

**Charity Registration No. 1146560**

**Company Registration No. 07779153 (England and Wales)**

**LLENYDDIAETH CYMRU/LITERATURE WALES**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

# LLENYDDIAETH CYMRU/LITERATURE WALES

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**Statement by the Chair of the Board of Directors  
and the Chief Executive Officer of Literature Wales**

2018-19 proved to be a transformative year for Literature Wales. Following on from the appointment of a range of new and diverse Directors in May 2018, the major task was to develop a new three-year Strategic Plan for 2019-22. This was done with significant support through the Arts Council of Wales' excellent Resilience Programme. As well as developing a new risk register and conducting an organisational review, the main element of our engagement in the programme focused on sector consultation and how this would feed into the new strategy.

The support of the Resilience Programme Associates in facilitating the sector consultation process proved to be invaluable. This work offered us an opportunity to reflect on the priorities of the organisation and how it could be more focused in its offer and provision. It was also a chance to build bridges and strengthen key partnerships within the wider sector.

We consulted with staff, trustees, writers, creative participants and readers, publishers, partners – both in the arts sector and beyond – as well as our funders. The consultation took many forms, from a public survey to one-to-one interviews with 24 new Critical Friends. The feedback we got was honest, useful, frank and insightful. More detail on this can be found on pages 10-11 in this report.

The new Strategic Plan represents a refinement rather than a revision of our mission from 2016-2019. Although we still believe that literature comes in many forms and that everyone should be allowed to have access to it, the consultation showed us that we can't be all things to all people. This has led us to having a tighter remit, with clearly identified priorities.

The comprehensive Strategic Plan was presented to the Arts Council of Wales in November 2018 and in it we state our vision of a Wales where literature empowers, improves and brightens lives. There will be three main areas of work – the three activity pillars – under which we will focus our energy during the forthcoming three years: Participation; Writer Development; Celebrating Wales' Literary Culture. All three pillars are inter-linked, and much of our work will flow from one to another, with clear progression and development during the three years. In order to focus our activities on where they will have the greatest impact, we have identified tactical priorities which will cross-cut all activity pillars: Representation & Equality; Health & Well-being; and Children & Young People.

While developing the new plan, activities continued to go from strength to strength, and there is a full report on our 2018/19 programme on pages 5-9. The Literature for Well-being funding scheme launched to great success and another sell-out Wales Book of the Year ceremony was held at Tramshed, Cardiff. One of the highlights was a collaboration with Welsh Government, at the personal request of First Minister Mark Drakeford, to hold a day of literary events at the Senedd to commemorate the end of the First World War. At the event, called Holy Glimmers of Goodbyes (Estyn yn Ddistaw in Welsh), Mark Drakeford and several other AMs publicly read their favourite war poems. Another highlight was the delivery of a formal Welsh presence at the London Book Fair, the result of successful sector partnership working through the International Literature Stakeholder Group.

As Chair and CEO we are both extremely proud of the continued hard work and dedication of the staff and trustees of Literature Wales. We share the same values and ambitions for the sector and are looking forward to delivering the new plan with enthusiasm and drive.

Dr Kate North, Chair  
Lleucu Siencyn, CEO

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The trustees present their report and accounts for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

#### OBJECTIVES AND ACTIVITIES

Literature Wales is the national company for the development of literature in Wales. Literature Wales is a member of Arts Council of Wales' Arts Portfolio Wales and is one of its eight designated National Companies.

Literature Wales' objects, as defined in its Articles of Association, are to:

- Promote literature from Wales in Wales and world-wide.
- Support writing in all of Wales' languages and celebrate Wales' literary heritage.
- Foster a love for literature amongst people of all ages, abilities and backgrounds.
- Develop children and young people's creativity and literacy skills.

The 2016-19 Business Plan presents the strategy for delivering its charitable objects and states Literature Wales' mission as:

*Literature belongs to everybody and can be found everywhere. Through words we discover new worlds. By working with others in a wide range of communities, Literature Wales can make literature a voice for all.*

In order to deliver this mission, Literature Wales concentrated on five strategic areas during 2018/19:

#### **Participation**

Improving the opportunities for everyone to participate in literature throughout Wales.

#### **Writer Support**

Developing and supporting writers at every stage of their writing journey to achieve their full potential.

#### **Children & Young People**

Providing children and young people of all ages, abilities and backgrounds with more chances to create and enjoy the literary world around them.

#### **International**

Working in partnership to raise the profile of the writers and writing of Wales.

#### **Digital Creativity**

Using digital creativity to promote literature and encourage more people to engage with it.

Literature Wales reviews its activity quarterly and assesses how each activity is delivering one or more of its strategic aims. Activity can be refined or refocused during these reviews in order to better achieve our aims. Every three years, Literature Wales carries out a comprehensive review of its strategies for delivering its aims and there is more information on pages 11-12 on the process for developing the 2019-22 Strategic Plan.

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**Public Benefit**

The trustees confirm they have had regard to the Charity Commission guidance on public benefit and that this has been taken into account when making decisions regarding the strategic direction of the organisation and when planning its activities. Literature Wales trustees are satisfied that the organisation's objects, and strategies employed for delivering these, will deliver benefit for people in Wales.

Literature Wales believes that literature can be a voice for all and that, alongside other artforms, it can help develop people's creativity, literacy and capacity for self-expression. Literature Wales works with partners across different sectors to ensure that its activities impact on literature as an artform as well as on engagement and wider social justice issues. Literature Wales is particularly aware that opportunities to engage with literature are not always equal, and one of its main priorities is to improve the accessibility and breadth of creative pathways open to aspiring and emerging writers and participants. The Executive regularly assesses how each initiative is performing in terms of public engagement and diversity of participants and has also developed more precise Monitoring and Evaluation systems (see page 10) in order to better track engagement in activities.

During 2018/19:

- 90,438 people participated in an activity delivered or supported by Literature Wales
- 12,221 people attended an event programmed for artists facilitated by Literature Wales
- 340 people took part in a training session delivered by Literature Wales

Literature Wales invests in creating open and targeted opportunities for Children & Young People to engage with literature, and during 2018/19:

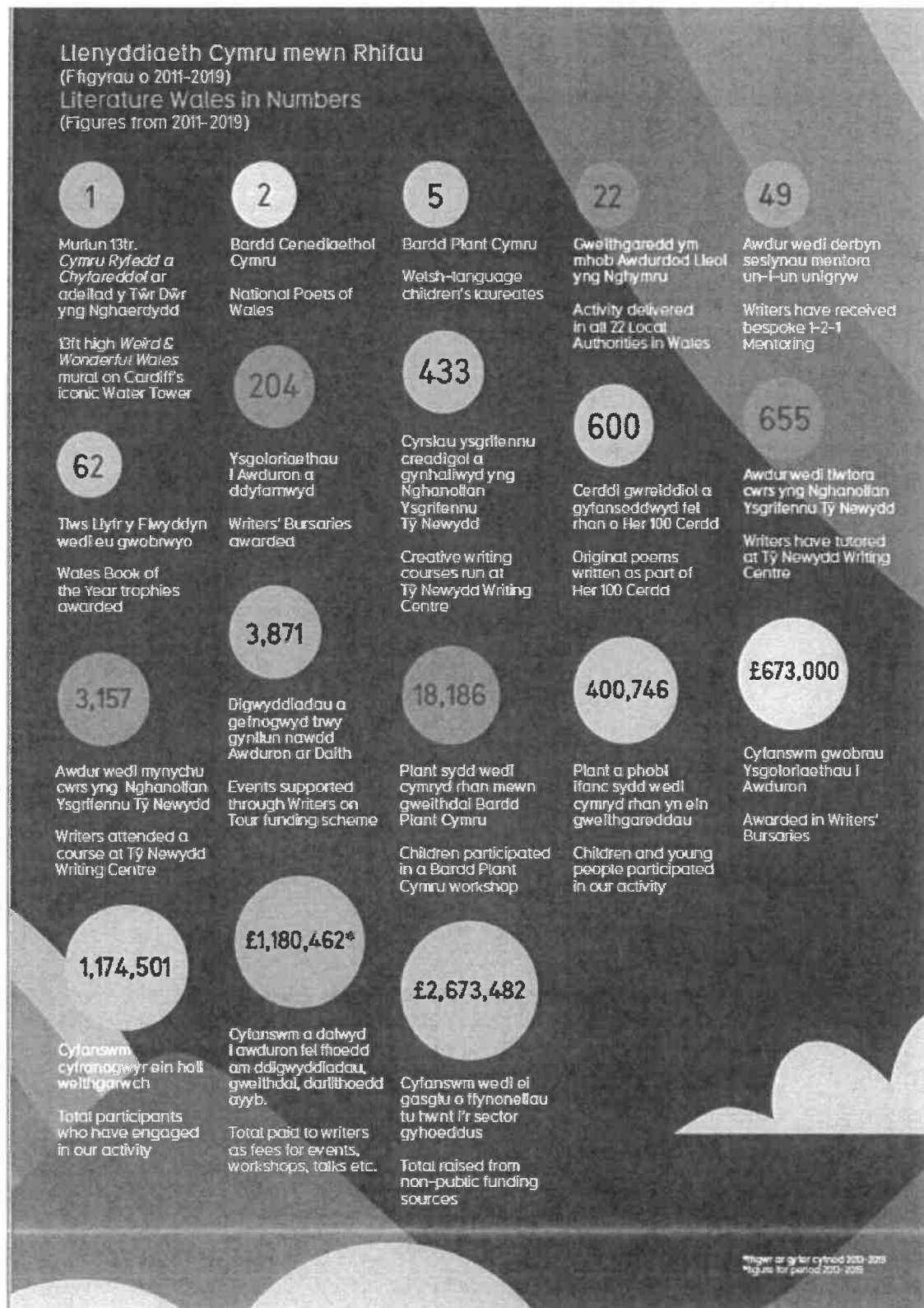
- 31,934 children and young people participated in an event delivered or supported by Literature Wales
- 99 participatory projects were specifically aimed at children and young people

