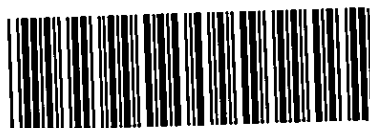


Charity registration number. 1127952
Company registration number. 06693227

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

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**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

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**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st March 2012

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number (registered January 2009)	1127952
Company Number (registered September 2008)	06693227
Registered address	30 Castle Arcade Cardiff CF10 1BW
Administrative office	30 Castle Arcade Cardiff CF10 1BW
Auditors	Broomfield & Alexander Limited Waters Lane Chambers 1-3 Waters Lane Newport NP20 1LA
Bank and branch address	HSBC 97 Bute Street Cardiff CF10 5NA
Solicitors	Hugh James Hodge House 114 - 116 St Mary Street Cardiff CF10 1DY

DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purposes of charity law and are collectively referred to as the trustees throughout this report. The following trustees served throughout the year:

Chair	Phil George
Vice-Chair	Chris Ryde
Trustees	Steve Blandford
	Jon Gower
	Richard Hogger
	Deborah Martell Powell
	Gemma McAvoy
	Judi Richards
	Peter Stead

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

National Theatre Wales (NTW) was incorporated as a company limited by guarantee and not having a share capital on 9 September 2008. It is registered as a charity with the Charity Commission and regarded as such by HM Revenue and Customs.

Appointment of Trustees

National Theatre Wales was established in late 2007 with a core funding commitment from Arts Council Wales and the Welsh Government. These two bodies advertised and appointed a Chair followed by 8 further trustees in 2008. Membership is open to individuals, who apply in the form required by the Directors, and are approved by the Directors. Membership is non-transferable.

All existing Trustees resigned at the Board meeting held on 15th February 2011, and were re-elected for a second term. They are now due to retire from the Board by agreed rotation, or to be determined by lot if not agreed otherwise, and will be replaced by new Trustees. Trustees are required to stand down at the third anniversary of their election, and offer themselves for re-election should they wish to continue. Trustees are not eligible to serve more than two 3 year terms.

Organisation

The Board of Trustees meets on a quarterly basis, and has established two sub-committees that meet similarly - a Personnel Committee and a Finance Committee - with appropriate matters delegated accordingly.

The day-to-day running of the company is in the hands of a full staff team, headed by the Chief Executive / Artistic Director. An Executive Team comprising the Artistic Director, Executive Producer and Director of Administration and Development (the latter appointed with effect from August 2012) lead the company with delegated authority from the Board on matters of finance, recruitment, fundraising and artistic activity.

Strategic development

On his appointment in January 2009, the Chief Executive drew up a three-year strategic plan for presentation to Arts Council Wales and the Welsh Government in March 2009. This contained the company's ambitions, objectives, staffing structure, and artistic plans for the start of production in March 2010. It also contained broad objectives for monitoring and evaluation, fundraising and income development, environmental policy, and risk management. A risk assessment and risk management policy has also been developed. The period covered by that Plan is now coming to an end, and a successor plan, covering the period to March 2016, is in the process of being finalised.

OBJECTIVES AND CORE VALUES

National Theatre Wales was created in 2008 with the overall goal of developing and enriching English language theatre in Wales, and in so doing promote and assist in the advancement of the education of the public so far as this shall be charitable. Conceived as a flexible, non-building based organisation, the company was set up with the following key aims:

- Offer radical and imaginative theatre choices both in the selection of plays and in production styles
- Connect with Welsh audiences and make world-class theatre more accessible, especially to those who currently do not attend mainstream theatre
- Introduce more and varied directorial voices
- Facilitate a spirit of collaboration and coordination
- Create or broker relationships between playwrights, directors, companies and theatres

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

- Drive up quality and excellence
- Raise the international profile of the best work being created in Wales
- Focus on the identification and nurturing of talent
- Reflect and comment upon the culture and society of Wales, past and present

During the inaugural three year strategic plan 2009-2012, three key values were identified to run through all National Theatre Wales activity. Our work will be

- ❖ **Innovative**
- ❖ **Engaged**
- ❖ **International**

National Theatre Wales began producing in March 2010, with an ambitious launch year of work across Wales. Thirteen shows were produced over thirteen months from March 2010 to April 2011, one a month, each in a different location across Wales. This ambitious “year” of work ended with the first show of this Report, *The Passion*, in April 2011.

