



Cyngor Celfyddydau Cymru
Arts Council of Wales

GENERAL ACTIVITIES

Report and Financial Statements
for the year ended 31 March 2018



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Charity number 1034245

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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.

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

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



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

<http://www.arts.wales>

Arts Council of Wales at a glance

1,626

funding applications processed

(2016/17: 1,367)

220

schools supported by the *Lead Creative Schools* programme

(2016/17: 151)

10

Creative Wales awards to individual artists

(2016/17: 14)

58,849

participatory sessions were run by our portfolio of funded organisations, resulting in attendances of

0.8m

511

performances supported by the Arts Council's *Night Out* scheme

(2016/17: 513)

22,364

arts events were run by our portfolio of funded organisations, generating attendances of

3.8m

1,181

Collectorplan loans to support the purchase of contemporary art

(2016/17: 1,177)

7.33%

Arts Council running costs as a proportion of total expenditure

(2016/17: 8%)

172

international exchange projects delivered in partnership with Welsh Government and British Council

(2016/17: 149)

Chair's statement

For the benefit of all...



There's been much to be proud of in the arts in Wales during 2017/18. Award-winning artists at home and abroad have entertained, inspired and challenged us. Pontardawe Arts Centre's production of *The Revlon Girl*, re-staged at the

Edinburgh Festival, found solace of a kind in the unimaginable horror of the Aberfan tragedy. Whilst National Theatre Wales and Common Wealth were bang on the money in celebrating the resilience of the Port Talbot steelworkers in *We're Still Here*.

From Janacek's *From the House of the Dead* by Welsh National Opera to artist James Richards' extraordinary *Music for the gift* at the Venice Biennale, this was work which exemplified the Arts Council's determination that the arts should be bold, speculative, experimental and excellent. And it was with enormous pride that I applauded Sherman Theatre's production of Welsh playwright Gary Owen's *Killology* being nominated (and eventually winning) an Olivier – a first for Wales in this most prestigious of UK theatre awards. It's the thrill of these occasions that demonstrates, with authenticity and urgency, the impact the arts can have in opening our eyes to the successes, the sorrows and the adversity of the world around us.

It's this simple fact – that the arts matter – that has focused Council's energies during the year. We've thought carefully about the type of work we're encouraging and asked ourselves who this work should be for. As a result, we stand on the threshold of some important and far-reaching changes.

For all the successes and achievements of the publicly funded arts – and you'll read about many of them in this report – the benefits of the arts remain stubbornly out of reach for far too many people in Wales. Disabled people and people from black, Asian and minority ethnic backgrounds are shamefully under-represented in the publicly funded arts. This must change – and change it will – as Council places greater emphasis on Equalities, Diversity and Fairness in the years ahead.

More broadly, all of us concerned with the common good, with the well-being of our fellow citizens, must be deeply anxious about the inequalities and social exclusion that's so evident all around us. Wherever you stand in the Brexit debate, we were all stopped in our tracks by the shout of contempt for institutions, experts and establishments that came from the disadvantaged areas of Wales. From outside the urban metropolitan centres, we were hearing the voices of those who felt forgotten. We're unapologetic about supporting the very best. But the best for who? Limitations of access, the brutal exclusions, are not acceptable in the publicly funded arts.

Community-based champions such as Valleys Kids and Head4Arts face every day the challenges of inclusion,

empowerment and spreading the benefit of public funding. They remind us all that the arts are a central force for well-being, energising people and communities and pointing to a new engagement with the arts. And they are as concerned with excellence in the arts experiences they offer as any of our high-profile arts organisations and companies are in their activities.

For our part, the Arts Council is determined to push forward with broadening access to the arts for the full range of Welsh people, as spectators and as participants. We're already involved with mainstreaming the influence and experience of the arts in areas such as education and regeneration. Our *Creative Learning* programme now has a presence in over a third of Wales' schools, while the *Ideas: People: Places* project has forced us to re-think how we encourage community-based regeneration.

We've also this year been sharpening our approach to the work we do around Arts and Health. We've been supporting extraordinary activity, from digital storytelling in Abertawe Bro Morgannwg University Health Board to Dementia and Imagination research in Bangor, to Betsi Cadwaladr's work with Theatr Clwyd's *Arts from the Armchair* programme with early onset memory loss. And we've been backing the *Cartrefu Cymru*

initiative which has reached 120 care homes with the involvement of 16 artists. We're seeking to drive forward this work in Health and Social Care through key strategic partnerships, such as our Memorandum of Understanding with the Welsh NHS Confederation.

Finally, as stewards of public funds, Council has a particular responsibility to ensure that the public's money is well spent. Good governance is important and I want to pay tribute to the selfless work of my fellow Council members who work so hard to support me and the Arts Council's gifted and committed staff. Together, we want to see the arts embracing equality and celebrating diversity, wherever it's found. We want Wales to be fair, prosperous and confident, improving the quality of life of its people in all of our country's communities. This is the commitment we make to the people of Wales.



Phil George
Chair

Performance Report and Operational Review

81%

of adults in Wales attended the arts

(2016/17: 78%)

Source: Wales Omnibus Survey

87%

of children in Wales attended the arts

(2016/17: 83%)

Source: Children's Omnibus Survey

6,268

participatory sessions were run by our portfolio of funded organisations in Welsh, resulting in attendances of

130,350

3,112

Disabled Visitors Cards issued via our *Hynt* scheme

(2016/17: 3,361)

6,632

participatory sessions run by our portfolio of funded organisations were targeted at people in the protected characteristics group, resulting in attendances of

104,237

87%

of children in Wales took part in arts activity

(2016/17: 86%)

Source: Children's Omnibus Survey

Chief Executive's statement

Making the arts central to life and well-being



These are challenging times for the publicly funded arts in Wales. This isn't because people don't care about them – the public continues to enjoy and take part in the arts in large numbers. It isn't because the work is

poor – critical acclaim and international distinction tells us differently. The arts remain vulnerable because continuing economic pressures on public funding are forcing uncomfortable choices about which areas of civic life can advance the most persuasive case for support.

The continuing squeeze on Government funding, combined with reductions in National Lottery income, have forced Council to re-think its priorities. The financial pressures that crowd around us could simply have been taken as the cue for retrenchment in ambition and imagination. Instead, Council has set itself a bigger (and more testing) challenge – building a consensus around a new kind of articulation of the purposes and fairness of public funding for the arts.

In 2018 we publish a new Corporate Plan for the period 2018-2023. It's a Plan based on two priorities.

The first is developing the capability and potential of those working in the arts, helping artists and arts organisations to do their best work. It's about nurturing talent and growing the skills that enable success in a complex and competitive world. Whether

you're a writer, a musician, a visual artist or our largest national company, our job is to help you thrive and to make your practice more sustainable. Our new programme, *Resilience*, was introduced during the year and has the principles at its core.

But we have a second priority, equally if not more important. It's about diversity, equality and inclusion.

We used 2017/18 to talk to people the length and breadth of Wales – our All Wales Creative Conversations. We heard about the ways that artists and arts organisations are building community and civic life. And we were challenged to show how the Arts Council of Wales is responding to a new energy borne of the frustration of those who feel marginalised, ignored or forgotten.

We want to find new ways of encouraging more people – and a wider range of people – to enjoy and take part in the best that the arts can offer. This will be challenging. Our research shows that the presence of people with protected characteristics in the population as a whole is far from being matched in the activities that we're funding. The gap is especially striking in the very low number of disabled people and those from black, Asian and minority ethnic backgrounds employed in the arts or represented on the boards of management of our key arts organisations. Whether attending, taking part or working in the administration of the arts as employee or board member, Council is determined to drive through the change needed to see a wider cross-section of the population having the opportunity to get involved.

The need for change also applies to us, the Arts Council, especially when it comes to how we spend public money.

We're a champion for the arts in Wales, but we must also be careful to spend no more on ourselves than is absolutely necessary. So we've saved money by simplifying processes, reducing staff numbers and making better use of technology. Because our goal is to create an organisation with the arts at its core – first rate in its delivery and sustainable in its cost.

Achieving significant change is always challenging. That change is needed is

inarguable. And while we can't anticipate every issue that change will throw up, we're determined not to be deflected from the end goal – a stronger, more resilient arts sector which helps us in our goal to make the arts central to the life and well-being of all people in Wales.

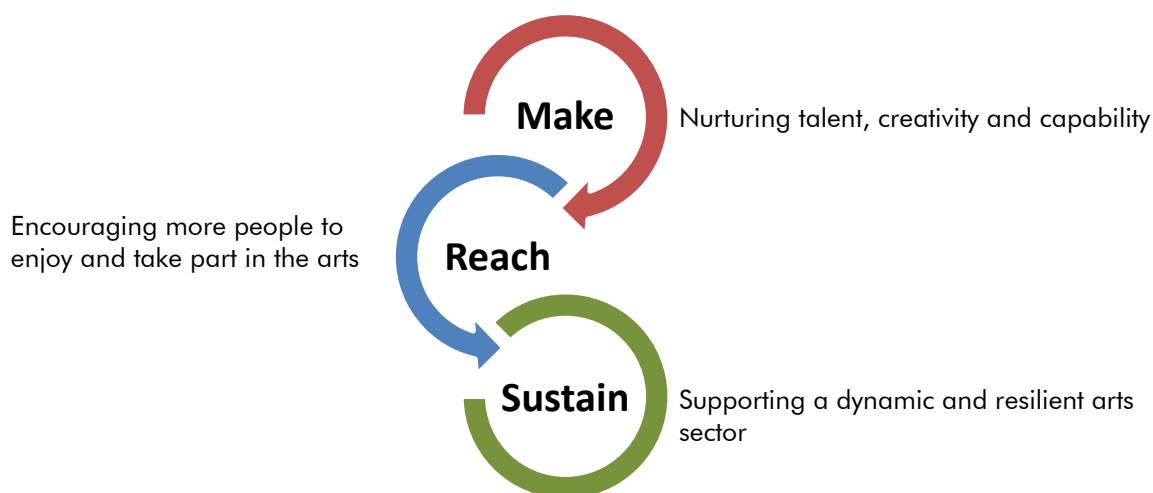


Nick Capaldi
Chief Executive

Make: Reach: Sustain

The principles that drive our work

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



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

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

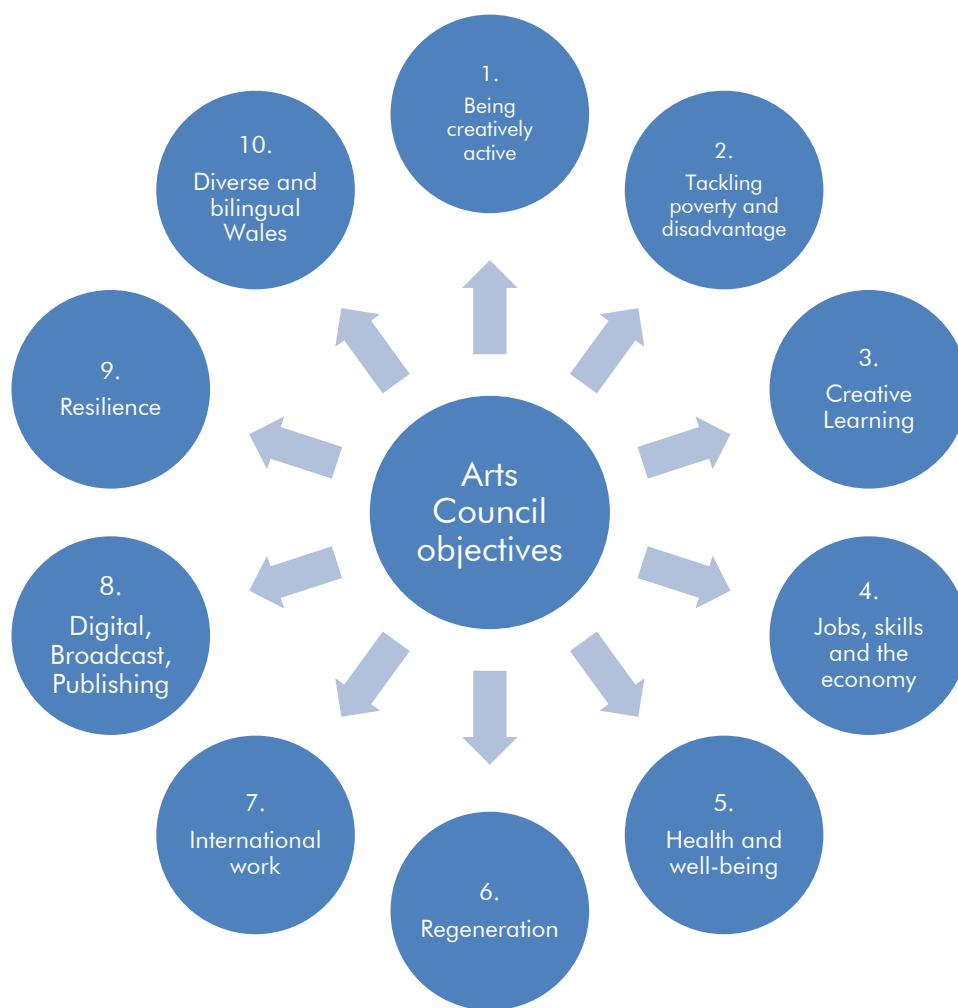
If we Make well, we inspire. And by inspiring, it becomes more likely that people will enjoy and take part in the arts. We believe that the best experience of art happens when that chord is struck – when what is made, connects. This is what it means to **Reach**, and crucially to reach further and deeper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

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

Make: Reach: Sustain

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

Our Remit Letter for 2017/18 set out ten areas of priority.



Public benefit

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

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

About the Arts Council of Wales

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

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

Our **Royal Charter** sets out our objectives.

They are to:

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

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

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

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

- it helps to make sure that Welsh audiences are able to enjoy the widest possible range of arts activities
- it makes the arts more affordable, bringing them within reach of more people
- it encourages innovation and risk-taking, raising the quality of the arts made and promoted in Wales

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

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

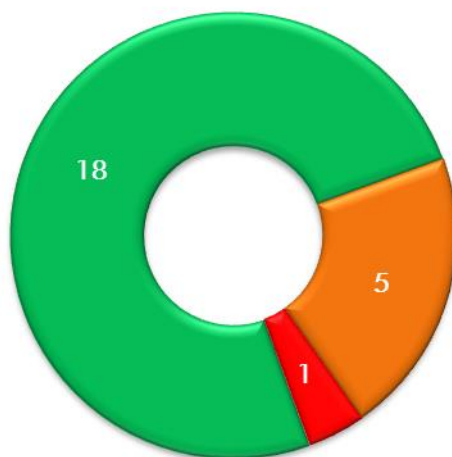
Our performance overall

A year of strong performance against our corporate objectives

Our Operational Plan for 2017/18 contained 24 key tasks, each with its own targets. Progress was monitored throughout the year through quarterly progress reports that are presented to Council. We also meet quarterly with officials of the Welsh Government.

Overall, Council welcomed the fact that the majority of our tasks in 2017/18 were successfully completed. At the end of the year:

- 18 tasks had been successfully completed
- 5 tasks were substantially complete
- 1 task had not been completed



Where targets were substantially but not fully completed, the reason in most cases was a difference in timing between the financial year end and when the target was fully completed. The outcome was not, therefore, material.

The single task that was not delivered during the year was the [Review of our Quality Appraisal scheme](#). As part of our overall monitoring of the organisations that we fund, we use a team of volunteer National Advisers to see, assess and report on the arts across Wales. In spite of several recruitment campaigns, we have struggled to find appropriately qualified individuals in all parts of Wales (especially those who are Welsh speaking). This has meant that we weren't able to achieve consistent coverage in all parts of the country. New proposals were developed during 2017/18 and these are now being introduced.

