

Literature Wales
Annual Report and Financial Statements
for the year ended 31 March 2018

Charity Registration Number: 1146560

Company Registration Number: 07779153 (England and Wales)

LLENYDDIAETH CYMRU/LITERATURE WALES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

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

It is our pleasure to present the Annual Report and Financial Statements for 2017-18. This document demonstrates the efficiency and professionalism of the organisation, and we'd like to thank our colleagues at the executive for their excellent work yet again.

This work was delivered during a challenging, yet highly productive, year for Literature Wales. The publication in June 2017 of Welsh Government's Independent Review of Support for Publishing and Literature in Wales, chaired by Medwin Hughes, caused repercussions across the literature and publishing sectors. The Review's often misinformed analysis recommended new funding arrangements for literature in Wales. Details of how the Review affected the organisation in real terms can be found on pages 17 and 21.

However, as this Report demonstrates, despite the disruption of the Hughes Review, Literature Wales successfully delivered its programme of activity during the year – a clear indication of the resilience of the organisation and the conviction of its staff and directors in our shared core values. We must pay tribute here to the outgoing Chair, Professor Damian Walford Davies, who led the organisation through these eventful times with authority, principle and a clarity of vision. We are also thankful to the many individuals and organisations who have continued to support and engage with Literature Wales throughout the year, and who clearly share our values and ambitions for the sector.

Significant highlights of the year include: a packed Wales Book of the Year ceremony at The Tramshed in Cardiff; revamped bursaries and mentoring schemes which attracted a record number of applications from new and emerging writers; the launch of a new Wales-wide Literature and Wellbeing funding programme; and a highly successful series of courses at Tŷ Newydd. We're delighted to note that income from course bookings have increased 65% since 2014-15.

Our work with children and young people continues to develop and grow. The combined programme in 2017-18, including workshops by Bardd Plant Cymru and the Young People's Laureate for Wales, reached an incredible 39,784 young people – inspiring a love of literature amongst the generations of the future.

Writers are at the forefront of our activities, leading and delivering a wide-ranging programme. It's rare for a writer in Wales to make a living from book sales alone, and the range of activities facilitated by Literature Wales enables many writers to continue to work in a sector they love. In order to sustain this, it's vital that we offer support and training for writers who work with specific groups of people, for example with dementia patients, vulnerable adults, or prisoners. Writers leading our Lit Reach activities have received training on Safeguarding Vulnerable Adults, and the 34 adults taking part in our Weird & Wonderful Wales scheme received training on how to creatively engage vulnerable adults. Working in a participatory setting can have a significant impact on a writer's own creativity; this work is not transactional, but collaborative and reciprocal. A notable example of this is Gwion Hallam winning the Crown at the National Eisteddfod in 2017 – on stage his involvement in workshops with dementia patients, organised by Literature Wales, was cited as directly inspiring his poem.

Literature Wales is pleased to continue its partnership with Hay Festival on the excellent Writers at Work initiative: a unique and intense professional development programme for a cohort of emerging and established writers in both Welsh and English. Another example of successful partnership working was the delivery of a new Wales stand at the London Book Fair. Literature Wales, Welsh Books Council, Arts Council of Wales, British Council Wales, Wales Literature Exchange, Literature Across Frontiers, and Wales PEN Cymru formed the International Literature Stakeholder group, and worked collectively to develop the joint presence. This was an important and timely opportunity to showcase some of the best in contemporary new writing from Wales at one of the world's most important platforms. Gary Raymond wrote in Wales Arts Review: "...this was Welsh literature of the past, present and future, being presented as a phenomenon on one of the most influential platforms in the world."

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The past joined the future with the installation of a giant 50ft mural inspired by the Mabinogion on Cardiff's iconic Water Tower in the city centre. Despite many obstacles (including unprecedented snow), seeing Pete Fowler's technicolour imagining of our enduring legends finally installed was certainly a highlight of the year. Musician Gruff Rhys, who lives near the Water Tower, welcomed the "psychadelicization" of the city centre. We couldn't agree more.

So, from 50ft murals, to workshops in prisons, from classrooms to international book fairs, whether you're five, fifty or a hundred and five – literature belongs to us all, and it matters to the world.