Trustees are therefore satisfied that Literature Wales' programme delivers significant public benefit for Wales and will continue to assess and consider its performance in this area.

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#### ACHIEVEMENTS AND PERFORMANCE

##### Programmes

#### 1. Participation: Improving opportunities for all to participate in literature throughout Wales

##### **Reading Friends**

Reading Friends is a three-year arts befriending project which aims to empower, engage and connect older people and people with dementia and carers by starting conversations through reading. It is funded by The Big Lottery and managed in Wales by Literature Wales, in collaboration with UK partner The Reading Agency. From September 2018, Literature Wales has worked on two pilot approaches. Reading Friends Conwy is a collaboration between libraries and care homes throughout the county, providing a service in rural community settings and in particular farming communities with Welsh as the first language. Reading Friends Swansea draws on Swansea University students, Swansea Bay University Health Board staff and volunteers to deliver social reading on Wards at Singleton Hospital, Swansea, working with Swansea Central Library and Discovery. As part of Literature Wales' commitment to well-being in the arts, Reading Friends Wales makes the case for literature and creative reading as a contributor to positive physical and mental health.

*94% rated their experience of the Reading Friends Programme as 'good' or 'excellent'*

*"So much has been lost in the way of social interaction, so to have somebody come to replace the book groups that I used to participate in is invaluable" – Jennifer Summers, Reading Friends*

##### **Writers on Tour**

Literature Wales' Writers on Tour funding scheme supports locally designed and organised literature activities across the length and breadth of Wales. This scheme enables people across Wales to engage with literature by increasing the range and accessibility of Welsh- and English-language events happening in their vicinity. Up to 50% of writers' fees can be offered to successful applicants, making it easier for organisers in local groups, schools, societies and organisations to make literature a part of their programmes. During 2018/19, Literature Wales supported over 500 events, reaching over 11,000 people.

*"These events prove that reading for pleasure and entertainment can also help improve children's literacy skills by honing their presentation and reading skills." – Writers on Tour Organiser*

##### **Lit Reach - Llên Pawb**

Lit Reach provides opportunities for literature to benefit the health and well-being of the most disadvantaged and vulnerable individuals in our communities. The initiative is funded by an Arts Council of Wales Audience Development Grant, with financial contributions from eight Local Authorities – Conwy, Gwynedd, Denbighshire, Caerphilly, Newport, Vale of Glamorgan, Neath Port Talbot and Torfaen, as well as Snowdonia National Park Authority. Literature Wales works closely with these partners to identify a range of specific groups and communities and to create a programme of activities, working closely with writers.

Lit Reach developed and delivered over 190 events or workshops during 2018/19, engaging with over 2,800 individuals. Activities included: workshops with Port Talbot Women's Aid to create a series of spoken word pieces; a cross-generational project at Pentrefoelas, Conwy based at the local primary school; a creative writing project at Men's Shed group, Rhyl; a partnership project TwLetteratura Cymru with Head4Arts in three Welsh Caerphilly Primary Schools; workshops with an older people's lunch club and dementia group in St Athan; workshops with young people supported by Mind in Newport; and a poetry workshop with ex-service personnel in Colwyn Bay.

*"Magical workshops. I want to learn more. It's been fun and I didn't know poetry didn't have to rhyme. I enjoyed signing, learnt more words... I didn't know I could do it" – Participant who took part in the Port Talbot Women's Aid Project*

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### Literature & Well-being Funding Scheme

The Literature & Well-being Funding Scheme supports writers and arts practitioners to create and deliver a series of writing activities in the community. The public call-out resulted in nine writers and artists being commissioned to develop and deliver projects, which included: a poetry residency in a palliative care unit in Bronglais Hospital, Aberystwyth and in the community with Mererid Hopwood; creative writing workshops and performance with LGBT+ writers in Aberystwyth with Helen Sandler and Carmarthen with Karen Gemma Brewer; a series of poetry and movement workshops with over 60s dance group Cain, with Gwion Hallam and Cai Tomos in Galeri, Caernarfon.

*"Most of the group have continued to meet... fortnightly. They set exercises for each other and it's going well... (At a recent)... transgender conference at Aberystwyth University... people from the writing group said in a discussion session that going to... (this)... course' had made a big difference to them with confidence and mental health" - Leader of Write it Out: LGBT workshops, Aberystwyth*

### Holy Glimmers of Goodbyes

In February 2019, Literature Wales held a day of reflection on the Poetry of War and Peace in Wales. The event, held in the Senedd, Cardiff Bay, was sponsored by the First Minister of Wales, Mark Drakeford AM and organised with support from the Welsh Government's Cymru'n Cofio Wales Remembers 1914-1918 First World War Centenary Programme.

The day included readings and introductions by a number of Assembly Members, as well as commissioned lectures, performances and presentations from some of Wales' leading poets and writers, including original new work performed by: National Poet of Wales, Ifor ap Glyn; Gillian Clarke; Alan Llwyd; Eric Ngalle Charles; Nerys Williams; Cywion Cranogwen; pupils from Ysgol Calon Cymru, Builth Wells and Fitzalan High School, Cardiff.

*"Everything that we have heard... becomes part of our ongoing resource that we now have in Wales as we think about these deeply important matters. They are part of the lasting legacy of the Welsh commemoration of the centenary of the First World War... (They) will help future generations to learn about that experience and its far reaching effects and the most sincere thanks to all of you for that".*  
– First Minister Mark Drakeford AM

## 2. Writer Support: Developing and supporting writers at every stage of their writing journey

### Wales Book of the Year

The Wales Book of the Year Award is an annual prize celebrating outstanding literary talent from Wales in both English and Welsh. There are three categories in each language – Poetry, Fiction and Creative Non-fiction, with one of the three category winners announced as the overall Award Winner. The 2018 Wales Book of the Year Ceremony was held in the Tramshed, Cardiff and the overall winners were *Diary of the Last Man* (Carcenet) by Robert Minhinick and *Blodau Cymru* (Y Lolfa) by Goronwy Wynne. The ceremony is a celebration of Wales' writers in both languages and of partnerships across the literature sector. A stakeholder group met for the first time during 2018/19 to discuss strategic developments for the Awards.

In 2018, Literature Wales evaluated the impact that winning the Wales Book of the Year had had on Alys Conran, author of *Pigeon*, and found that:

- Sales increased by 43% following the Wales Book of the Year Shortlist announcement
- The film, stage and audio rights had been sold within a year of winning the award
- The novel became a WHSmith national order and other large bookshops increased orders

*"Wales Book of the Year was all important for my first novel... The award was significant to me and to my literary career, and it will continue to open doors." – Alys Conran*



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### **Tŷ Newydd Writing Centre**

Tŷ Newydd is the National Writing Centre for Wales, established in 1990, and run by Literature Wales. It specialises in residential creative writing courses and retreats. Visiting groups take part in writing workshops and one-to-one tutorials with professional writers, enjoying readings and taking inspiration from the setting amongst the Grade II\* listed building and grounds.