We achieved strong results in a number of areas:

- **significant numbers of people enjoyed and took part in the arts** – our Portfolio of key organisations continued to attract large audiences, with attendances of over 4 million and participation of around 1 million people
- our *Night Out* scheme promoted over 500 events in local community settings across Wales
- our *Creative Learning through the Arts* Programme goes from strength to strength. We're well ahead of plan with nearly a third of Wales' schools now taking part in the programme. The Organisation for Economic Co-operation and Development (OECD) identifies the programme as an international exemplar of creative education
- we have made it easier **for disabled people across Wales to attend the arts** – our *Hynt* Disability Ticketing scheme has grown significantly since its launch three years ago to include 12,000 members
- **our broadcast partnerships** with BBC Cymru Wales and S4C opened up new opportunities to develop and promote Welsh creative talent. Evaluation of the BBC/Arts Council Horizons/Gorwelion project has confirmed the contribution it has made to supporting emerging musical talent
- our *Collectorplan* scheme is maintaining last year's record-breaking level, generating **over £1m of sales of artists' work**
- our **international partnerships** in India and China are opening up new markets for Welsh artists and arts organisations
- we researched and published Wales' **first ever mapping research of Arts and Health activity**
- we have provided **written and oral evidence to National Assembly Committees** on a wide range of topics including:
 - Inquiry into non-public funding of the Arts
 - Publishing and Literature
 - Music Services
 - Film and TV production
 - The impact of Brexit

How we achieve our key objectives

Objective	What we did during 2017/18
<p>Make – nurturing talent, creativity and capability</p>	<p>We work to create a supportive environment in which artists and arts organisations are enabled to do their best work – an environment which:</p> <ul style="list-style-type: none"> – identifies and nurtures creative talent, wherever it’s found in Wales – supports and celebrates imagination, innovation and ambition – nurtures creativity through the medium of Welsh and English – enables artists to develop a professional career in Wales – offers a range of arts experiences to enjoy and take part – develops the creative traditions of Wales and reinterprets them with contemporary relevance – is international in outlook
<p>Remit Letter: 1,8</p>	<p>We invested around £28.7 million in our Arts Portfolio Wales – the 67 revenue-funded organisations that are bringing the arts to communities across Wales. Between them, they commission, produce and promote, exhibit and tour high quality work.</p>
	<p>We invested in a wide range of individual projects and activities during 2017/18. One of Wales’ strengths is its music festivals – from the relaxed eclecticism of Green Man to the internationally celebrated Hay Festival, Wales’ festivals champion excellence and act as an artistic magnet, attracting audiences to Wales. In 2017/18 we financially supported 41 Festivals.</p>
	<p>We support artists at key moments in their careers. Whether working singly or together, locally or globally, our goal is to create the opportunities that will make it easier for our artists to pursue viable, sustainable careers from a Welsh base. During 2017/18 we provided support to 150 individuals.</p>
	<p>We promote many opportunities to develop the creativity of young people. An active engagement with the arts can transform the way children and young people learn and explore the world around them, helping them to develop the self-respect and confidence that will be such an important part of their life skills for the future.</p> <p>Our arts education partnership with the Welsh Government – <i>Creative Learning through the Arts</i> – is firmly embedding the principles of arts and creativity in schools across Wales. We have also been able to find a suitable way of protecting the future of our national youth performing ensembles (National Youth Arts Wales). This will provide creative opportunities of the very highest quality.</p>

Objective	What we did during 2017/18
<p>Reach – encouraging more people to enjoy and take part in the arts</p> <p>Remit Letter: 2,3,5,7,10</p>	<p>We are committed to ensuring that the Council’s funding is accessible and of benefit to all the citizens of Wales. Ensuring the greatest access to the arts is a natural priority for a body, such as us, that is in receipt of public funds.</p> <p>We work to remove the barriers that prevent and impede people from enjoying and taking part in the arts. We are especially keen to attract those from economically disadvantaged communities. We know that there is a gap in attendance and participation between the most and least affluent in Welsh society, and narrowing that gap remains a priority.</p> <p>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. Changing this is a priority for 2018/19.</p> <p>We have detailed action plans for Equalities, Welsh Language and Sustainable Development. We publish specific reports on our performance in each of these areas. We achieved significant successes in our work around the implementation of the new Welsh Language Standards and have integrated Sustainable Development across our policy-setting. We were less pleased with our progress across our Equalities work, especially the low level engagement with disabled people and those from a BAME background. This will be addressed with renewed urgency in 2018/19.</p>
	<p>We want all young people to have the opportunity to enjoy high quality arts and to develop their own talents. Our key priority in 2017/18 was working together with the Welsh Government on the establishment of our major partnership project, <i>Creative Learning through the Arts</i>.</p> <p>During the year we exceeded our targets for the Lead Creative Schools programme, with activity now taking place in 548 of Wales’ schools. The programme has employed 233 Creative Agents and 500 Creative Practitioners. 40,000 learners have been involved in the project so far, working with 1,000 teachers.</p>
	<p>We have invested c.£3 million in 19 community regeneration projects under the banner of our Ideas: People: Places programme. The projects involve a wide range of public sector organisations – in local government, social housing and the arts. But the thread that connects them all is that the local community has been placed centre-stage, achieving extraordinary regeneration outcomes in some of Wales’ most disadvantaged areas.</p>

Objective	What we did during 2017/18
<p>Sustain – supporting a dynamic and resilient arts sector</p>	<p>In these testing financial times, resilience will be key to arts organisations' future survival. We are delivering a strategy for the Arts Council, and the arts in Wales, that encourages innovation and entrepreneurship and that enables the work of our artists and arts organisations to become more durable and sustainable.</p>
<p>Remit Letter: 4,6,9</p>	<p>During the year we have been delivering a programme of business development support for our key organisations - Resilience. The aim is to enhance their business capability so that they are less dependent on public funding.</p>
	<p>We want our leading artists and arts organisations to realise their international ambitions by exploring new international markets and connecting with new partners. Welsh artists attended a range of international showcases/trade fairs, including South by South West, WOMEX, Celtic Connections and the Lorient Festival.</p> <p>Working in partnership with the British Council we supported the development of 13 projects launched under our new Wales:India funding initiative. We have also been exploiting the potential of our cultural links in China, opening up new market opportunities for Welsh arts organisations.</p>
	<p>Brexit creates uncertainties over how some aspects of our international working will operate in the future. Nevertheless, we're fully engaged in the current debate around Wales' relationship within Europe. We continue to advocate the importance of developing new market opportunities for the arts and creative industries.</p>
	<p>We are careful to spend no more on ourselves than is absolutely necessary. Council has always said that it's the arts themselves that are the proper focus for the investment of the public's money.</p> <p>Over recent years we've saved money by simplifying processes, reducing staff numbers and making better use of technology. Over the past five years we've reduced staff numbers by almost a quarter. But we know that in cutting our own organisation we risk impairing the quality of service that has been such an important part of the success we've achieved in recent years. So our goal is to create an organisation with the arts at its core – first-rate in its delivery and sustainable in its cost.</p>
	<p>We agreed the secondment of a member of our staff to the office of the Future Generations Commissioner. This provides us with an unparalleled opportunity to ensure that the arts are integrated into the well-being plans of the 44 public bodies covered by the Future Generations legislation.</p>

Building Resilience

Alan Watkin
Acting Chair,
Capital
Committee



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

Strengthening the arts infrastructure

For more than two decades the Arts Council has been investing funding from the National Lottery in capital projects. Across Wales we're helping organisations to enhance and extend their activities by creating the right buildings and physical environments within which to deliver their work. Council ring-fenced approximately £22m for 2012-17, prioritising support for the consolidation and improvement of those arts organisations that play a leading role in Wales' cultural life. We were therefore pleased during the year to see the completion of **Tŷ Pawb** in Wrexham and significant progress with **Galeri's** plans to extend its cinema facilities, providing additional income to support the cultural programme.

Sustainability

We're committed to sustainable development and expect projects, as far as possible, to take account of all long-term benefits and costs – environmental, social and economic. We expect the organisations that we fund to embrace the principles enshrined in the Welsh Government's Well-being legislation, placing sustainability at the heart of their development plans. Environmental sustainability is an important part of this and we have supported

organisations including Craft in the Bay and Ballet Cymru to install energy efficiency LED lighting, the installation of solar panels, and updated heating systems. Both have reported significant cost savings with Ballet Cymru actually generating a modest income.

Enabling organisations to thrive and not just survive.

In these challenging financial times, organisations need more than ever to be entrepreneurial and resilient. A resilient organisation is one that has the skill, capacity and resources to endure in the longer-term. Unsurprisingly, these are the principles underpinning our new *Resilience* programme for our Arts Portfolio Wales. 57 APW organisations participated in the programme during 2017/18.

Ensuring value for money

With the support of our expert Capital Committee, we work with officers to ensure that the projects we support are fit for purpose and financially viable. Capital projects can often be complex, and develop over a period of many years. Our comprehensive processes for feasibility, design, procurement and build ensure that projects are well-conceived and planned.

Principal risks and uncertainties

Lesley Hodgson
Chair,
Audit & Risk
Assurance
Committee



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

Managing our affairs effectively

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

Protecting the public’s money

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

Taking risks: a balanced approach

Unauthorised access to our systems is just one of a range of potential risks that could compromise our performance. But we mustn’t become so risk averse that

we ignore important opportunities for innovation and growth. We aim to take appropriate but informed risks, as circumstances dictate. However, we wouldn’t behave recklessly; neither would we wilfully squander public money nor endanger our reputation for prudence.

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

We continually seek to improve our internal control systems. Our Corporate Assurance Framework is used to identify the robustness of the underlying controls and assurance processes. Any aspects that need to be strengthened are highlighted and the Committee monitors action taken to ensure that appropriate remedial action takes place.

Financial risk and capital management

The Council mainly holds financial instruments to finance its operations, for example trade debtors and trade

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

These risks are managed as follows:

Liquidity risk – the Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2017/18, to meet all current contracted commitments. The Council does not consider that its activities are exposed to any significant liquidity risk.

Interest rate risk – cash and cash equivalent balances are held in instant

access variable rate bank accounts which on average carried an interest rate of 0.5% (2016/17: 0.5%) in the year. The Council does not consider that its activities are exposed to significant interest rate risks.

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

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

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

Principal risks	Key mitigating actions
<p>Governance Poor management results in a significant failure to deliver the key objectives in corporate and operational plans</p>	<p>Clearly defined project management disciplines exist to assist Council officers in the delivery of their work. A formal progress report is presented to Council each quarter. This report also forms the basis for Quarterly Monitoring Meetings between Council's senior leadership team and officials of the Welsh Government.</p>
<p>Funding Cuts in public sector funding could damage the arts across Wales</p>	<p>Although National Lottery income for this year was similar to last, we're continuing to manage the underlying trend of reducing levels of income for the Lottery good causes. We have also had to achieve further savings in our own running costs. This helps us to ensure that as much funding as possible is available for direct arts expenditure.</p> <p>A key area of risk is the continuing reductions in local authority arts funding. We're working with local authority partners to explore alternative strategies for protecting support for creative activity.</p>
<p>Key arts organisations fail as a consequence of funding cuts</p>	<p>Our Arts Portfolio Wales (APW) accounts for the majority of our grant-in-aid funding. The Portfolio's artistic, financial and operational effectiveness is closely monitored by officers. Regular reports showing the risk assessment of each of our annually funded organisations are provided to our Audit & Risk Assurance Committee and to Council. When necessary, we take a pro-active approach to working directly with organisations that experience difficulties, investing time and expertise to help them to resolve matters of concern.</p>
<p>Grants management 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 "Whistle-blowing" and Anti-fraud polices. These were reviewed during the year.</p>

Principal risks	Key mitigating actions
<p>Major projects The Welsh Government loses confidence in our management of the <i>Creative Learning</i> programme</p>	<p><i>Creative Learning</i> is a partnership project with the Welsh Government totalling £20m of investment over 5 years. Management of the project has been reviewed by the Arts Council's internal auditors and 'substantial' assurance given.</p>
<p>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>
<p>IT Unforeseen or unexpected outages compromise business continuity</p>	<p>A full emergency plan is in place and tested annually. Should an incident arise, alternative offsite IT facilities are available.</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>Personal Data Personal data is lost, compromised or stolen</p>	<p>The Council has controls and policies in place to ensure data integrity. Encrypted IT systems ensure that the physical security of data is tightly controlled.</p>
<p>Staffing 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>Our Organisational Review does not achieve the necessary cost savings.</p>	<p>The Organisational Review implemented a programme of savings designed to reduce our running costs. These savings having been made, costs will continue to require careful management in the medium term. This will remain an issue for Council scrutiny.</p>
<p>Welsh Language The new Welsh Language Standards are not introduced to the deadlines set out in our Compliance Notice</p>	<p>Council adopts a progressive and forward-looking approach to the Welsh Language Measure. We have been able to implement all of the Standards due to be introduced during 2016/17, and we're confident that we'll manage full implementation of the remaining Standards in 2018.</p>

Financial and business review

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

Grant making policies

The Council invites applications for recurrent and one-off grants from organisations and individuals and monitors the proper and effective use of those grants. As well as meeting the Council's strategic aims, applications must demonstrate benefit to the people of Wales across all regional, cultural and economic sectors. Recurrent grants are funded from grant-in-aid only but one-off grants may be funded from grant-in-aid or Lottery income.

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

One-off grants are available to help fund time-limited artistic projects of high quality which best meet the Council's funding priorities. On-going monitoring of our grant aid programmes alerts us to

any specific risk issues. Identified risks lead to an escalation of the level of monitoring and, if necessary, can result in the payment of funding being withheld and/or deferred.

Cash reserves

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

Most of the Council's unrestricted funds are committed during the year, in accordance with the conditions of grant-in-aid issued by the Welsh Government. Any surplus funds are carried forward and used in furtherance of the Council's chartered objectives in the following year. There were no designated funds at 31 March 2018.

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 2018 the unrestricted cash funds were £1.816m (2017: £1.132m).

Investment

Investment powers are governed by the Trustee Act 2000 and the Framework Document issued by Welsh Ministers. 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.

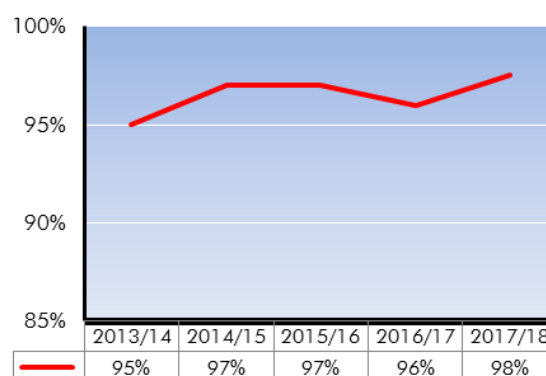
All interest and other investment income earned on cash and bank balances which arise as a result of funding from the Welsh Government is surrendered to HM Treasury via the Welsh Consolidated Fund.

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 2018, the Council paid 98% (2016/17: 96%) 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 2017/18 89% (2016/17: 85%) 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

	2017/18 £000	2016/17 £000
Headlines from the General Activities accounts:		
• Total income for the year	37,889	35,728
• Excess of income over expenditure	858	631
• Net current assets	4,109	3,200
• Total fund balances at 31 March	3,482	2,624
• Forward commitments of grants for the following year	26,744	26,744
The separate Lottery Distribution accounts show:		
• The Council's share of the proceeds from the National Lottery	16,351	16,300
The combined:		
Total income for both general and Lottery activities was	54,322	52,147
and Total charitable arts expenditure for both general and Lottery activities was	51,980	51,421

The Council's income for 2017/18 was £2.161m (6.0%) more than the previous year. The majority of the increase was made up of restricted income:

- £1m from the Welsh Government towards the set-up and capitalisation of a new National Endowment for Music; and
- funding for year 3 of our five-year *Creative Learning through the Arts* (CLTA) Programme from the Welsh Government's Education Department and from our own Lottery funds.

