



CEFNOGI CREADIGRWYDD  
CYNGOR CELFYDDYDAU CYMRU  
THE ARTS COUNCIL OF WALES  
SUPPORTING CREATIVITY

## GENERAL ACTIVITIES ACCOUNT

Report and Financial Statements  
for the year ended 31 March 2007



Sponsored by  
Welsh Assembly  
Government

**THE ARTS COUNCIL OF WALES  
GENERAL ACTIVITIES ACCOUNT**

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## THE ARTS COUNCIL OF WALES

### REPORT AND FINANCIAL STATEMENTS - GENERAL ACTIVITIES ACCOUNT

for the year ended 31 March 2007

#### LEGAL AND ADMINISTRATIVE INFORMATION

##### Trustees

Council Members who served since 1 April 2006 were:

Professor Dai Smith, Chairman	(b)
Rhiannon Wyn Hughes MBE, Vice-chairman (from 7 April 2006)	(a) (b) (e) (ii) (iii)
Simon Dancey	(a) (f)
Maggie Hampton (from 31 July 2006)	(c)
John Metcalf	(d)
Robin Morrison (from 31 July 2006)	(c) (i)
Christopher O'Neil	(g) (v)
Dr Ian J Rees (from 31 July 2006)	(e)
Huw Roberts (to 31 March 2007)	
Dr Francesca Rhydderch (to 31 March 2007)	(d)
Clive Sefia (from 31 July 2006)	(a)
Ruth Till MBE	(f)
David Vokes	(a) (b)
Debbie Wilcox (from 31 July 2006)	(f) (iv)

- (a) Member of Audit Committee
- (b) Member of Remuneration Committee
- (c) Member of Capital Committee
- (d) Member of Mid and West Wales Regional Committee
- (e) Member of North Wales Regional Committee
- (f) Member of South Wales Regional Committee
- (g) Member of Wales at the Venice Biennale of Art Committee

For at least part of the period covered by this report Council members (identified by the number in brackets after their name in the above list) also served as Members or senior employees of the following public bodies:

- (i) Blaenau Gwent County Borough Council
- (ii) Denbighshire County Council
- (iii) National Museum of Wales
- (iv) Newport City Council
- (v) University of Wales Institute, Cardiff

##### Chief Executive

Peter Tyndall

##### Offices

*Mid and West Wales region:*  
4-6 Gardd Llydaw  
Jackson's Lane  
Carmarthen  
SA31 1QD

*North Wales region:*  
36 Prince's Drive  
Colwyn Bay  
LL29 8LA

*South Wales region  
and national office:*  
9 Museum Place  
Cardiff  
CF10 3NX

**Auditor**

Auditor General for Wales  
Deri House  
2-4 Park Grove  
Cardiff  
CF10 3PA

**Internal auditors**

Bentley Jennison  
33-35 Cathedral Road  
Cardiff  
CF11 9HB

**Bankers**

Bank of Ireland  
South Wales Business Centre  
17 Cathedral Road  
Cardiff  
CF11 9HA

**Solicitors**

Geldards LLP  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

## THE ARTS COUNCIL OF WALES

### TRUSTEES' ANNUAL REPORT

#### Structure, governance and management

The Arts Council of Wales was established by Royal Charter on 30 March 1994. It is also known by its Welsh name, Cyngor Celfyddydau Cymru.

The Council is a registered charity, number 1034245, whose trustees are the appointed Members.

The Council is an Assembly Government sponsored body. Under the terms of the Government of Wales Act 1998 responsibility for funding the Council transferred from the Secretary of State for Wales to the National Assembly for Wales on 1 July 1999. The Council amended its Royal Charter to reflect this change and to provide for its general activities account to be audited by the Auditor General for Wales.

The Welsh Ministers appoint the Members of the Arts Council who normally serve for a period of three years and may be re-appointed for a further three year period. During the period under review the Council met eight times.

#### *Members induction and training*

New Members undergo an induction programme to brief them on their legal obligations under the Royal Charter and charity law, the Code of Best Practice, the Committee and decision making processes, strategic plans and funding issues. During the induction day they receive presentations from the Chairman, Chief Executive and Senior Management Team, and senior representatives from the Welsh Assembly Government's sponsoring division and from the Wales Audit Office. Members also have the opportunity to meet key employees. As well as the Royal Charter and Code of Best Practice, Members are provided with copies of the most recent Annual Report and Accounts, the current Working Budget, and the Charity Commission's publications 'The Essential Trustee' and 'The Independence of Charities from the State'. Seminars and additional training are arranged as necessary to inform the formulation of strategies and policies.

Council has appointed a number of committees to provide specialist advice and to make decisions within a framework of delegated powers; they are: Audit Committee, Remuneration Committee, Capital Committee, Mid and West Wales Regional Committee, North Wales Regional Committee, and South Wales Regional Committee. Ad hoc committees are set up for specific purposes; currently there are committees in respect of the Venice Biennale of Art and the Sustainability Programme. All committees are made up of Council Members and other individuals and operate under specific terms of reference. In addition, a National List of Advisers has been established, members of which are appointed by Council to provide specialist advice.

Council Members reserve to themselves matters such as decisions of policy, the Corporate and Operational Plans, the setting of the annual budget, the annual allocation of grants to revenue-funded organisations, and major alterations to the terms and conditions of service for staff. Members have delegated to staff decisions on grants up to £50,000, and to Capital Committee decisions on lottery capital grants from £50,001 to £250,000.

The register of interests of Members of the Council and of its Committees and National Advisers and the register of interests of Council employees are available for public inspection, by appointment, at each of the Council's offices during normal working hours.

#### *Accountability*

In addition to the requirements of the Royal Charter the Council operates under an accountability regime which includes:

- the Charities Acts 1960, 1993 and 2006 and guidance issued by the Charity Commission
- the Freedom of Information Act 2000 and Data Protection Act 1998 and guidance issued by the Information Commissioner
- a Management Statement, Financial Memorandum and Accounts Direction issued by the Welsh Ministers

- Policy Directions, Finance Directions and an Accounts Direction issued by the Welsh Ministers under the terms of S26 of the National Lottery etc. Act 1993 (as amended)
- the power of the Parliamentary Commissioner for Administration to investigate the Council's affairs
- the power of the Public Services Ombudsman for Wales to investigate the Council's affairs
- a Code of Best Practice, applying to Members and staff, which sets out standards of behaviour required of those involved in financial decisions and in dealing with the public
- the Consumer Credit Act 1974 and guidance issued by the Office of Fair Trading

Copies of the Accounts Directions and of the Code of Best Practice can be obtained free of charge by writing to the Council's Finance and Central Services Director.

The Council is required to account separately for its general and lottery distribution activities. Under separate Accounts Directions the accounting treatment of general and lottery grants differs significantly so, with due regard to paragraph 359 of the Charity Commission's Statement of Recommended Practice (revised 2005), in the judgment of the Trustees the production of a consolidated account is inappropriate as it would not provide a fair view of the application of the Council's resources.

#### *Risk management*

Council Members and members of the Audit Committee have reviewed during the year an assessment of the major strategic, business and operational risks to which the Council is exposed and agreed procedures and reporting regimes to manage and reduce the identified risks. An organisation-wide risk register is maintained and regularly considered and reviewed by the Senior Management Team. Clear lines of delegation and authority to staff for the recognition and management of departmental risks minimise any potential impact on the Council should any of those risks materialise.

#### **Objectives, activities, achievements and performance**

The Council's chartered objects are:

- (a) to develop and improve the knowledge, understanding and practice of the arts;
- (b) to increase the accessibility of the arts to the public;
- (c) to advise and co-operate with Departments of Our Government, local authorities, the Arts Councils for England, Scotland and Northern Ireland, and other bodies on any matters concerned, whether directly or indirectly, with the foregoing objects; and
- (d) to carry out the objects through the medium of both the Welsh and English languages.

The Council's main purpose is to support and develop the arts in Wales for the benefit of people throughout Wales. The principal way in which Council seeks to fulfil this purpose is by the formulation of arts strategies, research, and providing recurrent and one-off grants to organisations and individuals within a strategic and developmental context. Such grant making is backed up by a process of monitoring and assessment to ensure that public money is used effectively for the intended purposes. The Council also manages a range of non-grant activities and services, often in partnership with local authorities and others.