The company operates on a 3 year planning cycle, with annual review and adjustments. Business planning is initiated and signed off by the Board at all stages, with input from key partners including Arts Council Wales, Welsh Government and the theatre sector, and thorough assessment of the wider context for growth and development. Business plans will combine a core of financially sustainable good practice with a context of visionary new thinking, in line with the founding spirit of the company.

Due to its three year planning cycle, the 2011/12 financial year was the last of the company's initial plan, and it is in the process of finalising the plan for the period to March 2016. As part of that process, the company's targets and objectives for that period are being considered, including how these should develop from those previously adopted. This process will be completed during 2012.

A series of company policies and procedures have been developed, and National Theatre Wales will strive in all cases to produce policies and procedures which demonstrate best practice and can be used as a resource by other companies.

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

National Theatre Wales aims to belong to all the people of Wales, regardless of age, location, or theatre-going habits. The company aspires to nourish and inspire all of the people across Wales and to link the nation with world-class theatre-making and cultural aspiration. Not being based in a building enables us and our work to be truly located in the part of Wales where we are making the work, laying roots and leaving our mark before and after the theatre event. Learning and participation is embedded into the core of all of our work, and engagement with the community we are working within is key to the entire process of making and performing our work. The work we make is all new, and all inspired by the stories, people, places and dreams – past, present, future – that we encounter, explore and encourage across Wales.

We reach beyond the borders in our communication about the work, ensuring that once marginalized theatre activity and awareness is pushed onto the radar across the British Isles and internationally. We partner with a huge range of bodies and organisations to push and pull leading theatre practice in and out of Wales, providing the people and artists of Wales with an engaged and informed creative dialogue.

Our entire operational system is set up to be open and engaged with the public. Our online presence aspires to be the leading National Theatre web resource, based on a truly interactive and conversational relationship with the public. Alongside a conventional website, which will offer an extensive range of facilities and uses to the

**THE NATIONAL THEATRE OF WALES
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

public, we run a social network site where members can speak to one another, share skills and ideas, react to the work, inform us of events, etc. It is a home for our audience in the absence of a building and a major resource of information and activity

Our office is a shop in a high street arcade in central Cardiff, with an open door and the ability for the public to drop in any time. We have hot-desk space for artists to congregate, work, get online and operate alongside us, whether they are actively in production with us or not.

With support from the Paul Hamlyn Foundation, National Theatre Wales has established a TEAM ambassador programme, with a full-time TEAM Co-ordinator now supported by a part-time TEAM Assistant, who cultivate teams of advocates in each of the locations we make work. These "super users" champion the work in their community networks and have access to the way we make work.

ACHIEVEMENTS AND PERFORMANCE

In April 2011 NTW ended its triumphant launch year with *The Passion*, a three-day mass-participatory contemporary re-imagining of Christ's Passion story staged across the whole town of Port Talbot starring Michael Sheen. The production attracted crowds of 12,000 people on the streets, 55,000 people online, and over £2m worth of press and media coverage. As well as the core acting company, a community ensemble of over 100 performers and over 1,000 local people (from choirs to scaffolders to young offenders) joined the team. The Manic Street Preachers and Paul Potts joined the 'Last Supper' gig at the Seaside Social and Labour Club which was live-streamed into the car park for crowds of thousands to watch outside. Two BBC documentaries followed the process, and Film Agency Wales funded a full-length feature film. In total 14 cameras were smuggled into the crowds and the scenes to capture the experience. We also self-published a novella by Owen Sheers which was released in daily instalments across the weekend and then became a signed limited edition collection.

Press for *The Passion*

The Guardian *****

"72 hours in theatre heaven [it leaves] a sense not just that the town of Port Talbot had been transformed but also the future of large-scale participatory theatre."