During the year we awarded grants to our revenue funded organisations, Arts Portfolio Wales, of £26.7m and committed £5.5m to the CLTA Programme. We also spent £4.8m

through grants and direct expenditure on strategic initiatives and services.

Income for the year exceeded expenditure by £0.9m. £0.3m related to restricted funds and £0.6m unrestricted. The majority of the net restricted income related to the CLTA programme which is managed across the academic year and where the timing of some grant commitments fell after the financial year end. The net unrestricted income reflects the timing of commitments for some of our planned programmes but, with the agreement of the Welsh Government, we carried forward some funds to 2018/19 to meet strategic and operational commitments.

At 31 March 2018 we had unrestricted reserves of £2m (2017: £1.4m) and restricted reserves of £1.5m (2017: £1.2m). The level of our unrestricted reserves is directly affected by the Welsh Government's policy on year-end cash balances, as outlined in the *Cash reserves* section above. The Council is permitted to carry over from one financial year to the next no more than 2% of its total non-Lottery income. Any proposal to carry over sums in excess of this amount, as this year, must be agreed by our sponsoring department of the Welsh Government.

In order to address committed costs and to provide the necessary flexibility for

future cost pressures an application was made to Welsh Government to carry forward an additional £1.05m to meet outstanding programme funding commitments and additional funding requirements, e.g. office relocation/reconfiguration to secure our long term accommodation needs.

The approval of this application was welcomed and, along with the funding announcements for 2018/19 and 2019/20, has provided us with stability over our planning and resource requirements over the next two years.

Equalities



Richie Turner
Chair,
Equalities
Monitoring
Group

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

Evaluating our approach

The evidence tells us that we need to do more to raise the profile of our equality objectives both within our organisation and across the wider arts sector. Our research shows that the presence of people with protected characteristics in the population as a whole is not being matched in the activities that we are funding. The gap is especially striking in the very low number of disabled people and those from BAME backgrounds employed or represented on boards of management. These are issues that Council is determined to address.

Doing better

Whether attending, taking part or working in the arts, we need to see the involvement of a wider cross-section of the population. Our goal is an arts workforce that better reflects the diversity of Wales at local and national levels and is in line with the Welsh workforce statistics. This means an arts sector that recognises and values the contribution of people with protected characteristics in all fields, and at all levels of employment in the arts.

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

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

We have set clear targets, described in detail in our Strategic Equalities Plan. Achieving these targets will be fundamental to the successful delivery of Council’s ambitions.

Welsh language

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

Marian Wyn Jones
Chair,
Welsh
Language
Monitoring
Group



A fundamental commitment

We adopt an inclusive and broad approach to Language. As a bilingual organisation, our commitment to the Welsh language is integral to our work. Wales is a bilingual nation – legally, socially, culturally, and as individuals and communities.

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

Responding to the Welsh Language Standards

An important task for the Monitoring Group during the year has been the implementation of new Welsh Language Standards, as defined in legislation.

The Standards are designed to ensure that the Welsh language should be treated no less favourably than the English language; and, that people in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so.

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

Promoting creativity through the medium of Welsh

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

Our funding and strategy supports this. The evidence demonstrates that during 2017/18 we have regained some ground, especially in the availability of good quality Welsh language theatre. Welsh language performances by touring companies have increased by 73.1% to 623 events and attendances at those performances have also increased, by 27.5% to almost 58,000. However, we will be monitoring performance carefully in future years to assess whether these increases are sustainable.

Issues of well-being and sustainability

Melanie Hawthorne
Chair,
Future
Generations
Monitoring
Group



“People are important! Values of kindness, fairness and creativity sustain our well-being and inform our arts development policies and culture. We know we still have work to do, in changing behaviours, process and procedures from a top down patriarchal culture. It doesn’t happen overnight but it’s happening. Creative artists and creative thinkers always break through and make change. It’s what we do. Transformational Change is here.”

Explaining our approach

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

The Arts Council of Wales, the development agency for the Arts in Wales, is one of those public bodies and the Council has a fundamental and significant role in the realisation of the well-being goals. It’s a mission that we’re committed to with creativity, excellence, and innovation.

Through the five ways of working enshrined in the legislation the Council

seeks to undertake its work in a sustainable way, and to consider the impact that our work has for people living, experiencing and participating in the Arts in Wales – now and in the future.

It’s about how we plan and think **long term**, about how the decisions we make, meet the needs of the present, while protecting the needs of the future. How Council **involves** people from diverse communities, how we **collaborate** with our partners and **integrate** other public bodies well-being objectives that might have impact or affect us. We are ambitious in wanting to **prevent** problems happening or getting worse.

From the day-to-day management and running of our offices to policy development, in all our corporate infrastructure, planning, training and development and financial strategies we are committed to placing the sustainable

development principle at the heart of what we do.

Review of Progress

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

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

Environmental performance

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

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

We have extended the use of our information technology infrastructure to provide business and environmental benefits. We are continuing to promote changes in behaviour. The vast majority of our arts development team are equipped with laptops and smartphones, enabling them to operate on a mobile

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

We promote the minimisation of waste amongst our staff by encouraging reduction, re-use and recycling and waste separation, reducing the amount sent to landfill. We re-use or recycle our surplus and redundant IT and office equipment. We use licensed and appropriate organisations to dispose of our waste.

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

Promoting partnership and collaboration

We have seconded a member of Arts Council staff to the office of the Future Generations Commissioner. Public bodies in Wales are required to produce Well-being Plans that must show, as one of the key goals, how they are planning, promoting and protecting cultural opportunities. Actively demonstrating the five ways of working, with the Commissioner's office, we will be able to

raise the profile of this important aspect of our work.

Management information

Managers and staff are provided with monthly reports analysing printing and copying activity, to encourage lower overall usage. Our internal reporting systems enable us to capture and measure details of our use of consumables, waste, energy, and staff travel, and thus our carbon dioxide equivalent (CO₂e) emissions so that staff can manage their consumption of resources.

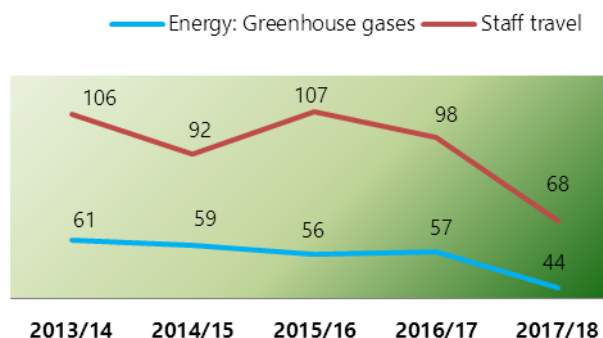
However, as all three of our offices are leased on a shared occupancy basis, with certain costs included within our service charges, this continues to restrict our ability to accurately assess our total environmental impact from energy usage. Our major use of electricity is in our Cardiff office and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

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

We have to balance this against the delivery of our strategic priorities to develop the arts in Wales, and to promote Welsh arts and artists internationally. As a result, there are inevitable fluctuations in the level of CO₂e emissions attributable to travel, especially when we are active internationally. In a post Brexit world, the international marketplace is increasingly important. During this year, complementing Welsh Government priorities, we undertook considerable

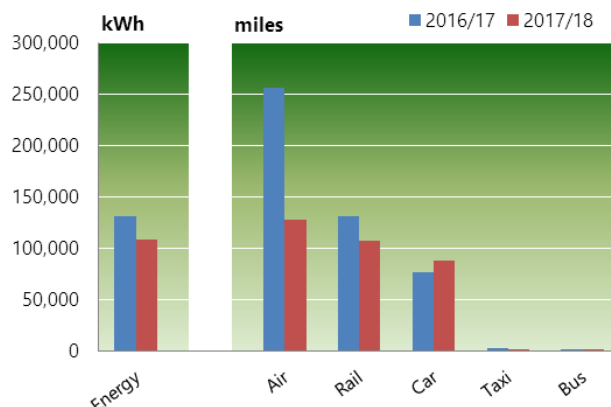
programmes of international work in India and China. We are, however, getting better at both minimising the negative and maximising the positive impacts of such work, by collaborating and partnering with other public bodies in Wales such as the Welsh Government and local agents in the countries we work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

CO₂e emissions (tonnes) - 5 year trend



Our *Creative Learning through the Arts* Programme, which began in 2015/16, is delivered through schools across the whole of Wales. This inevitably adds to our levels of travel and amounted to 8 tonnes of CO₂e included in our reported totals for 2017/18 (2016/17: 8 tonnes).

Energy Consumption within our offices & Business mileage



WASTE	2017/18	2016/17
Waste:		
Non-financial (tonnes)		
Landfill	0.13	0.12
Reused/recycled	3.37	2.74

ENERGY	2017/18	2016/17
Greenhouse gas emissions (CO₂e tonnes)		
Gross emissions, scope 2&3 (indirect)	44	57
Energy consumption (kWh)		
Electricity (renewable)	108,424	123,359
Gas	10,464	7,381
Financial indicators (£)		
Expenditure – energy	15,468	14,521
Water supply costs (office estate) – currently unable to assess, included in service charge	N/A	N/A

STAFF TRAVEL	2017/18	2016/17
Travel emissions (CO₂e tonnes)		
Rail	8	10
Air ¹	33	64
Car/vans	27	24
Travel cost (£)		
Rail	30,413	28,081
Air	12,604	24,935
Car/vans	40,126	34,905
Travel (miles)		
Rail	107,476	130,946
Air	127,876	256,538
Car/vans	88,218	76,106

¹Includes the influence of radiative forcing in air travel emissions to capture the maximum climate impact. Radiative forcing is a measure of the environmental impact of emissions of NO_x (nitrous oxides) and water vapour when emitted at high altitude.

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

The year ahead

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

Council has focused its programme of work for 2018/19 around its strategy of Make: Reach: Sustain.

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

The arts self-evidently contribute to our well-being and quality of life. And we know that the arts can bring substance and imagination to the delivery of a wide range of civic strategies. Ensuring that we make a positive contribution to the Well-being agenda will be a priority that informs all aspects of our work in 2018/19.

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.

Promoting Equalities as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales

We want to find new ways of encouraging more people – and a wider range of people – to enjoy and take part in the best that the arts can offer. This will be challenging.

The gap is especially striking in the very low number of disabled people and those from BAME backgrounds employed in the arts or represented on boards of

management. This has been a matter of considerable concern to Council for some time. Whether attending, taking part or working in the administration of the arts as employee or board member, Council is determined to see a wider cross-section of the population having the opportunity to be involved in the publicly funded arts. We have set clear targets, described in detail in our Strategic Equalities Plan.

In these testing economic times we want to improve the capability and resilience of the arts sector

Building the resilience and capability of the arts sector is an investment in competence and durability – equipping organisations and artists with the practical skills to realise their creative potential.

Our *Resilience* programme helps to address these issues and is currently the focus of our relationship with the majority of members of our Arts Portfolio Wales. However, we face growing pressure to extend *Resilience* to help protect and strengthen other areas of activity, including organisations outside the Arts Portfolio Wales. We will look at how we might do this in the year ahead.

Building the capability of the individual artist represents a different type of challenge. Whether working singly or together, locally or globally, our goal is to create the circumstances in which our

artists can pursue viable, sustainable careers from a Welsh base.

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

The Welsh Government's expectations of us are set out in an annual Remit Letter. A copy of our Remit Letter for 2018/19 can be found on our [website](#).

Our Remit Letter sets out four areas of priority.

1. United and connected – we want as many people as possible to experience and enjoy the arts: to be inspired by imagination and creativity, excited by ambition and spectacle, intrigued by the new and unfamiliar. We will therefore build on the successes of the key organisations that we fund, encouraging them to continue to reach out to new organisations.

But we will also be working to widen, and deepen, the reach of the arts through a proper commitment to diversity and equality. We will promote vigorously the right of people to explore their own creativity through the culture or language of their choice, whether as consumer, participant or artist.

Building connections is important at all levels – local, national and international. Seeing the arts of Wales alongside the best that the world can offer raises standards and increases choice. We will also work to improve the international impact and recognition for the arts and culture of Wales on the world stage, bringing national and international cultural events to Wales. Through our international division, Wales Arts International, we will continue to assist the Welsh Government in delivering its Cultural Memorandum of

Understanding with the Chinese Government.

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

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

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

4. Healthy and active – through the many projects that we support we see the positive impact that engaging with creative activity and the arts can have on health and well-being. As well as preventing ill health, the arts can help to regenerate, strengthen and enrich some of our poorest communities and improve the quality of life of disadvantaged and vulnerable people. In 2017/18 we published a detailed mapping report

highlighting the range of activity across Wales. Working with Health Boards and the Welsh NHS Confederation, we intend to enhance the impact of these activities.



Nicholas Capaldi
Accounting Officer
6 July 2018

Endorsed on behalf of Council:








Phil George
Chairman
6 July 2018

Accountability Report


Corporate Governance

Our Trustees




Council Members who served since 1 April 2017 were:

		Attendance at meetings during 2017/18			
		Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
		Number of meetings held:			
		7	5	5	3
	Phil George Chair from 1 April 2016	7			
	Marian Wyn Jones from 1 April 2012 Vice Chair from 1 April 2017 Chair of Welsh Language Monitoring Group	7			
	Iwan Bala from 1 November 2016	6			
	Andy Eagle from 1 November 2016 Member of HR & Remuneration Committee	6			3
	Kate Eden from 1 April 2017 Member (from 7 July 2017) of HR & Remuneration Committee Chair (from July 2018) of Audit & Risk Assurance Committee	6			2 _{1/2}

Attendance at meetings during 2017/18			
Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
Number of meetings held:			
7	5	5	3

	<p>Michael Griffiths OBE from 1 April 2012</p> <p>Member of Audit & Risk Assurance Committee Chair of HR & Remuneration Committee</p>	5	4		3
	<p>Melanie Hawthorne from 1 April 2012</p> <p>Chair of Future Generations Monitoring Group</p>	5			
	<p>Dr Lesley Hodgson from 1 April 2012 to 31 March 2018</p> <p>Chair of Audit & Risk Assurance Committee (to 31 March 2018)</p>	4	3		
	<p>Andrew Miller from 1 April 2012</p>	5			
	<p>Rachel O'Riordan from 1 April 2017</p> <p>Member (from 7 July 2017) of Capital Committee</p>	4		2/3	
	<p>Dafydd Rhys from 1 April 2017</p> <p>Member (from 7 July 2017)(Chair from 1 April 2018 to June 2018) of Audit & Risk Assurance Committee</p>	6	3/3		

Attendance at meetings during 2017/18			
Council	Audit & Risk Assurance Committee	Capital Committee	HR & Remuneration Committee
Number of meetings held:			
7	5	5	3

	<p>Richard Turner from 1 April 2010</p> <p>Chair of Equalities Monitoring Group</p>	7			
	<p>Alan Watkin from 1 April 2010</p> <p>Member (Acting Chair from October 2017) of Capital Committee</p>	7		5	
	<p>John C Williams from 1 April 2010</p> <p>Chair of Capital Committee</p>	3		2	

Attendance of independent Committee members:

Andrew Butler	5		
Katrina Michael	3		
Arwel Thomas	4		
Ruth Cayford		3	
Mark Davies		4	
Roland Wyn Evans		2	
Alan Hewson		5	
Valerie Ellis			2 ₂
Philip Westwood			3

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

All financial transactions between members and the Council are disclosed in note 26 to the financial statements, *Related party transactions*.