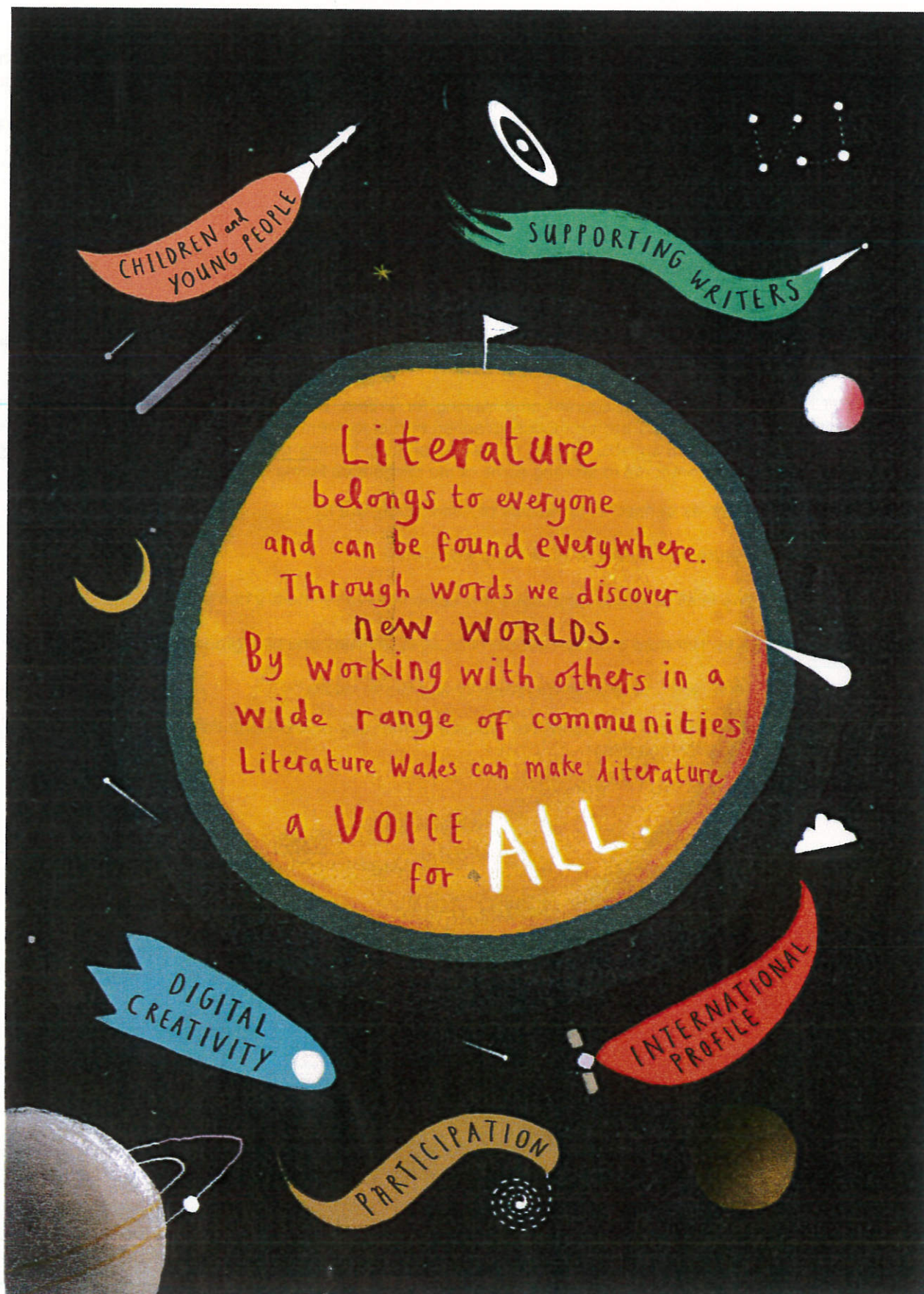
Dr Kate North, Chair

Lleucu Siencyn, CEO

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The trustees present their report and accounts for the year ended 31 March 2018.

