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**Date: 22nd January 2020**

Dear Sir/Madam,

A meeting of the **Cabinet as Trustees of Blackwood Miners Institute** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach on Wednesday, 29th January, 2020 at 11.00 am** (or immediately following the meeting of Cabinet) to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meeting and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CHARRY'.

**Christina HARRY**  
INTERIM CHIEF EXECUTIVE

## AGENDA

- |   | Pages   |  |
|---|---|--|
| 1 | To receive apologies for absence.   |  |
| 2 | Declarations of Interest.<br>Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any items of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers. |  |

A greener place Man gwyrddach



To approve and sign the following minutes:-

- |   |   |        |
|---|---|--------|
| 3 | Cabinet Sitting as Trustees of Blackwood Miners Institute held on 10th July 2019. | 1 - 2  |
| 4 | Blackwood Miners' Institute Annual Report and Statement of Accounts 2018/2019.    | 3 - 28 |

**Circulation:**

Councillors C.J. Cuss, N. George, C.J. Gordon, Mrs B. A. Jones, P.A. Marsden, S. Morgan, L. Phipps and Mrs E. Stenner,

And Appropriate Officers.

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# Agenda Item 3



## CABINET SITTING AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY 10TH JULY 2019 AT 11.20A.M.

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#### PRESENT

Councillor D.V. Poole – Chair

#### Councillors:

N. George (Neighbourhood Services), C.J. Gordon (Corporate Services), Mrs B. Jones (Finance, Performance and Governance), P. Marsden (Education and Achievement), S. Morgan (Economy, Infrastructure and Sustainability), L. Phipps (Homes and Places) and E. Stenner (Environment and Public Protection).

#### Together with:

C. Harrhy (Interim Chief Executive), M. S. Williams (Interim Corporate Director - Communities), S. Harris (Interim Head of Business Improvement Services and Interim S. 151 Officer).

#### Also in attendance:

P. Hudson (Marketing and Events Manager), R. Lloyd (Network Co-Ordinator), L. Lane (Deputy Monitoring Officer) and A. Dredge (Committee Services Officer).

#### 1. WELCOME

The Chair welcomed R. Lloyd (Network Co-ordinator at Blackwood Miners' Institute) to the meeting, as she'd recently been appointed to this role.

#### 2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor C.J. Cuss, R. Edmunds (Corporate Director for Education and Corporate Services), D. Street (Corporate Director for Social Services and Housing) and R. Tranter (Head of Legal Services and Monitoring Officer).

#### 3. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

#### 4. CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE MINUTES – 15TH MAY 2019

RESOLVED that the minutes of the meeting held on 15th May 2019 (minute nos. 1 - 4) be approved and signed as a correct record.

#### 4. BLACKWOOD MINERS' INSTITUTE - UPDATE REPORT

At the Cabinet as Trustees of Blackwood Miners' Institute meeting held on the 15th May 2019, it was resolved to 'Appoint new Trustees under the existing Trust' with an additional recommendation that a total of 9 new Trustees, 4 from members of the public and 5 Cabinet member representatives be appointed.

Officers explained that following this meeting, the Council's Legal Services Department are considering how best to bring about the required changes to the Charity's existing governing document to bring into effect the recommendation, particularly with regard to decision making procedures following the appointment of new trustees. It was further explained that once the changes are brought into effect by resolution of the Trustee, the Charity Commission must be notified. In some cases, the Charity Commission can also make the changes of its own accord by making a new charitable scheme. Cabinet were advised that before the legal changes can be implemented a number of steps needed to be taken which were outlined in paragraph 5.1.1 of the report.

The report also provided an update on a number of areas of operation and programme activity that include:

- Trustee membership review
- Box Office opening hours
- Staffing requirements
- Digital Marketing Signage
- Arts & Education Network
- Communities for Work Plus – Employment mentoring support
- Programme

Cabinet thanked the Officer's for the report and discussion ensued.

Cabinet considered the current status of appointing the new trustees and acknowledged that the relevant skills and knowledge will be required from the external trustees. Members' emphasised the importance of expediting this process to resolution as there is a need for Blackwood Miners' Institute to be on a full commercial footing for the benefit of the community, in moving forward.

Following consideration and discussion, it was moved and seconded that subject to the inclusion of an additional recommendation, in that *Officers to obtain Legal advice regarding advising the Charity Commission that the Council wish to proceed with changing the Membership to include appointing 4 external Trustees for Blackwood Miners' Institute at the earliest opportunity*, the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's Report and subject to the aforementioned additional recommendation:

- (i) the steps outlined in paragraph 5.1.1 to establish the change of Trustees Membership previously resolved and support the saving proposals identified in paragraphs 5.1.2 and 5.1.3 of the report as part of the Council's budget setting process for 2020/21, be endorsed;
- (ii) Officers to obtain Legal advice regarding advising the Charity Commission that the Council wish to proceed with changing the Membership to include 4 external Trustees of Blackwood Miners' Institute, at the earliest opportunity.