Personal data related incidents

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

Our Chief Executive and Accounting Officer

Nicholas Capaldi

Our Offices

Mid and West Wales:

The Mount
18 Queen Street
Carmarthen
SA31 1JT

North Wales:

Princes Park II
Princes Drive
Colwyn Bay
LL29 8PL

*South Wales
and national office:*

Bute Place
Cardiff
CF10 5AL

Auditor

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

Internal auditors

Deloitte LLP
5 Callaghan Square
Cardiff
CF10 5BT

Solicitors

Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Bankers

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

Statement of Council’s and the Accounting Officer’s responsibilities

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

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

- observe the Accounts Direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the SORP and the *Government Financial Reporting Manual* have been followed, and disclose and explain any material

departures in the financial statements; and

- prepare the financial statements on a going concern basis.

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



Nicholas Capaldi
Accounting Officer
6 July 2018

Endorsed on behalf of Council:



Phil George
Chairman
6 July 2018

Accounting Officer's confirmations

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

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

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



Nicholas Capaldi
Accounting Officer
6 July 2018

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 have discharged my responsibilities for ensuring that we conduct our business, in respect of both exchequer and lottery activity, in accordance with the law. This includes providing the necessary assurances that we are adhering to proper standards and establishing the necessary safeguards to protect the use of public money.

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

The legislative framework

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

As a distributor of Lottery funds under the National Lottery etc. Act 1993 (as amended), we are accountable to the UK's Secretary of State for 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 are required to account for Lottery distribution activity separately from the rest of our work, and we have appropriate arrangements in place to ensure that we produce two sets of published accounts. Our Lottery Distribution accounts are audited under an arrangement with National Audit Office by the Wales Audit Office. The Wales Audit Office also audits our General Activities account.

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

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

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

Risk assessment is fundamental in our operations and this Governance

Statement should be read in conjunction with the *Principal risks and uncertainties* section of the Performance Report.

Should the need arise, the Public Services Ombudsman for Wales, the Parliamentary Commissioner for Administration, the Charity Commission, the Financial Conduct Authority, the Information Commissioner, the National Audit Office, and the Wales Audit Office are all able to investigate the Council's affairs.

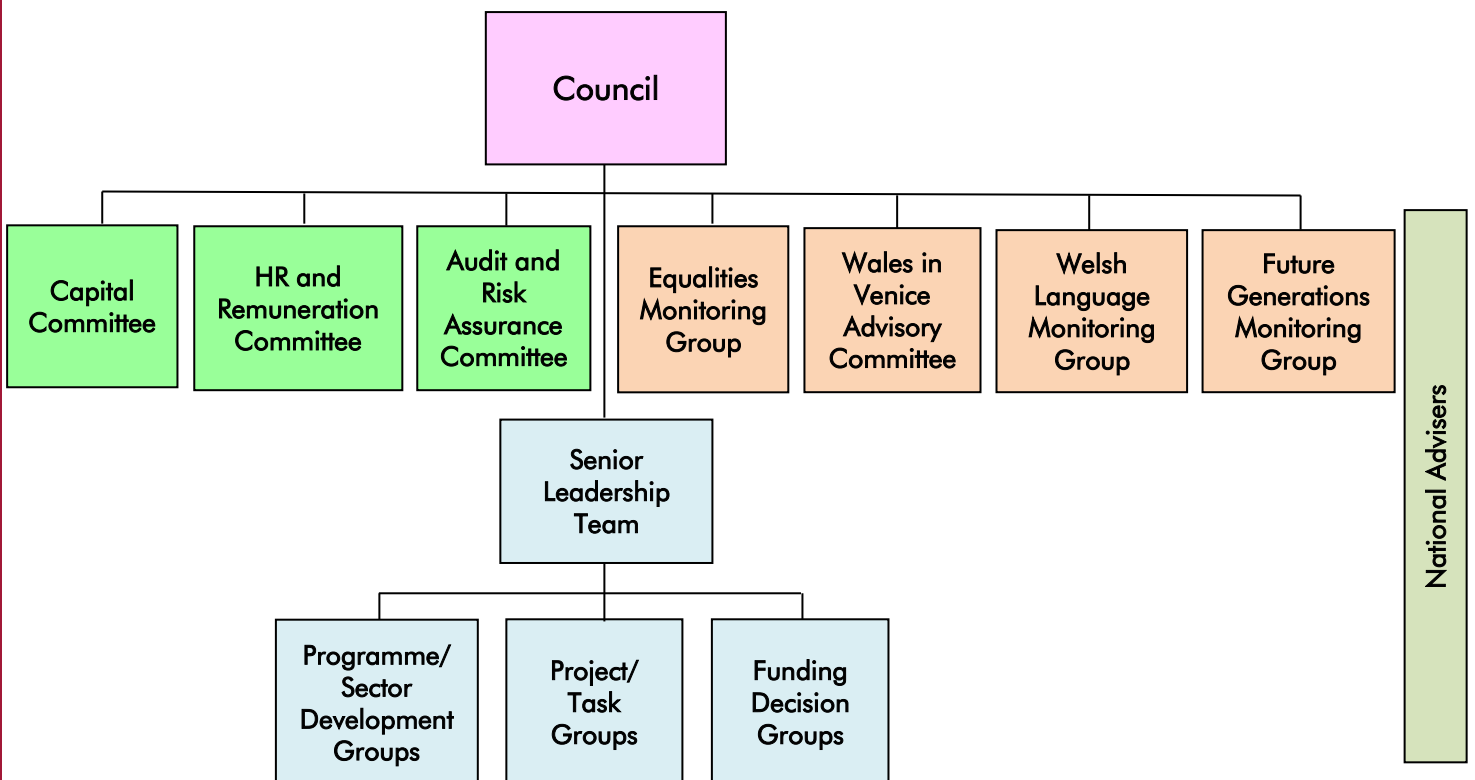
Our Governance structure

We are governed by a Board of Trustees – Council – which consists of a Chair and up to seventeen other independent members, one of whom is appointed as Vice-Chair. Each Trustee brings specific expertise and knowledge to the oversight and development of our activities. At the end of March 2018, our Council comprised of the Chair plus thirteen members. Following the expiry of the term of office of one member, at the time of signing these accounts Council comprised of the Chair plus twelve members.

Our Governance arrangements

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

The Chair of Council is a remunerated position, at a rate set annually by Welsh Government. All other Trustees provide their time and expertise on a voluntary basis. However, they are reimbursed for out-of-pocket expenses incurred on Council business, a summary of which is contained in note 8b of these financial statements.



Council

Responsibilities	<p>Council is responsible for the strategic direction and management of our organisation. It is also responsible for ensuring that we, through me as Chief Executive, operate within the various accountabilities required of us.</p> <p>Council members are responsible for key decisions on corporate policy: the formulation of our Corporate and Operational Plans, and any major alterations to the terms and conditions of service for staff. They set the annual budget, decide on the annual allocation of grants to organisations in the Arts Portfolio Wales, and approve all grants over £50,000 or, in the case of Lottery funded capital projects, over £250,000 and <i>Resilience</i> awards over £100,000. Decisions below these thresholds are delegated to authorised staff and to the Capital Committee.</p> <p>Members attend arts events across Wales as representatives of Council.</p>
Summary of Discussions during 2017/18	<p>As part of its ongoing scrutiny of Governance, Council prepared and monitored the Operational Plan for the year. Council also initiated and led the production of a new Corporate Plan 2018-23. As part of the preparatory work we undertook an extensive nation-wide consultation – our <i>All Wales Creative Conversation</i>.</p> <p>In the face of the underlying trend of reducing levels of Lottery income for the good causes, Council undertook a detailed strategic review which has led to a focusing of our spending plans for the future. We will be consulting on proposals during 2018/19.</p> <p>Key projects included the third year of the <i>Creative Learning</i> programme, delivery of the <i>Resilience</i> programme and publication of a detailed Arts and Health mapping exercise.</p> <p>A significant task for Council during the year was the oversight of our Organisational Review and its changes to staff structures. Cuts to staff numbers have been challenging and Council has been supporting the senior leadership team in promoting a reinvigorated organisational culture.</p>
Frequency of meetings and attendance	<p>Council met 7 times during 2017/18 to discharge its responsibilities. During the year, members in total attended meetings on 78 out of a possible 98 occasions. Council meetings are normally held approximately every 6 weeks, but additional meetings were held in connection with the Organisational Review. Copies of agendas and minutes of our Council meetings can be found on our website.</p>

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

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

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

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

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

Audit & Risk Assurance Committee

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

Summary of Discussions during 2017/18

New members joined the Committee during the year. A new Chair was also appointed at the end of the financial year. Thorough **induction** and regular **training** is provided to all Committee members.

An important aspect of the Committee’s work is scrutiny of the **Corporate Assurance Framework** and **Corporate Risk Register**. Together these documents provide assurance to Council that the systems, processes and behaviours that exemplify good governance and effective operation are in place.

The Committee receives all **internal audit** reports and monitors the progress of any recommendations that have been raised. In 2017/18 8 reports were presented. Of the areas reviewed, 6 were given a ‘substantial’ assurance rating and 2 ‘moderate’. A total of 2 advisory reports were also presented.

The Committee scrutinised aspects of the **Organisational Review** and the Committee commissioned research from our internal auditors into the conduct and implementation of the Review.

During the year the Committee was especially keen to ensure that the Arts Council’s policy and strategy for **cyber security** remained fit for purpose.

As part of its cycle of meetings, the Committee visited the rehearsal studios of APW organisation **Ballet Cymru**. This provided members with a practical insight into how one of the Arts Council’s key organisations tackles the challenges that it faces.

Frequency of meetings and attendance The Committee met 5 times during 2017/18 to discharge its responsibilities. During the year, members in total attended meetings on 22 out of a possible 28 occasions. Committee meetings are normally held quarterly, with an additional meeting in early Summer.

Capital Committee

Responsibilities Capital Committee is responsible for advising Council on the development of policy on all aspects of capital development, including funding priorities and schemes. The Committee has also provided oversight of the *Ideas: People: Places* programme. Council delegates to the Committee the authority to make funding decisions on lottery capital grants from £50,001 to £250,000, and for making recommendations on larger capital grants to Council. The Committee is responsible for monitoring live projects and advising Council accordingly.

Summary of Discussions during 2017/18

The Committee’s principal activity during the year was monitoring delivery against Council’s five year **Capital Development strategy** (2012-2017). A particular success was the opening of **Tŷ Pawb** in Wrexham, the culmination of a decade or more of careful advocacy and development.

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

The drawdown of funds continues to present issues. Under Lottery rules a full commitment of funds must be accounted for at the time of award. However, applicants’ problems in securing the required partnership funding means that projects are taking longer to realise. This has implications for Lottery capital balances.

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

Frequency of meetings and attendance

The Committee met 5 times during 2017/18 to discharge its responsibilities. During the year, members in total attended meetings on 23 out of a possible 33 occasions. Committee meetings are held approximately every 2 months, but with fewer meetings during the summer.

HR & Remuneration Committee

Responsibilities	The HR & Remuneration Committee has responsibility for agreeing the level of remuneration for the Chair, within the limits determined by the Welsh Ministers; for setting the Chief Executive’s annual objectives and reviewing his performance; for the appointment of senior roles within the executive; and for the oversight and monitoring of HR matters on behalf of Council.
Summary of Discussions during 2017/18	<p>The Committee’s principal activities during the year involve oversight of Council’s HR policies, and management of pay policies. Council also reviewed management information outlining our performance against HR objectives.</p> <p>Council specifically sets the remuneration of the Chair and Chief Executive, under guidance issued by the Welsh Government. The Committee advises the Chair on the preparation of work planning objectives for the Chief Executive.</p> <p>The Pay Remit covers all other salaried members of staff and is submitted to the Welsh Government for approval.</p> <p>A key issue for the Committee during the year was the Council’s re-organisation of staff, its Organisational Review. As well as commenting on the implementation of the new staff structure, the Committee was also concerned to ensure that staff were adequately supported as new arrangements were put in place.</p> <p>The Committee initiated a review of all HR policies and is actively engaged in the development of new performance management and appraisal processes.</p>
Frequency of meetings and attendance	The Committee met 3 times during 2017/18 to discharge its responsibilities. Members in total attended on 13 out of a possible 13 occasions.

How we work

We promote values of good governance

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

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

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

Council and the Audit & Risk Assurance Committee each carried out an annual self-assessment review of its performance. Overall, the findings of these evaluations were positive during 2017/18. Areas identified for improvement are captured in action plans. In particular, Council's own annual self-assessment review concluded that the vast majority of its indicators of effectiveness had been met.

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

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

Whistle-blowing

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

Taking informed decisions

The decisions taken by our Council and Committees are informed by advice provided by staff of the Arts Council. Papers and reports produced by officers are expected to show clearly all the

relevant information that is needed to enable informed decisions to be taken. All key papers highlight: financial, HR and environmental implications; risks; and an assurance statement.

Papers are circulated in advance of each Council and Committee meeting, for consideration by members, with tabled items and verbal reports only accepted in exceptional circumstances. Council was content during the year with the timeliness and quality of data and information provided for its use. In the rare instances where the information provided does not meet the required standards, the paper is rejected and a replacement commissioned.

Where appropriate, advice from officers is supplemented with specialist advice from our National Advisers and, where relevant, with specialist expert advice and legal opinions. Council will continue to ensure that it has sufficient time and information to properly debate policy and consider the future direction of the organisation.

Key policy proposals are put out to public consultation. Responses and feedback further inform discussions at Council before policies are finalised.

We provide funding to third parties

One of the most important duties of the Arts Council is the distribution of funding to develop and support the arts in Wales. We are a major distributor of funding – from the Welsh Government, the National Lottery and other sources, including, where applicable, European funds. We take our responsibilities very seriously.

We have developed robust and accountable systems and procedures to support this key activity. Our grant

making and monitoring processes are reviewed annually by our internal auditors to ensure they remain fit for purpose. The Wales Audit Office also examines our grant making activities each year. All recommendations made by our internal and external auditors are monitored by our Audit & Risk Assurance Committee to ensure they are implemented on a timely basis.

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

Security of data

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

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

Ministerial directions

As a Welsh Government Sponsored Body we are subject to non-statutory instruments, containing appropriate

directions. No Directions were issued to us during the year, nor were we issued with any Ministerial Directions in respect of our Lottery activities.

Audit outcomes

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

Overall assessment of governance and internal control

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

Nicholas Capaldi
Accounting Officer
6 July 2018

Endorsed on behalf of Council:

Phil George
Chairman
6 July 2018

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

Internal Audit Annual Report
Deloitte LLP
Internal Auditor

Remuneration and Staff Report

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

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

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

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

The Chief Executive's remuneration consists of a basic salary plus eligibility for an annual bonus. Annual bonuses are recommended to Council by the HR & Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives. The Committee's recommendation that the Chief Executive be offered a full bonus was endorsed by Council. However, the Chief Executive waived his entitlement to a non-consolidated bonus for 2017/18 and has accepted the same level of

consolidated increase as other eligible members of staff.

Further details of the remuneration and pension benefits of the Chairman, Chief Executive, Directors and staff are provided in note 8 to the financial statements. This information is audited.

Council members are appointed by the Welsh Ministers for a period of three years and may be re-appointed for a further period. The current Chairman, Phil George, took over the chairmanship on 1 April 2016.

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

The dates of commencement of employment are:



Phil George
Chairman

1 April 2016



Nicholas Capaldi
Chief Executive

15 September
2008



David Alston
Director of Arts

1 July 2005



**Dr Katherine
Davies**
Director of Investment
and Funding Services
from 1 February 2012

24 August 1998



Diane Hebb
Director of Engagement
and Participation from
1 February 2012

13 January 1992



Siân Tomos
Director of Enterprise
and Regeneration from
1 February 2012

3 May 1994



Hywel Tudor
Director of Finance and
Resources to 27 August
2017

21 January 2002



Gwyn Williams
Director of Finance and
Business Services

4 September
2017

Staffing

Mike Griffiths
Chair,
HR &
Remuneration
Committee



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

The HR & Remuneration Committee members who served since 1 April 2017 were:

Michael Griffiths OBE (Council member)

Andy Eagle (Council member)

Kate Eden (Council member)
from 7 July 2017

Valerie Ellis (independent member)
from 1 September 2017

Philip Westwood (independent member)

Equal opportunities

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

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

Council operates a number of HR policies that reflect its legal obligations as an employer. Policies are reviewed on a regular basis and updated to reflect any relevant changes in legislation. The management of Council’s HR policies is monitored by the HR & Remuneration Committee.