Highlights in 2018/19 included courses on cyghanedd, song writing, haiku, writing for children and YA, crime writing, yoga, writing a novel and scriptwriting with tutors Willy Russell, Guto Dafydd, Louis de Bernières, Alys Conran, Pascale Petit and Clare Mackintosh. Two new partnership courses succeeded in drawing new participants: the Emerging Writers Course welcomed 12 young writers (9 of them from Wales) who also received talks about Literature Wales' services for writers and other opportunities; and a pioneering new course led by Jac Jones and Manon Steffan Ros, in partnership with the Books Council of Wales, which gave 16 writers and illustrators the opportunity to develop their work for children.

During 2018/19, 778 individuals attended courses at Tŷ Newydd Writing Centre and 97% of attendees said they would return to visit Tŷ Newydd Writing Centre again.

*"It was the first time I realised that being a writer was what I wanted to do with my life. There was something about that week – something indefinable. It changed me" – James Rice, Author of Alys and the Fly (Hodder & Stoughton), attended a course at TN as a student. He has since returned as a guest reader and as a course tutor.*

### **Writers' Bursaries and Mentoring**

The 2019 Bursaries and Mentoring cohort were announced in January 2019. Literature Wales awarded 20 Writers' Bursaries, two Support Fund Bursaries and offered places to 10 writers on the Mentoring Scheme. A bespoke week-long Mentoring Course was held at Tŷ Newydd in February 2019, with 10 participants (New Writers' Bursaries and Mentoring recipients) working with three tutors and two guest speakers.

In order to address the trend for a low number of Welsh-language applications for the schemes, the Communications Plan for 2019 emphasised targeting Welsh-language writers, including a bespoke industry day at the Eisteddfod. As a result, there was a marked increase in applicants submitting work in progress in Welsh: 20 Welsh-language applications were received (15.2% of the total applications), compared with seven applications in 2018.

*"For me, over and above all, the greatest gifts of the Literature Wales New Writer's Bursary have been the sense of validation and respect it has offered me - for my work and for my 'voice'." - Jemima Roberts, New Writers Bursary Recipient 2018.*

### **Hay Writers at Work**

Literature Wales once again partnered with Hay Festival on its Hay Writers at Work programme, a professional development programme aimed at nurturing Welsh talent both in Welsh and in English. Literature Wales supported the application and selection process and delivered bespoke industry days during the Hay Winter Weekend Festival and at the Hay Festival in June 2018. This initiative is an example of Literature Wales' role as sector facilitator, and of the importance of creating connections between the various schemes available to support and develop writers.

*"Writers at Work has given me the confidence, connections and a sense of community. I have people I can talk to, write to, laugh with, about the process, people I can consult for feedback. Not just about any people either. Good people. Writers." Hay Writer at Work, 2018-19.*

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### 3. Children & Young People: Providing children and young people of all ages, abilities and backgrounds with more chances to create and enjoy the literary world around them

#### **Bardd Plant Cymru**

Literature Wales manages the Bardd Plant Cymru (Welsh-language Children's Laureate) scheme with partners S4C, the Books Council of Wales, Urdd and Welsh Government.

Through workshops, performances and activities, the scheme introduces literature to children in an energetic, dynamic and exciting way. The project promotes creativity, communication skills and self-expression through the love of literature. Bardd Plant Cymru is a national ambassadorial role that is awarded every two years to a Welsh-language writer. For 2018/19, Casia Wiliam held the role, and will be in position until the end of August 2019.

There are several different strands to the scheme, including visits to schools and festivals, and writing commissioned poems. During 2018/19, Casia Wiliam visited 31 schools and many more children engaged in other activities such as festivals and through commissions. She also delivered additional activities, for example the Bardd Plant Cymru Sleepover in Tŷ Newydd with children from year 5 & 6 at Ysgol Abererch and collaborated on projects with the NHS to celebrate its 70<sup>th</sup> anniversary. Libraries Week, National Poetry Day, Premier League Writing Stars and Cardiff Children's Literature Festival.

#### **Tŷ Newydd Education Courses**

Literature Wales welcomed schools from across the UK to Tŷ Newydd during 2018/19, as well as hosting a residential for Pop Up Projects, a Community Interest Company that works to bring literature to children and families across the UK. Literature Wales also ran the first Emerging Writers course for writers between 18-30, and a Writing for Children and Writing for YA course – both of which were well attended, including by many participants from Wales. Both will provide a boost for the development of children's publishing in Wales.

Three partnership initiatives provided targeted professional training for young writers: the annual Cwrs Olwen for the winners of the Urdd Eisteddfod literary competitions attended by 10 young Welsh writers; the Young Critics course for young people aged 16-25 from Conwy; and a Tŷ Newydd residency collaboration with Frân Wen theatre company for 7 young dramatists and theatre producers.

*"When I arrived, I was nervous but when I left, I felt empowered. I told a story and found a style that suits me." – Tŷ Newydd Educational Course Attendee*

#### **Writers on Tour**

Literature Wales supported 135 events with young people in 2018/19. Over 3,000 children have taken part in activity supported through Writers on Tour, which include Writing Squads, World Book Day events, workshops and author visits to groups of all ages, from nursery schools to teenagers preparing for their end of school assessments.

#### **Education Resources**

Literature Wales collaborated with Swansea University's Centre for Research into the English Literature and Language of Wales, the Association for Welsh Writing in English and the Learned Society of Wales to create teaching help sheets on the 15 Welsh poems on the WJEC GCSE English Literature syllabus for the 2019 assessments. These resources support teachers to deliver strong lessons on Welsh poetry and writers, helping to validate its inclusion on the WJEC syllabus and install a love of and interest in Welsh literature amongst 14-16 year olds based in Wales and beyond.

*"Thank you for the incredible resource link for the WJEC GCSE English Literature for Wales poetry-controlled assessment. This is an invaluable supportive tool for teachers and students alike, and we are exceptionally grateful to you for sharing this. Any expansion for 2021 (and beyond) would be incredible!" – Kirsty Price, Department Leader for English, Whitchurch High School*

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### 4. International: Working in partnership to raise the profile of the writers and writing of Wales

#### National Poet of Wales

The National Poet of Wales is a cultural ambassador role representing the best writing from Wales on the national and international stage. The National Poet leads campaigns within Wales and appears at events and festivals worldwide to raise the profile of writing and writers from Wales. The current National Poet of Wales is Ifor ap Glyn.

During 2018/19, as well as taking part in events in communities across Wales, Ifor led on Y Gadair Wag | The Empty Chair, a touring multimedia performance about the life of Hedd Wyn as part of the Wales Remembers 1914-1918 First World War Centenary Programme. In an increasingly important role for the state, Ifor was also commissioned by Welsh Government to write poems to mark the 20<sup>th</sup> anniversary of devolution in Wales, and the UNESCO Year of Indigenous Languages. The latter poem - 'Lleisio' - was read out at the United Nations session on minority languages in New York in February 2019 by the Minister for International Relations and the Welsh language Eluned Morgan AM.

In his role as National Poet, Ifor ap Glyn also travelled to Lithuania, Cameroon and China and released nine podcasts discussing his experiences, initially broadcast on BBC Radio Cymru.

#### London Book Fair

Building on the success of the inaugural presence at London Book Fair (LBF) in 2018, the International Literature Stakeholder Group in Wales worked together again to deliver a branded stand for Wales at London Book Fair in 2019. The group comprises seven organisations from Wales who work internationally in the literature sector: Arts Council of Wales, Books Council of Wales, British Council Wales, Literature Across Frontiers, Literature Wales, Wales Literature Exchange and Wales PEN Cymru. The group work together to ensure better collaboration and communication in order to maximise international opportunities for writers from Wales, as well as raise the visibility of literature from Wales internationally.