The Observer

"one of the outstanding theatrical events not only of this year, but of the decade"

Jasper Rees, The Arts Desk

"an astonishing creation"

"a piece of street theatre of transcendental power which no one who was there could or will ever forget"

"[a] breathtaking act of theatrical magic"

"Nowhere in these isles can have seen anything like *The Passion* in many a long year"

Buzz ****

"a once-in-a-lifetime experience"

The Independent on Sunday

"The most extraordinary piece of community-specific theatre I've ever beheld transcendent"

The Daily Telegraph ****

"touching, transformative a triumph"

Allison Pearson, The Daily Telegraph

"devastating compelling, festive, strange, angry, joyful"

Western Mail

"pushed the boundaries of modern theatre to new limits"

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

"drama at its very best – creative, ambitious, raw, passionate and relevant Above all, it was also accessible and inclusive "

"made us feel privileged to be part of such a momentous occasion And proud to be Welsh "

The Big Issue Cymru

"immersive theatre at its best"

In the end of year reviews, major arts critics cited *The Passion* as the show of the year

"For me, there's no contest for the best show of the year Undoubtedly it was the Michael Sheen/Bill Mitchell-directed *The Passion* staged over Easter weekend in Port Talbot by National Theatre Wales This was everything that theatre in the 21st century can and should be a piece of new writing that was both epic and intimate, a show that was completely embedded within the community, mostly free at the point of delivery, available via many platforms, and which used the landscape to superb effect Memorable and moving "

The Guardian (Review of the Year, 2011)

"*The Passion* was the year's revelation "

The Observer (Review of the Year, 2011)

The Passion resulted in a Best Director Award at the UK Theatre Awards, and two Bafta Cymru nominations for Best Director Factual and Best Single Documentary for the BBC documentary

Meanwhile, following on from *The Passion*, NTW won the Empty Space Award for Innovation,

One month after *The Passion* NTW launched it's Year Two programme with a midnight new year party and press launch by digital video The year included our first international export, taking a show from Year 1, *The Dark Philosophers*, to Edinburgh where it sold out at The Traverse Theatre as part of the British Council Showcase and achieved 4 and 5 star reviews

Total Theatre

"Every element of the production is beautifully realised"

The List ****

"shines a light on a Welsh diamond"

Edinburgh Guide *****

"Without a shadow of a doubt, the best thing I have seen in the Fringe this year No, the best thing I have seen this year "

"Ferocious, hilarious, terrifying, beautiful, violent there are not enough words available to me to paint such a magnificent picture as *The Dark Philosophers* Like the Mona Lisa, you just have to see it for yourself "

"If you love theatre, if you love stories, you simply have to see this "

Evening Standard ****

"Perhaps we might loan Wales our cherished National Theatre and take theirs for an exchange season?"

In the Autumn the company took its first newly commissioned musical on a tour of 17 village halls across Wales, in partnership with ACW's Night Out Scheme It sold out and again achieved great critical acclaim We worked in partnership with the BRASS Centre at Cardiff University to undertake a social, economic and environmental impact assessment of the tour, gathering qualitative and quantitative data from audiences and venues The survey revealed that 73% of the audience lived within 10 miles of the venue, 48% had never attended an event at their community venue before, and of those 77% would return This evaluative data will inform the wider sustainable impact of our local and touring work going forwards

The Stage

"a deliciously dark oddball hit"

"[a] truly inventive, enjoyable piece of musical theatre from two of our rising stars"

**THE NATIONAL THEATRE OF WALES
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

The Observer

"a rampaging musical"

"Startling and enjoyable and a counterblast to high art Isn't this what a national theatre should do scoop you up and surprise you with the variety of its productions?"

and in the Spring NTW lured a world class Cardiff-born theatre maker Peter Gill home to open the new Sherman Cymru theatre with directing the world premiere of his own adaptation of a Chekhov story with a cast of 15 professionals and 15 community ensemble performers

As well as the Productions the entire company engaged in a summer of evaluation and reflection from May-Nov 2011 Developed by the Chief Exec working with Clore Fellow and researcher Richard Hawley they agreed ten strands of Evaluation

