

BLACKWOOD ARTS CENTRE

(Also known as Blackwood Miners' Institute)

**Report and Financial Statements
Year ending 31 March 2015**

Charity Number 1000905

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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CHARITY AND ADMINISTRATIVE INFORMATION

Name of Charity	Blackwood Arts Centre
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	Sharon Casey
Independent Examiners	<i>{To Be Inserted}</i>

TRUSTEE'S REPORT FOR THE YEAR ENDING 31 MARCH 2015

Introduction

On behalf of the trustee I am pleased to present our annual report together with the annual financial statement for the charity for the year ending 31 March 2015. 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 (SORP 2005).

Culture and the arts are important elements of vibrant and viable communities. They provide people with opportunities to learn, to relax, to innovate, to exercise, and to enjoy themselves. They are vital in creating a sense of community, in attracting new people and families, and in providing jobs and opportunities for enterprise. They also encourage people to look at their locality in a different way, raise aspirations and improve the life experiences of local people. They also have the potential for engaging children and young people, releasing creativity and innovation, and creating positive role models for communities.

Our goal is to be the focal point of the arts and creativity in Caerphilly County Borough and Blackwood in particular, to create more opportunities for more people, individually and as communities, to attend and participate in the arts. We have much to be proud of, and despite the most challenging time for both the arts and arts funding, we continue to make a great impact, continually demonstrating that the arts can contribute significantly to the health and wellbeing of citizens, and help the regeneration of towns and communities.

In 2014 we saw the completion of the last phase of our major refurbishment programme, with the improved facilities already having a positive impact, and a significant increase in community usage was seen during this year.

We also saw a record number of attendances for our live events programme over the year, with 12,500 visitors attending our pantomime over the Christmas period alone. Our focus on programming exciting and high quality events for children, young people and families continues to develop, demonstrating that we are a leading venue in this field.

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 Cabinet Member for Regeneration & Planning}

Governance and Management

Caerphilly County Borough Council is the sole corporate trustee for the charity. Implementation of the organisations aims and objectives and the day to day administration is undertaken by the Theatre Manger (employee), and their team which is overseen by the Head of Regeneration and Planning.

Our purpose and activities

Blackwood Arts Centre, also known as Blackwood Miners' Institute, was 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:

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 the theatre and a cultural programme which is mostly supported by 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.

Achievements and Performance

The Professional Live Programme included many highlights including ADVENTURES IN THE SKIN TRADE by Theatr Iolo as part of the Dylan Thomas Centenary, PITS AND PERVERTS by Sole Purpose Productions and UNITED WE STAND by Townsend Productions – both in conjunction with the anniversary of the Miners' Strikes, Welsh productions THE ROYAL BED by Theatr Pena and GRAV by The Torch Theatre Company. Dance highlights included Ballet Cymru's BEAUTY AND THE BEAST and the FIRST TIME MACHINE by Run Ragged Productions, both aimed at families and included a workshop for young people as part of their outreach.

Cwmni Martyn Geraint toured his WELSH IS MAGIC show for Key stage 1 Welsh learners, into infant and primary schools for a week to coincide with the Urdd Eisteddfod and Saint David's Day. Other professional productions programmed for school children and young people included THE

GRUFFALO, PENBLWYDD POENUS PETE by Theatr Iolo, THE EXPERIMENTRIX by Science Made Simple, and the TIDDLY PROM.

We also programmed Library Live, a series of free professional performances programmed into library sites with a view to promoting shows as part of BMI's outreach, and to develop audiences in areas where BMI's marketing penetration was not particularly high.

We also launched the new Gallery Space at BMI, allowing us to support the visual arts for the first time. Monthly exhibitions a mix of amateur and professional work, highlights included David Barnes' Valleys photographic exhibition, and a Holocaust memorial exhibition, which included an exhibition of drawings, sculpture and poetry by pupils of Newbridge Comprehensive and Lewis School.

We presented 189 live performances, and sold 30,558 tickets, which was up 20% on the previous year.

The Educational Programme

We continued to directly deliver regular weekly workshops and classes for a wide range of participants, including youth drama for ages 5 to 14, youth dance for ages 4 to 16, weekly tea dances aimed at older people, and parent and toddler dance classes. We also hosted the Caerphilly Youth Theatre's weekly rehearsals, as well as hosting local ballet schools and ballroom dancing schools.

We held 331 workshops, with 3,366 participants engaged.

Community and Amateur Events

Our focus is on supporting community and amateur arts organisations, and providing opportunities for them to meet, rehearse and perform in a professional but comfortable environment.