This collaborative presence from Wales provided opportunities for LBF visitors, delegates and industry professionals to meet some of Wales' award-winning publishers and leading literature organisations; take part in the Insights Seminars with a Welsh focus; discover new stories from Wales; and browse the books on display. It also acted as a hub for the many rights and sales negotiations that took place, taking Wales' writing to wider audiences.

The Wales stand at LBF 2019 saw 12 Publishers exhibiting, 150 meetings and over 5,000 visitors.

#### Tandem Europe

Literature Wales developed a Tandem Europe collaboration project with Solidarios para el Desarrollo in Madrid, Spain. The project, called A Taste for Life, aimed to tackle loneliness and isolation amongst older people. Welsh poets Mike Church and clare e. potter led the project, which used storytelling techniques and the universal interest in local and international food to raise the profile and voice of older people and their important role in the community. Working in partnership with Solidarios para el Desarrollo has enabled Literature Wales to explore new ways of working, and to share expertise in participatory literature with an international partner.

*"I felt good throughout the activity and also very happy. Normally I spend all day worrying about many things, but on the day of the project, while cooking and telling my story, I forgot everything and had a great time!" – Jacinta, a participant from Spain*

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### 5. Digital Creativity: Using digital creativity to promote literature and encourage more people to engage with it

#### Her 100 Cerdd

Four poets took on the challenge of composing 100 poems in 24 hours as part of the National Poetry Day celebrations. This project invites the public to not only follow the progress of the poets but also send in suggested topics for their poems. In October 2018, the poets were interviewed on the Welsh-language magazine show on S4C, *Heno*, and *Y Post Cyntaf* breakfast show on BBC Radio Cymru. There were 113.8K impressions on Twitter.

#### Business Development

##### **The Welsh Government Review into support for Publishing and Literature in Wales**

Following an inquiry by the Culture Committee, the Deputy Minister for Culture, Sport and Tourism informed Literature Wales, the Arts Council of Wales and the Books Council of Wales that the Review's recommendations would not be implemented in full and that the Welsh Government was focused instead on uniting the sector. Literature Wales and the Books Council of Wales have embarked on forging a stronger strategic relationship, including improving communications between the two organisations, stronger collaborative project working and sharing expertise and knowledge. A series of new initiatives were developed during 2018/19, including Books Council of Wales' involvement in a newly established Wales Book of the Year steering group, an Emerging Writers' Writing for Children Course at Tŷ Newydd Writing Centre, and reciprocal representation on Literature Wales' Writers' Bursaries/Mentoring and Books Council of Wales' Publishing Grants panels.

##### **Weston Jerwood Creative Bursary Award**

In 2017/18, Literature Wales was one of only two organisations in Wales to be awarded a Weston Jerwood Creative Bursary. A new post was created for a Development & Communications Officer to complete a 1-year contract from February 2018 – January 2019. Within this timeframe, the participant developed and implemented a bespoke Monitoring and Evaluation system to track the organisation's impact. They collected data and produced infographics to communicate the impact of Literature Wales, contributed to the 3-year strategy for Monitoring & Evaluation, and supported activities relating to improving representation and equality within the literature sector. The participant also undertook an international placement in Poland led by the British Council.

As a result of the programme, Literature Wales has revised its recruitment processes and was also asked to test and contribute to the ground-breaking Toolkit for employers, *Socio-economic Diversity and Inclusion in the Arts*, that Jerwood Arts and Bridge Group plan to publish in July 2019. The participant also had the opportunity to present to the Board of Directors for the Garfield Weston Foundation, which contributed to the Foundation's decision to fund the 2020-22 edition of the programme.

##### **Human Resource Policy & Procedure**

All HR policies are reviewed and approved annually by Literature Wales' Board of Directors, with the support of HR specialists Thomas Carroll. The recent update included a new framework to support performance management matters - Performance Improvement Plan - Policy and Procedure - which provides clear guidelines and sets out the expectations for line managers and employees.

In 2018/19 a new Professional Development Review system was trialed and staff were asked to give feedback on the procedure through an anonymous survey. This feedback will support the development of the procedure as part of the wider, ongoing review of organisational structures supported by the ACW Resilience Programme.

##### **Tŷ Newydd Writing Centre Commercial Development**

During 2018/19, trustees and the Executive developed a detailed Business Plan for the redevelopment of Nant, a two-bedroom cottage on the Tŷ Newydd site which was in a state of disrepair and not suitable for use by clients. Having explored funding options, the trustees approved an internal loan of £30,000 from the Glyn Jones Bequest designated fund to enable Literature Wales to commission the works. An application to the Ashley Family Foundation for £9,000 towards the costs of the project was also successful.

The redevelopment work is scheduled for April – June 2019, and due for completion by July 2019. The work will include installing a new kitchen and bathroom, rewiring and redecoration throughout and installing new furniture and fittings. The cottage will provide self-contained two-bedroom accommodation which will be available as

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additional accommodation during busy courses, a writers' retreat, and private hires when not in use as part of the creative programme. Income projections for the cottage for the next three years will enable the internal loan to be repaid within that period, including a small interest rate.

### **Monitoring & Evaluation Strategy**

In 2018/19 the internal Monitoring & Evaluation (M&E) System was developed. Staff members were trained in January 2019 and offered one-to-one support which completed the official roll-out of the framework. The M&E System is designed to embed standardised data capturing methods and analysis of activity within both existing and preliminary delivery models. This data is stored in a centralised data hub which enables the organisation to externally communicate this information effectively whilst supporting high-level organisational reporting to the Senior Management Team, the Board of Directors and the Arts Council of Wales. The system acts as the foundation for the Monitoring & Evaluation Strategy 2019-2022.

### **The General Data Protection Regulation**

The General Data Protection Regulation (GDPR) came into force in May 2018. In preparation for this, Literature Wales conducted an audit of personal data held and processed by the organisation, which included identifying the required legal bases for data processing for Literature Wales' purposes. Privacy notices have been prepared to inform staff, trustees and clients of their rights under GDPR and Literature Wales' organisational privacy notice is publicly available. A new contact management system (CRM) is now in the first stages of operation and legal bases provided for all included contacts. Individual consent forms for Literature Wales marketing are now provided on first contact as standard. Resources to collect consent have been prepared to assist staff. Compliance with GDPR is continuously monitored and will be refined in accordance with best practice and the feedback received.

### **Management Board Recruitment**

Following a public recruitment drive, nine new trustees were appointed, seven of whom joined in May 2018, with the remaining two joining in September 2018 and March 2019. An induction pack for Directors has been developed and all Directors attended a governance training session preceding the May 2018 Board Meeting.

### **Governance Action Plan**

The Executive put in place a Governance Action Plan for 2018 in order to review and develop certain areas of its governance processes and procedures. This included improving induction and training for trustees, reviewing internal controls, analysing a skills audit and recruiting to identify gaps in the Board, and reviewing the Articles of Association.

Having first registered as a charity and a company limited by guarantee in 2011/12, the Board decided to review and update the Articles of Association during 2018/19 to ensure that they were fit for purpose. With the assistance of Geldard's LLP, Literature Wales' charitable objects were revised to reflect the commitments made in the 2019-2022 Strategic Plan. The amended objects were approved by the Literature Wales Board in November 2018, and the final Articles are due to be presented at the Board meeting in May 2019. The revised Articles will then be presented to the Charities Commission and Companies House for approval.

There is a further training session on Governance planned for May 2019 and it is expected that the Governance Action Plan will be updated for 2019 following this session.

### **ACW Resilience Programme**

In April 2018, Literature Wales was accepted onto Arts Council of Wales' Resilience Programme, which supports members of the Arts Portfolio Wales to work towards becoming better, more resilient organisations. Literature Wales worked closely with Arts Council Wales officers to explore and challenge what areas of their operations had greatest scope for development within the programme's parameters. It was determined that in the first instance, Literature Wales would focus on risk management and sector consultation.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2019

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Working closely with a Resilience Programme Associate, Literature Wales reviewed its current risk management systems and culture. There was clear scope for embedding dynamic risk analysis throughout the organisation, as well as deepening this analysis to include calibrating risk appetite and understanding risk as threats *and* opportunities. A new multi-tiered risk register is currently in development, framed on the new Strategic Plan. This will be populated across the organisation at project, operational and strategic level throughout the year, with residual risk rankings determining responsibility at trustees, executive and staff level.