The meeting closed at 11.30am.

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CHAIR



## **CABINET AS TRUSTEES OF BLACKWOOD MINERS INSTITUTE – 29TH JANUARY 2020**

**SUBJECT: BLACKWOOD MINERS' INSTITUTE ANNUAL REPORT AND  
STATEMENT OF ACCOUNTS 2018/2019**

**REPORT BY: INTERIM CORPORATE DIRECTOR COMMUNITIES**

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### **1. PURPOSE OF REPORT**

- 1.1 To advise Cabinet as Trustees of the Blackwood Miners' Institute of the operational activities and financial position of Blackwood Miners' Institute for the financial year ending 31<sup>st</sup> March 2019.

### **2. SUMMARY**

- 2.1 Blackwood Miners' Institute was conveyed as a charitable trust to Islwyn Borough Council, (and subsequently to Caerphilly County Borough Council), and was registered as a charity on 13<sup>th</sup> November 1990.
- 2.2 The local authority, acting as sole corporate trustee has a legal duty to operate the charity in accordance with the governing document, and has a legal obligation to account for the charity's finances in accordance with the Charity Act 2011.
- 2.3 A report to Cabinet as Trustees of Blackwood Miners' Institute was considered on the 27<sup>th</sup> July 2016 advising Members of the statutory requirements relating to the charitable status of Blackwood Miners' Institute, including a set of recommendations to ensure compliance with charity law in relation to the submission of annual reports and financial statements, the ongoing management of the Blackwood Miners' Institute and the Council's and Cabinet's responsibilities as Trustees.
- 2.4 The annual report and audited statement of accounts for 2018/2019 are included as an appendix to this report.
- 2.5 Cabinet as Trustees of Blackwood Miners' Institute are required to consider the accounts prior to the annual report and accounts being submitted to the Charity Commission as part of the annual return, in compliance with the requirements of the Charity Act 2011.

### **3. RECOMMENDATIONS**

- 3.1 It is recommended that:

- 3.1.1 Cabinet as Trustees of Blackwood Miners' Institute consider, note and endorse the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial year 2018/2019.

#### **4. REASONS FOR THE RECOMMENDATIONS**

4.1.1 Consider, note and endorse the contents of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for financial year 2018/2019.

#### **5. THE REPORT**

- 5.1 Blackwood Miners' Institute was conveyed as a charitable trust to Islwyn Borough Council, and (subsequently to Caerphilly County Borough Council) in 1990. The objects of the charity are set out in the Trust Deed dated 15<sup>th</sup> October 1990.
- 5.2 The purposes of the charity set out in the Trust Deed include the following:
- To promote, improve, develop, maintain and advance public awareness and participation in, and encourage an appreciation of the art and science of, music, dance, drama, literature and the visual arts.
  - To promote, through appropriate activities, the education and training, mental and spiritual capacities of people who are unemployed, young people and pre-school children.
  - To educate the public in the geography, history and architecture of the area and sets out the Institute's responsibility in safeguarding against drug and alcohol abuse.
- 5.3 Blackwood Miners' Institute was registered as a charity with the Charity Commission (registered as Blackwood Arts Centre) on 13<sup>th</sup> November 1990.
- 5.4 Local authorities are empowered by Section 139 of the Local Government Act 1972 to receive and hold gifts on charitable trusts. The local authority is currently the sole corporate trustee for this charity.
- 5.5 The Council as sole trustee has a legal duty to operate the charity in accordance with the charity's Trust Deed and strictly in furtherance of its stated objects. The Council as trustee also has a legal obligation to account for and report on the charity separately and in accordance of the Charities Act 2011. All charities must produce annual statements of accounts under charity law.
- 5.6 The Annual report and Statement of Accounts for Blackwood Miners' Institute for 2018/2019 financial year is an appendix to this report. These accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice – Accounting and Reporting by Charities). The Annual Report and Statement of Accounts will be submitted to the Charity Commission as part of the annual return.
- 5.7 The Annual Report for 2018/2019 provides information in relation to the Blackwood Miners' Institute Governance & Management arrangements, statement of purpose, aims and activities, public benefit, achievements & performance for the year, the extensive arts programme delivered during the year, productions and touring activities, the educational programmes delivered, community and amateur events held and audience development initiatives.
- 5.8 The Annual Report also provides detail of the pricing policies operated and a financial review in support of the detailed Statements of Accounts. As noted in the Annual Report and detailed in the Statement of Accounts, Caerphilly County Borough Council provides an annual financial subsidy to the Blackwood Miners' Institute which was £305,517 for the financial year 2018/2019 compared to £310,088 in 2017/2018. This subsidy has gradually reduced in recent years from £365,279 in 2013/2014 despite inflationary cost pressures in relation to pay and operating costs. It is anticipated that there could be further future reductions in subsidy as part of the Council's MTFP (Medium Term Financial Plan).