Community events in the year included a weeklong run of OLIVER by Blackwood Musical Theatre Society, STARLIGHT EXPRESS by students at the Performing Arts Course at Coleg Gwent, and musical concerts by Caerphilly Children's Choir, Cefn Hengoed Ladies Choir, Markham Band, Mynyddislwyn Male Choir, and Risca Male Choir.

The annual Community Dance Festival in July gave thousands of people to opportunity to showcase their dance skills on a professional stage, including the CCSA Got To Dance Finals arranged by Sport Caerphilly, Janet Stephens Theatre Dance Showcase which ran for four performances, and the Caerphilly Community Dance Showcase which this year increased from two nights to three nights due to demand.

We were also pleased to host Caerphilly Youth Theatre's annual production, this year they chose the popular musical LITTLE SHOP OF HORRORS which was well attended and had great audience feedback. We also hosted a production to mark the WW1 centenary called YESTERDAY NEVER RETURNS, a partnership between Lewis School, Chainworks Productions and Caerphilly Arts Development.

Wings to Fly, the annual drug awareness project was performed by Caerphilly Youth Theatre to all pupils in year 6 in the County, and a public evening performance was programmed in addition to the schools performances, as we celebrated 20 years since the play was commissioned.

Audience Development

This year we joined a national access scheme, Hynt, which aims to work with theatres and arts centres in Wales to make sure there is a consistent offer available for visitors with impairment or specific access requirement, and their Carers or Personal Assistants.

We also ensured Family Friendly training for our marketing, box office and front of house staff, to support the aims of becoming a leading venue that programmes high quality events and warmly welcomes families.

Financial Review

In a climate of increasing budget pressures, Caerphilly County Borough Council is continuing to support the work of the Arts Centre by providing a subsidy that covers any operating deficit in the Centre's accounts. As a result, our Financial Accounts show a nil net movement for 2014-15 as we are not expected to carry any overspend into 2015-16.

The charity underwent a staffing restructure in 2014 to ensure that it was fit-for-purpose and viable in the medium term, and in doing so identified efficiency savings through job and resource realignment. This staffing restructure, and the resulting redundancy payments, resulted in a further call on Caerphilly County Borough's support for an additional £23,000 as a short term measure. This had been flagged up earlier in the financial year and was expected by the Trustee. However, the charity's continued efforts to generate more income from customers, and reduce costs, as the subsidy from Caerphilly County Borough Council has been reduced by £10,000 for 2015-16. In the current financial climate the charity expects that reductions in subsidy will continue for the foreseeable future.

The Council has also shown its commitment to the Centre's continuing development by providing approximately £1.2m in capital funding over the last four years to maintain the structural integrity of the building, expand the opportunities for community use and improve the experience for all our customers. This means that the Charity is in possession of an asset now valued at over £2.5m, as shown in our Balance Sheet.

The management at Blackwood Mines' Institute have been 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 from shows, £198,956 in 14-15, was supported by a grant of £32,372 from the Arts Council Wales.

The Bar is only operated when there are events in the building and in 2014-15 generated a profit of just under £15,000 towards the aims of the charity. This area of the building has benefitted from

capital investment in the final phase of the refurbishment, which makes it more attractive to visitors and also more cost effective to run.

The management are also working pro-actively with workshop providers to improve and maintain the viability of classes, to ensure that offer to the community is in line with the aims of the Trust.

Reserves Policy

In 2014-15, Blackwood Arts Centre 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.

The average ticket yield in 2014/15 was £8.39.

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

- Senior Citizens
- Registered Unemployed
- Children
- Students
- 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 is there to attend the theatre, thus breaking down barriers associated with theatre going

Plans for the Future

In 2015/16 our plans are to:

- Apply to Arts Council Wales as part of its Investment Review to become revenue funded organisation.

- Support Velvet Coalmine to grow and develop in its second year, and supporting Blackwood Documentary Film Festival launch its first event.
- Launch a new performing arts school, with a summer school and regular weekly workshops, to increase the opportunities for young people to attend affordable and high quality classes in all disciplines of the performing arts.
- Implement new branding & website & ticketing system
- Programme more accessible performances and increase the number of BSL / audio described / captioned / relaxed performances.

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 the 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).