The sector consultation work was in the first instance linked to the development of the 2019-22 Strategic Plan, with the aim of establishing a workable framework to inform and assess organisational progress over the next three years. Working closely with two Resilience Programme Associates, Literature Wales established three new consultation platforms: 2 staff, executive, trustee and key stakeholder focus groups; an organisational and individual stakeholder survey cohort comprising 89 respondents; and a network of 24 critical friends. Throughout summer 2018, these three platforms were deployed to analyse the 2016-19 Literature Wales Business Plan and three years of associated activity. Feedback steered new strategic thinking, with some areas of clear consensus and others with marked contrasting opinion. Some Critical Friends were approached after the initial consultation to comment on working drafts of the Strategic Plan. Following its launch in May 2019, Literature Wales will be returning to the three sector consultation platforms for feedback on the 2019-22 Strategic Plan and its application.

#### **2019-22 Strategic Plan**

The Arts Council of Wales' Resilience Programme outlined above provided opportune expert support during the process of developing the 2019-22 Strategic Plan, helping to source and frame meaningful stakeholder feedback from across a full range of partners and clients. Analysis of this body of opinion heavily informed and shaped the nature of the new strategic positioning, which became increasingly crystallised through further consultation on working drafts.

The 2019-22 Strategic Plan will be launched in May 2019. In response to overwhelming stakeholder consensus that Literature Wales needs to be clearer about what it is and who it is for, the plan centres on three defined client groups linked to three activity pillars:

- Creative Participants / Participation
- Early Career Writers / Writer Development
- Established Writers / Wales' Literary Culture

Three tactical priorities will cross-cut these activity pillars. They are not types of activity but thematic priorities which will feature in everything Literature Wales delivers:

- Representation & Equality
- Health & Well-being
- Children & Young People

Through these tactical priorities, three target client characteristics were identified to receive additional support through Literature Wales activity:

- Individuals from BAME backgrounds
- Individuals on low incomes
- Individuals with disabilities or illnesses (mental and physical)

Literature Wales' new mission and vision threads together the activity pillars, tactical priorities, client groups and target client characteristics:

# LLENYDDIAETH CYMRU/LITERATURE WALES

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2019**

We will inspire communities, develop writers and celebrate the literary culture of Wales by:

- Increasing the accessibility and impact of creative writing for participants in Wales;
- Enabling early career writers to engage with opportunities to hone and diversify their skills;
- Strengthening the range, reach and reputation of Wales' writers

This will deliver a Wales where literature empowers, improves and brightens lives.

### FINANCIAL REVIEW

#### Overview

Literature Wales is a member of the Arts Council of Wales' Arts Portfolio Wales, and currently receives annual revenue funding of £742,264. Literature Wales is also a Lottery delegated authority, responsible for allocating funding through Writers on Tour, Writers' Bursaries and Mentoring Schemes, with a total budget of £96,000. Arts Council of Wales funding represents 70% of Literature Wales' total income.

There is further analysis below on Literature Wales' income sources and efforts to increase income from non-public sources.

#### Fundraising

In 2018/19, Literature Wales focused on both delivering the 2016-19 fundraising strategy and developing a new version for 2019-22 with the support of the Institute of Fundraising's Health Check initiative.

The 2016-19 fundraising strategy aimed to reduce the proportion of income derived from public funding by 10 percentage points between 2016/17 and 2018/19. Lottery funding, Local Authority, Welsh Government and Arts Council of Wales income accounted for 74% (£880,812) of Literature Wales' total income in 2018/19 compared to 83% (£995,174) in 2016/17.

2018/19 saw continued growth of commercial income, largely associated with stronger sales of Tŷ Newydd Writing Centre general and closed courses. The 2015/16 redevelopment of the centre, and subsequent sustained improvements in programming, marketing, operations and hospitality have continued to yield results:

	<b>Source: Commercial - Tŷ Newydd closed and general courses combined</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Income</b>	£154,855	£172,502	<b>£207,010</b>
<b>Expenditure</b>	£91,797	£85,207	<b>£99,023</b>
<b>Profit/Loss</b>	£63,058	£87,296	<b>£107,987</b>

The proposed 2019/20 refurbishment of the two-bedroom on-site cottage Nant into a self-contained writers' retreat and overspill course accommodation will generate an additional long-term future commercial income source.

Merchandise revenue also increased, and sustained effort and investment in this area should yield further growth in 2019/20. The intellectual property merchandising potential of recent literary tourism activity (Land of Legends and Weird and Wonderful Wales) is being capitalised on, with most 2018/19 sales derived from a limited edition run of 200 signed giclée prints of Pete Fowler's Cardiff Railway Station Water Tower Mural (RRP £100 unframed/£150 framed) and piloting of Land of Legend t-shirts, greetings cards and tote bags. Sales of £7,426 were supported by related expenditure of £6,223, resulting in £1,203 profit.

The online Literature Wales shop is being launched in April 2019. This will provide a central marketplace alongside the Land of Legends online shop, pop-up festival stalls and an on-site shop at Tŷ Newydd Writing Centre.

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

Charitable trust & foundation grant revenue has been consolidated, with fewer competitive applications submitted compared with previous years due to a sustained focus on developing the 2019-22 fundraising strategy in parallel with the new Strategic Plan (see above). 10 grant applications provided income, including £37,758 from the Reading Agency for the Reading Friends project:

<b>Source: Charitable Trust &amp; Foundation income – total</b>			
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Income</b>	<b>£21,751</b>	<b>£79,416</b>	<b>£77,472</b>

During 2018/19, several other new funding sources were also developed and embedded to strengthen revenue diversification ambitions further in 2019/20, including corporate sponsorship templates and a Corporate Social Responsibility (CSR) offer.

The 2019-22 fundraising strategy will come into effect from 1 April and supports the activity and operational developments outlined in the 2019-22 Strategic Plan. It moves Literature Wales' fundraising emphasis towards increasing the organisation's unrestricted income generation in order to build resilience to future public funding cuts.

**Reserves Policy**

Trustees review and update the Reserves Policy annually, responding to annual budgets and the assessments of the Risk Register. Reserves levels are reported quarterly to the Board.

Literature Wales aims to maintain £175,000 in its unrestricted reserves, which is split between Working Reserves, which the Executive can draw on to manage short-term cash flow, and General Reserves which can be accessed to help mitigate the impact of unforeseen circumstances including costs relating to meeting the commitments of the HR policies and any unexpected maintenance or conservation work at Tŷ Newydd. Any expenditure within General Reserves must be discussed and agreed by Trustees.

At the end of 2018/19, the balance of unrestricted reserves was £203,027. This includes free reserves of £180,088 and Fixed Assets of £22,939 and designated reserves of £67,398.

**Review of freehold land and buildings**

Following independent financial advice, Trustees reviewed the status and accounting policy for freehold land and buildings. The accounting policy since taking ownership of Tŷ Newydd and Hafoty had been not to depreciate the property, since the listed status of the building combined with a policy of continuing ongoing maintenance meant that the net realisable value of the property would always be greater than its cost. Trustees have since sought reports on the market value of the property, which is significantly lower than the carrying amount of the asset. Trustees have therefore decided to recognise an impairment loss on the property and adopt the latest market value estimate as the value of the asset.

The Capital Development Reserve within Restricted Funds has been reduced to the same figure. This is the fund from which Literature Wales would draw funds should it be required to repay any grant monies to the Arts Council of Wales, as per the Grant Agreement and Legal Charge currently in effect.

**Investment Policy and Objectives**

Literature Wales' policy is to invest prudently in order to ensure the best use of surplus working capital. This is achieved by regularly monitoring cash flow and current liabilities.

Due care and diligence are given to the level of investment, with no associated risks being taken. The objective is to use additional funds accumulated through investment to further the aims of the charity by generating the best financial return possible.



# LLENYDDIAETH CYMRU/LITERATURE WALES

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

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### Risk Management

The Trustees have examined the major strategic business and operational risks the charity faces and can confirm that systems have been established to mitigate those risks. The Risk Register was updated during 2018/19 alongside the development of new risk management processes as outlined in the Resilience Programme section above.