- 5.9 Cabinet as Trustee of Blackwood Miners' Institute will be aware that the Council's Improving Service Programme (ISP) includes a project which aims to evaluate options to reduce the deficit at Blackwood Miners' Institute, including a review of the operating model for Blackwood Miners Institute within a climate of declining public subsidy. Proposals to consult with all staff working at each of the five visitor destinations were approved at the 5<sup>th</sup> December meeting of the Programme Board. This consultation will take place at Llancaiach Fawr on 27<sup>th</sup> January 2020 and following that, recommendations will be presented to Programme Board again in February 2020 which will outline how the existing level of subsidy can be reduced during the next 1-3 years.
- 5.10 As noted in the Annual Report, in response to the ongoing reductions in Council subsidy, Blackwood Miners' Institute is working hard to increase the income from shows by changing the way it agrees profit sharing, and also by bringing in new acts to attract new audiences. Income generated from shows in 2018/19 was £301,697 which was a very small reduction on 2017/2018. Income has however generally continued to increase from £249,768 in 2015/2016, £275,119 in 2016/2017 to £301,697 in 18/19 (21% since 2015/2016). Bar and vending services which only operate when there are events in the building also generated combined profit of £13,063 towards the aims of the charity and to improve financial viability.
- 5.11 The Annual Report also makes reference to the Arts Council Wales Arts Portfolio Wales (APW) grant of £129,375 provided to BMI. The grant provides: additional funding for programme support, which helps with programming a full programme including offsite performances and an increased number of accessible performances; increased marketing and technical capacity; and allows BMI to continue co-production and increased participation in the arts.

## **6 CONCLUSION**

- 6.1 The Blackwood Miners' Institute continues to operate within the terms of its charitable status and has, in the view of the Independent Examiner, prepared financial accounts in accordance with section 130 of the Charities Act 2011; and prepared accounts which accord with the accounting records and comply with accounting requirements of the Charities Act 2011.
- 6.2 The Institute has remained a viable financial going concern due to its success in increasing income generation, managing operating costs effectively and with financial support from Caerphilly County Borough Council.

## **7 ASSUMPTIONS**

- 7.1 It is assumed that financial pressures on local authority budgets will continue and this may well impact on the level and type of financial support the Blackwood Miners' Institute receives from the Council in future years.
- 7.2 The Institute will: continue to review its operations with the aim of increasing income generation from its activities; operate efficiently to reduce expenditure wherever possible and thus ensure it can remain a financially viable charitable organisation; and account for the charity's finances in accordance with the Charity Act 2011.

## **8 LINKS TO RELEVANT COUNCIL POLICIES**

- 8.1 The purpose of this report is to act as Trustee of the Blackwood Miners' Institute and in that capacity to consider all matters in connection with the management, use and development of the Institute in accordance with the provisions of the Trust Deed.
- 8.2 Arts Council for Wales' vision is a creative Wales where the Arts are central to the life of a nation.
- 8.3 Culture, Leisure and the Arts are key elements in the Regeneration Strategy - A Foundation

for Success which recognises the contribution they make to the: regeneration of communities; raising aspirations of residents; well-being of residents; and importantly the jobs they create in the local economy.

- 8.3 Key objectives of the Supporting Quality of Life Theme of A Foundation for Success are to:
- Improve access to culture, leisure and the arts;
  - Capitalise upon the asset of the county borough to fully exploit the county borough's tourism potential and establish the county borough as a major tourism destination within the Cardiff Capital Region and Wales; and
  - Develop a unique and complementary role for each of the Principal Towns in the County Borough to serve the wide reaching needs of residents and business.

## **9 WELL-BEING OF FUTURE GENERATIONS**

- 9.1 Blackwood Miners' Institute contributes to the Well-being goals through the generation of additional footfall, economic benefits and contribution it makes in terms of a vibrant educational, cultural and heritage offering within society.

## **10 EQUALITIES IMPLICATIONS**

- 10.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried out

## **11 FINANCIAL IMPLICATIONS**

- 11.1 There may be financial implications if the Trustee fails to meet the legal requirement to submit compliant accounts, and the Charity Commission may take further action in particular regarding the preparation of an annual statement of accounts and to report on the charity's finances.
- 11.2 There will be a fee payable for the independent examiner's report in relation to the 2018/2019 annual report and statement of accounts of the BMI and this will be financed by the BMI revenue account.
- 11.3 Other financial implications are covered in the body of the report including the present level of Council subsidy, possible requirement to reduce the level of subsidy in future years in support of the Councils MTFP and the ongoing review of BMI as part of the Councils Improving Services Programme.

## **12. PERSONNEL IMPLICATIONS**

- 12.1 There are no personnel implications from this report.

## **13. CONSULTATIONS**

- 13.1 The comments from consultees have been included in this report.