#### *Main objectives for the year*

In 2006/07, the Council focused its work on the following areas:

- mainstreaming the arts;
- securing the quality of people's experiences of the arts;
- improving the performance and long-term sustainability of the arts sector;
- extending access to the arts as a means of tackling issues of disadvantage; and
- securing National Lottery funding of the arts well into the future.

The Council's strategic priorities for 2006/07 are set out in the table below according to our ten corporate themes, alongside key achievements made in relation to each priority during the year:

<i>Corporate theme</i>	<i>Priorities</i>	<i>Achievements and performance</i>
<p>Encourage organisations and individuals to work together across Wales to maximise opportunities for people to experience the arts</p>	<ul style="list-style-type: none"> <li>• Implement the next stage of the Arts Outside Cardiff scheme</li> <li>• Publish and launch a dance strategy as part of a new strategy for the arts in Wales.</li> </ul>	<ul style="list-style-type: none"> <li>• This was achieved. To date, Arts Outside Cardiff funding has generated attendances of more than 160,000, gross box office income above £900,000 and 935 performances of 340 productions, 135 of which were presented in 45 venues which are not funded as regional performing arts centres, thus spreading the benefit beyond the grant recipients.</li> <li>• A draft dance strategy has been produced and was discussed at the first National Dance Forum. 2006/07 also saw the establishment of three regional dance forums.</li> </ul>
<p>Develop artistic work in and through the Welsh and English languages</p>	<ul style="list-style-type: none"> <li>• Make significant progress on developing an English Language National Theatre for Wales.</li> <li>• Ensure Theatr Genedlaethol Cymru (TGC) stages 50 performances across the country.</li> </ul>	<ul style="list-style-type: none"> <li>• The Welsh Assembly Government confirmed an additional £750,000 from April 2007 which will be used to create a non-building based national theatre. In 2007/08, ACW will establish the company, appoint a director and begin the process of commissioning for future productions.</li> <li>• By the end of March 2007, TGC had staged 47 performances. The target of 50 was not reached because of problems encountered booking venues for one of its productions. TGC is now working to ensure that future programming will guarantee this target is met in the coming years.</li> </ul>
<p>Continue to develop a network of financially secure and well-managed arts organisations, with access to a range of well-equipped spaces, helping them to exploit their artistic potential and build bigger and broader audiences</p>	<ul style="list-style-type: none"> <li>• Continue to invest in the arts infrastructure in Wales through the Capital Strategy.</li> <li>• Actively work with client organisations to produce a sustainable, high quality core.</li> </ul>	<ul style="list-style-type: none"> <li>• Substantial capital investment by the ACW Lottery fund last year facilitated much needed refurbishments of existing venues with a track record of high quality arts provision. During 2006/07, Ruthin Craft Centre was awarded £3.1 million to construct a new building; Ty Newydd, the writers' centre, re-opened after a £2m refurbishment and development project part-funded by ACW; Valleys Kids' Soar Centre also re-opened after significant refurbishment. Theatr Powys' new drama centre was opened in November 2006 thanks to significant investment after a fire seriously damaged the original centre six years ago.</li> <li>• Inflationary increases were granted to clients. Significantly enhanced funding was provided to the network of regional performing arts centres. The review of the portfolio of revenue clients was driven forward with the development of a smaller, more focused number of clients, allowing for the future increased revenue funding of the enhanced regional gallery network and a programme of mergers to exploit synergies and focus expenditure on artistic output.</li> </ul>

Corporate theme	Priorities	Achievements and performance
Support and encourage greater participation in the arts for practitioners, artists and audiences, especially in areas of low take-up	<ul style="list-style-type: none"> <li>• Continue to use both Lottery and grant-in-aid funding strategically for the arts to deliver maximum impact on key priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• ACW remains committed to ensuring the arts are accessible and of benefit to all sections of the population. During 2006/07, 34 out of 47 applications for Lottery funding in the field of cultural diversity were successful, with awards totalling £307,097. Out of 25 applications made in 2006/07 originating from the arts and disability sector, 24 were in receipt of grants, totalling £251,033. Also during this year, ACW awarded £851,618 for arts activity in Communities First areas through project funding and capital grants. Regional teams are systematically addressing capacity issues in areas of low take-up leading to marked shifts in the balance of project funding.</li> </ul>
Promote opportunities for young people to experience the arts as participants, artists and audiences	<ul style="list-style-type: none"> <li>• Publish the Arts and Young People Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparatory work on the Strategy is underway.</li> </ul>
Tackle economic, social and physical barriers to accessing the arts, particularly in Communities First and other areas of multiple deprivation.	<ul style="list-style-type: none"> <li>• Actively promote access to, and participation in, the arts for people in disadvantaged communities.</li> </ul>	<ul style="list-style-type: none"> <li>• As part of the community arts portfolio review in 2006/07, ACW adopted a rationale for supporting the sector which prioritises community arts programmes that are demonstrably transformational in terms of individuals, groups, sectors and communities and which deliver high quality artistic and creative experiences in areas of deprivation.</li> </ul> <p>A specific example of ACW tackling disadvantage is the <i>Canolfan Rhys Arts and Education Programme</i>. As a result of a £24,901 ACW Lottery award, Penrhys Partnership Trust ran this twelve-month programme providing arts and cultural activities which are accessible, enjoyable and progressive in order to improve the life chances of children and young people from disadvantaged families in Penrhys and the wider county borough of Rhondda Cynon Taf.</p> <p>In addition, September 2006 saw ACW formally register the development of an arts venue for Merthyr within its long-term capital programme. The need for a cultural facility in Merthyr has been widely recognised, and this project will support increased access to professional arts and arts resources in the Heads of the Valleys while also stimulating an increase in community arts projects for the region.</p>



<i>Corporate theme</i>	<i>Priorities</i>	<i>Achievements and performance</i>
<p>Develop the arts workforce through education, training and continuing professional enhancement and maximise their contribution to Wales's creative industries</p>	<ul style="list-style-type: none"> <li>• Agree and begin a new three-year development programme for arts training in Wales.</li> </ul>	<ul style="list-style-type: none"> <li>• Council has decided not to proceed with this action because the second stage of the portfolio review (see below) focused on service providers which included Arts Training Wales, the service body for training and professional development in the arts. It was therefore necessary to establish the future of Arts Training Wales's funding relationship with ACW before embarking on a 3 year development programme. Once the recommendations of the review have been implemented (during 2007/08), ACW will reassess the need for a development programme to be undertaken.</li> </ul>
<p>Develop more good quality and innovative work in all artforms by providing better support for artists</p>	<ul style="list-style-type: none"> <li>• Provide high quality support for individual artists through grant schemes such as Creative Wales, with support from Lottery funding, through artform seminars and via developmental work with Council officers.</li> </ul>	<ul style="list-style-type: none"> <li>• During 2006/07 the Creative Wales Awards were again run highly successfully and the grant recipients achievements were celebrated at an awards ceremony, in the Senedd building in Cardiff Bay. Nineteen awards were made to artists from across Wales displaying innovative creative and personal development proposals. Artform discussions and seminars in the year have included music, visual arts and dance (with further sessions for theatre and drama, and applied arts planned for Summer 2007). In a major example of arts development work, ACW has awarded £50,000 to the Valleys Literature Development initiative which will deliver a focused three-year programme of development and participatory sessions across the South Wales Valleys.</li> </ul>
<p>Develop partnerships within all sectors to increase opportunities for taking forward the arts economy in Wales</p>	<ul style="list-style-type: none"> <li>• Work closely with the National Assembly on implementing any changes arising from the independent review of arts funding.</li> </ul>	<ul style="list-style-type: none"> <li>• The report of the Wales Arts (Stephens) Review was published on 29 November 2006 and debated in a plenary session of the National Assembly on 6 December 2006. ACW broadly welcomed the report and has been working with the Assembly Government on taking forward the recommendations via an implementation group consisting of representatives from the Assembly, ACW and the Welsh Local Government Association.</li> </ul>