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 [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)

OBJECTIVES AND ACTIVITIES

Who we are

Celebrating and Supporting the Written and Spoken Word

Literature Wales is the national company for the development of literature in Wales.

Through our writer development services and by enabling and supporting writers, participants and organisations in their engagement with the art-form, we aim to make literature a voice for all.

We offer bursaries, creative writing courses and training for writers; actively collaborate with organisations and individuals who contribute to the promotion, creation and enjoyment of literature in Wales; offer expert advice to event organisers on suitable writers, as well as offering funding towards activity costs; and deliver ambitious projects which contribute to tackling some of the challenges facing us today.

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

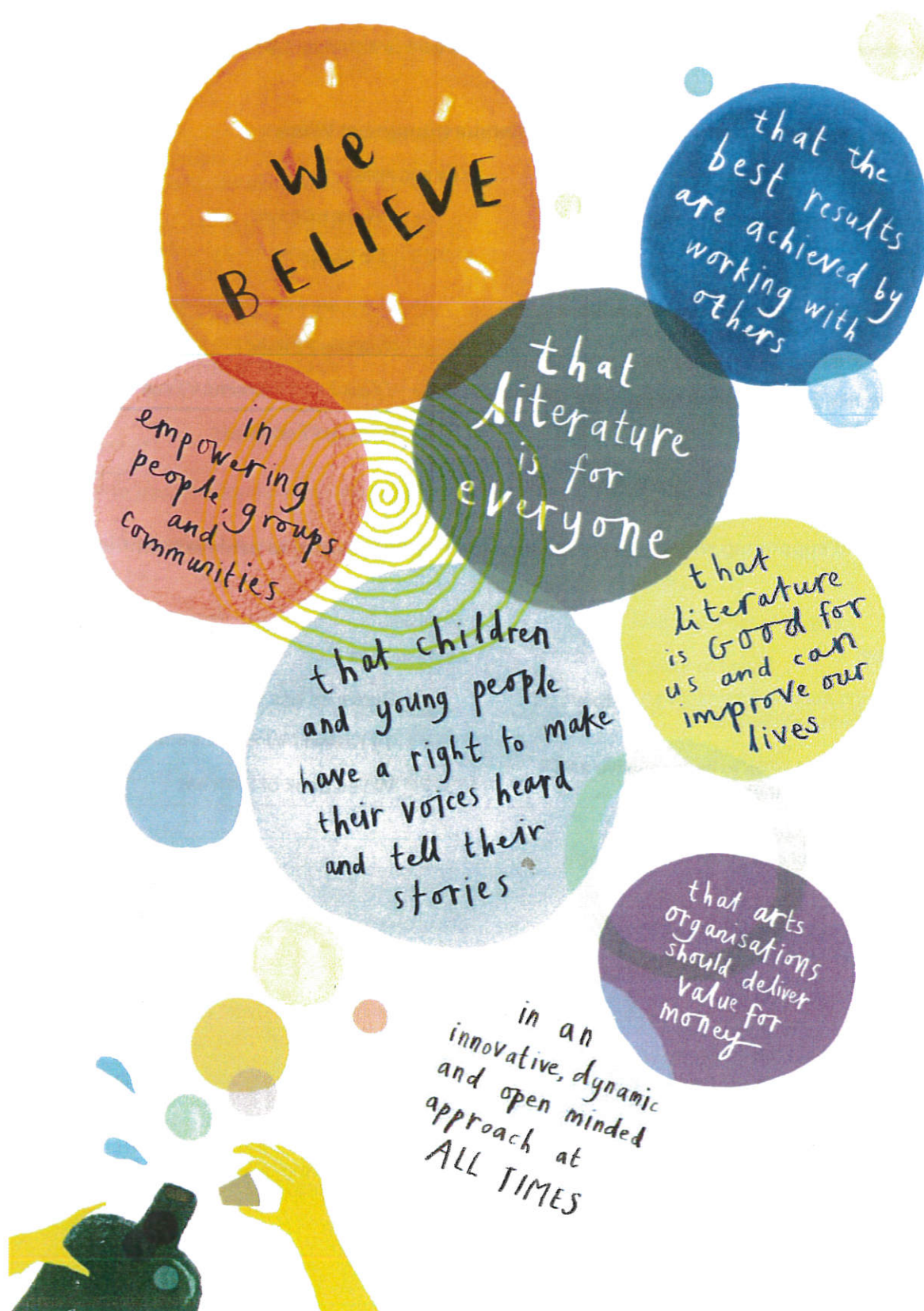
- Promote literature from Wales in Wales and world-wide.
- Support writing in all of Wales' languages and celebrate Wales' literary heritage.
- Foster a love for literature amongst people of all ages, abilities and backgrounds.
- Develop children and young people's creativity and literacy skills.