The main risks identified in 2018/19 were:

- **Board of Directors lacks relevant skills or commitment due to low engagement of Directors**  
To mitigate this risk, Literature Wales will: review and agree skills required and carry out a skills audit at least every three years; carry out Board recruitment once a year; ensure regular communication with trustees and make expectations and responsibilities clear through training and induction; ensure clear and effective reporting to the Board to support informed decision making.
- **Public Funding: Grant aid and sources of public funding are reducing and annual funding settlements hinder planning capacity**  
To mitigate this risk, Literature Wales will: manage and maintain relationship with core funders Arts Council Wales; implement the Fundraising Strategy with robust targets for diversifying and growing income streams; consistently seek funding from other sources; prepare annual budgets on various funding scenarios; maintain robust and transparent financial procedures; communicate Literature Wales' work to relevant Ministers, Committee Members and AMs as appropriate.
- **Reduction in commercial funding and income**  
To mitigate this risk, Literature Wales will: ensure Head of Development role develops and maintains relationship with commercial funders; implement the Fundraising Strategy; establish improved monitoring and evaluation procedures to illustrate Literature Wales' impact within each strategic area; improve the link between the monitoring and evaluation strategy and communications, in order to better communicate reach and impact.

### FUTURE PLANS

The Literature Wales Strategic Plan 2019-22 will be celebrated at launch events at the Hay Festival in May and the National Eisteddfod in August and will be complemented by a stakeholder engagement drive in order to spread the word about the refined objectives and priorities for the organisation.

Within the Participation activity pillar, following a successful pilot in 2018/19, Literature Wales will continue the Literature and Well-being Funding Scheme, which is open to applications from writers and artists for projects aimed at encouraging wider engagement and inclusion. Each project is devised by the writer with a specific target group in mind, and Literature Wales will be looking to support writers aiming to work with participants who identify with our target client characteristics. Literature Wales will also explore how this activity pillar could be extended to include applications from organisations and groups.

The Writer Development offer will continue many long-standing and effective programmes such as Writers' Bursaries and Mentoring and will also include some new initiatives aimed at giving opportunities to early career and under-represented writers. There will be two Writer Training days which will offer professional guidance on working in the industry, and Shadowing schemes will give selected writers an opportunity to deepen their experience of a particular area of work. A Writers of Wales database will be launched as part of the Literature Wales website, providing a valuable resource to organisers across Wales and beyond. The Nant Writers' Retreat at Tŷ Newydd will also be launched. The cottage is being redeveloped to add self-contained two-bedroom accommodation to the site offer, which will be used as additional rooms for busy courses, as a stand-alone retreat and also as a private hire for individuals and groups.

Literature Wales will also launch a pilot Platforming Under-represented Writers funding scheme, offering grants of between £50-£1,000 for professional development opportunities within literature. The scheme aims to encourage writers from under-represented backgrounds to develop their professional and artistic potential and to create opportunities to kick-start or advance their careers.

# **LLENYDDIAETH CYMRU/LITERATURE WALES**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2019***

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Within Wales' Literary Culture, Literature Wales will launch the new post of Children's Laureate Wales and invite expressions of interest through an open call-out. This will be a two-year post, working alongside the new Bardd Plant Cymru for 2019-21 (to be announced in May). The National Poet of Wales role will continue to develop and will work on a far-reaching research and development project exploring bilingual cultures in different nations as part of the UNESCO Year of Indigenous Languages. Literature Wales will also develop a revised International Strategy, enhancing the role of its ambassadors even further.

Alongside the programmes within the three Activity Pillars, there will be developments within the organisation's operations in order to ensure that we have the structures, processes and capacity in place to deliver on our objectives. These will include embedding a revised Fundraising Strategy, MARCOMMs Plan and Monitoring and Evaluation System; implementing a new organisational structure alongside detailed role descriptions and objectives and a supportive Professional Development Review system; continuing stakeholder consultation work; and a continued review of governance systems. Literature Wales aim to gain the Trusted Charity Mark for the quality of its operations by 2022.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

Literature Wales is a charitable company limited by guarantee, incorporated on 19 September 2011 and registered as a charity on 23 March 2012. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. There is more information of the review of the Articles of Association on page 11.

#### **Recruitment and appointment of new trustees**

All new trustees are appointed as Directors of the organisation following an open and transparent recruitment process as defined by the Articles of Association. Trustees are appointed to strengthen the skills and experience represented by the Board of Directors. All new trustees receive an induction pack and receive information regarding the roles and responsibilities of being a trustee, as well as training on charity governance.

The Articles of Association state that a minimum of a third of trustees will step down from the Literature Wales Board every three years, with accompanying recruitment processes in place to appoint new trustees.

#### **Organisational structure**

Literature Wales is led by the Board of Directors, who are also trustees of the organisation. The Board of Directors meets four times a year and is responsible for the strategic direction of the organisation and overall financial planning. The Board delegates day-to-day running of the organisation to the executive team, led by the Chief Executive, who is supported by a Senior Management Team that meets regularly to discuss progress towards strategic aims and other targets.

#### **Key Management Personnel**

The Key Management Personnel of the organisation are Chief Executive, Lleucu Siencyn; Deputy Chief Executive, Elinor Robson; Acting Deputy Chief Executive and Head of Development, Bronwen Price; Head of Programmes, Elena Schmitz; and Finance Officer, Emma Richards. Remuneration for the Key Management Personnel is set and approved annually by the Chair of the Board and follows the organisation's banded salary structure.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

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### REFERENCE AND ADMINISTRATIVE DETAILS

**Charity name** Llenyddiaeth Cymru / Literature Wales

**Charity registration number** 1146560

**Company registration number** 07779153

**Registered office**  
Glyn Jones Centre  
Wales Millennium Centre  
CARDIFF  
CF10 5AL

**Trustees**  
A Wynne Evans (resigned 13/9/18)  
W Ayot (resigned 13/9/18)  
D Walford Davies (resigned 16/5/18)  
K North  
E George  
E Charles  
J Albert (resigned 16/5/18)  
C Austin (appointed 16/5/18)  
J D Ellis (appointed 16/5/18)  
A Finlayson (appointed 16/5/18)  
R Mohanram (appointed 16/5/18)  
J O'Shea (appointed 16/5/18)  
D Roberts (appointed 16/5/18)  
O Taylor-Shaw (appointed 16/5/18)  
C Summerhayes (appointed 12/9/18)  
C Thatcher (appointed 12/3/19)

**Chief executive officer** Lleucu Siencyn

**Company secretary** Ifan Brychan

**Principal bankers**  
CAF Bank  
25 Kings Hill Avenue,  
Kings Hill,  
Kent  
ME19 4JQ

**Auditors**  
Baldwins Audit Services  
Chartered Accountants & Statutory Auditors  
Waters Lane Chambers  
1-3 Waters Lane  
Newport  
NP20 1LA

The trustees report was approved by the Board of Trustees.

Ifan Brychan  
**Company Secretary**

Dated: .....  .....

# **LLENYDDIAETH CYMRU/LITERATURE WALES**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2019***

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The trustees, who are also the directors of Llenyddiaeth Cymru/Literature Wales for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF LLENYDDIAETH CYMRU/LITERATURE WALES

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#### **Opinion**

We have audited the financial statements of Llenyddiaeth Cymru/Literature Wales (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of its incoming resources and application of resources, 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF LLENYDDIAETH CYMRU/LITERATURE WALES

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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



**Sarah Case FCA DChA (Senior Statutory Auditor)**  
for and on behalf of Baldwins Audit Services

23/11/19

**Chartered Accountants**  
**Statutory Auditor**

Waters Lane Chambers  
1-3 Waters Lane  
NEWPORT  
UK  
NP20 1LA

Baldwins Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

# LLENYDDIAETH CYMRU/LITERATURE WALES

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	3,391	-	3,391	1,151
Charitable activities	4	1,095,901	64,258	1,160,159	1,197,562
Other trading activities	5	27,239	-	27,239	34,421
Investments	6	1,197	-	1,197	542
Other income	7	5,987	-	5,987	5,616
<b>Total income</b>		<b>1,133,715</b>	<b>64,258</b>	<b>1,197,973</b>	<b>1,239,292</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	30,432	-	30,432	30,788
Charitable activities	9	1,088,538	1,431,733	2,520,271	1,154,825
<b>Total resources expended</b>		<b>1,118,970</b>	<b>1,431,733</b>	<b>2,550,703</b>	<b>1,185,613</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>14,745</b>	<b>(1,367,475)</b>	<b>(1,352,730)</b>	<b>53,679</b>
Fund balances at 1 April 2018		256,220	2,298,719	2,554,939	2,501,260
<b>Fund balances at 31 March 2019</b>		<b>270,965</b>	<b>931,244</b>	<b>1,202,209</b>	<b>2,554,939</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		892,939		2,246,738
<b>Current assets</b>					
Stocks	16	1,338		306	
Debtors	17	171,723		163,869	
Cash at bank and in hand		510,923		441,878	
		<u>683,984</u>		<u>606,053</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(374,714)</u>		<u>(297,852)</u>	
Net current assets			<u>309,270</u>		<u>308,201</u>
<b>Total assets less current liabilities</b>			<u>1,202,209</u>		<u>2,554,939</u>
<b>Income funds</b>					
Restricted funds	21		931,244		2,298,719
<u>Unrestricted funds</u>					
Designated funds	22	67,938		69,047	
General unrestricted funds		<u>203,027</u>		<u>187,173</u>	
			<u>270,965</u>		<u>256,220</u>
			<u>1,202,209</u>		<u>2,554,939</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 23/11/19