<i>Corporate theme</i>	<i>Priorities</i>	<i>Achievements and performance</i>
Ensure the Council provides economic, efficient and effective support for its internal and external clients by further improving internal systems and procedures.	<ul style="list-style-type: none"> <li>• Continue to review our portfolio of revenue-funded organisations to allow further re-direction of funding.</li> <li>• Continue to seek opportunities for further efficiency savings.</li> </ul>	<ul style="list-style-type: none"> <li>• During 2006/07, ACW extended its portfolio review to community arts and service delivery organisations. The Community Arts Review was undertaken to allocate additional community arts funding and to ensure future ACW support focuses on transformational community arts provision. Interim proposals were presented to Council in December 2006 and a detailed implementation Plan agreed. The review of service delivery organisations aims to establish the most effective means of funding these organisations and to identify possible cost savings. Final proposals are due to be presented to Council in autumn 2007.</li> <li>• During 2006/07, ACW continued to streamline its administration by reviewing procedures, investing in new systems and re-focusing staff time on front-line activities. In order to deliver these savings, ACW embarked upon an internal review in order to develop a new sustainable staffing structure. Recommendations were developed in December 2006, and implementation is currently taking place. The final structure and new processes will be operational by October 2007.</li> </ul>

In addition to the above, detailed monitoring of performance against key performance indicators (KPIs) is carried out and reported on quarterly to the Senior Management Team and Council. There were 40 KPIs in 2006/07, 75% of which were achieved, 17.5% partially achieved and 7.5% not achieved.

Some key successes within the field of 40 KPIs included:

- continuing to exceed targets set in relation to Night Out (community touring) performances;
- delivering a quality presence at the National Eisteddfod and the Urdd Eisteddfod (at both events more than 90% of attendees rated our presence as good or excellent);
- continuing to turn round all grant applications within the specified times;
- continuing to respond to 100% of Freedom of Information requests within the statutory 20 days of receipt;
- maintaining absence levels well below the UK average of 4% (the Welsh average is even higher at 4.7%).

More detail about the Council's work and achievements in 2006/07 is given in the Council's Operational Plan and Annual Report, published separately.

#### *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. 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 about 110 organisations which 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. Each organisation enters into a revenue 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. The Council normally considers any registered interests in revenue funding in the Autumn of each year for grants to begin the following April.

One-off grants are available to help fund time-limited artistic projects of high quality which best meet the Council's funding priorities. Small grants, from £250 to £5,000, support organisations or individuals for pilot projects or where there are significant levels of funding from other sources. There are ten application deadlines each year, one every month other than July and December. Mainline grants, from £5,001 to £50,000, support larger programmes of work for established individual artists and organisations. There are three application deadlines each year, in January, April and September. Successful applicants are allowed no more than one of each type of grant in any financial year. The Council considers applications from most organisations and individuals for up to 90% of the eligible costs of a project; local authorities and school clusters may apply for up to 75% of the eligible costs; and the Council will contribute no more than 50% if the main aim of an application is to promote non-arts issues.

The Council currently has two overarching funding priorities when assessing grant applications: activities taking place in, or involving people based in Communities First areas; and activities delivered in Welsh or bilingually.

The Council publishes general guides to funding for organisations and individuals which include full details of funding priorities and eligibility criteria. These are available from any of the Council's offices and from the website: [www.artswales.org.uk](http://www.artswales.org.uk). The Council is continuing its review of the portfolio of revenue-funded organisations.

### Financial review

The Council has two principal funding sources: grant-in-aid from the National Assembly for Wales; 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.

#### *Prior year adjustment*

The Council has changed its accounting policy for the valuation of its freehold properties.

The Council's freehold properties 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. It is the opinion of external and independent chartered surveyors that the freehold interest in these cases has a nil or nominal value.

In previous years the Council's freehold interests have been valued on either a market or depreciated replacement cost basis every three years and increased by use of indices in the intervening years. Following a further review the Council believes that, given the length and terms of these leases, this valuation method is not appropriate. As a result of this change in accounting policy the freehold interest has been reduced to nil as at 1 April 2005 with a corresponding prior year adjustment for the year ended 31 March 2006.

The prior year adjustment resulted in the following changes to the figures reported in the original financial statements for the year ended 31 March 2006:

	Restated £'000	Original £'000
<b>Statement of Financial Activities</b>		
Reduction of £124,000 in the charge for depreciation included in Grants awarded	24,009	24,133
Reduction of £533,000 in the unrealised gains on revaluation of fixed assets	nil	533
Reduction of £3,583,000 in Fund balances brought forward	58	3,641
Reduction of £3,992,000 in Total funds carried forward	330	4,322
<b>Balance Sheet</b>		
Reduction of £3,992,000 in the value of freehold properties included in Tangible fixed assets	113	4,105
Reduction of £3,992,000 in Unrestricted funds	195	4,187
Reduction of £3,992,000 in Total funds	330	4,322

#### *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 Assembly 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 2007 (2006: £Nil).

### *Investment*

Investment powers are governed by the Trustee Act 2000 and the Management Statement and Financial Memorandum issued by the 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 on Treasury Reserve Overnight or Call terms, so the prevailing interest rates are established each working day for current account, Overnight and Call deposits to establish the optimum placement of funds.

### *Financial results*

The accounts, excluding Lottery distribution activities, show total incoming resources for the year of £27,498,000 (2005/06: £27,727,000), net incoming resources of £301,000 (2005/06 restated: £272,000), net current assets of £762,000 (2006: £342,000) and total fund balances at 31 March 2007 of £631,000 (2006 restated: £330,000).

At 31 March 2007 the Council had formally offered forward grants for 2007/08 of £22,340,000 (2006/07: £18,765,000).

The Lottery distribution account shows the Council's 2006/07 share of the proceeds from the National Lottery of £10,051,000 (2005/06: £11,521,000). The combined total incoming resources for both general and Lottery activities for 2006/07 was £38,645,000 (2005/06: £40,366,000).

General grants are charged to the Statement of Financial Activities as soon as they are offered. Lottery grants are charged only when the formal offer has been accepted by the recipient. Although not all charged as expenditure in the Income and Expenditure Account, during 2006/07 Council approved Lottery grants amounting to £11,288,000 (2005/06: £16,235,000). On this basis, the combined total direct charitable arts expenditure for both general and Lottery activities for 2006/07 was £38,585,000 (2005/06: £43,219,000).

### **Plans for future periods**

The Council will continue to implement its Corporate Plan for 2005-2008 but in order to focus activity for 2007/08 more sharply the number of corporate themes has been reduced from ten to six. This will help ensure that the number of top level objectives remain manageable and suitably strategic in nature. The six revised corporate themes and planned activities are as follows:

<i>Corporate theme</i>	<i>Priorities 2007/08</i>
Develop more good quality and innovative art forms by further investing in individual artists	<ul style="list-style-type: none"> <li>• Through the Academi, focus resources on literature development work, support for new writers, the National Poet of Wales, and the 2007 Book of the Year, including a heightened profile for literature from Wales at the 2007 Hay Literature Festival.</li> </ul>
Continue to invest in a regional network of financially secure, well-equipped and well-managed galleries and performing arts centres, helping them to exploit their artistic potential and build bigger and better audiences	<ul style="list-style-type: none"> <li>• Further develop the work of the existing network of regional performing arts centres via the Arts outside Cardiff initiative.</li> <li>• Work with the National Museum of Wales, the National Library of Wales and the Welsh Assembly Government in overseeing the delivery of a feasibility study into a National Gallery of Arts and a Contemporary Art Space.</li> </ul>

<i>Corporate theme</i>	<i>Priorities 2007/08</i>
Focus resources on key clients who generate high quality artistic product and who deliver our strategic priorities	<ul style="list-style-type: none"> <li>• Publish and consult on a raft of artform strategies covering applied arts and crafts, visual arts, music, dance, theatre and drama, and literature (in conjunction with Academi).</li> <li>• Take forward proposals for developing English language theatre in the light of the Assembly's allocation of additional resources for this work.</li> <li>• Carry out a strategic review of festivals, and address the issues relating to the 2006 Brecon International Jazz Festival to ensure the success of the 2007 event.</li> <li>• Support the work of Public Art Wales, the new public art company created through the merger of Cywaith Cymru, Artworks Wales and CBAT: the Arts and Regeneration Agency.</li> </ul>
Encourage greater participation in the arts for participants, practitioners, artists and audiences, especially through transformational community arts programmes in identified areas of deprivation and by tackling the economic, social and physical barriers to accessing the arts	<ul style="list-style-type: none"> <li>• Focus investment on community arts in areas of deprivation.</li> <li>• Work in partnership with the Welsh Assembly Government on plans for developing a Cultural Enterprise Centre in Merthyr Tydfil.</li> </ul>
Promote opportunities for young people to experience the arts as participants, artists and audiences including developing an entitlement to the arts for young people	<ul style="list-style-type: none"> <li>• Work closely with Welsh National Opera and the BBC National Orchestra of Wales to ensure future stability and the provision of opportunities to widen access to these international quality musical experiences especially for children and young people across Wales.</li> </ul>
Ensure ACW provides effective support for its internal and external clients by further improving its systems and procedures.	<ul style="list-style-type: none"> <li>• Develop and implement a new sustainable staffing structure.</li> <li>• Explore opportunities for alternative funding sources.</li> </ul>

### **Audit**

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.

