBride, Sarah	£4,818
Kim, Jin Eui	£10,000
Knowles, Rebecca	£9,800
Ladd, Eddie	£5,433
Leadill, Sophia	£8,155
Lee, Angharad	£10,000
Leeson, Joshua	£885
Lewis, Catherine	£8,614
Lewis, Charlotte	£4,780
Lewis, Kevin	£6,200
Little, Cath	£5,000
Lizalde Cano, Jorge	£10,383
Lowe, Krystal (2 awards)	£9,010
Luke, Kristin	£5,677
Marfoggia, Matteo	£10,000
McCarron, Ace	£5,670
McPake, Hannah	£8,885
Miah, Mohamad	£2,660
Miller, Lloyd	£1,349
Mockett, Franklin	£4,000
Moger, Alison	£2,000
Morden, Daniel	£8,500

Morgan, Bethan	£3,100
Morus, Gwilym	£7,500
Morus-Jones, Emily	£10,000
Mumford, Sarah	£9,450
Mumford, Tom	£4,776
Munn, Zoe	£6,084
Murphy, Yvonne	£9,100
Mutka, Eeva Maria	£2,600
Myles, Tom	£2,250
Nicholson, Leo	£4,868
Nickels, Shane	£9,912
Niziblian, Lydia	£8,151
Noble, Kimberley	£10,000
O'Doherty, Sian	£5,000
O'Driscoll, Amy	£4,885
Ognjenovic-Morgan, Helen	£10,240
Okwedy, Phil	£7,828
O'Neill, Uma Arwen	£4,500
Osborn, Louise	£9,300
Owen, Angharad	£10,000
Pallant, Tracy	£8,750
Parry-Jones, Clare	£9,600
Parsons, Alex Marshall	£10,000
Pasotra, Tina	£9,878
Pavey, Mark	£10,000
Philp, Jack	£4,643
Pickard, Ali	£7,775
Pilyarov, Ruslan	£6,850
Plowman, Lynne	£9,900
Pountney, Jon	£2,000
Price Williams, Jordan	£6,460
Ratigan, Jon	£5,120
Razi, Mehdi	£10,000
Rea, John	£9,977
Redgrave, Gaia	£10,783
Rees, Marc	£8,790
Rehman, Dean Tarek	£9,576
Ricketts, Chris	£4,850
Roberts, Judith	£10,000
Robinson, Emily	£2,274
Rowlands, Ian	£8,800
Russell-Thompson, Nye	£4,000
Saki, Sahar	£10,000

Saunders, Robert Ian	£10,000
Seer, Eres	£5,198
Shelley, Ellen Ruth	£7,558
Singh, Simran	£6,060
Sinnadurai, Josie	£1,800
Smith, Angharad	£8,200
Smith, Ricky	£5,355
Smith, Steven	£9,325
Sood, Sarita	£4,600
Southgate, Barnaby	£8,000
Spikes, Dorry	£6,463
Stamp, Shaun	£10,000
Stringer, Ruth	£4,988
Sweeney, Theresa	£5,750
Syed, Naseem	£7,870
Taylor, Esther	£5,000
Thomas, Adele	£10,000
Thomas, Amelia	£9,780
Thomas, Julia	£10,200
Thomas, Laura	£5,750
Thomas, Lowri Elen	£8,098
Thomas, Marc Owain Warren	£7,051
Thomson, Gwen	£4,863
Thorley-Fox, Becky	£1,550
Tinker, Tracy	£10,000
Tinnion, Lee	£3,000
Tomos, Cai	£10,000
Treharne, Amy	£6,920
Trimble, Rhys	£3,138
Turoczy, Uschi	£5,175
Tyson, Alana	£10,000
Van Rijswijk, Angharad	£3,500
Veysey, Helena	£3,700
Vicary, Sean	£3,000
Wardlaw, Sarah	£10,000
Watkins-Hyde, Ieuan	£6,000
Whittaker, Paul (2 awards)	£10,830
Williams, Branwen Haf	£6,750
Williams, Dylan	£4,560
Williams, Llinos	£9,990
Williams, Tamar	£8,000
Williams-Jones, Bethan	£5,993
Woodward, Kate	£6,965

Yates, Neil	£8,000
Yhnell, Dean	£9,307
Ynyr, Iola	£9,562
Zandersona, Gundija	£6,920

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£1,566,305

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TOTAL GRANTS TO INDIVIDUALS £1,688,490