## **11. STATUTORY POWER**

- 11.1 Charities Act 2011 and Local Government Act 1972



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Consultees: Cllr Sean Morgan, Deputy Leader and Cabinet Member Economy, Infrastructure,  
Sustainability and Well Being and Future Generations  
Mark S Williams Interim Corporate Director of Communities  
Steve Harris Interim Head of Business Improvement Services & Acting Section 151  
Officer  
Daryl Whitehead, Theatre & Arts Service Manager  
Rhian Kyte, Head of Regeneration and Planning  
Antony Bolter, Visitor Economy and Visitor Destination Manager  
Andrew Southcombe, Finance Manager Corporate Services

**Appendices:**

Appendix 1 Blackwood Miners' Annual Report and Statement of Accounts for the year ending 31<sup>st</sup>  
March 2019

Background Papers and Links to other Documents:

Report by Corporate Director of Communities -

Cabinet as Trustees of Blackwood Miners Blackwood Miners' Institute 27<sup>th</sup> July 2016 - Charitable  
Status of Blackwood Miners' Institute

**BLACKWOOD ARTS CENTRE**

**(Also known as Blackwood Miners' Institute)**

**Report and Financial Statements**

**Year ending 31 March 2019**

**Charity Number 1000905**

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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## CHARITY AND ADMINISTRATIVE INFORMATION

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<b>Name of Charity</b>	<b>Blackwood Arts Centre</b>
Working Name	Blackwood Miners' Institute
Charity Registration Number	1000905
Registered Office And Business Address	Blackwood Miners' Institute High Street Blackwood NP12 1BB
Trustee	Caerphilly County Borough Council Penallta House Tredomen Park Ystrad Mynach Hengoed CF82 7PG
Theatre Manager	Daryl Whitehead
Independent Examiners	Grant Thornton UK LLP Chartered Accountants Cardiff

## TRUSTEE'S REPORT FOR THE YEAR ENDING 31 MARCH 2019

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### Introduction

On behalf of the trustees I am pleased to present our annual report together with the annual financial statement for the charity for the year ending 31 March 2019. The financial statements comply with the Charities Act 2011, the Objects of The Charitable Trust, and the statement of recommended practice – accounting and reporting by Charities FRS 102.

Blackwood Miners' Institute continues to present a programme of professional arts and entertainment, and be a resource for community and amateur organisations to create and present their own productions. The theatre also continues to provide a wide range of opportunities for people from all sectors of the community to take part in creative activities of their choice.

We acknowledge that we currently face challenging times; where local and regional engagement with the arts is traditionally low; the region has higher than average levels of deprivation, and all this against a backdrop of ever decreasing public funding. But despite this, our efforts to continue engaging audiences, developing new and innovative programme stands, and by working collaboratively and in partnership, prove that we have a very valuable role to play in the creative community.

I would like to thank our audiences and participants for your continued support and engagement, to our staff for their continued hard work and dedication, and to our partners and funders for their confidence and recognition of a quality arts programme.

Leader OR Deputy Leader and Cabinet Member for Regeneration, Transportation and Sustainability

on behalf of Cabinet as Trustees

## Governance and Management

Caerphilly County Borough Council is the sole corporate trustee for the charity. Implementation of the organisation's aims and objectives and the day to day administration is undertaken by the Theatre Manager (employee), and the team which is overseen by the Head of Regeneration and Planning. Caerphilly utilises the greater London Provincial Job Evaluation process, and uses the nationally negotiated pay spine referred to as the National Joint Council for Local Government Services to determine the pay and remuneration of the charity's key management personnel.

## Our Purpose and Activities

Blackwood Arts Centre, also known as Blackwood Miners' Institute, formerly a miners' welfare institute paid for by the salaries of local miners, was refurbished as a community arts and entertainment venue in the early 1990's thanks to funding from the Welsh Office and Islwyn Borough Council. Today, Blackwood Miners' Institute (BMI) is a vibrant and professional theatre venue and registered charity, and one of the busiest in the South Wales Valleys. We present a programme of high quality professional, community and amateur art and entertainment for a wide range of audiences. We also provide a wide range of opportunities for people from all sectors of the community to take part in creative activities of their choice.

The purposes of the charity are set out in the building's binding objects in the charitable trust deed (October 1990). These are to:

- Promote, improve, develop, maintain and advance public awareness and participation in, and encourage an appreciation of the art and science of, music, dance, drama, literature and the visual arts.
- Promote, through appropriate activities, the education and training, mental and spiritual capacities of people who are unemployed, young people and pre-school children.
- Educate the public in the geography, history and architecture of the area and sets out the 'Stute's responsibility in safeguarding against drug and alcohol abuse.

Our current mission is:

To be the leading theatre within the South East Valleys, creating and presenting the highest quality professional and community arts, creating enriching, cultural experiences for a diverse range of audiences and participants.

Our current aims are:

- To contribute to the economic, cultural, and social regeneration of the region, and to help make Caerphilly County Borough a better place to live, visit, and work.