Employee communication

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

Pension scheme

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

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.

Sickness absence

Across the whole Council:

	2017/18	2016/17
Days lost as a result of sickness	574	798
Average number of employees (full time equivalent)	83.85	87.67
Average number of days lost per employee	6.84	9.10

This represented an absence rate of 2.76% (2016/17: 3.67%) based on 248 working days.

Consultancy

During 2017/18 the Council paid consultancy costs of £5,000 (2016/17: £10,000) in relation to expert advice and opinion obtained to assist in strategic decision-making. £3,000 (2016/17: £5,000) is charged in these financial statements and the remainder related to Lottery Distribution activities.

Parliamentary Accountability and Audit Report

Remote contingent liabilities

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

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

It is not practical to estimate the financial impact.

Losses, special payments and gifts

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

During the year the Council entered into a settlement agreement and made an ex-gratia compensation payment to an employee who left office as a result of

long-term illness. This is disclosed in the financial statements at note 8.

Fees and charges income

The Council has no material income of this kind.



Nicholas Capaldi
Accounting Officer
6 July 2018

Endorsed on behalf of Council:



Phil George
Chairman
6 July 2018

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

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of the Arts Council of Wales General Activities Account for the year ended 31 March 2018 under Article 11 of the Council's Royal Charter. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and 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 2018 and of its net income for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under Article 11 of the Arts Council of Wales' Royal Charter.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Opinion on regularity

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

Report on other requirements

Opinion on other matters

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

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

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the 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 part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Council and Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Responsibilities for regularity

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

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

Huw Vaughan Thomas
Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

10 July 2018

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

Financial Statements

THE ARTS COUNCIL OF WALES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	2017/18 Total £'000	2016/17 Total £'000
INCOME					
Donations:					
Grant-in-aid from the Welsh Government		31,282	100	31,382	30,976
Other grants and donations	4	-	6,179	6,179	4,336
		<u>31,282</u>	<u>6,279</u>	<u>37,561</u>	<u>35,312</u>
Income from charitable activities:					
Services and sponsorship	5	179	14	193	268
Investment income:					
Bank interest		11	4	15	14
Other income	6	120	-	120	134
		<u>120</u>	<u>-</u>	<u>120</u>	<u>134</u>
Total income		<u>31,592</u>	<u>6,297</u>	<u>37,889</u>	<u>35,728</u>
EXPENDITURE					
Charitable activities	7	30,858	6,081	36,939	35,005
Governance costs	9	81	-	81	81
Bank interest surrendered to Welsh Consolidated Fund		11	-	11	11
		<u>11</u>	<u>-</u>	<u>11</u>	<u>11</u>
Total expenditure		<u>30,950</u>	<u>6,081</u>	<u>37,031</u>	<u>35,097</u>
Net income		642	216	858	631
Gross transfers between funds	16	(78)	78	-	-
		<u>(78)</u>	<u>78</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>564</u>	<u>294</u>	<u>858</u>	631
Reconciliation of funds					
Fund balances brought forward	16	1,414	1,210	2,624	1,993
		<u>1,414</u>	<u>1,210</u>	<u>2,624</u>	<u>1,993</u>
Total funds carried forward		<u>1,978</u>	<u>1,504</u>	<u>3,482</u>	<u>2,624</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 67 to 85 form part of these financial statements

THE ARTS COUNCIL OF WALES

CONSOLIDATED BALANCE SHEET

as at 31 March 2018

	Note	31 March 2018		31 March 2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	10a		1		4
Tangible fixed assets	10b		<u>40</u>		<u>57</u>
Total fixed assets			41		61
Current assets					
Grants paid in advance	11	268		219	
Debtors	12	3,212		3,416	
Cash and cash equivalents		<u>3,367</u>		<u>2,480</u>	
Total current assets			6,847		6,115
Liabilities: falling due within one year					
Creditors	13a	(2,689)		(2,866)	
Provisions for liabilities	14	<u>(49)</u>		<u>(49)</u>	
			<u>(2,738)</u>		<u>(2,915)</u>
Net current assets			4,109		3,200
Total assets less current liabilities			4,150		3,261
Creditors: falling due after more than one year					
Creditors	13b	(246)		(177)	
Provisions for liabilities	14	<u>(422)</u>		<u>(460)</u>	
			(668)		(637)
Net assets			3,482		2,624
The funds of the charity					
Unrestricted funds	16	1,978		1,414	
Restricted funds	16	<u>1,504</u>		<u>1,210</u>	
			3,482		2,624

The notes on pages 67 to 85 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

Nicholas Capaldi
Accounting Officer
6 July 2018

Phil George

Phil George
Chairman
6 July 2018

THE ARTS COUNCIL OF WALES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Note	2017/18 £'000	2016/17 £'000
Net cash inflow from operating activities	18a	926	1,438
Net cash inflow from investing activities	18b	4	3
Net cash outflow associated with capital assets	18c	(43)	(14)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		887	1,427
Cash and cash equivalents brought forward		2,480	1,053
		<hr/>	<hr/>
Cash and cash equivalents carried forward		3,367	2,480

The notes on pages 67 to 85 form part of these financial statements

THE ARTS COUNCIL OF WALES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

1. Accounting policies

a. Basis of preparation

These financial statements are prepared under the historical cost convention modified to include certain fixed assets at their value to the Council on a current cost basis. They have been prepared in accordance with the Accounts Direction issued by Welsh Ministers and meet the requirements of the Charities Acts 2006, 2011 and 2016, of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their account in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 ("the SORP") and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). In addition to compliance with the SORP regard is given to the requirements of the *Government Financial Reporting Manual* (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 FReM. The Council applies changes to standards when they become effective. There are no known material impacts from accounting standard changes that have been issued and are not yet effective on the financial statements in the period of initial application.

b. Subsidiary undertakings – Cerdd Cymru:Music Wales Limited

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

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

The transactions of the subsidiary have been included within the consolidated financial statements on the 'line by line' method (see note 21).

c. Income

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

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

d. Lottery distribution

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

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

e. Expenditure

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

f. Grants awarded

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

Forward commitments made in the year relating to next year's activity, as disclosed in note 20, are not charged to the Statement of Financial Activities. As the grant-in-aid to meet these commitments cannot be recognised until it is received, the Trustees do not believe their inclusion would provide a true and fair view of the application of the Council's resources.

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

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

g. Services and sponsorship

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

h. Allocation of operating costs

Operating costs have been allocated first between charitable activities and governance. Operating costs relating to charitable activities have been apportioned to reflect the time spent by staff in delivering direct activities and in support of their delivery. The allocation and analysis of these costs is in notes 7 and 8.

i. Governance costs

Governance costs comprise all costs involving the public accountability of the Council as a charity and its compliance with regulation and good practice. These costs are analysed in note 9.

j. Foreign currency

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

k. Recognition of liabilities

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

l. Fund accounting

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

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

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

m. Fixed assets

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

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

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

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

n. Amortisation and depreciation

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

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

o. Leases

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

p. Pensions

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

The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with FRS 102. The Council has entered into an agreement to make payments to fund a deficit relating to past service so recognises a provision for the present value of contributions payable that result from the terms of that agreement. The annual contribution towards the deficit is charged to the Statement of Financial Activities.

The Council also 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. **Restatement of expenditure**

Notes 7 and 8 have been restated as a result of a reanalysis of staff who are directly attributable to our charitable activities and those who support their delivery.

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

The separate Lottery distribution account shows the Council's 2017/18 share of the proceeds from the National Lottery of £16,351,000 (2016/17: £16,300,000). The combined total income for both general and Lottery activities for 2017/18 was £54,322,000 (2016/17: £52,147,000). The combined total direct charitable arts expenditure for 2017/18 was £51,980,000 (2016/17: £51,421,000).

4. **Income**

Donations: Other grants and donations

	Unrestricted funds £'000	Restricted funds £'000	2017/18 Total £'000	2016/17 Total £'000
<i>Creative Learning through the Arts Programme</i> (note 22):				
Welsh Government grant	-	2,010	2,010	1,900
Arts Council of Wales Lottery grant	-	3,130	3,130	2,283
Prior year grants repaid	-	6	6	-
Welsh Government seed funding for a National Endowment for Music	-	970	970	-
Welsh Government contribution for Wales in China	-	60	60	-
British Council contribution for India:Wales	-	-	-	150
The Eirian Llwyd Trust	-	3	3	3
	-	6,179	6,179	4,336

5. **Income from charitable activities**

Services and sponsorship

	Unrestricted funds £'000	Restricted funds £'000	2017/18 Total £'000	2016/17 Total £'000
<i>Night Out</i> scheme:				
- contributions from venues/promoters	134	-	134	135
Wales Arts International:				
- contributions from the Welsh Government	-	14	14	8
- contributions from the British Council	-	-	-	68
<i>Collectorplan</i> - gallery fees	40	-	40	41
Annual Conference - delegate fees	-	-	-	9
Nesta – for <i>Digital Innovations</i>	-	-	-	7
Other income	5	-	5	-
	179	14	193	268

6. Other income

	Unrestricted Funds £'000	Restricted Funds £'000	2017/18 Total £'000	2016/17 Total £'000
Contribution from the Lottery Distribution account:				
for use of fixed assets	30	-	30	30
for annual payment towards pension deficit	24	-	24	23
Cerdd Cymru: Music Wales income (note 21)	66	-	66	80
Proceeds from disposal of tangible assets	-	-	-	1
	120	-	120	134

7. Expenditure Charitable activities

	Direct activities £'000	Grant ¹ funding £'000	Support ² costs £'000	2017/18 Total £'000	2016/17 Total (restated) £'000
Grant making and arts development	310	27,057	1,883	29,250	29,215
<i>Creative Learning through the Arts Programme</i> (note 22)	1,778	3,689	41	5,508	3,782
Arts strategy	462	-	32	494	578
International	715	-	49	764	475
Services: <i>Night Out & Collectorplan</i>	560	-	39	599	595
Advocacy and research	222	-	15	237	272
Cerdd Cymru: Music Wales expenditure (note 21)	81	-	6	87	88
	4,128	30,746	2,065	36,939	35,005
From unrestricted funds				30,858	30,379
From restricted funds				6,081	4,626
				36,939	35,005

¹ Grant funding

	To institutions £'000	To individuals £'000	2017/18 Total £'000	2016/17 Total £'000
From unrestricted funds				
Arts Portfolio Wales	26,444	-	26,444	25,540
Strategic awards	269	2	271	213
From restricted funds				
Arts Portfolio Wales	300	-	300	300
<i>Creative Learning through the Arts Programme</i>	3,689	-	3,689	2,120
Strategic awards	33	-	33	111
Memorial awards	-	9	9	9
Capital awards	-	-	-	326
	30,735	11	30,746	28,619

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

² Support costs

	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2017/18 Net charge to General Activities £'000	2016/17 Net charge to General Activities (restated) £'000
Staff and related costs	2,723	1,223	1,500	1,786
Organisational Review	43	21	22	8
Infrastructure	671	327	344	356
Office running costs	26	13	13	18
Professional fees and promotion	176	146	30	43
Provisions	11	-	11	251
Irrecoverable VAT	172	90	82	86
Amortisation and depreciation	93	30	63	63
	3,915	1,850	2,065	2,611

8. Staff costs

a. Total staff costs consist of:

	Permanently employed £'000	Other £'000	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2017/18 Net charge to General Activities £'000	2016/17 Net charge to General Activities £'000
Wages and salaries	2,591	456	3,047	872	2,175	2,200
Social security costs	287	39	326	96	230	231
Other pension costs	548	75	623	205	418	412
Apprenticeship Levy	0	0	0	0	0	-
Redundancy costs	3	-	3	1	2	272
Compensation payment	10	-	10	-	10	-
Agency costs	7	-	7	3	4	2
	3,446	570	4,016	1,177	2,839	3,117

Staff costs are incorporated in the financial statements as follows:

	1,382	-	1,382	1,368
Charged to Direct activities (note 7)	1,382	-	1,382	1,368
Charged to Support costs (note 7)	2,585	1,159	1,426	1,717
Charged to Governance (note 9)	49	18	31	32
	4,016	1,177	2,839	3,117

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

	Permanently employed	Other	Across the whole Council	On Lottery Distribution activities	2017/18 On General activities	2016/17 On General activities
On charitable activities:						
directly charged	7	11	18	-	18	20
recharged	24	-	24	-	24	33
In support of our charitable activities	39	3	42	27	15	6
Agency staff	-	0	0	0	0	-
	70	14	84	27	57	59

Staff composition at 31 March

(full time equivalents – whole Council)

	2017/18			2016/17		
	Male	Female	Total	Male	Female	Total
Senior Leadership Team	3	3	6	3	3	6
Portfolio Managers/Heads of Department	4	8	12	7	10	17
Senior Officers	8	6	14	6	7	13
Officers/Development Officers	10	19	29	12	22	34
Team Co-ordinators/Personal Assistants	2	15	17	3	17	20
	27	51	78	31	59	90
	35%	65%		34%	66%	

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

2017/18	2016/17
£32,334	£31,700

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

2017/18	2016/17
£20,550 to £97,155	£20,147 to £95,250

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

2017/18	2016/17
1:3	1:3

Compensation schemes - exit packages (whole Council):

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2017/18	2016/17	2017/18 ¹	2016/17	2017/18	2016/17
£10,000 to £24,999	-	-	1	3	1	3
£25,000 to £49,999	-	-	-	3	-	3
£50,000 to £99,999	-	2	-	3	-	5
Total number of exit packages	-	2	1	9	1	11
Total cost (£'000)	-	167	10	360	10	527

¹ During the year the Council entered into a settlement agreement and made an ex-gratia compensation payment to an employee who left office as a result of long-term illness. The ex-gratia compensation payment is charged in these financial statements.

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

The other departures agreed in 2016/17 related to requests for redundancy where, in accordance with the Council's redundancy policy, the employees' posts either disappeared in the new structure or were filled by other employees who would otherwise have been compulsorily redundant. There is no difference in the compensation entitlements of volunteers and those who are compulsorily redundant.

51% (2016/17: 52%) of the additional redundancy costs are charged in these financial statements and the remainder to lottery distribution activities.

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

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

The value of pension benefits is calculated as follows:

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

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

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

The single total remuneration figures of the Senior Leadership Team:

Name Position	2017/18			2016/17		
	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000	Emoluments band £'000	Pension benefits £'000	Single total remuneration £'000
Nicholas Capaldi <i>Chief Executive</i>	95-100	21	115-120	95-100	22	115-120
David Alston <i>Director of Arts</i>	70-75	16	85-90	70-75	17	85-90
Katherine Davies <i>Director of Investment and Funding Services</i>	70-75	20	90-95	65-70	36	105-110
Diane Hebb <i>Director of Engagement and Participation</i>	70-75	19	90-95	65-70	28	95-100
Siân Tomos <i>Director of Enterprise and Regeneration</i>	70-75	22	90-95	65-70	35	100-105
Hywel Tudor† <i>Director of Finance and Resources to 27 August 2017</i>	125-130	5	130-135	70-75	16	85-90
Full year equivalent	70-75					
Gwyn Williams (0.6 FTE) <i>Director of Finance and Business Services from 4 September 2017</i>	25-30	6	30-35	N/A	N/A	N/A
Full year equivalent	40-45					

† The Director of Finance and Resources received compensation of £95,000 (gross) for loss of office during 2017/18. The amount is included in his single total remuneration figure for this year but was included in the total of accrued redundancy and compensation costs in 2016/17 (note 8a).