Literature Wales is funded by the Arts Council of Wales as a member of Arts Portfolio Wales, and is one of its eight designated National Companies.

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AIMS AND OBJECTIVES

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 concentrates on five strategic areas:

Participation

Improving opportunities for all to participate in literature throughout Wales

We do this by:

- Increasing the breadth of provision of literary activity by working with a broad range of partners
- Working with more people who are at risk of becoming or remaining socially disengaged
- Stimulating and supporting locally-led, sustainable activity.

Key activities:

- Writers on tour
- Lit Reach
- Literature and Wellbeing Funding Scheme
- Reading Friends
- Weird and Wonderful Wales
- Festival Facilitation

Writer Support

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

We do this by:

- Offering support for writers so that they can reach excellence
- Encouraging writers to be innovative and experimental in their practice
- Developing specific practical and developmental opportunities for young writers

Key activities

- Bursaries and Mentoring Schemes
- Tŷ Newydd Writers Centre
- Wales Book of the Year

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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

We do this by:

- Increasing the number of children and young people in Wales engaging with high quality literature in all its forms
- Using words to give children and young people the opportunity and confidence to express themselves
- Addressing issues of cultural poverty, literacy and communication skills through the enjoyment of literature

Key activities:

- Bardd Plant Cymru
- Young People's Laureate
- Tŷ Newydd School Courses
- Young People's Writing Squads
- Cadwyn Heddwch

International

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

We do this by:

- Facilitating, advising and collaborating on international projects
- Maximising opportunities for and increasing the visibility of writers from Wales on the global stage
- Learning and growing through exchanges of practice and culture

Key activities

- National Poet of Wales
- Poetry of Loss
- The Valley, The City, The Village
- London Book Fair
- Tandem Europe

Digital Creativity

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

We do this by:

- Working with new and hard-to-reach audiences
- Creating more digital content and resources to enhance the value and legacy of our activities
- Improving access to creativity through digital platforms and skills

Key Activity

- Her 100 Cerdd
- Unique digital content sharing the excitement of live events and devising new digital literature projects
- Literature is for everyone and can be found everywhere, including on Twitter, Instagram, YouTube, Facebook, Flickr, Snapchat...

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Public Benefit

The trustees confirm they have had regard to the Charity Commission guidance on public benefit.

Literature Wales demonstrates public benefit through engagement and participation in its activities and initiatives. Through its partnership work and funding schemes, the reach of Literature Wales is considerable: during 2017-18, 97,753 people attended or took part in a Literature Wales supported activity. This included 39,784 children and young people.

Literature Wales places literature at the heart of the well-being, literacy, employment and skills agendas. We strive for literature to be seen as a vital part of a balanced, engaged and healthy life and support the aims of the Well-being of Future Generations Act.

Literature Wales works with partners across different sectors to ensure that arts and culture play a part in addressing the poverty of attainment and opportunity in Wales. Initiatives in each of the five strategic areas aim to impact on literature, engagement and wider social justice issues, including: increasing literacy levels in Wales, increasing the variety of groups actively engaging in literature activities, improving the accessibility and breadth of creative pathways open to aspiring and established writers, increasing employment opportunities for Welsh writers, and increasing the numbers of visitors to Wales engaging with Wales' literary heritage and contemporary literature scene. Directors are therefore satisfied that Literature Wales' programme delivers significant public benefit for Wales.