- Board Away Day – led by Phyllida Shaw
- Staff Away Day – led by Sara Robinson
- TEAM Mega Assembly – led by Devinda de Silva
- Audience - thank you, data collection, & evaluation of audience experience – led by Matthew Lawton
- Online Community and social media – led by Dr Kelly Page
- Artists Day – led by Andy Field
- Freelancers Day – led by Richard Hawley
- Staff structure and flow – led by Richard Hawley
- Digital operating systems – led by Julian Sykes
- Collation – led by John Knell

This immensely enriching process led to a company restructure and meaningful operational change to make the company more efficient, open, consistent and well-planned going forwards

During this year NTW was awarded extended and enhanced funding from the Paul Hamlyn Foundation for its TEAM programme, working with a network of over 250 ambassadors and stake-holders across Wales The funding allows for a part-time TEAM Assistant to support the work of the TEAM Co-ordinator

In June 2011 NTW was awarded the second ever Gulbenkian Participatory Theatre Award - £175,000 towards the development and production of an outstanding piece of work with local people The project, De Gabay, grew out of the ideas of four young Somali poets in Cardiff's Butetown who we had fostered since our production in Butetown in January 2011 Against incredibly strong and established competition on the shortlist of 6, NTW was thrilled to have achieved this honour through genuine local agency from the poets

During this year the company launched its Wales Lab programme for Emerging Artists, supporting 4 projects across Wales and preparing for the first summer camp for 20 artists

The Assembly Programme was re-imagined as a series of 4 democratically elected community events in the 4 quarters of Wales The first two of these occurred in the Spring of 2012 Over 6,000 people voted for these local free performance / debate events around a local issue or idea

FINANCIAL REVIEW

The statement of financial activities for the company is shown on page 10 During the year, the company made a deficit on unrestricted funds of £24,155 (2011 deficit £414,696) This incorporated a planned spend of designated funds for the programme of productions carried out in 2011/2012 However, greater than budgeted costs on certain productions also necessitated the use of general reserves

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

General reserves now stand at £139,532 (2011 £167,072), of which free reserves account for £122,907 (2011 £150,000). This is below the guideline level set in the company's Reserves Policy (see below). The company is committed to restoring this balance as soon as possible, ideally by the end of the 2012/13 financial year. The designated fund reserve, which stands at £22,858 (2011 £20,500) will once again be utilised in 2012/13 to help meet ongoing production costs.

The Arts Council Wales has committed to including National Theatre Wales in its core group of annually funded revenue organisations to which it commits funding from its Welsh Government support. For 2011/12, following its "Investment Review", Arts Council Wales substantially increased its support to National Theatre Wales to £1.685m (2010/11 £1.350m). In doing so, it also provided an indicative intention to maintain its funding at similar levels for the following two years.

During the course of 2011/12, the company received ring-fenced funding from a number of charitable foundations to finance a range of projects and initiatives. As well as the continuation of funding received from the Paul Hamlyn Foundation, to finance the TEAM programme (2012 £35,604, 2011 £65,137), the company was also successful in obtaining backing from a number of new sources. Income received in 2011/12 from these bodies comprised £118,009 from Esmée Fairbairn Foundation (to run the Wales Lab artist development project), £75,000 from the Calouste Gulbenkian Foundation (to develop and stage a production of "De Gabay") and £15,000 from the Jerwood Foundation (to support the development of an online artists' space). Expenditure on these projects will continue into 2012/13, with further funding contributions also due to be received.

As at 31 March 2012, restricted funds of £124,240 (2010 £29,486) were being carried forward. This balance related to projects funded by the Esmée Fairbairn, Calouste Gulbenkian and Jerwood foundations. These funds are expected to be significantly utilised during the 2012/13 financial year.

The company is seeking to develop its income streams through developing relationships that will encourage sponsorship and other forms of fundraising, and seeking grants from other funding bodies, in addition to increasing the level of income generated through box office receipts. Such diversification of income sources is a key element of the Strategic Plan currently under development for the next three year period. Already, since 1 April 2012, the second stage of the TEAM programme, funded by the Paul Hamlyn Foundation for a further two years, has commenced.