The pension benefits of the Senior Leadership Team:

Name Position	2017/18		2017/18		2017/18	2016/17	2017/18
	Real increase in pension and related lump sum at age 65 £'000		Total accrued pension at age 65 as at 31/03/18 and related lump sum £'000		Cash Equivalent ¹ Transfer Value at 31/03/18 £'000	Cash Equivalent Transfer Value at 31/03/17 £'000	Real increase ² in Cash Equivalent Transfer Value £'000
Nicholas Capaldi <i>Chief Executive</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	10-15 30-35	225	220	17
David Alston <i>Director of Arts</i>	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	10-15 30-35	231	227	16
Katherine Davies <i>Director of Investment and Funding Services</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	25-30 80-85	522	555	16
Diane Hebb <i>Director of Engagement and Participation</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	15-20 45-50	318	323	16
Siân Tomos <i>Director of Enterprise and Regeneration</i>	Pension Lump sum	0-2.5 2.5-5	Pension Lump sum	20-25 70-75	466	470	16
Hywel Tudor <i>Director of Finance and Resources to 27 August 2017</i>	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	15-20 45-50	318	324	4
Gwyn Williams (0.6 FTE) <i>Director of Finance and Business Services from 4 September 2017</i>	Pension Lump sum	0-2.5 0-2.5	Pension Lump sum	0-5 0-5	6	N/A	4

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

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

The Chairman, with the approval of the Charity Commission, is remunerated for his services but receives no bonus payments and is not a member of the pension scheme. Other Council and Committee Members receive no payment for their services. Council meeting costs for 2017/18 include an aggregate amount of £15,979 (2016/17: £10,893) reimbursed to 14 (2016/17: 12) Council members.

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

	2017/18 £	2016/17 £
Chairman		
Salary	43,810	43,810
Chief Executive		
Salary	97,155	95,250
Employer's pension contribution	20,791	19,050
	117,946	114,300

	2017/18 £	2016/17 £
Travel and subsistence expenses incurred and defrayed whilst on Council business:		
Chairman	6,317	4,298
Chief Executive	6,529	5,489

64% (2016/17: 64%) of the Chairman's and Chief Executive's emoluments are charged in these financial statements and the remainder to lottery distribution activities.

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

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

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

Contributions by the Council and its employees were:

For staff joining the Plan:	Council		Employees	
	2017/18	2016/17	2017/18	2016/17
on or before 31 August 2006	21.4%	22.0%	3.0%	1.5%
from 1 September 2006 to 31 March 2010	21.4%	20.0%	5.0%	3.5%
on or after 1 April 2010	21.4%	17.5%	6.0%	6.0%

The Council was also required to contribute a minimum payment of £48,700 towards the deficit during 2017/18 (2016/17: £48,700).

From 1 April 2018 contributions changed to:

For staff joining the Plan:	Council	Employees ¹
on or before 31 August 2006	21.4%	4.5%
from 1 September 2006 to 31 March 2010	21.4%	6.0%
on or after 1 April 2010	21.4%	6.0%

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

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

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

Under Auto Enrolment legislation all eligible employees are required to join a qualifying pension scheme, unless they formally opt out. We introduced a defined contribution scheme, The People's Pension, as an alternative option for employees that were not members of the ACRP. The Council contributes 4% and the employee 1%. These rates will change in the future, in line with the requirements of the legislation.

9. Resources expended
Governance costs

	Gross costs £'000	Deduct Recharges to Lottery Distribution £'000	2017/18 Net charge to General Activities £'000	2016/17 Net charge to General Activities £'000
Chairman's remuneration	49	18	31	32
Auditor's remuneration - Audit	41	19	22	22
Internal audit	23	11	12	11
Consultancy fees	4	2	2	-
Council meetings, including travel and subsistence	15	7	8	7
Committee meetings, including travel and subsistence	16	10	6	9
	148	67	81	81

10. Fixed assets

a. Intangible fixed assets

	Computer software licences £'000
Cost at 1 April 2017	584
Additions	-
Disposals	-
Cost at 31 March 2018	584
Amortisation at 1 April 2017	580
Charge for the year	3
Disposals	-
Amortisation at 31 March 2018	583
Net book value at 31 March 2018	1
Net book value at 1 April 2017	4

b. Tangible fixed assets

	Alterations to leasehold properties £'000	Computer system, furniture, etc £'000	Website £'000	Total £'000
Cost at 1 April 2017	107	602	95	804
Additions	-	43	-	43
Disposals	-	-	-	-
Cost at 31 March 2018	107	645	95	847
Depreciation at 1 April 2017	96	556	95	747
Charge for the year	11	49	-	60
Disposals	-	-	-	-
Depreciation at 31 March 2018	107	605	95	807
Net book value at 31 March 2018	-	40	-	40
Net book value at 1 April 2017	11	46	-	57

Amortisation and depreciation charged has been allocated to charitable activities within support costs (note 7).

c. Net book value at 31 March 2018 represents fixed assets used by the Council in support of its charitable activities.

The Council's freehold properties in Cardiff, the Sherman Theatre and the Rubicon Dance Studio, are let

on long leases at peppercorn rents to tenants which are not controlled by the Council and with no provisions either for reviewing the rents or repossession by the Council.

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

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

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

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

11. Grants paid in advance

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

	2017/18 £'000	2016/17 £'000
Payments in respect of the following year's grants	<u>268</u>	<u>219</u>

12. Debtors (falling due within one year)

	2017/18 £'000	2016/17 £'000
<i>Collectorplan</i> loans ¹	489	556
Trade debtors	46	70
Other debtors	<u>2,225</u>	<u>1,995</u>
	2,760	2,621
<i>Deduct</i> Specific provision for doubtful debts	-	(11)
<i>Sub-total: Debtors</i>	<u>2,760</u>	<u>2,610</u>
Prepayments	<u>236</u>	<u>296</u>
	<u>2,996</u>	<u>2,906</u>
Due from Lottery distribution fund for recharged costs:		
Cost apportionments	<u>216</u>	<u>510</u>
	<u>3,212</u>	<u>3,416</u>

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

13. Creditors

	2017/18 £'000	2016/17 £'000
a. Creditors: falling due within one year		
Grants payable	1,984	1,765
Taxation and social security	82	92
Trade creditors	119	40
Other creditors	158	89
Accruals and deferred income	327	866
Current liabilities of Cerdd Cymru: Music Wales (note 21)	<u>19</u>	<u>14</u>
	<u>2,689</u>	<u>2,866</u>

	2017/18 £'000	2016/17 £'000
b. Creditors: falling due after more than one year		
Grants payable	<u>246</u>	<u>177</u>
14. Provisions for liabilities	2017/18	2016/17
	£'000	£'000
Provision for pension deficit at 1 April	509	308
Amount charged against the provision during the year	(49)	(49)
Annual adjustment following a triennial valuation (2017 only) and changes in discount rates	<u>11</u>	<u>250</u>
Provision at 31 March	<u>471</u>	<u>509</u>
Of which:		
falling due within one year	49	49
falling due after more than one year	<u>422</u>	<u>460</u>
	<u>471</u>	<u>509</u>

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

15. Contingent liability

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

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

16. Statement of funds

	At 1 April 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 March 2018 £'000
Unrestricted income funds					
General fund	1,414	31,592	(30,950)	(78)	1,978
Total unrestricted funds	1,414	31,592	(30,950)	(78)	1,978
Restricted funds					
Income					
Welsh Government for specific arts activity	200	174	(400)	26	-
Welsh Government for National Endowment for Music	17	970	(91)	6	902
Development and Strategies	5	-	(5)	0	-
CLTA Programme	805	5,149	(5,509)	41	486
Eirian Llwyd Memorial Fund	-	3	(3)	0	-
Wales Arts International: contributions from the British Council	83	-	(66)	4	21
	1,110	6,296	(6,074)	77	1,409
Capital					
Alun Llywelyn Williams Memorial Fund (income to provide bursary for young artist)	13	-	-	-	13
Brian Ross Memorial Fund (income to provide bursary for young visual artist)	87	1	(7)	1	82
	100	1	(7)	1	95
Total restricted funds	1,210	6,297	(6,081)	78	1,504
Total funds	2,624	37,889	(37,031)	-	3,482

The Alun Llywelyn Williams and Brian Ross Memorial Funds are represented by cash at bank and are within the total of £3,367,000 shown on the Balance Sheet.

17. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2018 are represented by:			
Fixed assets	41	-	41
Current assets	3,162	3,685	6,847
Creditors: falling due within one year	(799)	(1,939)	(2,738)
Creditors: falling due after more than one year	(426)	(242)	(668)
Total net assets	1,978	1,504	3,482

18. Cash flow information

	2017/18 £'000	2016/17 £'000
a. Cash flows from operating activities		
Net incoming/(outgoing) resources	858	631
Bank interest received (net of surrender)	(4)	(3)
Amortisation and depreciation (note 10)	63	62
(Increase)/Decrease in grants paid in advance	(49)	81
(Increase)/Decrease in debtors	204	(316)
Increase/(Decrease) in creditors falling due within one year	(177)	757
Increase/(Decrease) in creditors falling due after more than one year	31	226
Net cash inflow from operating activities	926	1,438

	2017/18 £'000	2016/17 £'000
b. Cash flows from investing activities		
Bank interest received	15	14
Bank interest surrendered to Welsh Consolidated Fund	<u>(11)</u>	<u>(11)</u>
Net cash inflow from operating activities	<u><u>4</u></u>	<u><u>3</u></u>
c. Cash flows associated with capital assets		
Payments to acquire intangible fixed assets (note 10a)	-	(4)
Payments to acquire tangible fixed assets (note 10b)	(43)	(11)
Proceeds from disposal of tangible assets	<u>-</u>	<u>1</u>
Net cash outflow associated with capital assets	<u><u>(43)</u></u>	<u><u>(14)</u></u>

19. Commitments on operating leases

At 31 March 2018 the Council had the following commitments for future payments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2017/18 £'000	2016/17 £'000	2017/18 £'000	2016/17 £'000
Total due				
within one year	206	206	4	4
later than one year and not later than five years	17	226	-	1
later than five years	-	-	-	7

Lease payments of £224,000 have been recognised as an expense during the year (2016/17: £210,000). 51% (2016/17: 52%) of the costs are charged in these financial statements and the remainder to lottery distribution activities.

20. Forward commitments

	2017/18 £'000	2016/17 £'000
Grants		
Forward funding - grants formally offered	26,744	26,744

Forward funding at 31 March 2018 represents allocations to organisations and individuals in respect of projects due to commence in 2018/19 and where payments are expected to be made within 12 months.

21. Cerdd Cymru:Music Wales Limited

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

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

	2017/18 £'000	2016/17 £'000
Profit & Loss Account		
Income (note 6)	66	80
Expenditure (note 7)	<u>(81)</u>	<u>(81)</u>
Net incoming/(outgoing) resources	<u><u>(15)</u></u>	<u><u>(1)</u></u>

	2017/18 £'000	2016/17 £'000
Statement of Financial Position		
Current assets:		
Cash at bank and in hand	1	11
Current liabilities (note 13)	<u>(19)</u>	<u>(14)</u>
Net assets/(liabilities)	<u>(18)</u>	<u>(3)</u>
Reserves	<u>(18)</u>	<u>(3)</u>

22. *Creative Learning through the Arts Programme*

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

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

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

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

	2017/18 £'000	2016/17 £'000
Income		
Welsh Government grant	2,010	1,900
Arts Council of Wales Lottery grant	3,130	2,283
Prior year grants repaid	6	-
Bank interest	3	2
	<u>5,149</u>	<u>4,185</u>
Expenditure		
Lead Creative Schools	3,390	2,449
Arts and education programme (2017: write back from previous year)	692	(36)
Arts and creative learning cross-programme	655	645
Central management costs	730	686
Support costs (from unrestricted funds)	41	37
	<u>5,508</u>	<u>3,781</u>

23. Financial instruments

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

Liquidity risks – In 2017/18 £33,392,000 or 88% of the Council's income was derived from the Welsh Government (2016/17: £32,876,000 or 92%). Of the remaining income £3,130,000 or 8% was derived from the Arts Council of Wales' Lottery Distribution account for the *Creative Learning through the Arts Programme* (2016/17: £2,283,000 or 6%) and £1,367,000 or 4% was derived from investment income and sundry income (2016/17: £569,000 or 2%). The Council does not consider that its general activities are exposed to any significant liquidity risk, and is satisfied that future income is sufficient to meet its commitments.

Interest rate risks – Cash balances which are drawn down from the Welsh Government to pay grant commitments and operating costs are held in an instant access, variable rate bank account which on average carried an interest rate of 0.50% in the year (2016/17: 0.50%). The effective unrestricted cash balance at the year end was £1,816,000 (2017: £1,132,000). The Council does not consider that its general activities are exposed to significant interest rate risks.

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

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

24. Corporation Tax

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

25. Events after the reporting period

Authorisation of these financial statements for issue

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

26. Related party transactions

Public bodies

The Council is a Welsh Government sponsored body.

The National Assembly for Wales/Welsh Government is regarded as a related party. During the year the Council had no material transactions with the National Assembly for Wales/Welsh Government apart from the grant-in-aid disclosed in the Statement of Financial Activities and the restricted grants disclosed in note 4.

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 2017/18 in all such cases, in accordance with the Council's Code of Best Practice, the individual concerned withdrew from any meeting where there was a discussion or decision regarding funding.