ACHIEVEMENTS AND PERFORMANCE

Programmes

In this section you will find details of the principal activity that took place during 2017-18:

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

Writers on Tour

Literature Wales' Writers on Tour funding scheme supports locally designed and organised literary activities across the length and breadth of Wales - this includes writer-led workshops, readings, performances, small festivals and lectures. The scheme enables people across the country to engage with literature by increasing the range and accessibility of Welsh and English-language events available in their vicinity.

Writers on Tour continues to be a crucial element of Literature Wales' role as a facilitator for literary events across Wales. Up to 50% of writers' fees can be offered to assist groups, schools, societies and organisations across Wales, and the popularity of the scheme is reflected by the amount of applications received each month.

During 2017-18, Writers on Tour supported 215 events and 247 individual writers. 54 of these events were specifically aimed at children.

Events supported by Writers on Tour were attended by over 5,000 people in 2017-18.

Literature for Health & Wellbeing

In August 2017, Literature Wales publicised a call-out for writers and arts practitioners to create and deliver a series of creative writing workshops in the community. Writers were invited to identify a clearly defined target audience and outcome for their proposed project. Ten writers and artists were then commissioned to develop and deliver projects, which took place in spring 2018.

Target groups included: those who have experienced homelessness; asylum seekers; survivors of domestic abuse; palliative care patients; prisoners; those in recovery from substance misuse issues; and those at risk

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of disengagement, marginalisation or exclusion. The projects culminated in a variety of different forms, such as showcase events, printed pamphlets of the work created and unique digital content.

"It was the last day of the residency and you sat with the poet reading your two poems about your illness. You have been told that you only have months to live....Now the poet sits close by you and you enthuse about poetry and how it has helped you express your feelings about this stage in your life. As we leave, you warmly hug the poet and to me this represents the definition of the word palliative that helps and supports every aspect of you at the end of life, but also celebrates the life you are living now." - Gudrun Jones, Art Therapist, speaking of Mererid Hopwood's poetry residency with the Palliative Care Team at Bronglais Hospital.

Lit Reach | Llên Pawb

Lit Reach provides opportunities for literature to benefit the health and wellbeing of the most disadvantaged and vulnerable individuals in our communities. Lit Reach builds on two of Literature Wales' previous initiatives - the Gwynedd Literature Promotion Scheme and the South Wales Literature Development Initiative.

This 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 where they will work closely with writers. Workshops and events are tailored to increase literacy levels, employability, social inclusion, lifelong learning, self-confidence and resilience, with the aim of having a positive impact on the wellbeing of participating individuals.

In its first year of activity across Wales, target groups have included: chronic illness sufferers and their carers; elderly care home residents; SEN school pupils; Men's Shed members; clients of a mental health charity; and young people who have experienced homelessness. Workshops have included: haiku and art creation; storytelling; walking and song-writing; poetry and movement; poetry and football; and spoken word.

"When the service users saw themselves on the finished DVD, there was lots of laughter and tears of happiness. Some didn't recognise themselves; some were saying they did not sound like themselves; some did not realise they had taken part; but all had a wonderful time remembering their past"

- Jude Hiles, Senior Daycare Officer discussing the Barry Dementia project

Weird & Wonderful Wales

Following successful grant applications to the Foyle Foundation and the Welsh Government's Tourism Product Innovation Fund, as well as generous contributions from Cadw, FOR Cardiff, Arriva Trains, Network Rail and Gardners, Literature Wales developed Weird & Wonderful Wales as part of the Year of Legends 2017.

Guided by renowned Mabinogion expert Professor Sioned Davies, the Welsh artist Pete Fowler toured Wales during autumn 2017, exploring some of our weirdest stories and legends. Stopping at six Cadw sites, Pete worked with 10 established and 24 emerging writers, and over 80 community members to create new works of art based on local myths and legends.

The tour culminated in the installation of a stunning 50ft high mural on the Grade II listed Water Tower at Cardiff Central Railway Station, opposite the Principality Stadium. The mural comprises images inspired by The Mabinogion and will be seen by over 8 million passing visitors each year. It has already featured in television coverage of major sporting events and Cardiff tourism marketing.