The company's expenditure levels increased during 2011/12, even without the presence of the contribution from designated reserves made in 2010/11, reflecting the growth in funding received, both from Arts Council Wales and charitable trusts and foundations. It is anticipated that this will continue into the future, as the company seeks to further grow and diversify its income sources, with the majority of the funding being allocated to production-related activities and engagement.

Reserves Policy

In accordance with good corporate governance and Charity Commission guidelines, the Board's aim continues to be to set aside £150,000 in reserve, as an unrestricted contingency fund for National Theatre Wales operations, and to cover three-months operating expenses of National Theatre Wales should its primary source of income from Arts Council Wales be withdrawn or withheld due to unforeseen circumstances.

This policy is reviewed regularly to ensure its continued sufficiency. Whilst this level of cover is currently considered sufficient for the company, the Finance Committee keeps this policy under regular review.

As mentioned above, the level of free reserves as at 31 March 2012 are below the £150,000 guideline figure. The company is committed to restoring this balance as soon as possible.

It is the intention of the company to further develop its reserves policy during 2012/13, to take account of the holding of designated reserves for specific purposes, most notably related to future productions, and restricted funds relating to unspent resources received from external funders for identified projects. This review process will also incorporate a consideration of links to the company's investment strategy, and risk register – the latter being used to assess the continuing adequacy of the company's level of free reserves.

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

Pension

The company has in place a group personal pension scheme, on a defined contribution basis, administered by Scottish Life. The company makes agreed employer contributions to the scheme, on a monthly basis. These are generally at a rate equivalent to 3% of gross salary (although there are contractual obligations to make a contribution equivalent to 5% in certain instances). Contributions are made in respect of all permanently appointed staff that have completed their contractual probationary period satisfactorily. Employees also make contributions to the scheme, the rates of which vary in accordance with individual discretion.

The company also makes contributions to the defined contribution scheme administered by Aviva on behalf of Equity, where it employs actors and stage managers who are members of the scheme. In accordance with industry conditions of service, the company again makes a contribution equivalent to 3%, where it is applicable to do so, whilst scheme members contribute at a rate of 2%.

FUTURE PLANS

The company has an ambitious programme of plans for the 2012/13 financial year

- Five productions in six months from April – September
- A unique digital transmission of a play about Bradley Manning, the young soldier imprisoned for leaking official documents to Wikileaks, in a “hyperconnected” live-stream of the play with simultaneous online links to associated material and live-chat
- Three major productions as part of the 2012 Cultural Olympiad Festival: *In Water I’m Weightless*, *Coriolanus* and *Branches*
- *In Water I’m Weightless* – our first piece made with an all deaf and disabled cast
- *Coriolanus* – a co-production with the Royal Shakespeare Company staged in an aircraft hangar
- *Branches* – a major international commission for Argentinian Constanza Macras devising a new dance piece to be staged in a wood and live-streamed onto Cardiff High Street
- The first Summer School as part of Wales Lab
- The continuation and development of the Assembly Programme
- The development and staging of *De Gabay* – a 2 day community event in Cardiff’s Butetown inspired by 4 Somali poets, winner of the Gulbenkian Participatory Award
- The recruitment of a new Director of Administration and Development and Company Co-Ordinator, and shifts in line management and overall organisational structure
- The revision of all job descriptions and some job titles
- The recruitment of a Digital Associate as a one year position funded by Arts Council Wales to support the company’s pioneering digital practice and delivery onto digital channels
- Writing of a new three year strategic plan
- Board development and the creation of a TEAM Panel to advise and inform the company’s work
- Development of a Fundraising Strategy

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of The National Theatre of Wales for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

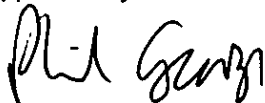
In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

In accordance with the company's articles, a resolution for the proposal for the appointment of auditors of the charity will be put to the Annual General Meeting.