TOTAL GRANTS OFFERED net of offers not taken up or withdrawn £9,918,037

## Grants Administered by Ffilm Cymru Wales

### Development

Awen Media Ltd	£15,500
Prano Bailey-Bond	£24,800
Jay Bedwani	£15,000
Sarah Brocklehurst Productions (2 awards)	£36,500
Caspian Films Ltd	£13,100
Dear Heart Productions	£18,000
Fulwell 73 production company (2 awards)	£38,750
IE IE Productions Limited	£24,000
Old Grog Films Ltd	£20,000
Severn Screen Ltd	£24,999
Standoff Pictures	£15,000
Martha Stone Productions (2 awards)	£40,000
Victoria Falls Entertainment Ltd	£24,999
Vox Pictures Ltd	£24,000

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**£334,648**

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### Production

FAE Films & Television Ltd	£150,000
Fields Park	£100,000
IE IE Productions Limited	£65,875
Kensukes Kingdom Limited	£150,000
Mad as Birds	£200,000
Sgrech Cyf	£12,570
Silver Salt Films	£6,600
Truth Department (Dewi Gregory)	£49,999

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**£735,044**

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### Exhibition Festivals

Aberystwyth Arts Centre	£8,500
Anglesey Arts Forum	£1,500
Arts Connection	£946
Brynamman Public hall and Institute	£12,000
Canolfan S4c YR Egin	£6,755
Cardiff Animation Festival	£8,000
Chapter Arts Centre	£14,000
Clwyd Theatr Cymru	£14,000
Gentle/Radical Film Club	£6,000
Theatre Gwaun	£7,000

Gwallgofiad (Cellb)	£10,770
Iris Prize	£13,000
Kotatsu Japanese Animation Festival	£3,530
Magic Lantern	£10,000
Neuadd Ogwen	£845
Wales One World Film Festival Ltd	£7,950
Watch-Africa Film Festival	£9,842
Wicked Wales	£6,122

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£140,760

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**TOTAL GRANTS FROM FFILM CYMRU WALES**

net of offers not taken up or withdrawn

**£1,210,452**

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**Grants Administered by BBC Cymru Wales**

Horizons: Launchpad Fund	
Aleighbia Scott	£2,000
Eadyth	£200
Faith	£500
Foxxglove	£799
Hako	£500
Hemes	£500
High Grade Grooves	£1,000
HVNTER	£1,000
Ifan Pritchard	£1,984
K(E)NZ	£500
Kingkhan	£1,400
Leila Mckenzie	£1,000
Los Blancos	£1,050
Mace the Great	£2,000
Madi	£1,000
Magugu	£1,700
Malan Jones	£500
Mass Accord	£500
Mawpit	£1,000
Minas	£1,000
Monique B	£2,000
Phoenix Rise	£500
Razkid	£1,000
Recordiau Jigcal	£1,540
Rona Mac	£2,000



Something Out of Nothing Records	£2,000
Sonny Double 1	£1,000
Swannick	£500
Sywel Nyw	£1,000
SZWE	£2,000
Thallo	£1,400
The Honest Poet	£970
Traxx £1,100	
	£37,143

<b>TOTAL GRANTS FROM BBC CYMRU WALES</b> net of offers not taken up or withdrawn	£37,143
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#### Grants Administered by Literature Wales

Connikie, Carl	£2,684
Howell, Daniel	£2,684
Shahwar, Durre	£2,684
Burnett, Emily	£2,684
Issa, Hanan	£2,684
Khan, Jaffrin	£2,684
Thompson, Marvin	£2,684
Morais, Nia	£2,684
Okwedy, Phil	£2,684
Atashi, Shara	£2,684
Rahman, Taz	£2,684
Mohamed, Umulkhayr	£2,684
	£32,208

<b>TOTAL GRANTS FROM LITERATURE WALES</b> net of offers not taken up or withdrawn	£32,208
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## Grants administered by Tŷ Cerdd

### Create

Aberhonddu and District Male Choir	£450
Abertillery Town Band	£1,000
Aberystwyth Arts Centre	£750
Aberystwyth Musicfest Ltd.	£500
Artis Community	£1,350
Bangor Music Festival	£1,350
Burry Port Town Band	£1,200
Butetown Arts & Culture Association	£1,350
Eisteddfod Genedlaethol Cymru	£1,000
Hijinx Theatre	£1,350
NEW Sinfonia	£1,350
Operasonic Cyf	£750
OPRA Cymru Cyf	£1,350
Stormz Community For Musical Arts CIC	£1,350
Tân Cerdd CIC	£750
UPROAR	£1,350
Vale of Glamorgan Festival	£1,350