- To promote the arts in a positive and accessible way, to create a relaxed, friendly and welcoming atmosphere where audiences and participants can feel comfortable in attending the arts, and will want to attend more regularly.
- To ensure equality of provision by providing a diverse range of arts activity for a wide range of audiences and participants, ensuring that everybody has easy access to arts and culture.
- To work collaboratively and in partnership to ensure value for money and to find sustainable ways to improve the level of service offered to members of our local communities.

The strategies employed to achieve the charity's aims include:

- Presenting and producing a range of arts and entertainment events including drama, dance, comedy, and live music.
- Programming a balance of professional and amateur events; populist and commercial work which underpins the viability of the theatre and a cultural programme which is mostly supported by external grant funding from Arts Council Wales.
- Delivering a wide range of community workshops and classes, with a particular focus on children and young people, to provide opportunities for them to take part in the activity of their choice.

## **Public Benefit**

In shaping our aims and planning our activities for the year, we considered the Charity Commission's guidance on public benefit, including guidance on public benefit and fee charging. The Objects of the charity define the area of benefit as the inhabitants of the District of Islwyn and the surrounding districts (now Caerphilly County Borough).

The theatre relies on subsidy from Caerphilly County Borough Council and the income from fees and charges to cover its operating costs. In setting the level of fees and charges and concessions, we give careful consideration to the accessibility of the theatre to those on low incomes. We recognise that local and regional engagement with the arts is low; and the region has higher than average levels of deprivation. Our programme is carefully considered to ensure that everything is programmed with our community and audiences in mind.

## **The Arts Programme**

The BMI presented 154 live performances and sold 34,933 tickets, which is comparable with previous years.

We continue to develop new drama audiences and presented a number of high quality productions including BLACK RAT's LOOT, THE LAST FIVE YEARS touring from the Welsh Millennium Centre and a co-production of The Girl with Incredibly Long Hair.

Family work continues with productions such as THE SELFISH GIANT, POGGLE, THERE WAS AN OLD LADY WHO SWALLOWED A FLY, THE AMAZING BUBBLE MAN, NED AND THE WHALE and THE LITTLE RED RIDING HOOD.

To broaden our reach we programmed a number of productions and workshops to increase access for those hard of hearing/deaf, multi-sensory for those with learning difficulties, dementia friendly and continued our collaboration with the Alzheimer's Society.

Welsh Language performances continued with Theatr Sherman Cymru touring panto and a production by Cwmni Mega Company.

Our Christmas pantomime, PETER PAN from Rainbow Productions, starring Owen Money, was as popular as ever grossing £147,000.

BMI continued to present the 'STUTE COMEDY NIGHTS which take place on the first Friday of most months in the Lower Bar. Three up-and-coming comedians provide two hours of comedy with an audience capacity of a hundred in a cabaret-style setting.

This was the third year that we benefitted from Arts Council of Wales funding through its Arts Portfolio Wales funding grant which allows us to programme work to help attract new audiences.

## **Co-Productions and Touring**

We continued with our long-running successful co-producing relationship with Black RAT productions presenting LOOT during the year. After rehearsing and opening at Blackwood, it then went on tour, playing venues across Wales. In partnership with the Welsh Millennium Centre, we produced THE GIRL WITH INCREDIBLY LONG HAIR with support from Creu Cymru.

## **The Educational Programme**

Blackwood Miners' continues to deliver Blackwood Youth Dance, which consists of four contemporary dance groups between the ages of 5 and 14, as well as youth drama for ages 4 to 16. We also offer an adult drama group on a Monday evening which also supports those with specific needs and learning difficulties.

The BMI Community Theatre Group goes from strength to strength catering from 5-year-olds to 14-year-olds who then have the opportunity to progress to the Caerphilly Youth Theatre as well as Caerphilly Youth Theatre's Welsh Language group.

## **Community and Amateur Events**

The BMI continues to support and encourage community and amateur groups. Blackwood Musical Theatre Society celebrating their 50<sup>th</sup> anniversary by presenting a concert featuring the Gwent Police Choir. We continue to be able to provide them with a professional venue in which to perform as well a welcoming and comfortable place to meet and rehearse. We also presented and supported performances from Mynyddislwyn Male Choir.



CCBC Community Dance Festival 2018, was a success once again with dance schools in the Borough taking part across three nights. At the same time we also supported Janet Stephens Theatre Dance to present her annual dance school showcase. Both events are a fantastic opportunity for young people to perform – often for the first time – in a professional venue.

WINGS TO FLY, the annual drug awareness project promoted by Gwent Police and Caerphilly Crime Prevention Panel, was once again performed by Caerphilly Youth Theatre to all pupils in Year 6 in the County for the 24th consecutive year.

The Wales Theatre Awards came to Blackwood for the first time, recognising excellence in dance, theatre and opera performance, featuring entertainment from artists who are associated with the BMI.