K North  
Trustee



J Dafydd Ellis  
Trustee



# LLENYDDIAETH CYMRU/LITERATURE WALES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		71,875		73,687
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,027)		(2,733)	
Interest received		1,197		542	
<b>Net cash used in investing activities</b>			(2,830)		(2,191)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			69,045		71,496
Cash and cash equivalents at beginning of year			441,878		370,382
<b>Cash and cash equivalents at end of year</b>			<u>510,923</u>		<u>441,878</u>

# LLENYDDIAETH CYMRU/LITERATURE WALES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Charity information

Llenyddiaeth Cymru/Literature Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Glyn Jones Centre Wales Millenium Centre, Bute Place, Cardiff, Wales. CF10 5AL.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The charity reported an unrestricted surplus of £14,745, and a net restricted spend of £18,029, plus a restricted fund impairment of £1,349,446 (2018 – overall surplus of £53,679). The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

#### 1.3 Charitable funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

##### **Designated funds**

Designated funds are unrestricted funds of the charity which have been set aside to fund particular future activities of the charity.

##### **Restricted funds**

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

##### 1.4 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.

##### **Grants**

Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the project i.e. where the directors/trustees can choose how the funds are expended, are treated as unrestricted funds.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

##### 1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

##### **Offsetting**

There has been no offsetting of assets or liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Revalued every 5 years
Plant and equipment	10% and 20% reducing balance
Fixtures and fittings	10% reducing balance

# LLENYDDIAETH CYMRU/LITERATURE WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies (Continued)

The trustees have agreed to revalue the land and buildings owned by the charity every 5 years from October 2019.

Fixed assets are stated at cost less accumulated depreciation. Additions costing less than £500 are not capitalised.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### ***Basic financial assets***

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### ***Basic financial liabilities***

##### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### **Liabilities policy**

Liabilities are recognised in the Statement of Financial Activities as they become payable.

#### 1.10 Taxation

As a charity, Llenyddiaeth Cymru / Literature Wales is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

#### 1.11 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies (Continued)**

**1.12 Pensions**

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	<b>Unrestricted Total funds</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Donations and gifts	3,391	1,151
<b>Donations and gifts Other</b>	<b>3,391</b>	<b>1,151</b>
	<b>3,391</b>	<b>1,151</b>

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>4 Charitable activities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grants	955,245	1,016,857
Income from activities	204,914	180,705
	<u>1,160,159</u>	<u>1,197,562</u>
Analysis by fund		
Unrestricted funds	1,095,901	
Restricted funds	64,258	
	<u>1,160,159</u>	
<b>For the year ended 31 March 2018</b>		
Unrestricted funds		1,159,266
Restricted funds		38,296
		<u>1,197,562</u>
<b>Performance related grants</b>		
Arts Council of Wales	851,765	851,701
Welsh Assembly Government	14,000	92,190
Literature and health	4,000	3,290
Bardd Plant Cymru	10,000	11,620
Reading Friends	37,758	35,336
Other	37,722	22,720
	<u>955,245</u>	<u>1,016,857</u>
<b>5 Other trading activities</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>funds</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Sale of books	9,377	8,172
Hire of Ty Newydd	17,862	26,249
	<u>27,239</u>	<u>34,421</u>
Other trading activities		

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**6 Investments**

<b>Unrestricted funds</b>	<b>Total</b>
<b>2019</b>	<b>2018</b>
<b>£</b>	<b>£</b>
Interest receivable	542
<u>1,197</u>	<u>542</u>

**7 Other income**

<b>2019</b>	<b>2018</b>
<b>£</b>	<b>£</b>
Other income	5,616
<u>5,987</u>	<u>5,616</u>

**8 Raising funds**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<u>Trading activities</u>		
Ty Newydd	14,581	15,566
Administrative costs	15,851	15,222
	<u>30,432</u>	<u>30,788</u>
Trading activities	<u>30,432</u>	<u>30,788</u>
	<u>30,432</u>	<u>30,788</u>
<b>For the year ended 31 March 2018</b>		
Trading activities		<u>30,788</u>

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**9 Charitable activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Impairment	1,349,446	-
Participation	364,081	386,888
Writer development	435,628	403,877
International representation & promotion	89,395	72,583
Children & Young People	142,195	146,616
Digital	19,270	17,509
	<u>2,400,015</u>	<u>1,027,473</u>
Grant funding of activities (see note 10)	97,428	101,600
Share of support costs (see note 11)	8,380	10,657
Share of governance costs (see note 11)	14,448	15,095
	<u>2,520,271</u>	<u>1,154,825</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,088,538	
Restricted funds	1,431,733	
	<u>2,520,271</u>	
<b>For the year ended 31 March 2018</b>		
Unrestricted funds		1,135,951
Restricted funds		18,874
		<u>1,154,825</u>
<b>10 Grants payable</b>		
Grants to organisations	19,648	12,145
Grants to individuals via organisations	14,940	15,327
Grants to individuals (Bursaries)	62,840	74,128
	<u>97,428</u>	<u>101,600</u>

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**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

11 Support costs	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Depreciation and loss on disposal of fixed assets	8,380	-	8,380	10,657	
Audit fees	-	8,200	8,200	8,200	Governance
Direct costs	-	1,317	1,317	1,148	Governance
Administrative costs	-	4,931	4,931	5,747	Governance
	<u>8,380</u>	<u>14,448</u>	<u>22,828</u>	<u>25,752</u>	
Analysed between					
Charitable activities	<u>8,380</u>	<u>14,448</u>	<u>22,828</u>	<u>25,752</u>	

Governance costs includes payments to the auditors of £8,200 for audit fees.

12 Net movement in funds	2019 £	2018 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	8,200	8,200
Impairment of owned tangible fixed assets	1,349,446	-
Depreciation of owned tangible fixed assets	3,863	3,335
Loss on disposal of tangible fixed assets	<u>4,517</u>	<u>7,322</u>

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**13 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Average number of employees	<u>22</u>	<u>22</u>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Gross Staff Costs	538,585	524,037
Employers National Insurance	48,553	46,863
Employers Pension Contributions	12,912	10,326
<b>Total Staff Costs</b>	<b>600,050</b>	<b>581,226</b>

The number of employees who annual remuneration was £60,000 or more were:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	<u>1</u>	<u>1</u>

**Key management personnel**

The total benefits paid to key management personnel during the year was £184,170 - 5 key personnel (2018: £148,404 - 4 key personnel).

**14. Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
In respect of:		
Property, plant and equipment	<u>1,349,446</u>	<u>-</u>

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**15 Tangible fixed assets**

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2018	2,219,446	3,020	44,352	2,266,818
Additions	-	-	4,027	4,027
Disposals	-	-	(8,499)	(8,499)
At 31 March 2019	<u>2,219,446</u>	<u>3,020</u>	<u>39,880</u>	<u>2,262,346</u>
<b>Depreciation and impairment</b>				
At 1 April 2018	-	1,894	18,186	20,080
Depreciation charged in the year	-	113	3,750	3,863
Impairment losses	1,349,446	-	-	1,349,446
Eliminated in respect of disposals	-	-	(3,982)	(3,982)
At 31 March 2019	<u>1,349,446</u>	<u>2,007</u>	<u>17,954</u>	<u>1,369,407</u>
<b>Carrying amount</b>				
At 31 March 2019	<u>870,000</u>	<u>1,013</u>	<u>21,926</u>	<u>892,939</u>
At 31 March 2018	<u>2,219,446</u>	<u>1,126</u>	<u>26,166</u>	<u>2,246,738</u>

Arts Council of Wales has a legal charge over properties held within fixed assets. These properties are Ty Newydd and Nant and Hafodty, Criccieth, Gwynedd.