### **Disabled employees**

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.

The Council is on the National Register of Disability Symbol Users, reflecting its commitment to ensure that appropriate facilities are available for disabled employees.

### **Employee communication**

The Council recognises the trade union Amicus, with which it has established a procedural agreement; representatives of management and union meet regularly to discuss matters of current concern. Additionally, regular departmental meetings are held and Directors are required to report to their staff on matters discussed at Council and at the Senior Management Team meetings.

## **Payment of creditors**

It is the Council's policy to pay suppliers within the terms of trade agreed and generally to observe the principles of the Late Payment of Commercial Debts (Interest) Act 1998. 96% of the invoices received from suppliers during 2006/07 (2005/06: 96%) were paid within the agreed contractual terms.

## **Remuneration report**

The Council remunerates its entire staff, with the exception of the Chairman and Chief Executive whose terms of appointment are agreed with the Welsh Assembly Government, in accordance with an agreed pay and grading system maintained by the Personnel and Training Department. A Job Evaluation Policy is in place, in accordance with which staff may appeal the grading of posts.

Each year management considers staff remuneration against external comparators and movements in the economy. In consultation with the recognised trade union a pay remit is produced and submitted to the Welsh Assembly 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 Assembly Government which reflects a minimum time commitment to Council business. Annual increases of the Chairman's salary are also advised by the Welsh Assembly Government but he receives no bonus payments.

The Chief Executive's remuneration consists of a basic salary plus an annual bonus. Annual increases are recommended to Council by the Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives. A percentage of the increase, as advised by the Welsh Assembly Government, is consolidated into the Chief Executive's salary and the remainder is paid as a non-consolidated award.

Further details of the remuneration and pension benefits of the Chairman, Chief Executive and other senior directors are provided in note 10b to the financial statements.

Council members are appointed by the Welsh Ministers for a period of three years and may be re-appointed for a further three year period. The current Chairman, Professor Dai Smith, was appointed as a Council member on 1 April 2004 but took over the chairmanship on 1 April 2006. The Minister for Culture, Sport and the Welsh Language has subsequently appointed Professor Smith for a term of three years from 1 April 2007 until 31 March 2010. The Chief Executive and senior directors are all employed on permanent contracts on the Council's standard terms and conditions.

Having successfully completed a probationary period of six months, the Chief Executive and senior directors are entitled to thirteen weeks notice of termination of employment.

The dates of commencement of employment are: Professor Dai Smith (Chairman) 1 April 2006; Peter Tyndall (Chief Executive) 1 October 2001; David Alston (Arts Director) 1 July 2005; Hywel Tudor (Finance and Central Services Director) 21 January 2002; Jane Clarke (Operations Director) 1 April 2004; Siân Phipps (Head of Communications) 26 January 2004.

## **Statement of Council's and the Accounting Officer's responsibilities**

Under the Royal Charter dated 30 March 1994 (as amended) the Council is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Welsh Assembly Government with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Council's state of affairs at the year-end and of its incoming resources and application of resources and cash flows for the financial year.

In preparing the accounts the Council is required to:

- observe the accounts direction issued by the Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and

- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Council will continue in operation.

The Principal Accounting Officer for the Welsh Assembly Government has designated the Chief Executive as the Accounting Officer for the Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Welsh Assembly Government's Accounting Officers' Memorandum issued by the Treasury.

Peter Tyndall  
Accounting Officer

9 July 2007

Dai Smith  
Chairman

9 July 2007

## THE ARTS COUNCIL OF WALES

### STATEMENT ON INTERNAL CONTROL

#### 1. Scope of responsibility

As Accounting Officer, I have responsibility for ensuring that a sound system of internal control is maintained by the Arts Council of Wales, one that supports the achievement of Council policies, aims and objectives set by the National Assembly for Wales whilst safeguarding the public finances and resources for which I am personally responsible, in accordance with the responsibilities assigned to me in the Financial Memorandum, Lottery Finance Directions and Government Accounting.

#### 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2007 and up to the date of approval of the trustees' annual report and accounts, and accords with Treasury guidance.

#### 3. Capacity to handle risk

The risk management process is led by the Senior Management Team and endorsed by Council and the Audit Committee. Staff are equipped to manage risk in a way appropriate to their authority and duties by the provision of risk awareness training and on-the-job guidance. Key performance and risk indicators have been established and are monitored on a regular basis.

#### 4. The risk and control framework

The Council has a system of internal control based on a framework of regular management information, documented administrative procedures including the segregation of duties, and a system of delegation and accountability.

This includes an organisation-wide risk register containing details of all key risks and mitigating controls. Managers are responsible for drawing up and maintaining more detailed risk registers for any new activities. During the year ended 31 March 2007, for example, mounting Wales' presence at the Venice Biennale of Art 2007 and a review of the Council's communications strategy were identified as risk priorities and managed accordingly.

Risk management has been embedded in the key operations of the Council by the introduction of a prioritisation methodology based on risk ranking. From the receipt and assessment of applications for funding through to the financial monitoring of scheme and annually recurring revenue awards, a risk category is assigned on the basis of key criteria. The level of qualitative and financial monitoring will be dependent upon the risk category assigned and mitigating controls identified, which are regularly reviewed.

Policies and procedures have been drafted to ensure that there is adequate detection and response to inefficiency, conflict of interest and, as far as possible, fraud and to minimise the loss of grant. These are reviewed regularly and updated as necessary.

The Council has established the following processes:

- the Senior Management Team meets regularly to consider the plans and strategic direction of the Council;
- periodic reports from the chairman of the Audit Committee, to Council, concerning internal control;
- regular reports by the Council's appointed internal auditors, to standards defined in the Government Internal Audit Manual, to the Audit Committee which includes the auditors' independent opinion on the adequacy and effectiveness of the Council's system of internal control together with recommendations for improvement;
- regular reviews to identify and keep up to date the record of risks facing the Council;
- maintenance of an organisation-wide risk register;
- introduced key performance indicators.



Any weaknesses in the control framework identified by both internal auditors and our own internal control reviews are reviewed by the Senior Management Team which ensures that corrective action is taken.

#### **5. Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within the Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system by Council, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Peter Tyndall  
Accounting Officer

9 July 2007

Dai Smith  
Chairman

9 July 2007

## **THE ARTS COUNCIL OF WALES**

### **THE CERTIFICATE OF THE AUDITOR GENERAL FOR WALES TO THE ARTS COUNCIL OF WALES**

I certify that I have audited the financial statements of the Arts Council of Wales General Activities Account for the year ended 31 March 2007 under Article 11 of the Council's Royal Charter. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that Report as having been audited.

#### **Respective responsibilities of the Council, Chief Executive, as Accounting Officer and the Auditor General for Wales**

The Council and Chief Executive, as Accounting Officer, are responsible for preparing the Trustees' Annual Report, including a Remuneration Report, and the financial statements in accordance with Article 11 of the Council's Royal Charter and Welsh Ministers' directions made thereunder and for ensuring the regularity of financial transactions funded by grant-in-aid. These responsibilities are set out in the Statement of Council's and the Accounting Officer's responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Article 11 of the Council's Royal Charter and Welsh Ministers' directions issued thereunder. I report to you whether, in my opinion, certain information given in the Trustees' Annual Report, which incorporates the Remuneration Report, is consistent with the financial statements. I also report whether in all material respects the expenditure, income and resources funded by grant-in-aid have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Arts Council of Wales has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control on pages 14 and 15 reflects the Arts Council of Wales's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Arts Council of Wales's corporate governance procedures or its risk and control procedures.