A creative collaboration with Lewis School, Pengam and ChainWorks Productions presented BROKEN HARP, connecting contemporary challenges with those of WW1. The centenary of the end of the Great War was commemorated by a performance of THE ARMISTACE SUITE

The venue played host to a variety of other community events such as Welsh Wrestling and Boxing and local bands.

## Financial Review

We continue to work hard to sustain and where possible increase our income generation especially during rising budget pressures. Caerphilly County Borough Council continues to support the Blackwood Arts Service with subsidy that includes covering any operating deficit in BMI's accounts, the operating deficit and level of subsidy reduced from £310,088 in 2017/2018 to £305,517 in 2018/2019. No overspend or underspend is carried over from 2018/19.

Management at BMI has worked hard to sustain ticket income through audience development, programme development and careful negotiation with the companies that are programmed. Ticket income was £301,697 for 2018/2019 which was very similar to the 2017/2018 ticket income of £302,315 which in turn had increased by 19.9% since 2015/2016.

It was our third year as part of the Arts Council's revenue funded portfolio. We received a grant of £129,376 that contributed to subsidising the artistic programme, funding our touring and co-productions, and assisting with the additional marketing and technical support that is required for our increased activity.

Secondary sources of income included bar and confectionary sales which contributed £13,064 net profit towards earned revenue. The management continues to work hard to ensure that sales on the bar and in confectionary are maximised.

Blackwood Miners' Institute has a number of rooms that are available to hire to commercial clients as well as community groups. In 2018/19 room hire contributed £42,629 to the income. This is an area that we will be trying to maximise in the future.

## **Reserves Policy**

In 2018-19, Blackwood Arts Centre (Blackwood Miners Institute) did not have a reserves policy, as any operational deficit is covered by the subsidy from Caerphilly County Borough.

## **Our Pricing Policy**

In setting our pricing policy we attempt to promote the arts in a positive and accessible way, and ensure equality of provision by providing a diverse range of arts activity for a wide range of audiences and participants. We aim to keep ticket prices as low as possible to ensure that everybody has easy access to arts and culture. This is balanced against the need to maximise income to ensure the charity's viability, where earned income makes up approximately 45% of the charity's turnover.

We offer concession prices on most of our live performances. Concessions are offered to the following:

- Senior Citizens
- Registered Unemployed
- Children
- Students
- School Children
- ICIS card holders
- Disabled People (with their Companions or Personal Assistants attending for free if required, under the Hynt Scheme)

Family discounts are also offered on all of our family productions.

We also offer workshop / ticket offers with any outreach work associated with incoming productions, so that young people attending a workshop receive a ticket for the performance, as an incentive to attend the theatre, thus breaking down barriers associated with theatre going.

## **Risk management**

The Charity has reviewed the major risks to the organisation and has systems and procedures in place to manage these risks. The charity analyses, manages and monitors risk in the following way:

1. Identify risk
2. Assess what impact risk would have on activity, outcome or objective
3. Score the risk according to likelihood and severity

4. Identify controls that need to be in place to avoid or minimise impact
5. Quarterly review of risk, assessing progress made and revising score if necessary

### **Trustee responsibilities**

The charity's trustee is responsible for preparing a trustee's annual report and financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland.

Charity law requires the trustee 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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 trustee is 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 Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **On behalf of the Trustee**

Leader OR Deputy Leader and Cabinet Member for Regeneration, Transportation and Sustainability

.....

.....

**(Date)**

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BLACKWOOD ARTS CENTRE FOR THE YEAR ENDING 31 MARCH 2019**

### [Independent examiner's report to the trustees of Blackwood Arts Centre](#)

I report on the accounts of Blackwood Arts Centre for the year ended 31 March 2019, which are set out on pages 13 to 20.

Your attention is drawn to the fact that the charity's trustees have prepared the charity's accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' in preference to the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)' issued in April 2005 which is referred to in the Charities (Accounts and Reports) Regulations 2008 but has been withdrawn. I understand that the charity's trustees have done this in order for the charity's accounts to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities (Accounts and Reports) Regulations 2008 made under section 154 of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 or under regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 and that an independent examination is needed. The charity is preparing accrued accounts and I am qualified to undertake the examination by being a qualified member of the Chartered Institute of Public Finance and Accountancy .