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

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

Member Role	Organisation	Transaction (number)	Total value £	Total balance outstanding at 31 March 2018 £
<u>Council members</u>				
Iwan Bala				
Doctor of Research	University of South Wales	Invoice (6)	9,752	Nil
External examiner	Cardiff Metropolitan University	Invoice (3)	852	Nil
Andy Eagle				
Board member	Music Theatre Wales	Grant (1)	218,934	Nil
Employment	Chapter	Grant (3)	729,005	Nil
		Invoice (26)	23,183	324
Dr Philip George - Chair				
Employment (Family member)	Cardiff Council	Invoice (7)	1,176	Nil
Michael Griffiths				
Member of research group	Cardiff Metropolitan University	Invoice (3)	852	Nil
Marian Wyn Jones				
Director and Volunteer	Canolfan Gerdd William Mathias	Grant (1)	80,251	Nil
		Invoice (1)	193	Nil
Council member	Bangor University	Grant (1)	280,118	Nil
		Invoice (2)	1,104	Nil
Andrew Miller				
Board member	Arts Council England	Invoice (1)	2,000	Nil
Dafydd Rhys				
Employment	Aberystwyth Arts Centre	Grant (1)	536,645	Nil
Dr Rachel O'Riordan				
Employment	Sherman Theatre	Grant (2)	1,135,843	1,385
		Invoice (4)	3,120	Nil
Richard Turner				
Freelance consultant	Aneurin Leisure Trust	Invoice (10)	6,155	Nil
Employment	Artis Community Cymuned	Grant (2)	224,960	13,750
Freelance work	Cardiff Metropolitan University	Invoice (3)	852	Nil
Alan Watkin				
Board Member	Theatr Clwyd	Grant (1)	1,802,969	Nil
John C Williams				
Former employment	Theatr Iolo	Grant (3)	286,749	25,000
Employment	Cardiff Metropolitan University	Invoice (3)	852	Nil
<u>Committee members</u>				
Andrew Butler				
Employment (Family member)	Wales Audit Office	Invoice (2)	26,905	Nil
Ruth Cayford				
Employment	Cardiff Council (including St David's Hall)	Invoice (7)	1,176	Nil
Mark Davies				
Employment	BBC Cymru Wales (including BBC National Orchestra of Wales)	Grant (1)	805,133	Nil
		Invoice (4)	12,063	Nil
Roland Evans				
Employment	Gwynedd County Council	Invoice (1)	70	Nil

Member Role	Organisation	Transaction (number)	Total value £	Total balance outstanding at 31 March 2018 £
<u>Members of the Senior Leadership Team</u>				
Katherine Davies				
Employment (Family member)	Cardiff Council (including St David's Hall)	Invoice (7)	1,176	Nil
Former employment (Family member)	Ballet Cymru	Grant (1) Invoice (12)	252,376 9,107	Nil Nil
Diane Hebb				
Governing Body Member	Gwernyfed High School	Grant (1)	10,000	Nil
Siân Tomos				
Employment (Family member)	BBC Cymru Wales (including BBC National Orchestra of Wales)	Grant (1) Invoice (5)	805,133 12,063	Nil Nil
<u>Other members of staff</u>				
Eleri Allsobrook				
Employment (Family member)	Arts & Business Cymru	Grant (1)	70,000	Nil
Nathalie Camus				
Board Member (Family member)	Mostyn Gallery	Grant (1)	389,215	Nil
Consultancy (Family member)	Emrys Williams	Invoice (6)	2,990	Nil
Ceri Charles Durrant				
Employment (Family member)	Ysgol Tryfan	Grant (1)	1,000	Nil
Emily Garside				
Board member	Taking Flight Theatre	Grant (1) Invoice (8)	2,500 4,618	250 Nil
Eluned Haf Williams				
Family member	Elinor Bennett	Invoice (1)	800	Nil
Sally Lewis				
Employment (Family member)	Ballet Cymru	Grant (1) Invoice (12)	252,376 9,107	Nil Nil
Laura Welsman				
Employment	Cardiff Metropolitan University	Invoice (3)	852	Nil

Annex

not forming part of the financial statements

GENERAL ACTIVITIES - GRANTS 2017/18

Core funding to Arts Portfolio Wales organisations

Aberystwyth Arts Centre	£536,645
Arad Goch	£346,887
Artes Mundi Prize Limited	£147,962
Artis Community Cymuned	£199,960
Arts Alive	£77,625
Arts Care Gofal Celf	£132,915
Arts Connection - Cyswllt Celf	£65,204
Ballet Cymru	£252,376
Bangor University	£280,118
BBC National Orchestra of Wales	£805,133
Blackwood Miners' Institute	£129,375
Canolfan Gerdd William Mathias	£80,251
Chapter	£657,391
Community Music Wales	£105,239
Cwmni'r Frân Wen	£233,013
Dawns i Bawb	£85,266
Disability Arts Cymru	£165,417
Ffotogallery	£199,472
g39	£70,220
Galeri Caernarfon Cyf	£316,237
Glynn Vivian Art Gallery	£125,391
Hafren	£107,014
Head4Arts	£150,470
Hijinx Theatre	£155,687
Jukebox Collective	£167,670
Literature Wales	£742,264
Live Music Now Wales	£45,140
Llantarnam Grange Arts Centre	£85,266
Mid Wales Opera	£104,326
Mission Gallery	£95,298
MOSTYN	£389,215
Music Theatre Wales	£218,934
National Dance Company Wales	£834,186
National Theatre Wales	£1,606,405
NEW Dance	£75,523
NoFit State Community Circus	£194,608
Oriel Davies Gallery	£223,798
Oriel Myrddin Trust	£47,147
Pontardawe Arts Centre	£63,197
Powys Dance	£112,602
Rhondda Cynon Tâf County Borough Council	£150,821
Rubicon Dance	£194,608
Ruthin Craft Centre	£389,215
Sherman Theatre	£1,125,997

Sinfonia Cymru	£217,825
Taliesin Arts Centre	£219,906
The Riverfront	£125,391
Theatr Bara Caws	£279,803
Theatr Brycheiniog	£194,608
Theatr Clwyd	£1,802,969
Theatr Felinfach	£60,188
Theatr Genedlaethol Cymru	£1,029,567
Theatr Iolo	£256,749
Theatr Mwldan	£267,880
Theatr na n'Óg	£316,092
Torch Theatre Company Limited	£447,598
Trac - Music Traditions Wales	£80,251
Tŷ Cerdd - Music Centre Wales	£158,525
Ucheldre Centre	£75,235
Valley & Vale Community Arts	£175,147
Valleys Kids	£122,383
Volcano Theatre Company Limited	£209,204
Wales Millennium Centre	£3,837,917
Welsh National Opera	£4,533,977
Ystradgynlais Miners' Welfare and Community Hall Trust Ltd	£41,609

Total Arts Portfolio Wales grants

£26,744,402

Creative Learning through the Arts Programme

Arts and education networks

Arts Active Trust	£200,000
Caerphilly County Borough Council	£199,998
Flintshire County Council	£200,000
University of Wales Trinity Saint David	£200,000
	<hr/>
	£799,998

Lead Creative Schools

Abercynon Community Pirmary School	£10,000
Abertillery Learning Community	£29,000
Awel y Môr Primary School	£10,000
Baden Powell Primary School	£10,000
Beaufort Hill Primary School	£10,000
Bedwas Infants School	£10,000
Berriew C P School	£10,000
Bishop Gore School	£16,000
Bishopston Primary School	£10,000
Black Lane County Primary	£10,000
Blackwood Primary School	£10,000
Blaenycwm Primary School	£10,000
Brackla Primary School	£10,000
Bryncelynnog Comprehensive School	£16,000
Brynmenyn Primary School	£29,000
Bryntirion Comprehensive School	£16,000
Bwlchgwyn CP School	£10,000
Cantref Primary School	£10,000
Cathays High School	£16,000
Cleddau Reach VC Primary School	£10,000
Coed Y Garn Primary	£10,000
Coedffranc Primary School	£10,000
Cross Ash Primary School	£10,000
Crownbridge School	£16,000
Cwm Glas Infant School	£10,000
Cwmaber Junior School	£10,000
Cwmfelinfach Primary School	£10,000
Cyfeillion Ysgol Brynrefail	£16,000
Darrenlas Primary School	£10,000
Deri Primary School	£10,000
Dewstow Primary	£10,000
Five Roads County Primary School	£10,000
Fleur de Lis Primary	£10,000
Gaer Primary School	£10,000
George Street Primary School	£10,000
Gilwern Primary School	£10,000
Glyn Gaer Primary School	£10,000

Gnoll Primary	£10,000
Griffithstown Primary School	£10,000
Gwaun Farren Primary School	£10,000
Gwernyfed High School	£10,000
Hafod Primary School	£10,000
Hawthorn High School	£16,000
Hendredenny Park Primary	£10,000
Hengoed Primary School	£10,000
Herbert Thompson Primary	£10,000
Holy Name R.C. School	£10,000
Kitchener Primary School	£10,000
Knelston Primary School	£10,000
Knighton Church in Wales Primary School	£10,000
Ladywell Green Nursery and Infants' School	£10,000
Laugharne VCP Primary	£10,000
Libanus Primary School	£10,000
Llandrindod Wells Church in Wales Primary School	£10,000
Llanelwedd Church in Wales Primary School	£10,000
Llanfoist Fawr Primary	£10,000
Llantilio Pertholey Primary School	£10,000
Llwynypia Primary School	£10,000
Madras VA Primary School	£10,000
Maesteg School	£16,000
Maindee Primary School	£10,000
Malpas Park Primary School	£10,000
Manorbier Church in Wales Primary School	£10,000
Markham Primary School	£10,000
Michaelston Community College and Glyn Derw High School Federation	£16,000
Millbank Primary School	£10,000
Model V.A.P. School	£10,000
Monkton Priory Community Primary School	£10,000
Morrison Comprehensive School	£16,000
Mount Stuart Primary School	£10,000
Mountain Ash Comprehensive School	£16,000
Nant y Parc Primary School	£10,000
Nantymoel Primary School	£10,000
Newbridge School	£16,000
Neyland C.P.J.M. School	£10,000
Oakfield Primary School	£10,000
Pantysgallog Primary School	£13,000
Parkland Primary	£10,000
Pembroke Comprehensive School	£10,000
Pencaerau Primary School	£10,000
Penclawdd Primary School	£10,000
Pengam Primary School	£10,000
Penllergaer Primary School	£10,000
Pennar Junior School	£10,000
Pentrehafod School	£29,000

Pentrepoeth Primary School	£10,000
Pentwynmawr Primary School	£10,000
Penygawsi Primary School	£10,000
Penygloddfa CP School	£10,000
Penygroes CP School	£10,000
Penyrheol Comprehensive School	£16,000
Phillipstown Primary	£10,000
Pillgwenlly Primary School	£10,000
Pontllanfraith Primary School	£10,000
Puncheston CP School	£10,000
Pwyllgor Canolfan Gymuned Rhosybol	£10,000
Rhayader Church in Wales Primary School	£10,000
Rhos Street CP School	£10,000
Ringland Primary	£10,000
Risca Primary School	£10,000
Rogiet Primary School	£10,000
Saltney Ferry CP School	£10,000
Somerton Primary School	£10,000
Spittal VC School	£10,000
St Margaret's Catholic Primary School	£10,000
St Mark's V A School	£10,000
St Mary's Catholic School	£10,000
St. Andrew's Primary School	£10,000
St. Christopher's School	£16,000
St. David's R.C. Primary School	£10,000
St. Gabriels & Raphaels R.C Primary School	£10,000
St. Mary The Virgin Church in Wales Primary School	£10,000
St. Mary's RC Primary Chepstow	£10,000
St. Paul's VA Primary School	£13,000
Sully Primary School	£10,250
Talycopa Primary School	£10,000
Tenby Church In Wales V.C. Primary School	£10,000
Tondu Primary School	£13,000
Tonypandy Community College	£29,000
Tonysguboriau Primary School	£10,000
Trallwn Primary School	£10,000
Trallwng Infant School	£10,000
Tre Uchaf Primary School	£10,000
Tredegarville Primary School	£10,000
Trimsaran Community School	£10,000
Twynrodyn Community School	£10,000
Tylorstown Primary School	£10,000
Upper Rhymney Primary School	£10,000
Usk Church in Wales Primary School	£10,000
White Rose Primary School	£10,000
Willows High School	£16,000
Willowtown Primary School	£10,000
Ynysboeth Junior School	£10,000

Ynysddu Primary	£10,000
Ynystawe Primary School	£10,000
Ysgol Babanod Mochdre	£10,000
Ysgol Bodhyfryd	£10,000
Ysgol Borthyn	£10,000
Ysgol Bro Dyfrdwy	£10,000
Ysgol Bro Gwaun	£16,000
Ysgol Bro Idris	£29,000
Ysgol Bryn Castell	£16,000
Ysgol Cedewain	£9,950
Ysgol Cefn Meiriadog	£10,000
Ysgol Cei Newydd	£10,000
Ysgol Craig y Don	£10,000
Ysgol Craig yr Wylfa	£10,000
Ysgol Crud y Werin	£10,000
Ysgol Crug Glas	£10,000
Ysgol Cwm y Glo	£10,000
Ysgol Cybi	£10,000
Ysgol Cynddelw	£13,000
Ysgol Cynwyd Sant	£10,000
Ysgol Dewi Sant	£16,000
Ysgol Dyffryn Dulas Corris	£13,000
Ysgol Esgob Morgan	£10,000
Ysgol Foelgron	£10,000
Ysgol Gelli Aur / Golden Grove Community School	£10,000
Ysgol Gellionnen	£10,000
Ysgol Glan Aber	£13,000
Ysgol Glannau Gwaun	£10,000
Ysgol Glanwydden	£10,000
Ysgol Greenhill School	£16,000
Ysgol Gyfun Cwm Rhymni	£10,000
Ysgol Gyfun Gwent is Coed	£16,000
Ysgol Gyfun Gymareg Bryn Tawe	£10,000
Ysgol Gymraeg Bro Helyg	£10,000
Ysgol Gymraeg Bro Teyrnnon	£10,000
Ysgol Gymraeg Casnewydd	£10,000
Ysgol Gymraeg Dyffryn y Glowyr	£10,000
Ysgol Gymraeg Glanrafon	£10,000
Ysgol Gymraeg Melin Gruffydd	£10,000
Ysgol Gymraeg Y Fenni	£10,000
Ysgol Gymunedol Pontrhydfendigaid	£10,000
Ysgol Gymunedol T Llew Jones	£10,000
Ysgol Gynradd Bodedern	£10,000
Ysgol Gynradd Creigiau Primary School	£10,000
Ysgol Gynradd Gymraeg Aberdare	£10,000
Ysgol Gynradd Gymraeg Bodringallt	£10,000
Ysgol Gynradd Gymraeg Llwyncelyn	£10,000
Ysgol Gynradd Gymraeg Rhosafan	£10,000

Ysgol Gynradd Gymunedol Llechryd	£10,000
Ysgol Gynradd Gymunedol Plascrug	£10,000
Ysgol Gynradd Llangadog	£10,000
Ysgol Gynradd Nantgaredig	£10,000
Ysgol Hafod Lon	£16,000
Ysgol Henry Richard	£16,000
Ysgol I D Hooson	£10,000
Ysgol Iolo Morgannwg	£10,000
Ysgol Llanaelhaearn	£10,000
Ysgol Llanbedrog	£10,000
Ysgol Llandybie	£10,000
Ysgol Llanllechid	£10,000
Ysgol Llannon	£10,000
Ysgol Mair Primary School	£10,000
Ysgol Morfa Nefyn	£10,000
Ysgol O.M.Edwards	£10,000
Ysgol Pant y Rhedyn	£10,000
Ysgol Parc Y Bont	£10,000
Ysgol Pen Barras	£10,000
Ysgol Pen Rhos Community Primary School	£10,000
Ysgol Penllwyn	£10,000
Ysgol Penrhyncoch	£10,000
Ysgol Pen-Y-Bryn	£16,000
Ysgol Penyffordd	£10,000
Ysgol Pont Y Gof	£10,000
Ysgol Pontyates School	£10,000
Ysgol San Sior	£10,000
Ysgol Treganna	£10,000
Ysgol Tycroes	£10,000
Ysgol Waunfawr	£13,000
Ysgol y Berwyn	£16,000
Ysgol y Castell	£10,000
Ysgol y Creuddyn	£10,000
Ysgol Y Cribarth	£10,000
Ysgol Y Ddraig	£10,000
Ysgol y Faenol	£10,000
Ysgol y Graig	£10,000
Ysgol Y Strade	£16,000
Ysgol Y Waun	£10,000
Ysgol-y-Traeth	£10,000
Ystruth Primary School	£10,000
	<u>£2,486,200</u>

Experiencing the Arts

Abercanaid Community School	£297
Abercynon Community Primary School	£1,000
Abersychan School	£1,000
Abertillery secondary 3-16 campus	£702
Adamsdown Primary School	£765
Archdeacon Griffiths CIW VA Primary School	£189
Argoed High School	£1,000
Artis Community Cymuned	£25,000
Barry Island Primary School	£1,000
Bedlinog Junior School	£540
Birchgrove Primary School	£469
Bishop Hedley High School	£225
Bishop Vaughan Catholic School (2 awards)	£999
Blackwood Comprehensive School	£531
Blaenbaglan Primary School (2 awards)	£1,450
Blaendulais Primary School	£419
Blaenycwm Primary School	£1,000
Bryn Bach County Primary	£990
Bryngwyn School	£99
Bryntirion Comprehensive School	£810
Buttington Trewern CP School	£335
Bwlchgwyn CP School (2 awards)	£992
Cae Garw Primary School	£1,000
Cantonian High School	£675
Cardiff West Community High School	£600
Cardinal Newman Catholic School and Sixth Form	£340
Cardinal Newman Comprehensive School	£300
Carreghofa County Primary School	£897
Clase Primary School	£1,000
Clyro Church in Wales Primary School	£882
Coedffranc Primary School	£720
Coedpenmaen Primary School	£1,000
Cogan Primary School	£897
Crickhowell Choral Society	£5,733
Cwm Glas Primary School	£700
Cwmaman Infants School	£319
Cwmbach Church in Wales Primary	£535
Cwmni'r Frân Wen	£25,000
Darran Park Primary School	£1,000
Deeside Community Arts	£5,000
Deighton Primary School	£600
Dinas Powys Primary School	£630
Familia de la Noche	£14,248
Forden Church in Wales School	£211
Franksbridge Primary School	£738
Garth Primary School (5 awards)	£4,235