I also read the other information contained in the Trustee's Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

#### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Council and Chief Executive, as Accounting Officer, in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Arts Council of Wales's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure, income and resources funded by grant-in-aid have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## **Opinions**

### **Audit Opinion**

In my opinion:

- the financial statements give a true and fair view, in accordance with Article 11 of the Council's Royal Charter and directions made thereunder by Welsh Ministers, of the state of the Arts Council of Wales's affairs as at 31 March 2007 and the incoming resources and application of resources, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Article 11 of the Council's Royal Charter and Welsh Ministers' directions issued thereunder; and
- information given within the Trustees' Annual Report, which incorporates the Remuneration Report, is consistent with the financial statements.

### **Audit Opinion of Regularity**

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

**Jeremy Colman**  
**Auditor General for Wales**  
Wales Audit Office  
2-4 Park Grove  
Cardiff CF10 3PA

**Date: 12 July 2007**

**THE ARTS COUNCIL OF WALES**

**STATEMENT OF FINANCIAL ACTIVITIES**

for the year ended 31 March 2007

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000	2006 Total (restated) £'000
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
<i>Voluntary income:</i>					
Grant-in-aid from the National Assembly for Wales	3	23,532	3,276	26,808	26,930
Other grants and donations	4	36	241	277	403
Sub-total Voluntary income		23,568	3,517	27,085	27,333
<i>Activities for generating funds:</i>					
Services and sponsorship	5	163	99	262	237
<i>Investment income:</i>					
Bank interest		85	1	86	70
Other incoming resources	6	65	-	65	87
<b>Total incoming resources</b>		<b>23,881</b>	<b>3,617</b>	<b>27,498</b>	<b>27,727</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities:					
Grants awarded	7,9	20,980	3,466	24,446	24,009
Other services and strategies	8,9	2,344	349	2,693	2,614
Sub-total Direct charitable expenditure		23,324	3,815	27,139	26,623
Exceptional item - Pension fund	10c	-	-	-	750
Governance costs	11	58	-	58	82
<b>Resources expended</b> before notional cost of capital		23,382	3,815	27,197	27,455
Notional cost of capital		17	-	17	139
<b>Total resources expended</b>		<b>23,399</b>	<b>3,815</b>	<b>27,214</b>	<b>27,594</b>
<b>Net incoming/(outgoing) resources</b>					
after charging notional cost of capital and before transfers					
		482	(198)	284	133
Gross transfers between funds	17	(244)	244	-	-
Reversal of notional cost of capital		17	-	17	139
<b>Net movement in funds</b>		<b>255</b>	<b>46</b>	<b>301</b>	<b>272</b>
Fund balances brought forward		195	135	330	58
<b>Total funds carried forward</b>		<b>450</b>	<b>181</b>	<b>631</b>	<b>330</b>

All activities are continuing.

The notes on pages 21 to 35 form part of these financial statements

**THE ARTS COUNCIL OF WALES**

**BALANCE SHEET**

at 31 March 2007

		<b>2007</b>		2006 (restated)	
	Note	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible fixed assets	12a		23		125
Tangible fixed assets	12b		<u>96</u>		<u>113</u>
			119		238
<b>Current assets</b>					
Grants paid in advance	13	-		14	
Other debtors and prepayments	14	761		1,082	
Cash at bank and in hand		<u>441</u>		<u>297</u>	
		<u>1,202</u>		<u>1,393</u>	
<b>Creditors: amounts falling due within one year</b>					
Grants payable		(78)		(484)	
Other creditors falling due within one year		<u>(362)</u>		<u>(567)</u>	
	15	<u>(440)</u>		<u>(1,051)</u>	
<b>Net current assets</b>			<u>762</u>		<u>342</u>
<b>Total assets less current liabilities</b>			881		580
<b>Creditors: amounts falling due after more than one year</b>					
Loan	16		(250)		(250)
<b>Net assets</b>			<u>631</u>		<u>330</u>
Represented by:					
<b>Funds</b>					
Unrestricted funds	17		450		195
Restricted funds	17		181		135
			<u>631</u>		<u>330</u>

The notes on pages 21 to 35 form part of these financial statements

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

Peter Tyndall  
Accounting Officer

Dai Smith  
Chairman

9 July 2007

9 July 2007

**THE ARTS COUNCIL OF WALES**

**CASH FLOW STATEMENT**

for the year ended 31 March 2007

	Note	<b>2007</b> £'000	2006 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	19a	101	(53)
Bank interest		86	70
		<hr/>	<hr/>
		187	17
Capital expenditure	19b	(43)	(78)
		<hr/>	<hr/>
<b>Increase/(Decrease) in cash in the year</b>	19c	<b>144</b>	(61)
		<hr/>	<hr/>

The notes on pages 21 to 35 form part of these financial statements

**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 the Welsh Ministers and meet the requirements of the Charities Acts 1993 and 2006, of the Charity Commission's directions Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005), and of the Statements of Standard Accounting Practice and Financial Reporting Standards issued and adopted by the Accounting Standards Board so far as those requirements are appropriate. A summary of the principle accounting policies which have been applied consistently are set out below.

Under separate Accounts Directions the accounting treatment of general and lottery grants differs significantly so, with due regard to paragraph 359 of the Charity Commission's Statement of Recommended Practice (revised 2005), in the judgment of the Trustees the production of a consolidated account is inappropriate as it would not provide a fair view of the application of the Council's resources. However, the combined total incoming resources and an indication of the combined direct charitable arts expenditure is provided in note 2.

*Prior year adjustment*

The Council has changed its accounting policy for the valuation of its freehold properties.

The Council's freehold properties 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. It is the opinion of external and independent chartered surveyors that the freehold interest in these cases has a nil or nominal value.

In previous years the Council's freehold interests have been valued on either a market or depreciated replacement cost basis every three years and increased by use of indices in the intervening years. Following a further review the Council believes that, given the length and terms of these leases, this valuation method is not appropriate. As a result of this change in accounting policy the freehold interest has been reduced to nil as at 1 April 2005 with a corresponding prior year adjustment for the year ended 31 March 2006.

The prior year adjustment resulted in the following changes to the figures reported in the original financial statements for the year ended 31 March 2006:

	Restated £'000	Original £'000
Statement of Financial Activities		
Reduction of £124,000 in the charge for depreciation included in Grants awarded	24,009	24,133
Reduction of £533,000 in the unrealised gains on revaluation of fixed assets	nil	533
Reduction of £3,583,000 in Fund balances brought forward	58	3,641
Reduction of £3,992,000 in Total funds carried forward	330	4,322
Balance Sheet		
Reduction of £3,992,000 in the value of freehold properties included in Tangible fixed assets	113	4,105
Reduction of £3,992,000 in Unrestricted funds	195	4,187
Reduction of £3,992,000 in Total funds	330	4,322

**b. Income**

All income is accounted for on an accruals basis. Capital grants receivable are treated as incoming resources.

**c. 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.

The Council incurs costs which support both its general activities and the lottery distribution function. In accordance with the Financial Direction issued by the National Assembly for Wales, 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.

**1. Accounting policies (continued)**

**d. Resources expended**

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.

**e. Grants awarded**

Subsidy expenditure is incurred in the form of grants which are formally offered to and accepted by 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. Any amounts unpaid from grants and guarantees 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 future years' activities are shown in the Balance Sheet as current assets.

All grants are listed in the Council's annual report, which is published separately. The annual report also provides information about the services and strategic initiatives of the Council.

**f. Services and strategies**

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

**g. Allocation of overhead and support costs**

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities have been apportioned to reflect the time spent by staff in administering the grants awarded and delivering the Council's services and strategies. The allocation of these costs is analysed in note 9.

**h. 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 11.

**i. Recognition of liabilities**

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

**j. 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.



**1. Accounting Policies (continued)**

**k. 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.

Computer software licences are treated as intangible fixed assets.