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's statement**

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a comparison of the accounts with the accounting records kept by the charity. It also includes consideration of any unusual items or disclosures in the accounts

and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no other matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act 2011 and section 44(1)(a) of the Charities and Trustee Investment (Scotland) Act 2005; and
  - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Charities Act 2011 Act, section 44(1)(b) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended):have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Barrie Morris CPFA  
Grant Thornton UK LLP  
6<sup>th</sup> Floor  
3 Callaghan Square  
Cardiff  
CF10 5BT

Date:

## STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2019

### BLACKWOOD ARTS CENTRE

#### STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING 31 MARCH 2019

			Total Funds 2017-18 £	Total Funds 2018-19 £
<u>Income from</u>				
	Other trading activities	A1	49,287.68	55,206.24
	Operation of theatre and arts centre	B2	792,457.94	788,228.45
<b>TOTAL INCOME</b>			<b>841,745.62</b>	<b>843,434.69</b>
<u>Expenditure on</u>				
	Other trading activities	A2	35,838.20	42,142.52
	Operation of theatre and arts centre	C3	800,810.51	792,905.35
	Expenditure on Charitable Activities (Governance Costs)	D	5,096.91	8,386.82
<b>TOTAL EXPENDITURE</b>			<b>841,745.62</b>	<b>843,434.69</b>
NET MOVEMENTS IN YEAR			0	0

**BLACKWOOD ARTS CENTRE****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019**

				Total Funds 2017-18 £	Total Funds 2018-19 £
<i>FIXED ASSETS</i>					
	Tangible assets		K	2,559,510.11	2,472,813.32
<i>CURRENT ASSETS</i>					
	Stock		H	4,656.85	4,280.71
	Debtors	ACW grant	I	0	0
		Other	I	2,912.03	4,774.16
	Total Current Assets			<b>7,568.88</b>	<b>9,054.87</b>
<i>LIABILITIES</i>					
	Creditors falling due within one year		J	<b>-68,443.41</b>	<b>-69,720.15</b>
<i>NET CURRENT LIABILITIES</i>				<b>-60,874.53</b>	<b>-60,665.28</b>
<i>TOTAL ASSETS LESS CURRENT LIABILITIES</i>				<b>2,498,635.58</b>	<b>2,412,148.04</b>
<i>CREDITORS FALLING DUE AFTER 1 YEAR</i>				<b>0</b>	<b>0</b>
<b>NET ASSETS</b>				<b>2,498,635.58</b>	<b>2,412,148.04</b>
<i>FUNDS OF THE CHARITY</i>					
<i>Unrestricted funds</i>					
	Designated property assets funds			2,559,510.11	2,472,813.32
	Designated stocks			4,656.85	4,280.71
	General fund			<b>-65,531.38</b>	<b>-64,945.99</b>
<b>TOTAL CHARITY FUNDS</b>				<b>2,498,635.58</b>	<b>2,412,148.04</b>

Cabinet on behalf of  
the Trustees

Signature

Date

<b>Statement of Cash flows</b>	<b>2017-18</b>	<b>2018-19</b>
	<b>£0</b>	<b>£0</b>
Net Cash Provided by Operating Activities	0	0
Net Cash Provided by Investing Activities	0	0
Net Cash Provided by Financing Activities	0	0
	<hr/>	<hr/>
Change in Cash and Cash Equivalents in the reporting period	0	0
Cash And Cash equivalents at the beginning of the reporting period	0	0
	<hr/>	<hr/>
<b>Cash And Cash equivalents at the end of the reporting period</b>	<b>0</b>	<b>0</b>



**A. INCOME FROM OTHER TRADING ACTIVITIES**

The Bar and Vending activities are only operable when charitable activities are taking place in Blackwood Arts Centre

SUMMARY TRADING ACCOUNTS

			2017-18	2018-19
			£	£
<b>Turnover</b>	Bar	1	22,601.06	27,213.80
<b>Cost of Sales</b>	Bar	2	-27,084.31	-33,272.94
<b>Net Profit/Loss</b>			<b>-4,483.25</b>	<b>-6,059.14</b>
<b>Turnover</b>	Vending	1	26,686.62	27,992.44
<b>Cost of Sales</b>	Vending	2	-8,753.89	-8,869.58
<b>Net Profit</b>			<b>17,932.73</b>	<b>19,122.86</b>
<b>Total funds generated for charity</b>			<b>13,449.48</b>	<b>13,063.72</b>
<b>Current assets (Stock)</b>	Bar	3	4,656.85	4,280.71
	Vending	3	0	0
			<b>4,656.85</b>	<b>4,280.71</b>

**B. INCOME FROM CHARITABLE ACTIVITIES**

			£	£
Gross Income	Shows, Concerts		302,315.36	301,697.39
	Workshops		8,741.00	9,009.26
	Room Hires		41,937.01	42,629.05
	<i>Subtotal: Admission charges and programmes</i>		<b>352,993.37</b>	<b>353,335.70</b>
	Programme Support grant, Arts Council		129,376.00	129,375.00
	Subsidy from Local Authority		310,088.57	305,517.75
	Subtotal		<b>439,464.57</b>	<b>434,892.75</b>
<b>Total income from Charitable Activities</b>		2	<b>792,457.94</b>	<b>788,228.45</b>