Approved by the Board of Trustees and signed on behalf of the Board



Phil George
Chair

1/10/ 2012

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL THEATRE OF WALES

We have audited the financial statements of The National Theatre of Wales for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NATIONAL THEATRE OF WALES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sarah Case FCA DChA
Senior Statutory Auditor
For and on behalf of
Broomfield & Alexander Limited
Statutory Auditors
Waters Lane Chambers
Waters Lane
Newport
NP20 1LA

Date 1-10-12

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income					
Grants	2	1,692,000	-	1,692,000	1,351,000
Activities for generating funds	2	4,000	-	4,000	2,128
<i>Incoming resources from charitable activities</i>					
Performing and related activities	3	94,112	-	94,112	96,521
Grants	3	-	243,613	243,613	65,137
Other incoming resources					
Bank interest		560	-	560	492
Other income		4,950	-	4,950	4,042
Total Incoming Resources		1,795,622	243,613	2,039,235	1,519,320
RESOURCES EXPENDED					
Charitable activities					
Promoting, maintaining, improving and advancing education	4	1,806,594	149,886	1,956,480	1,895,187
Governance costs	5	13,183	-	13,183	24,692
Total Resources Expended		1,819,777	149,886	1,969,663	1,919,879
Net Incoming Resources	12	(24,155)	93,727	69,572	(400,559)
Transfers	12/13	(1,027)	1,027	-	-
Fund balances brought forward at 1 April 2011	12/13	187,572	29,486	217,058	617,617
Total balances carried forward at 31 March 2012	14	162,390	124,240	286,630	217,058

The notes on pages 14 to 20 form part of the financial statements

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

BALANCE SHEET AS AT 31 MARCH 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		16,625		17,072
CURRENT ASSETS					
Stock		5,336		-	
Debtors	10	115,106		144,507	
Cash at bank and in hand		<u>507,250</u>		<u>301,591</u>	
		<u>627,692</u>		<u>446,098</u>	
CREDITORS amounts falling due within one year					
Creditors and accruals	11	<u>(357,687)</u>		<u>(246,112)</u>	
		<u>(357,687)</u>		<u>(246,112)</u>	
Net Current Assets			270,005		199,986
TOTAL ASSETS LESS CURRENT LIABILITIES	14		<u>286,630</u>		<u>217,058</u>
INCOME FUNDS					
Unrestricted funds					
General reserves	12		139,532		167,072
Designated	12		22,858		20,500
Restricted funds	13		<u>124,240</u>		<u>29,486</u>
	14		<u>286,630</u>		<u>217,058</u>

These financial statements were approved by the Board of Trustees on

1 / 10 / 2012

Signed on behalf of the Board of Trustees

Trustee

Phil George

PHIL GEORGE

The notes on pages 14 to 20 form part of the financial statements

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (revised 2005)' approved by the Accounting Standards Board and with the requirements of the Companies Act 2006

The accounting policies adopted are described below

Cash Flow

The accounts do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 1 'Cash Flow Statements'

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the Charity's members in furtherance of the general objectives of the Charity and which have not been designated for other purposes

Designated funds are funds which have been specifically designated for specific future costs

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Box office income is recognised as it becomes due, in accordance with venue contracts, and is accrued for where appropriate

Tangible fixed assets

The value below which fixed assets are not capitalised is £500

Tangible fixed assets are recorded at cost and are depreciated in equal annual instalments over their estimated useful lives as follows -

- | | |
|-------------------------|-------------------|
| • IT equipment | 33% straight line |
| • Fixtures and fittings | 25% straight line |

Grants

Revenue grants receivable are accounted for in the period to which they relate. Capital grants are credited to restricted funds on a received basis and released to the income and expenditure account over the remaining lives of the assets to which they relate

Liabilities Policy

Liabilities are recognised in the Financial Statements as they become payable

Operating Leases

Payments made in respect of operating leases are charged to the accounts in the year in which they are paid

Netting Off of Income and Expenditure

Income and expenditure are stated gross

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES (continued)

Pension Costs

The Charity participates a group personal pension scheme. All contributions in the year are charged to the Statement of Financial Activities as they become payable, in accordance with the scheme rules.

Stocks

Stocks are valued at the lower of cost and net realisable value.

2. INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Grants receivable				
Arts Council for Wales	1,685,000	-	1,685,000	1,350,000
Arts Council for England	-	-	-	1,000
Wales Arts International	7,000	-	7,000	-
	<u>1,692,000</u>	<u>-</u>	<u>1,692,000</u>	<u>1,351,000</u>
Sponsorship and donations				
Arts and Business Cymru	1,000	-	1,000	-
Costain	3,000	-	3,000	-
Windpower Wales	-	-	-	2,128
	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>2,128</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Income from performing and related activities	94,112	-	94,112	96,521
	<u>94,112</u>	<u>-</u>	<u>94,112</u>	<u>96,521</u>
Grants receivable				
	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Paul Hamlyn Fund	-	35,604	35,604	65,137
Esmée Fairbairn Foundation	-	118,009	118,009	-
Calouste Gulbenkian Foundation	-	75,000	75,000	-
Jerwood Charitable Foundation	-	15,000	15,000	-
	<u>-</u>	<u>243,613</u>	<u>243,613</u>	<u>65,137</u>

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

4. CHARITABLE ACTIVITIES

	Staff costs 2012 £	Other costs 2012 £	Depreciation 2012 £	Total 2012 £	Total 2011 £
Unrestricted					
Production	579,747	690,840	-	1,270,587	1,463,479
Marketing	-	158,567	-	158,567	154,160
Recruitment	-	8,951	-	8,951	(6,496)
Support Costs	128,616	228,861	11,012	368,489	230,916
	<u>708,363</u>	<u>1,087,219</u>	<u>11,012</u>	<u>1,806,594</u>	<u>1,842,059</u>
Restricted					
Production	63,336	59,918	-	123,254	36,274
Marketing	-	8,757	-	8,757	6,359
Support	-	17,875	-	17,875	10,495
	<u>63,336</u>	<u>86,550</u>	<u>-</u>	<u>149,886</u>	<u>53,128</u>
Total Expenditure	<u>771,699</u>	<u>1,173,769</u>	<u>11,012</u>	<u>1,956,480</u>	<u>1,895,187</u>

Information Regarding Trustees and Employees

The number of employees whose emoluments, as defined for taxation purposes, amounted to a rate of over £60,000 in a year were as follows

	2012 No.	2011 No.
£70,001 - £80,000	1	1
£60,000 - £70,000	1	1

All employees earning more than £60,000 were members of the company pension scheme

None of the trustees received any emoluments from the company during the year 4 trustees were paid travel expenses totalling £1,650 (2011 £2,242) during the year

	2012 £	2011 £
Employee costs during the year		
Wages and salaries	682,848	596,175
Employer's National Insurance contributions	72,046	62,962
Pension costs	16,805	13,052
	<u>771,699</u>	<u>672,189</u>

	2012 No.	2011 No.
Number of persons employed		
Permanent staff	12	12
	<u>12</u>	<u>12</u>

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

5. GOVERNANCE COSTS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Audit & Accountancy services	5,000	-	5,000	13,735
Trustee meetings	3,625	-	3,625	2,425
Trustees travel expenses	1,650	-	1,650	2,242
Legal and professional	2,908	-	2,908	6,290
	<u>13,183</u>	<u>-</u>	<u>13,183</u>	<u>24,692</u>

6. NET INCOMING RESOURCES

	2012 £	2011 £
Net incoming resources are stated after charging		
Depreciation	11,012	8,426
Auditors' remuneration - Audit	5,000	5,000
- Other services	-	8,735
Loss on disposal of fixed assets	<u>1,074</u>	<u>-</u>

7. OPERATING LEASE COMMITMENTS

At 31 March 2012 the company was committed to making the following payments in respect of operating leases on commercial premises and equipment

	2012 £	2011 £
Due within:		
One year	21,788	23,408
Two years	21,788	2,902
Two – five years	24,021	-
	<u>67,597</u>	<u>26,310</u>

8 TAXATION

The company is a registered charity. There is no charge to corporation tax for the current or previous year.