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

**l. Depreciation**

Depreciation is provided on intangible and tangible fixed assets 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
Furniture, fixtures and fittings	over 10 years
Equipment	over 4 years
Computer system	over 3 years

**m. 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.

**n. Pensions**

The Council is an admitted employer of the Arts Council Retirement Plan 1994 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.

**o. 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.

**p. Notional cost of capital charge**

A notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at 3.5% of average capital employed in accordance with HM Treasury requirements. In accordance with Treasury guidance this charge is reversed so that there is no impact on the Council's funds recorded in the balance sheet.

**2. General activities and Lottery distribution: combined incoming resources and direct charitable arts expenditure**

The separate Lottery distribution account shows the Council's 2006/07 share of the proceeds from the National Lottery of £10,051,000 (2005/06: £11,521,000). The combined total incoming resources for both general and Lottery activities for 2006/07 was £38,645,000 (2005/06: £40,366,000).

General grants are charged to the Statement of Financial Activities as soon as they are offered. Lottery grants are charged only when the formal offer has been accepted by the recipient. Although not all charged as expenditure in the Income and Expenditure Account, during 2006/07 Council approved Lottery grants amounting to £11,288,000 (2005/06: £16,235,000). On this basis, the combined total direct charitable arts expenditure for both general and Lottery activities for 2006/07 was £38,585,000 (2005/06: £43,219,000).

**3. Voluntary income: Grant-in-aid from the National Assembly for Wales**

The grant-in-aid shown in the Statement of Financial Activities reconciles with the cash sum received from the National Assembly for Wales as follows:

	Unrestricted funds £'000	Restricted funds £'000	<b>2007 Total £'000</b>	2006 Total £'000
Cash grant-in-aid paid in full	23,532	-	23,532	23,155
Cash grant-in-aid allocated in 2004/05 paid in full in 2005/06	-	-	-	625
Capital investment for theatre	-	-	-	1,160
Supplementary grant-in-aid to fund specific arts activity	-	3,276	3,276	1,990
Grant-in-aid credited to incoming resources in the Statement of Financial Activities	<b>23,532</b>	<b>3,276</b>	<b>26,808</b>	26,930

**4. Voluntary income: Other grants and donations**

	Unrestricted funds £'000	Restricted funds £'000	<b>2007 Total £'000</b>	2006 Total £'000
Grants from the European Social Fund (Objective 3)	-	221	221	164
Prior years' grants no longer required	36	-	36	78
Refund of 2004/05 capital investment for theatre	-	-	-	100
Contributions towards Wales' presence at the Venice Biennale	-	20	20	61
	<b>36</b>	<b>241</b>	<b>277</b>	403

**5. Activities for generating funds: Services and sponsorship**

Community Touring scheme: contributions from venues/promoters	120	-	120	106
Wales Arts International: contribution from the British Council	-	79	79	82
Collectorplan charges	37	-	37	34
Delegate fees - Annual Conference	4	-	4	8
Fees for monitoring the Millennium Commission's <i>Urban Cultural Programme</i> in Cardiff and Swansea	-	-	-	4
ADUK steering group services	-	20	20	-
Training fees - Marketing Symposium	2	-	2	3
	<b>163</b>	<b>99</b>	<b>262</b>	237

**6. Other incoming resources**

Contribution from the Lottery Distribution account for use of fixed assets	<b>65</b>	-	<b>65</b>	87
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7. Charitable activities: Grants awarded

	Unrestricted funds			Restricted funds			2007	2006
	Grants £'000	Support costs £'000 (a)	Total unrestricted £'000	Grants £'000	Support costs £'000 (b)	Total restricted £'000	Total £'000	Total (restated) £'000
Grants to revenue-funded organisations	19,365	1,382	20,747	-	-	-	20,747	20,261
Arts outside Cardiff	-	-	-	1,793	127	1,920	1,920	1,031
National Assembly for Wales awards to fund specific arts activity	-	-	-	1,297	6	1,303	1,303	2,132
Local Authority scheme	-	-	-	-	-	-	-	236
Capacity building grants with the support of the European Social Fund (Objective 3)	204	29	233	212	31	243	476	349
	<b>19,569</b>	<b>1,411</b>	<b>20,980</b>	<b>3,302</b>	<b>164</b>	<b>3,466</b>	<b>24,446</b>	<b>24,009</b>

(a) The total of £1,411,000 for costs in support of unrestricted grants includes £965,000 in respect of staff costs.

(b) The total of £164,000 for costs in support of restricted grants includes £115,000 in respect of staff costs.

All grants awarded were to organisations. A full list of grants is provided in the Council's annual report, which is published separately. A copy of the annual report may be obtained free of charge from the Communications Department in Cardiff and may also be downloaded from the Council's website at [www.artswales.org.uk](http://www.artswales.org.uk).

8. Charitable activities: Other services and strategies

	Unrestricted funds			Restricted funds			2007	2006
	Services and strategies £'000 (a)	Support costs £'000 (b)	Total unrestricted £'000	Services and strategies £'000 (c)	Support costs £'000 (d)	Total restricted £'000	Total £'000	Total £'000
Arts and young people	247	166	413	-	-	-	413	240
Arts training and continuing professional development	45	39	84	-	-	-	84	58
Community arts and equal opportunities	120	154	274	-	-	-	274	250
Community Touring: "Night Out"	302	65	367	150	33	183	550	483
Marketing, audience development and research	291	108	399	20	7	27	426	434
Principality Collectorplan	45	121	166	-	-	-	166	161
Wales at the Venice Biennale of Art	41	27	68	21	12	33	100	265
Wales Arts International	343	115	458	79	27	106	564	580
Visual arts and craft services	105	10	115	-	-	-	115	143
	<b>1,539</b>	<b>805</b>	<b>2,344</b>	<b>270</b>	<b>79</b>	<b>349</b>	<b>2,692</b>	<b>2,614</b>

(a) The total of £1,539,000 for unrestricted services and strategies includes £543,000 in respect of staff costs.

(b) The total of £805,000 for costs in support of unrestricted services and strategies includes £556,000 in respect of staff costs.

(c) The total of £269,000 for restricted services and strategies includes £84,000 in respect of staff costs.

(d) The total of £79,000 for costs in support of restricted services and strategies includes £50,000 in respect of staff costs.

9. Support costs

	Facilities & IT infrastructure £'000	Personnel & Communications £'000	Professional fees £'000	Irrecoverable VAT £'000	Depreciation £'000	2007 Total £'000	2006 Total (restated) £'000
<b>Charitable activities: Grants awarded</b>		(a)					
Grants to revenue-funded organisations	206	1,027	11	47	91	1,382	1,299
Arts outside Cardiff	19	95	1	4	8	127	114
National Assembly of Wales awards to fund specific arts activity	1	5	-	-	-	6	7
Local Authority scheme	-	-	-	-	-	-	70
Capacity building grants with the support of the European Social Fund (Objective 3)	9	45	-	2	4	60	22
<b>Sub-total in support of grants awarded</b>	<b>235</b>	<b>1,172</b>	<b>12</b>	<b>53</b>	<b>103</b>	<b>1,575</b>	<b>1,512</b>
<b>Charitable activities: Other services and strategies</b>							
Arts and young people	25	124	1	5	11	166	158
Arts training and continuing professional development	6	29	-	1	3	39	37
Community arts and equal opportunities	23	115	1	5	10	154	147
Community Touring: "Night Out"	15	73	1	3	6	98	91
Marketing, audience development and research	17	85	1	4	8	115	98
Principality Collectorplan	18	90	1	4	8	121	113
Wales at the Venice Biennale of Art	6	29	-	1	3	39	37
Wales Arts International	21	106	1	5	9	142	133
Visual arts and craft services	1	7	-	1	1	10	8
<b>Sub-total in support of other services and strategies</b>	<b>132</b>	<b>658</b>	<b>6</b>	<b>29</b>	<b>59</b>	<b>884</b>	<b>822</b>
<b>Total in support of charitable activities</b>	<b>367</b>	<b>1,830</b>	<b>18</b>	<b>82</b>	<b>162</b>	<b>2,459</b>	<b>2,334</b>

(a) The total of £1,830,000 for Personnel & Communications includes £1,686,000 in respect of staff costs.