**C. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>2017-18</b>	<b>2018-19</b>
	<b>£</b>	<b>£</b>
Artists fees	290,340.13	278,427.95
Production expenses	121,619.30	141,690.02
Box Office & Front of House	36,879.66	43,373.72
Promotion and marketing	86,011.32	90,219.77
Central Premises costs	155,135.25	112,457.12
Support Costs	99,560.59	115,655.71
Education (Workshops)	11,264.26	11,081.06
	<b>800,810.51</b>	<b>792,905.35</b>

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**D. ANALYSIS OF SUPPORT COSTS**

	<b>2017-18</b>	<b>2018-19</b>
	<b>£</b>	<b>£</b>
Manager Operations	8,387.63	21,547.26
Manager Governance	2,096.91	5,386.82
Deputy Manager	45,064.92	42,200.85
Duty Managers	24,633.85	28,288.56
Admin Officer	21,135.72	22,234.06
Travel	338.47	1,384.98
Examination Fee	3,000.00	3,000.00
	<b>104,657.50</b>	<b>124,042.53</b>

**E. RELATED PARTY TRANSACTIONS**

	<b>2017-18</b>	<b>2018-19</b>
	<b>£</b>	<b>£</b>
Caerphilly County	310,088.57	305,517.75
Borough Council	129,376.00	129,375.00
Arts Council for Wales	<b>439,464.57</b>	<b>434,892.75</b>

All the above funding was received to enable the charity to carry out its charitable objectives and have been included in the financial statements under incoming resources from charitable activities.

**F. ANALYSIS OF STAFF COSTS**

Salaries & wages  
 Social Security costs  
 Pension costs

2017-18	2018-19
£	£
223,152.70	261,181.57
16,715.38	19,754.57
41,775.96	50,531.10
<b>281,644.04</b>	<b>331,467.24</b>

**G. STAFF NUMBERS**

Average number of full time equivalent employees, including part-time staff,  
 as at 31st March 2018. In addition there are casual staff employed as ushers and bar staff  
 ONLY when the centre has concerts/performances.

Concerts & stage performances  
 Governance

8.04	8.04
0.2	0.2
<b>8.24</b>	<b>8.24</b>

**H. STOCKS**

Current assets (Stock)      Bar  
    Vending

£	£
4,656.85	4,280.71
0	0
<b>4,656.85</b>	<b>4,280.71</b>

**I. DEBTORS**

Arts Council programme grant, final payment  
 Other debtors

£	£
0	0
2,912.03	4,774.16
<b>2,912.03</b>	<b>4,774.16</b>

**J. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017-18</b>	<b>2018-19</b>
	<b>£</b>	<b>£</b>
Salary arrears	-204.14	-10,681.25
Arts Council clawback	0	0
Receipts in advance	-16,057.41	-23,607.47
Water bill	-700.00	-900.00
Gas bill	-1,270.14	-670.14
Electric bills	-2,134.46	-743.10
PRS Licences	-1,200.00	-3,200.00
Other creditors	-46,877.26	-29,918.19
Bar purchases	-0	0
	<b>-68,443.41</b>	<b>-69,720.15</b>

**K. Analysis of Movement in Fixed Assets**

		<b>Freehold land and Buildings 2017-18</b>	<b>Freehold land and Buildings 2018-19</b>
		<b>£</b>	<b>£</b>
Balance brought forward April		2,646,206.90	2,559,510.11
<i>Depreciation</i>		86,696.79	86,696.79
Net Revaluation	K	0	0
<b>Balance carried forward March</b>		<b>2,559,510.11</b>	<b>2,472,813.32</b>

**K. REVALUATION OF FIXED ASSETS**

Valuations are undertaken mainly by CCBC's Corporate Property Department.

The staff are members of the Royal Institute of Chartered Surveyors (RICS) The valuations are carried out over a five year rolling programme.

Depreciation is charged on a straight line basis over a designated useful economic life. No depreciation is charged in the year of revaluation.

**L. ACCOUNTING POLICIES APPLIED TO THESE ACCOUNTS**

The accounts for Blackwood Arts Centre are drawn up under the accounting policies of Caerphilly County Borough Council.

**i.** All incoming resources are accounted for when the charity has entitlement to the funds, certainty of receipt, and the amount is measurable.

Where income is received in advance for a performance or other specified service it is deferred until the charity is entitled to that income (Receipts in advance at year end)

**ii.** All resources expended are recognised once there is a legal or constructive obligation to make a payment to a third party.

Cost of generating funds comprise the cost of trading for the bar and vending

Charitable activities include the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity

Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements, this includes the independent examination fee.

**iii.** Support costs are those costs which have not been directly allocated to an activity of the charity but nevertheless support those activities, these costs have been allocated between charitable activities and governance costs as per note D.

**iv.** Stock is included at the lower of cost and net realisable value

**v.** Employees of the charity are entitled to join the Local Government Pension Scheme, which is funded by contributions from employee and employer. This is managed in accordance with the Local Government Pension Scheme regulations.

**vi.** The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

**On behalf of the Trustee**

**Interim Head of Business Improvement Services and Acting Section 151 Officer**

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**(Date)**