Gilfach Fargoed Primary	£961
Gilwern Primary School	£1,000
Greenhill Special School	£1,000
Gronant County Primary School	£382
Guilsfield County Primary School	£410
Gwenfro Community Primary	£620
Hafren Junior School	£1,000
Head4Arts (2 awards)	£32,330
Islwyn High School	£472
King Henry VIII School	£198
Kitchener Primary School	£500
Knelston Primary School	£700
Leighton CP School	£288
Lewis School Pengam (2 awards)	£24,952
Llandrindod CP School Cefnlllys (2 awards)	£1,800
Llanelwedd Church in Wales Primary School (2 awards)	£1,864
Llanfihangel Rhydithon CP School	£633
Llanishen Fach Primary School	£180
Llanishen High School (3 awards)	£1,615
Llanrhidian Primary School (2 awards)	£1,383
Llanwern High School	£620
Lliswerry High School	£621
Llwynypia Primary School	£162
Maesteg Comprehensive School	£1,000
Maesyrhandir CP School	£972
Maindee Primary School	£180
Mess up the Mess Theatre Company	£24,979
Mewn Cymeriad/In Character	£15,000
Millbank Primary School	£1,000
Minera VA School	£265
Miskin Primary School (2 awards)	£2,000
Monkton Priory Community Primary School	£792
Moorland Primary	£1,000
Mount Pleasant Primary School	£1,000
Mount Street Infant and Nursery School	£342
Mount Stuart Primary School (2 awards)	£1,620
National Theatre Wales	£20,153
Newbridge on Wye Church in Wales School	£900
Newton Primary School	£598
Oak Field Primary School (3 awards)	£7,940
Oaklands Primary School	£810
Park Lane School	£1,000
Park Primary School	£745
Pembroke Comprehensive School	£328
Pencoed Primary School	£418
Pengelli Primary School	£1,000
Pengeulan Primary School	£600
Penllergaer Primary School	£1,000

Penrhiwceibr Primary School	£1,000
Pentrehafod School	£1,000
Pentre'r Graig Primary School	£315
Pen-y-Bryn Primary School	£900
Penygraig Junior School	£1,000
Penyrheol Comprehensive School	£540
Peter Lea Primary School (2 awards)	£2,000
Plasmarl Primary School	£283
Pontarddulais Comprehensive School	£1,000
Pontypridd High School	£1,000
pyka	£24,800
Radnor Primary School	£900
Rhydygors School	£216
Rhyl & Rhuddlan Learning Community	£18,800
Roath Park Primary School	£600
Rogiet Primary School	£831
Romilly Primary School	£705
Severn Primary School	£500
Sherman Theatre	£9,846
Shining Edge Limited	£5,020
Sketty Primary	£1,000
Somerton Primary School	£720
St Aloysius RC Primary	£666
St Cenydd Community School	£990
St Helens Primary School	£630
St James Primary School (2 awards)	£1,440
St Josephs Junior School	£175
St Mark's V A School	£1,000
St Marys Church In Wales VA School	£850
St Mary's RC Primary	£513
St Monica's Church in Wales Primary School	£828
St. Florence V. C. School	£250
St. John Lloyd School	£351
St. Joseph's RC High School	£113
St. Michaels RC Primary School	£1,000
Sully Primary School	£160
Talcopa Primary School (2 awards)	£1,035
Tenby Church In Wales V.C. Primary School	£1,000
The Riverfront	£25,000
The Rofft School	£360
Theatr Iolo	£25,000
Trallwn Primary School	£1,000
Treorchy Comprehensive School	£202
Treowen C.P. School	£1,000
Tynyrheol Primary School	£900
Vision Fountain CIC	£11,218
Waunarlwydd Primary School	£625
Waunfawr Primary School	£350

Westwood Community Primary School	£6,450
White Rose Primary School	£1,000
Wick and Marcross Church in Wales Primary School	£720
Woodlands High School	£7,800
Ynystawe Primary School	£990
Ysgol Aberconwy	£540
Ysgol Awel y Mynydd	£738
Ysgol Beddgelert	£342
Ysgol Betws	£558
Ysgol Beuno Sant	£508
Ysgol Botwnnog (3 awards)	£1,225
Ysgol Bro Alun (2 awards)	£540
Ysgol Bro Cinmeirch (2 awards)	£1,540
Ysgol Bro Cynfal	£511
Ysgol Bro Dinefwr	£594
Ysgol Bro Dyfrdwy	£450
Ysgol Bro Gwydir	£1,000
Ysgol Bro Hyddgen	£558
Ysgol Bro Idris (2 awards)	£1,604
Ysgol Bro Ingli	£1,000
Ysgol Bro Pedr	£666
Ysgol Bro Plenydd	£240
Ysgol Bro Tegid	£1,000
Ysgol Bro Teifi	£171
Ysgol Bro Tryweryn	£630
Ysgol Bryn Alyn (2 awards)	£1,849
Ysgol Bryn Clwyd	£450
Ysgol Bryn Collen	£225
Ysgol Bryn Tabor	£610
Ysgol Cae'r Nant (2 awards)	£1,950
Ysgol Carreg Emlyn	£900
Ysgol Cedewain	£990
Ysgol Cefn Coch	£828
Ysgol Craig y Deryn	£1,000
Ysgol Craig yr Wylfa	£207
Ysgol Crug Glas	£1,000
Ysgol Cybi	£390
Ysgol Cynddelw	£247
Ysgol Dinas Bran	£508
Ysgol Dolafon	£781
Ysgol Dolbadarn	£613
Ysgol Drefach	£243
Ysgol Dyffryn Aman (2 awards)	£490
Ysgol Dyffryn Ardudwy	£420
Ysgol Dyffryn Ial	£378
Ysgol Dyffryn Nantlle	£900
Ysgol Dyffryn Ogwen	£250
Ysgol Eifion Wyn (2 awards)	£1,360

Ysgol Eirias	£945
Ysgol Emrys ap Iwan	£780
Ysgol Ffordd Dyffryn	£5,400
Ysgol Ffridd y Llyn	£850
Ysgol Garndolbenmaen	£430
Ysgol Glanwydden	£773
Ysgol Gwenffrwd (2 awards)	£1,450
Ysgol Gyfun Cwm Rhymni (2 awards)	£1,120
Ysgol Gyfun Gwynllyw (2 awards)	£950
Ysgol Gyfun Gymraeg Bryn Tawe (3 awards)	£1,693
Ysgol Gyfun Gymraeg Plasmawr	£10,000
Ysgol Gyfun Gymunedol Penweddig	£720
Ysgol Gymraeg Aberystwyth	£1,000
Ysgol Gymraeg Bro Teyrnnon	£1,000
Ysgol Gymraeg Bryn Y Mor	£711
Ysgol Gymraeg Casnewydd	£424
Ysgol Gymraeg Coed y Gof	£22,500
Ysgol Gymraeg Gilfach Fargod	£427
Ysgol Gymraeg Glanrafon	£700
Ysgol Gymraeg Lôn Las	£720
Ysgol Gymraeg Sant Curig	£1,000
Ysgol Gymraeg y Gwernant	£653
Ysgol Gymraeg Ystalyfera Bro Dur	£315
Ysgol Gymuned Rhosybol	£90
Ysgol Gymuned y Fali	£422
Ysgol Gymunedol Pontrhydfendigaid	£1,000
Ysgol Gynradd Aberaeron	£917
Ysgol Gynradd Carno	£450
Ysgol Gynradd Coed-y-Dderwen	£1,000
Ysgol Gynradd Gymraeg Aberdare	£1,000
Ysgol Gynradd Gymraeg Llwynderw	£1,000
Ysgol Gynradd Gymraeg Trebannws	£706
Ysgol Gynradd Gymunedol Llechryd	£540
Ysgol Gynradd Gymunedol Plascrug	£423
Ysgol Gynradd Llanilar	£480
Ysgol Gynradd Llanllyfni (2 awards)	£711
Ysgol Gynradd Llansteffan	£1,000
Ysgol Gynradd Rhydypennau	£729
Ysgol Hafod Lon	£495
Ysgol Hafodwenog	£326
Ysgol Henblas	£396
Ysgol Henllan	£475
Ysgol Henry Richard	£631
Ysgol Hiraddug	£630
Ysgol Iau Llangennech	£265
Ysgol Llandegfan	£720
Ysgol Llandygai	£1,000
Ysgol Maenofferen	£432

Ysgol Maes Garmon	£900
Ysgol Maesincla	£1,000
Ysgol Merllyn	£288
Ysgol Mynydd Bychan	£432
Ysgol Pant Pastynog	£520
Ysgol Penglais School	£1,000
Ysgol Penisarwaun	£875
Ysgol Penmachno	£513
Ysgol Pentreuchaf	£700
Ysgol Penybryn	£1,000
Ysgol Reoledig Llanfair Dyffryn Clwyd	£342
Ysgol Rhosneigr	£320
Ysgol Sant Elfod	£1,000
Ysgol Syr Hugh Owen	£850
Ysgol Tal y Bont	£1,000
Ysgol Tal-y-bont	£554
Ysgol Tanycastell	£500
Ysgol Terrig	£423
Ysgol Tir Morfa	£1,000
Ysgol Trefferthyr	£343
Ysgol Tryfan	£1,000
Ysgol Uwchradd Aberteifi	£1,000
Ysgol Uwchradd Caereinion	£1,000
Ysgol Uwchradd Llanfair-ym-Muallt	£360
Ysgol y Berwyn	£656
Ysgol Y Castell	£225
Ysgol Y Ddraig	£1,000
Ysgol y Faenol	£990
Ysgol y Foryd (2 awards)	£1,386
Ysgol y Frenni	£394
Ysgol Y Gelli	£880
Ysgol y Lawnt	£523
Ysgol y Llys	£635
Ysgol y Waun	£250
Ysgol yr Hendre	£870
Ysgol-y-Traeth	£732
	<u>£559,861</u>

Total *Creative Learning through the Arts* grants

£3,846,059

Strategic awards

India:Wales

4Pi Productions	£15,000
Ffotogallery	£8,000
National Theatre Wales	£5,000
Theatr lolo	£5,000
	<hr/> £33,000 <hr/>

Memorial awards

The *Brian Ross Memorial Award* for graduating fine art students

Gethin Ceidiog Hughes	£2,500
Gweni Llwyd	£3,000

The *Eirian Llwyd Memorial Award* for printmaking

Daniel Pritchard	£3,000
	<hr/> £8,500 <hr/>

Strategic – Arts

Artes Mundi Prize Limited	£49,999
	<hr/> £49,999 <hr/>

Strategic – Engagement & Participation

Celf-Able	£2,430
engage (National Association for Gallery Education) (2 awards)	£5,000
The Forget-me-Not Chorus Cardiff	£11,645
Gentle / radical	£2,500
Kelly Jones	£2,500
Maynard	£2,500
Rhondda Cynon Tâf County Borough Council	£2,440
Taking Flight Theatre Company	£2,500
The Albany (Family Arts Campaign)	£2,500
Youth Arts Network Cymru	£2,500
	<hr/> £36,515 <hr/>

Strategic - Enterprise & Regeneration

Arts & Business Cymru	£70,000
Arts Alive	£12,150
engage (National Association for Gallery Education)	£32,000
	<hr/> £114,150 <hr/>

Venice Biennale of Art - Curator

Chapter Cardiff Ltd.	<hr/> £71,614 <hr/>
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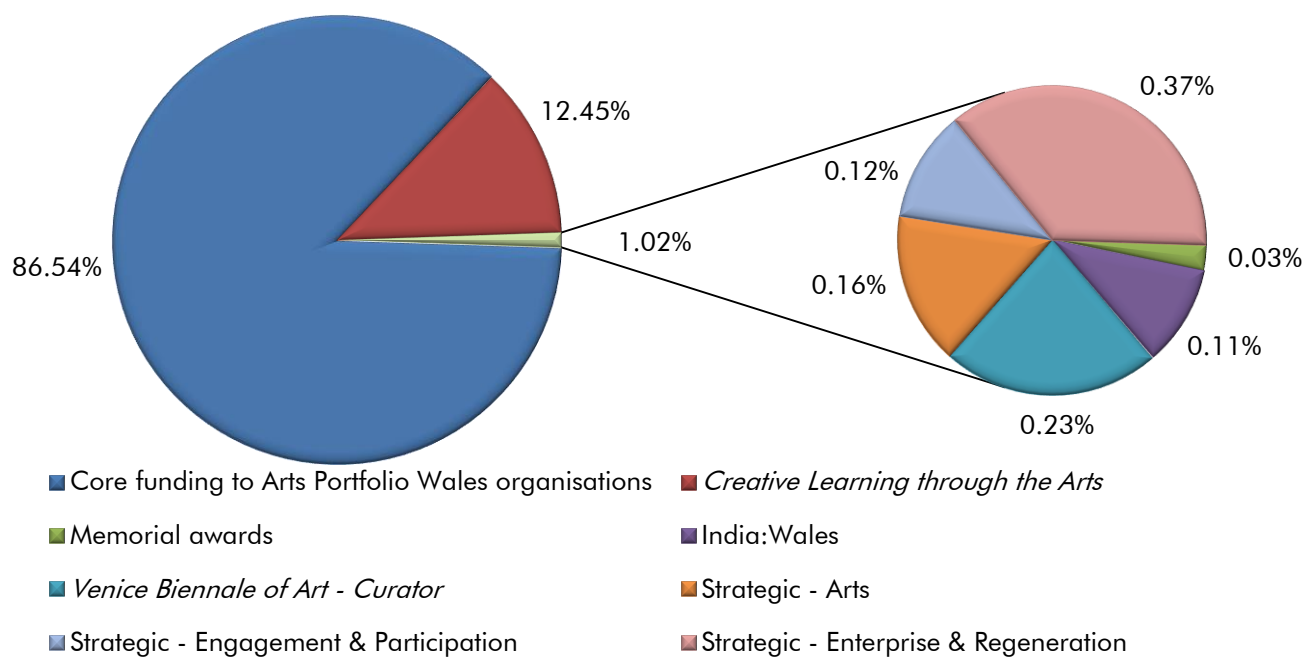
Total Strategic awards

£313,778

TOTAL GRANTS OFFERED

£30,904,239

GRANTS BY TYPE



WHAT DID OUR GRANTS SUPPORT?

	<u>Value of grants</u>		<u>No of grants</u>
Grants to support:			
Theatres & arts centres	£7,003,344	22.66%	15
Theatre production & presentation	£6,657,230	21.54%	8
Opera	£4,857,237	15.72%	3
Visual & applied arts	£1,772,984	5.74%	10
Dance	£1,722,231	5.57%	7
Music	£1,387,125	4.49%	6
Arts & young people	£1,152,741	3.73%	4
Community arts	£1,089,221	3.52%	9
Literature	£742,264	2.40%	1
Circus & carnivals	£194,608	0.63%	1
Disability arts	£165,417	0.54%	1
<i>Creative Learning through the Arts</i>	£3,846,059	12.45%	537
Other grants:			
Strategic awards	£313,778	1.02%	24
	<u>£30,904,239</u>		<u>626</u>