"I'm so grateful for the opportunity and it's the first time in quite a while I've felt so inspired." - Emerging Writer

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Reading Friends

Reading Friends is a three-year arts befriending project which is funded by The Big Lottery and managed in Wales by Literature Wales, in collaboration with national partner The Reading Agency. The one-year test phase in Wales started in June 2017 and is being delivered by Conwy Library Service, who were selected by a panel following an open call for expressions of interest.

The scheme in Conwy targets rural communities who are at greater risk of isolation and loneliness. Volunteers have been recruited, trained as Reading Partners, and paired up with Reading Friends. Both Conwy Library service and Literature Wales, along with the rest of the UK partners, are contributing towards a wider evaluation process of this test phase on behalf of The Reading Agency and will assist in the development of the project for 2018-19.

The most popular reasons given for wanting to become a Reading Partner were: "to meet and support isolated/lonely people" and "to give something back to the local area"

Festival Facilitation:

Cardiff Children's Literature Festival

Literature Wales worked closely with Cardiff Council again this year in co-ordinating the Welsh language programme for the 5th annual Cardiff Children's Literature Festival. Aimed predominantly at children ages 3-11, Cardiff Children's Literature Festival continues to create lifelong readers whilst entertaining and enthusing them about reading. Literature Wales organised and delivered 11 Welsh-language sessions as part of the festival, varying from interactive art and story sessions for young children, to creative writing workshops for teenagers.

Tafwyl

Literature Wales organised a programme of Welsh-language events for the Tafwyl festival in July 2017 which welcomed nearly 40,000 visitors to Cardiff's Llandaff Fields. The literary provision was held in Literature Wales' Lofa Lân yurt and delivered in partnership with Academi Hywel Teifi, Swansea University. Activities throughout the weekend included readings, book launches, interviews, performances, creative writing and illustration workshops, as well as the special recording of a BBC Radio Cymru Talwrn y Beirdd competition.

The National Eisteddfod

The 2017 National Eisteddfod saw Literature Wales moving on from the traditional Lofa Lân (a fully programmed literary stage in a tipi) and establishing a funding scheme which offered support for organisations and writers alike to host literature activities all over the festival field. 22 individual events were funded through the Writers on the Maes scheme. These were held in a range of locations and organised by organisations and charities such as Christian Aid, Teithiau Tango, Awen Meirion, Venue Cymru, Cymdeithas Eisteddfodau Cymru, and Academi Hywel Teifi.

The Writers on the Maes Scheme supported both emerging and established writers, including Iestyn Tyne, Myrddin ap Dafydd, Elan Grug Muse, Karen Owen, Fiona Collins and Aled Sam.

Writer Support: Developing and supporting writers at every stage of their writing journey to achieve their full potential

Bursaries and Mentoring Scheme

Following a sector consultation of its writer support and development activities in 2016, Literature Wales revised its Writer Development Schemes in July 2017, with an increased focus on emerging writers, enhanced mentoring opportunities, and better links to industry professionals. The new model began in February 2018 and continues to be funded via a Lottery Delegation Agreement through the Arts Council of Wales.

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The Literature Wales Writers' Bursaries enable writers to develop new work without any firm commitment to its publication. This gives writers the opportunity to venture into new territory and develop their artistic process, providing them with the time and resources to research, write, review and reflect. The Mentoring Scheme offers support and practical advice to writers at the start of their careers.

The independent Bursaries Panel considered the applications and selected 25 writers to be supported by the Writers' Bursaries and Mentoring Scheme. The Panel awarded a total of £60,200 to 21 writers through Writers Bursaries. The 2017 recipients included a record number of first-time applicants among its impressive female-led list. 10 writers were awarded a place on the extended Mentoring Scheme, including the recipients of 6 ring-fenced New Writers' Bursaries. The first week-long bespoke residential course was held at Tŷ Newydd Writing Centre in February 2018. Individual mentoring sessions began from June 2018 onwards. The Bursaries and Mentoring awards also included participation in two networking events with industry professionals.