Details of the impairment arising in the year are given in the trustees report and in notes 14 and 21.

**16 Stocks**

	2019 £	2018 £
Finished goods and goods for resale	<u>1,338</u>	<u>306</u>

**17 Debtors**

<b>Amounts falling due within one year:</b>	2019 £	2018 £
Trade debtors	159,372	156,666
Other debtors	95	64
Prepayments and accrued income	12,256	7,139
	<u>171,723</u>	<u>163,869</u>

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**18 Creditors: amounts falling due within one year**

	Notes	2019 £	2018 £
Other taxation and social security		12,795	11,263
Deferred income	18	129,303	140,212
Trade creditors		141,884	91,480
Other creditors		90,732	54,897
		<u>374,714</u>	<u>297,852</u>

**19 Deferred income**

	2019 £	2018 £
Other deferred income	<u>129,303</u>	<u>140,212</u>

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Balance brought forward	140,212	108,356
Income received	199,520	187,569
Income released	<u>(210,429)</u>	<u>(155,713)</u>
	<u>129,303</u>	<u>140,212</u>

Contained within deferred income is £117,078 that relates to courses and trading, and £12,225 that relates to performance related grants received in advance.

**20 Retirement benefit schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the income and expenditure account in respect of defined contribution schemes was £39,224 (2018 - £42,401).

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**21 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds					Balance at 31 March 2019 £
	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Literature Reach	-	29,517	-	29,517	13,500	(33,101)	-	-	9,916
Y Neuadd	1,004	-	-	1,004	-	-	(1,004)	-	-
Literature and Health	17,548	1,090	(4,095)	14,543	3,000	(3,214)	-	-	14,329
Young Peoples Laureate	1,350	-	-	1,350	-	-	-	-	1,350
Rhys Davies Trust	3,684	-	-	3,684	-	-	-	-	3,684
Bardd Plant Cymru	5,898	-	(165)	5,733	10,000	(9,237)	1,004	-	7,500
Capital Development Reserve	2,219,446	-	-	2,219,446	-	-	-	(1,349,446)	870,000
Jan Mark Bursary	5,870	-	-	5,870	-	-	-	-	5,870
Judi Thwaite Bursary	500	-	-	500	-	-	-	-	500
Reading Friends	846	1,104	-	1,950	37,758	(34,621)	-	-	5,087
CCLF	-	1,047	(1,047)	-	-	-	-	-	-
IOF	-	347	(102)	245	-	(245)	-	-	-
Roald Dahl 100	18,636	-	(9,612)	9,024	-	(210)	-	-	8,814
Dylan Day	4,515	-	(3,853)	662	-	-	-	-	662
Weird and Wonderful Wales	-	5,191	-	5,191	-	(1,659)	-	-	3,532
	<u>2,279,297</u>	<u>38,296</u>	<u>(18,874)</u>	<u>2,298,719</u>	<u>64,258</u>	<u>(82,287)</u>	<u>-</u>	<u>(1,349,446)</u>	<u>931,244</u>

## LLENYDDIAETH CYMRU/LITERATURE WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2019

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#### 21 Restricted funds (Continued)

Literature Reach is a programme which provides opportunities for literature to benefit the health and wellbeing of the most disadvantaged and vulnerable individuals in our communities. It is funded by Arts Council Wales and the participating Local Authorities.

Y Neuadd is an online Welsh language literary journal, funded by a Books Council of Wales grant. The remaining balance is transferred to the Bardd Plant Cymru project.

Literature and Health includes various grants received for promoting health and wellbeing through literature, including from Gwynedd Council during 2018/19.

Young People's Laureate includes funds received for international activities for the Laureate. The balance will be allocated to Children's Laureate Wales activity during 2019/20.

Rhys Davies Trust - Literature Wales received a grant from The Rhys Davies Trust for various activities including community workshops in South Wales.

Bardd Plant Cymru - Literature Wales receives annual funding from Welsh Government and S4C towards this project, which is the Welsh-language Children's Poet Laureate.

Capital Development Reserve - funded the purchase and substantial improvement works on the freehold properties. The properties have been revalued post year end and the trustees have agreed that the value of the properties reflected in the accounts should reflect the market value. The Arts Council of Wales has a legal charge over the properties until April 2031. Should the charity sell or change the use of the properties the charity would be required to repay ACW's original investment of £1,010,192.

Jan Mark Bursary offers bursaries towards the costs of attending a course at Ty Newydd to applicants meeting the specified criteria.

Judi Thwaite Bursary offers bursaries towards the costs of attending a course at Ty Newydd to applicants meeting the specified criteria.

Reading Friends funding was provided by the Reading Agency for a befriending project to connect older people and people with dementia by starting conversations through reading.

IOF funding was provided for Welsh writers at the International Literature Showcase event.

Roald Dahl 100 funding was provided for specific projects surrounding the Roald Dahl centenary. The remaining balance is to be spent on supporting legacy activities with young people across Wales.

Weird and Wonderful Wales funding was provided for a tour of Wales exploring myths and legends and includes funds received from sales of merchandise that will be earmarked for activities with target clients and communities.

**LLENYDDIAETH CYMRU/LITERATURE WALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**21 Restricted funds (Continued)**

Weird and Wonderful Wales funding was provided for a tour of Wales exploring myths and legends and includes funds received from sales of merchandise that will be earmarked for activities with target clients and communities.

**22 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 31 March 2019
	£	£	£	£	£	£	£
Glyn Jones Bequest	57,280	-	-	57,280	-	-	57,280
John Tripp Fund	-	7,247	(667)	6,580	-	-	6,580
Ty Newydd Bursaries	4,736	1,121	(670)	5,187	361	(1,470)	4,078
	<u>62,016</u>	<u>8,368</u>	<u>(1,337)</u>	<u>69,047</u>	<u>361</u>	<u>(1,470)</u>	<u>67,938</u>

Glyn Jones Bequest - A legacy was bequeathed to Literature Wales with the purpose of supporting new writers and creating a meeting place for writers. This fund is allocated to developments at the Glyn Jones Centre in the Wales Millennium Centre.

John Tripp Fund - A reserve set aside to assist writer development.

Ty Newydd Bursaries - A reserve set aside to assist writer development.

# LLENYDDIAETH CYMRU/LITERATURE WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Fund balances at 31 March 2019 are represented by:				
Tangible assets	22,939	870,000	892,939	2,246,738
Current assets/(liabilities)	248,026	61,244	309,270	308,201
	<u>270,965</u>	<u>931,244</u>	<u>1,202,209</u>	<u>2,554,939</u>

### 24 Related party transactions

Travel expenses were reimbursed to 6 board members (2018: 1 board member) to the value of £3,191 (2018: £251) during the financial year.

Trustees remuneration and benefits

No trustees received remuneration for the year ended 31 March 2019 (2018: £nil). However, payments were made to trustees and connected persons by Literature Wales for activities organised directly by Literature Wales or for activities supported by Literature Wales through Writers on Tour.

There were 3 board and committee members (2018: 2) who received fees totalling £4,220 (2018: £1,376).

### 25 Company Status

The organisation is a company limited by guarantee. The guarantors are the trustees as set out on page 1.

The liability is limited to an amount of £1 per member in accordance with the organisation's Memorandum of Association.

### 26 Cash generated from operations

	2019	2018
	£	£
(Deficit)/surplus for the year	(1,352,730)	53,679
Adjustments for:		
Investment income recognised in statement of financial activities	(1,197)	(542)
Loss on disposal of tangible fixed assets	4,517	7,322
Depreciation and impairment of tangible fixed assets	1,353,309	3,335
Movements in working capital:		
(Increase)/decrease in stocks	(1,032)	447
(Increase)/decrease in debtors	(7,854)	22,396
Increase/(decrease) in creditors	87,771	(44,806)
(Decrease)/increase in deferred income	(10,909)	31,856
<b>Cash generated from operations</b>	<u>71,875</u>	<u>73,687</u>