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£18,550

### Inspire

Beacons c/o Rhondda Cynon Taf County Borough Council	£1,000
Fishguard International Festival	£1,350
Galeri Caernarfon Cyf	£1,350
Race Council Cymru	£1,350
Sesiwn Fawr Dolgellau	£1,350
Stormz Community For Musical Arts CIC	£1,000
Tân Cerdd CIC	£1,350
The Successors of the Mandingue Ltd	£1,350
Urdd Gobaith Cymru	£1,350
Young Music Makers of Dyfed	£1,350

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£12,800

### Engage

Bangor Music Festival	£1,000
Fishguard International Festival	£1,250
Forget-me-not Chorus	£700
Race Council Cymru	£1,350

Sound Progression	£1,350
Vale of Glamorgan Festival	£1,000

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£6,650

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### Resource

Barry Community Choir	£960
Barry Male Voice Choir	£864
Cantorion Rhos	£441
Colstars Youth Theatre	£626
Crwbin Silver Band	£1,000
Ebbw Valley Brass	£976
Ifton Colliery Band	£1,000
Lewis Merthyr Band	£500
Llysfaen Singers	£507
Menai Bridge Band Porthaethwy	£1,000
Newtown Silver Band	£384
Northop Silver Band	£1,000
Ogmore Valley Male Voice Choir	£1,000
Pontardulais Town Band	£585
Talgarth Male Choir	£982
Vale of Glamorgan Brass Band	£107

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£11,932

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### Rescue

Carmarthen Symphonic Wind Band	£452
Cor Meibion y Brythoniaid	£3,500
Gabalfa Community Choir	£1,200
Gorseinon and District Brass Band	£1,000
Ifton Colliery Band	£4,455
Llysfaen Singers	£2,000
Markham and District Band	£1,000
Seindorf Arian Frenhinol Dyffryn Nantlle	£5,000
Vale of Glamorgan Brass Band	£925

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£19,532

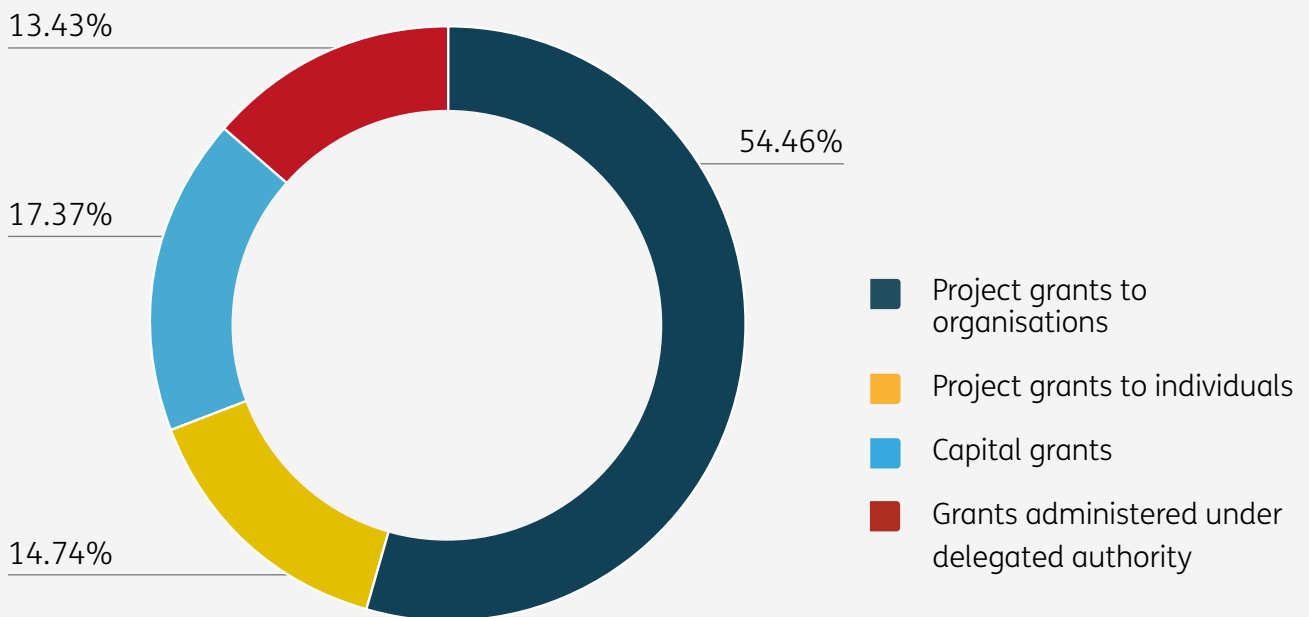
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### Restart