10. Staff costs

a. Total staff costs consist of:

	Unrestricted funds £'000	Restricted funds £'000	2007 Total £'000	2006 Total £'000
Wages and salaries charged to general activities	1,576	225	1,801	1,544
Social security costs	127	13	140	121
Other pension costs	314	25	339	262
Agency costs	33	-	33	25
	<b>2,050</b>	<b>263</b>	<b>2,313</b>	<b>1,952</b>

10. Staff costs (continued)

a. (continued)

	<b>2007</b>	2006
	<b>Total</b>	Total
	£'000	£'000

Staff costs are incorporated in the accounts as follows:

Charitable activities: Services and strategies (direct costs) (note 8)	627	417
Charitable activities: Support costs - Personnel & Communications (note 9)	1,686	1,535
	<u>2,313</u>	<u>1,952</u>

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

	No	No
Charitable activities: Services and strategies (directly charged)	20	12
Charitable activities: Support	76	81
	<u>96</u>	<u>93</u>

Based on time apportionments, the average number of staff (full time equivalents) employed on general activities during the year was:

Charitable activities: Services and strategies (directly charged)	20	11
Charitable activities: Support	42	42
	<u>62</u>	<u>53</u>

The balance of 34 (2005/06: 40) staff were employed on lottery distribution activities.

- b. The Chief Executive, Arts Director, Finance and Central Services Director, Operations Director and Head of Communications are responsible for directing the Council's activities. Their actual emoluments were as follows, 60% of which is charged in these financial statements and the remainder to lottery distribution activities:

Name and position	2007	2007	2007	2007	2007	
	Emoluments band £'000	Real increase in pension at age 65 £	Total accrued pension at age 65 as at 31/03/07 £	Cash Equivalent Transfer Value at 31/03/06 £	Cash Equivalent Transfer Value at 31/03/07 £	2007 Real increase in Cash Equivalent Transfer Value £
Peter Tyndall <i>Chief Executive</i>	65-70	1,206	19,638	215,164	223,628	2,439
David Alston <i>Arts Director</i>	50-55	463	463	n/a	6,116	6,116
Hywel Tudor <i>Finance and Central Services Director</i>	60-65	763	3,825	32,612	39,826	6,301
Jane Clarke <i>Operations Director</i>	55-60	975	4,227	38,813	49,855	9,955
Siân Phipps <i>Head of Communications</i>	35-40	588	4,936	39,865	45,581	4,600

Following an amendment to the Council's Royal Charter, and with the approval of the Charity Commission, with effect from 1 April 2004 the Chairman is paid for his services. Other Council Members, Committee Members and National Advisers are not paid for their services. Council meeting costs for 2006/07 disclosed in note 11 include an aggregate amount of £4,697 (2005/06: £13,632) reimbursed to 8 (2005/06: 13) Council members.

10. Staff costs (continued)

b. (continued)

The Chief Executive, who is an ordinary member of the Council's Pension Scheme, was appointed on 1 October 2001.

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

	2007 £	2006 £
<b>Former Chairman</b> (to 31 March 2006)		
Salary (back pay due for 2005/06 paid in 2006/07)	4,975	39,399
<b>Present Chairman</b> (from 1 April 2006)		
Salary	32,864	-
<b>Chief Executive</b>		
Salary	64,021	62,459
Non-consolidated award	4,684	4,570
Pension contribution	13,060	11,742
	<u>81,765</u>	<u>78,771</u>

60% (2005/06: 56%) 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. 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 FRS17.

An independent actuarial valuation of the Arts Council Retirement Plan 1994 normally takes place every three years. The last valuation was carried out as at 1 April 2005 using the Projected Unit Method. The overall market value of the Plan's assets as at 31 March 2005 was £34.7m. The actuary concluded that whilst the Plan had a Minimum Funding Ratio of 110%, taking into account past service liabilities, at the valuation date a funding deficit of £17.1m existed, corresponding to a funding ratio of 67%. In order to eliminate the deficit, the actuary recommended increased employer contributions over the next 12 years. The reduction to 12 years compared to the 15 years used previously took account of the guidance issued by the Pensions Regulator.

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 price inflation would be 2.9% per annum, pay increases would be 4.4% per annum, pension increases would be 2.8% per annum on pensions in excess of Guaranteed Minimum Pensions (GMPs), pension increases of deferred pensions would be 2.9% per annum on pensions subject to statutory revaluations, the post retirement discount rate would be 6% per annum and the pre-retirement discount rate would be 6% per annum.

Contributions by the Council and its employees were:

	For staff in post on or before 31/03/2006		For staff in post on or after 01/04/2006	
	2007 %	2006 %	2007 %	2006 %
Council	20.4	18.8	18.4	n/a
Employees	0.0	0.0	2.0	n/a

In addition to the above, all employees contribute 1.5% to secure pension benefits for dependents.

10. Staff costs (continued)

c. (continued)

**Exceptional item (2005/06)**

In addition, and in order to help reduce the level of deficit, with the agreement of the Trustees the Council made a one-off payment of £1,350,000 into the Plan in 2005/06, £750,000 of which was made from the general activities account during the financial year. The charge of approximately 56% to general activities was in line with the apportionment of other staff costs with the balancing payment charged to lottery distribution. As well as helping safeguard benefits to Council staff who are members of the Plan, the revised contribution rate of 20.4% payable from April 2006 is 5% lower than would otherwise have been the case. This revised contribution rate also included for the first time an element in respect of general administration costs associated with the Plan. Previously each employer had borne these directly.

11. Governance costs

	<b>2007</b>	2006
	<b>Total</b>	Total
	£'000	£'000
Auditor's remuneration - Audit	20	21
Additional assurance	3	3
Internal audit	7	9
Council meetings, including Members' travel and subsistence	14	22
Committee meetings, including travel and subsistence	3	4
Council policy seminars	10	12
Legal advice	1	11
	<b>58</b>	<b>82</b>

12. Fixed assets

a. Intangible fixed assets

	<b>Computer Software licences</b>
	£'000
Cost at 1 April 2006	614
Additions	6
Disposals	-
Cost at 31 March 2007	<b>620</b>
Depreciation at 1 April 2006	489
Charge for the year	108
Disposals	-
Depreciation at 31 March 2007	<b>597</b>
<b>Net book value at 31 March 2007</b>	<b>23</b>
Net book value at 1 April 2006	<b>125</b>

12. Fixed assets (continued)

b. Tangible fixed assets

	Land and buildings £'000	Computer system, furniture, etc £'000	Total £'000
Cost or valuation at 1 April 2006	4,223	456	4,679
Prior year adjustment (note 1a)	(3,992)	-	(3,992)
Restated at 1 April 2006	231	456	687
Additions	-	39	39
Disposals	(11)	(32)	(43)
Cost or valuation at 31 March 2007	220	463	683
Depreciation at 1 April 2006	191	383	574
Prior year adjustment (note 1a)	-	-	-
Restated at 1 April 2006	191	383	574
Charge for the year	10	44	54
Disposals	(11)	(30)	(41)
Depreciation at 31 March 2007	190	397	587
<b>Net book value at 31 March 2007</b>	<b>30</b>	<b>66</b>	<b>96</b>
Net book value at 1 April 2006 (restated)	40	73	113

- c. Net book value at 31 March 2007 represents fixed assets used by the Council in support of its charitable activities.

The Council's freehold properties have 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.

In previous years the Council's freehold interests have been valued on either a market or depreciated replacement cost basis every three years and increased by use of indices in the intervening years. It is now recognised that this valuation method is not appropriate because of the impact of the long leases, so the freehold interest has been reduced to nil with a corresponding prior year adjustment for the year ended 31 March 2006.

Depreciation charged has been allocated to charitable activities as follows:

Grants awarded – support costs	103	124
Services and strategies – support costs	59	69
	<u>162</u>	<u>193</u>

13. Grants paid in advance

In exceptional cases, 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 because it has made, or is due to make, payments relating to activities budgeted for the following financial year which would be taken into account by the Council in determining that year's grant.