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 Companies 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 Cabinet Member for Regeneration & Planning}

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..... (Date)

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDING 31 MARCH 2015

{Insert Independent Examiner's Report}

STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2015

BLACKWOOD ARTS CENTRE

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING 31 MARCH 2015

		Total Funds 2014-15 £
<u>Incoming Resources</u>		
Activities for generating funds	A1	44,179.42
Operation of theatre and arts centre	B2	619,618.40
TOTAL INCOMING RESOURCES		663,797.82
<u>Resources expended</u>		
Activities for generating funds	A2	29,241.14
Operation of theatre and arts centre	C3	625,558.18
Governance costs	D4	8,998.50
TOTAL RESOURCES EXPENDED		663,797.82
NET MOVEMENTS IN YEAR		0.00

BLACKWOOD ARTS CENTRE

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

		£
<i>FIXED ASSETS</i>		
Tangible assets		2,729,000.00
<i>CURRENT ASSETS</i>		
Stock	H	2,535.71
Debtors	I	2,500.00
	I	6,125.29
		<hr/>
Total Current Assets		11,161.00
<i>LIABILITIES</i>		
Creditors falling due within one year	J	-44,802.50
<i>NET CURRENT ASSETS</i>		
		-33,641.50
<i>TOTAL ASSETS LESS CURRENT LIABILITIES</i>		2,695,358.50
<i>CREDITORS FALLING DUE AFTER 1 YEAR</i>		0.00
<hr/> NET ASSETS		<hr/> 2,695,358.50
<i>FUNDS OF THE CHARITY</i>		
Unrestricted funds		
Designated property assets funds		2,729,000.00
Designated stocks		2,535.71
General fund		-36,177.21
<hr/> TOTAL CHARITY FUNDS		<hr/> 2,695,358.50

NOTES TO THE ACCOUNTS

A. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS				
The Bar and Vending activities are only operable when charitable activities are taking place in Blackwood Arts Centre				
SUMMARY TRADING ACCOUNTS				2014-15
				£
Turnover	Bar	1		21,749.31
Cost of sales	Bar	2		-18,114.90
Net Profit	Bar			3,634.41
Turnover	Vending	1		22,430.11
Cost of sales	Vending	2		-11,126.24
Net Profit	Vending			11,303.87
Total funds generated for charity				14,938.28
Current assets (Stock)	Bar	3		1,729.01
	Vending	3		806.70
				2,535.71
B. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES				
				£
Gross Income	Shows, Concerts			198,956.92
	Workshops			9,655.80
	Room Hires			46,593.76
<i>Subtotal: Admission charges and programmes</i>				255,206.48
	Programme Support grant, Arts Council			34,567.50
	Subsidy from Local Authority			329,844.42
				364,411.92
Total income from Charitable Activities		2		619,618.40
C. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES				
			Performances	Education
			£	£
	Artistes fees		168,214.95	
	Production expenses		87,985.80	
	Workshops			10,841.00
	Box Office & Front of House		56,144.90	
	Promotion and marketing		62,721.30	
	Central premises costs		111,915.76	
	Support Costs		127,734.47	
		3	614,717.18	10,841.00

D. ANALYSIS OF GOVERNANCE & SUPPORT COSTS				
		Operations	Governance	
	£	£	£	
Manager	44,989.56	35,991.06	8,998.50	80/20 split
Deputy Manager	35,839.67	35,839.67		
Duty Managers	30,911.49	30,911.49		
Admin Officer	22,666.17	22,666.17		
Travel	2,326.08	2,326.08		
	136,732.97	127,734.47	8,998.50	

E. RELATED PARTY TRANSACTIONS				
		£		
Caerphilly County Borough Council		329,844.42		
Arts Council for Wales		34,567.50		
		364,411.92		

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	256,946.92			
Social Security costs	15,478.61			
Pension costs	44,775.20			
Redundancy costs	18,755.34			
	335,956.07			

G. STAFF NUMBERS				
Average number of full time equivalent employees, including part-time staff, as at 31st March 2015. In addition there are casual staff employed as ushers and bar staff ONLY when the centre has concerts/performances.				
Concerts & stage performances	8.04			
Governance	0.20			
	8.24			

In year 1.46 FTE posts were made redundant as part of an on-going restructure to maintain the charity's long term viability

H. STOCKS		
		£
Current assets (Stock)	Bar	1,729.01
	Vending	806.70
		2,535.71

I. DEBTORS		
		£
Arts Council programme grant, final payment		2,500.00
Wings to Fly late income		572.00
Other debtors		5,037.29
Orchard Pretty Vicious late income		516.00
		8,625.29
J. CREDITOR AMOUNTS FALLING DUE WITHIN ONE YEAR		
		£
Salary arrears		-1,815.12
Arts Council Connect grant in advance		-9,900.00
Receipts in advance		-5,071.66
Water bill		-827.00
Gas bill		-652.00
PRS Licences		-3,678.05
Other creditors		-22,738.67
Neath Music		-120.00
		-44,802.50

On behalf of the Trustee

Head of Corporate Finance

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..... (Date)