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

9. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Computer equipment £	Total 2012 £
Cost or valuation			
Brought forward at 1 April 2011	19,287	14,006	33,293
Additions	3,791	7,848	11,639
Disposals	(396)	(4,646)	(5,042)
At 31 March 2012	<u>22,682</u>	<u>17,208</u>	<u>39,890</u>
Accumulated depreciation			
Brought forward at 1 April 2011	8,572	7,649	16,221
Charge for the year	5,407	5,605	11,012
Disposal	(58)	(3,910)	(3,968)
At 31 March 2012	<u>13,921</u>	<u>9,344</u>	<u>23,265</u>
Net book value			
At 31 March 2012	<u>8,761</u>	<u>7,864</u>	<u>16,625</u>
At 31 March 2011	<u>10,715</u>	<u>6,357</u>	<u>17,072</u>

10. DEBTORS

	2012 £	2011 £
Trade debtors and accrued income	23,249	14,318
Prepayments	62,607	99,390
Other Debtors	29,250	30,799
	<u>115,106</u>	<u>144,507</u>

11. CREDITORS (amounts falling due within one year)

	2012 £	2011 £
Trade creditors	55,585	21,100
Other creditors	2,935	25,399
Accruals	70,660	38,109
Social security & other taxes	20,687	11,504
Provision	42,470	-
Deferred Income	165,350	150,000
	<u>357,687</u>	<u>246,112</u>

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

12 UNRESTRICTED RESERVES

	General funds 2012 £	Designated funds 2012 £	Total funds 2012 £	Total funds 2011 £
Funds brought forward	167,072	20,500	187,572	617,617
Surplus/(Deficit) for the year	(24,155)	-	(24,155)	(414,696)
Transfers	(2,358)	2,358	-	-
Transfer to Restricted funds	(1,027)	-	(1,027)	(15,349)
	<u>139,532</u>	<u>22,858</u>	<u>162,390</u>	<u>187,572</u>

General Funds – balances held comprise both an unrestricted contingency ('free reserve') and an amount held to match the net book value of fixed assets. As at 31 March 2012, these totalled £122,907 and £16,625 respectively (2011 £150,000 and £17,072 respectively). An amount of £150,000 is considered to be the 'free reserve' minimum operating balance necessary on an ongoing basis. The balance as at 31 March 2012 has temporarily reduced below that level for operating reasons, but the company is committed to restoring the balance to that level as soon as possible.

Designated Funds – balances held for purposes approved by The Board of Trustees. The current balance of £22,858 will be carried forward, into 2012/2013, designated towards production costs.

13. RESTRICTED RESERVES

	At 1 April 2011 £	Incoming £	Outgoing £	Transfers £	At 31 March 2012 £
Paul Hamlyn Fund	29,486	35,604	(66,117)	1,027	-
Esmée Fairbairn Foundation	-	118,009	(48,049)	-	69,960
Calouste Gulbenkian Foundation	-	75,000	(35,720)	-	39,280
Jerwood Charitable Foundation	-	15,000	-	-	15,000
	<u>29,486</u>	<u>243,613</u>	<u>(149,886)</u>	<u>1,027</u>	<u>124,240</u>

The **Paul Hamlyn fund** supports the company's 'TEAM' programme, the role of which is to develop relationships within communities, and thereby promote National Theatre Wales and develop interest in theatre.

The **Esmée Fairbairn Foundation** supports the company's Wales Lab artist development programme.

The **Calouste Gulbenkian Foundation** supports the development and production of a show entitled "De Gabay" "De Gabay" (which means 'the song') is being developed with four young Somali poets from Cardiff, and tells the story of the lives of young Somali men today.

The **Jerwood Charitable Foundation** supports the company's development of an online artist collaboration space.

**THE NATIONAL THEATRE OF WALES
TRADING AS NATIONAL THEATRE WALES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted Funds</i>				
	General Funds	Designated funds	Restricted funds	Total funds	Total funds
	2012	2012	2012	2012	2011
	£	£	£	£	£
Fixed Assets	16,625	-	-	16,625	17,072
Net Current Assets	122,907	22,858	124,240	270,005	199,986
	<u>162,390</u>	<u>22,858</u>	<u>124,240</u>	<u>286,630</u>	<u>217,058</u>

15. CALLED UP SHARE CAPITAL

The company is limited by guarantee and has no share capital

16. RELATED PARTY TRANSACTIONS

No related party transactions occurred during the current or previous year