	<b>2007</b>	2006
	£'000	£'000
Payments in respect of the following year's grants	<u>-</u>	<u>14</u>



14. Other debtors and prepayments (falling due within one year)

	2007 £'000	2006 £'000
<b>a. Analysis by type</b>		
Collectorplan loans	468	418
Trade debtors	72	102
Other debtors	13	15
Grants receivable	43	-
Prepayments	165	169
	<u>761</u>	<u>704</u>
Due from Lottery distribution fund	-	378
	<u><b>761</b></u>	<u><b>1,082</b></u>
<b>b. Intra-government balances</b>		
Balances with other central government bodies	43	378
Balances with local authorities	7	6
<i>Sub-total: Intra-government balances</i>	<u>50</u>	<u>384</u>
Balances with bodies external to government	711	698
Total debtors and prepayments	<u><b>761</b></u>	<u><b>1,082</b></u>

15. Creditors: amounts falling due within one year

<b>a. Analysis by type</b>		
Grants payable	78	484
Taxation and social security	74	80
Trade creditors	59	210
Other creditors	60	114
Accruals and deferred income	135	163
	<u>406</u>	<u>1,051</u>
Due to Lottery distribution fund	34	-
	<u><b>440</b></u>	<u><b>1,051</b></u>
<b>b. Intra-government balances</b>		
Balances with other central government bodies	34	143
Balances with local authorities	4	385
<i>Sub-total: Intra-government balances</i>	<u>38</u>	<u>528</u>
Balances with bodies external to government	402	523
Total creditors	<u><b>440</b></u>	<u><b>1,051</b></u>

16. Creditors: amounts falling due after more than one year

The Council's Collectorplan Scheme has been boosted by a low-cost loan from the Principality Building Society. The facility of up to £500,000, originally available for a period of three years from 1 August 2004 at an advantageous fixed interest rate, has been extended for a further two years to 31 July 2009 on the same terms. The National Assembly for Wales has approved this loan and provided a guarantee for the repayment of the facility for the duration of the term.

17. Statement of funds

	At 1 April 2006 (restated) £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 March 2007 £'000
<b>Unrestricted funds</b>					
General fund	195	23,881	(23,382)	(244)	450
<b>Total unrestricted funds</b>	<b>195</b>	<b>23,881</b>	<b>(23,382)</b>	<b>(244)</b>	<b>450</b>
<b>Restricted funds</b>					
Income					
National Assembly for Wales for specific arts activity	124	3,276	(3,406)	166	160
European Social Fund grants for capacity building	-	221	(243)	31	9
ADUK steering group services	-	20	(27)	7	-
Contributions towards Wales' presence at the Venice Biennale	-	20	(33)	13	-
Wales Arts International: Contribution from the British Council	-	79	(106)	27	-
	124	3,616	(3,815)	244	169
Capital					
Alun Llywelyn Williams Memorial Fund (income to provide bursary for young artist)	11	1	-	-	12
	11	1	-	-	12
<b>Total restricted funds</b>	<b>135</b>	<b>3,617</b>	<b>(3,815)</b>	<b>244</b>	<b>181</b>
<b>Total funds</b>	<b>330</b>	<b>27,498</b>	<b>(27,197)</b>	<b>-</b>	<b>631</b>

The Alun Llywelyn Williams fund is represented by cash at bank and is within the total of £441,000 shown on the balance sheet.

18. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
<b>Fund balances at 31 March 2007 are represented by:</b>			
Tangible fixed assets	119	-	119
Current assets	1,021	181	1,202
Creditors: amounts falling due within one year	(440)	-	(440)
Creditors: amounts falling due after more than one year	(250)	-	(250)
<b>Total net assets</b>	<b>450</b>	<b>181</b>	<b>631</b>

19. Cash flow information

	2007 £'000	2006 (restated) £'000
<b>a. Reconciliation of changes in resources to net inflow/(outflow) from operating activities</b>		
Net incoming resources	301	272
Bank interest	(86)	(70)
Depreciation (note 12)	162	193
Decrease/(increase) in grants paid in advance	14	22
(Increase)/decrease in debtors and prepayments	321	(309)
Decrease in grants payable	(406)	(213)
(Decrease)/increase in other creditors falling due within one year	(205)	(48)
Increase in creditors falling due after more than one year	-	100
<b>Net cash inflow/(outflow) from operating activities</b>	<b>101</b>	<b>(53)</b>

19. Cash flow information (continued)

	2007 £'000	2006 £'000
<b>b. Analysis of cash flows</b>		
Capital expenditure		
Payments to acquire intangible fixed assets (note 12a)	(6)	(44)
Payments to acquire tangible fixed assets (note 12b)	(39)	(34)
Loss on disposal of tangible fixed assets	2	-
	<u>(43)</u>	<u>(78)</u>
<b>c. Reconciliation of net cash flow to movement in net funds</b>		
Increase/(decrease) in cash in the year	144	(61)
Net funds at 1 April	297	358
<b>Net funds at 31 March</b>	<u>441</u>	<u>297</u>

20. Commitments on operating leases

At 31 March 2007 the Council had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Equipment	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Operating leases which expire				
within one year	111	18	-	2
one to five years	22	133	8	13
over five years	25	25	-	-

21. Forward commitments

	2007 £'000	2006 £'000
Grants		
forward funding - grants formally offered	<u>22,340</u>	<u>18,765</u>

22. Contingent liabilities

At 1 April 1994 two former employees of the Welsh Arts Council transferred their contracts of employment to the Welsh Amateur Music Federation. The National Assembly for Wales has approved an arrangement whereby the Council has indemnified the Federation for redundancy entitlements accrued by the employees concerned during their service with the Council. One of the employees has retired and the contingent liability will further reduce as the remaining employee's service with the Federation grows.

	2007 £	2006 £
Contingent liability	<u>4,090</u>	<u>6,170</u>

23. Post balance sheet event

The Accounting Officer authorised these financial statements for issue on 12 July 2007.

## 24. Related party transactions

### Public bodies

The Council is an Assembly Government sponsored body.

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

### Individuals

Members of Council, key managerial staff or other related parties (being close family members) undertook material financial transactions (listed below) with the Council during the year. Transactions with the Council as a Lottery distributor are recorded in the equivalent note to the separate Lottery Distribution Accounts.

### Council Members

A number of Council Members and/or their close family were members of the Boards of Management (or equivalent) or senior employees of organisations which received grants in 2006/07 from the Council. In all such cases, in accordance with the Council's Code of Best Practice, the Member concerned withdrew from any meeting during discussion of the application.

Member	Organisation	Transaction (number)	Total Grants £
<b>Simon Dancey</b> Director Trustee	Community Music Wales Cultural Enterprise Service	Grant (4) Grant (1)	111,629 108,559
<b>Maggie Hampton</b> Director	Disability Arts Cymru	Grant (2)	98,375
<b>Rhiannon Wyn Hughes</b> <b>MBE</b> Councillor Vice President	Denbighshire County Council (including Pavilion Theatre, Rhyl and Ruthin Craft Centre) Llangollen International Musical Eisteddfod	Grant (3) Grant (1)	264,896 55,637
<b>John Metcalf</b> Employee Employee	Swansea Festival of Music and the Arts Vale of Glamorgan Festival	Grant (1) Grant (2)	37,709 59,799
<b>Robin Morrison</b> Employee	Blaenau Gwent County Borough Council (including Beaufort Theatre)	Grant(1)	39,074
<b>Christopher O'Neil</b> Trustee	CBAT: Arts & Regeneration Agency	Grant (1)	37,453
<b>Huw Roberts</b> Member Employee	Artes Mundi BBC Wales (including BBC National Orchestra of Wales)	Grant (1) Grant (1)	70,000 823,927
<b>Dr Francesca Rhydderch</b> Editorial Board Advisor Board member	Llenyddiaeth Cymru Dramor (Mercator) The Taliesin Trust Ltd (Ty Newydd)	Grant (1) Grant (1)	57,814 95,378
<b>Clive Sefia</b> Director	Black Voluntary Sector Network Wales	Grant (2)	31,302

**24. Related party transactions (continued)**

**Council Members (continued)**

**Ruth Till MBE**

Committee member	Community Dance Wales	Grant (3)	82,938
Director	Rubicon Dance	Grant (4)	113,950

**Debbie Wilcox**

Councillor	Newport City Council (including Newport Museum and Art Gallery and The Riverfront)	Grant (2)	101,462
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**Key managerial staff**

During the year no key managerial staff and/or their close family had connections with organisations with which the Council entered into material financial transactions.