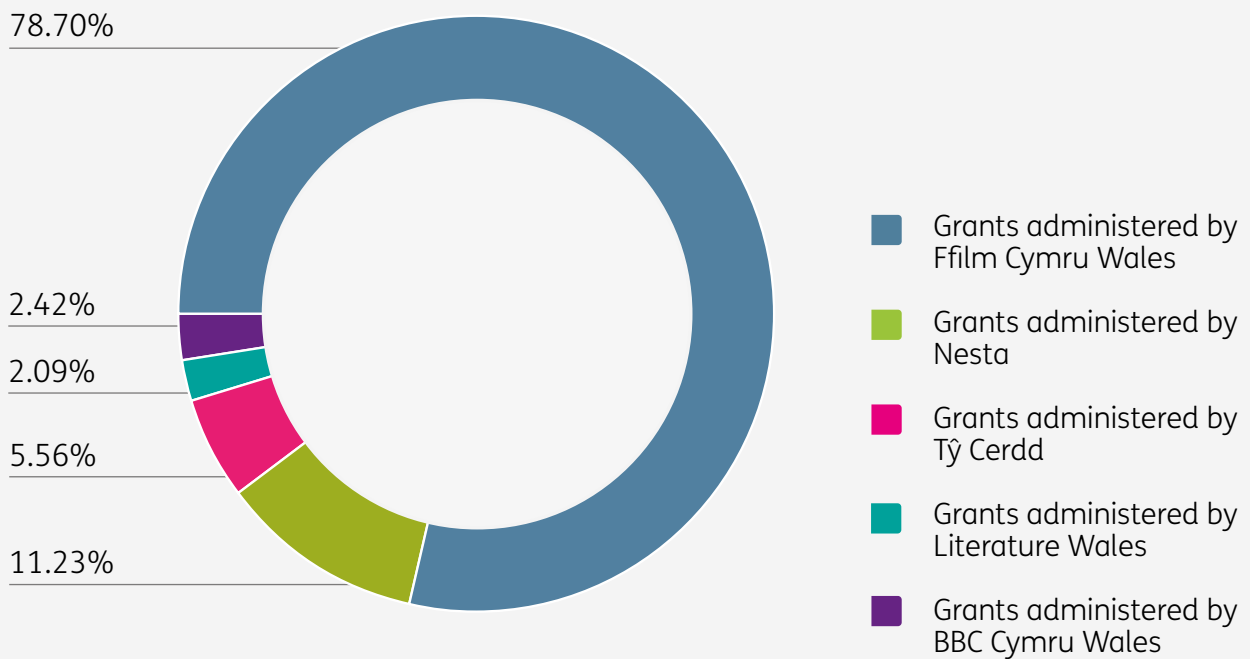
Abertillery Town Band	£505
Allegra Ladies' Choir	£560
Barry Community Choir	£1,000
Burry Port Town Band	£1,250

CAVMS Youth Jazz Orchestra	£450
Cor Dyfed Choir	£1,500
Cor y Gleision	£1,000
Cor-y-Cymoedd	£1,520
Creative Stuff Newtown CIC	£654
Lewis Merthyr Band	£1,000
Llwydcoed Band	£500
Markham and District Band	£400
Monmouth Big Band	£500
Newport Philharmonic Choir	£537
Oasis One World Choir CIC	£500
Seindorf Beaumaris Band	£1,500
South Wales Gay Men's Chorus	£1,200
Swansea Music Art Digital	£480
The Cory Band	£1,000
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	<b>£16,056</b>
<b>TOTAL GRANTS FROM Tŷ CERDD</b>	
net of offers not taken up or withdrawn	<hr/> <hr/>
	<b>£85,520</b>

## Lottery Distribution grants by type



## Delegated Authority Grants





**Cyngor Celfyddydau Cymru**  
**Arts Council of Wales**



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**Arts Council of Wales**