"As a full-time writer for thirty years, the Literature Wales New Writer's Bursary has bought me the gift of time. The financial support has enabled me to have stress-free periods to think about ideas and reject them; to write pieces, leave them and return to them with a far sharper and more self-critical eye." – William Gwyn Jones

Writers at Work

Literature Wales worked with Hay Festival to help deliver their second Writers at Work programme in May/June 2017. Writers at Work is a professional development programme aimed at nurturing Welsh talent in both Welsh and English, managed by Hay Festival with support from Arts Council Wales.

The programme runs during the whole 11 days of Hay Festival Wales and gives emerging writers access to the publishing and creative writing expertise, in Wales and internationally, on offer at the Festival. Literature Wales supported the programme with promotion and assistance in selecting writers to participate, as well as delivering sessions on opportunities available to writers in Wales.

"Hay taught me that I can make a difference with my stories. I have something to give. I might not change the world, but, as the overused saying goes, I might change one person's world."

– Eloise Williams, Hay Writers at Work participant

Tŷ Newydd Writing Centre

During 2017-18, 26 residential and 8 one-day courses were held at Tŷ Newydd, developing the writing skills of people of all abilities, in various fields such as poetry, novel writing, writing for health and wellbeing, translating poetry, writing about climate change, writing and art, writing for children, and more.

365 people attended courses during the year and were tutored by some of UK's most distinguished writers, including Gillian Clarke, Horatio Clare, Carol Ann Duffy, Twm Morys, Eurig Salisbury, and Ian McMillan. The first Tŷ Newydd on Tour course was trialled, with Kate Hamer and Holly Müller delivering a taster session in Cardiff aimed at attracting participants to Tŷ Newydd for a residential course.

After attending a Tŷ Newydd course in 2017/18, 71% participants noted that the course had "certainly helped" with their development and/or progress as an author. 67% of participants had published work following their time at Tŷ Newydd, or were working to do so imminently.

Wales Book of the Year

One of Literature Wales' flagship activities is Wales Book of the Year, the annual national book awards in the fields of fiction, poetry and creative non-fiction. In January 2017, Literature Wales commissioned a review into Wales Book of the Year which was published in April 2017. Under increasing funding pressures in recent years, Literature Wales was eager to assess its business and administrative procedures for Wales Book of the Year. The aim was to identify a new, sustainable delivery model to secure the development of the Award year-on-year.

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Undertaken by creative communications agency Mela, the review demonstrated overwhelming support for Wales Book of the Year amongst Literature Wales' partners and stakeholders, as well as the reading public. Participants were unanimous in their view that Wales Book of the Year is an important fixture in the literary landscape of Wales and a showcase for the industry.

The review's recommendations for the future included: simplifying the judging process – including the introduction of a filtering stage; introducing a fee for submitting entries; developing a sponsorship engagement plan; improving partnerships across the sector; and developing the award ceremony. Literature Wales held consultation meetings with the literature and publishing sector in Wales to discuss the review's recommendations and to agree a timetable for the 2017 Award.

The 2017 winners were announced to a full house at Tramshed, Cardiff in November 2017. The two overall winners were Idris Reynolds for *Cofio Dic* (Gwasg Gomer) and Alys Conran for *Pigeon* (Parthian).

Following the winners' announcement:

Sales of Pigeon increased 43%; Film rights were sold to Cwmni Da; audio rights have been sold to WF Howes for Audible/Amazon; the novel is being serialised in the Western Mail and is also a WH Smiths National Order.

Sales of Cofio Dic shot up 400% between November 2017 - June 2018 compared to the figures for the same period in the previous year.

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 scheme with partners S4C, the Welsh Books Council, the Urdd and Welsh Government. Anni Llŷn's two-year role as Bardd Plant Cymru ended in May 2017, having visited every county in Wales, 83 schools, 10 castles, and engaged directly with over 6,000 children.

Casia Wiliam was announced as the new Bardd Plant Cymru in May 2017, and began her tenure in September. Her remit includes working in schools, visiting festivals, writing commissioned poetry pieces, and taking part in special projects.

Teachers and children have responded overwhelmingly positively to Casia's sessions. Highlights have included: a tour around schools in the Brecon and Radnorshire area in March 2018, where she held workshops in many schools where Welsh is a second-language; and delivering a workshop at Cardiff Castle for Roald Dahl Day in September 2017 in partnership with the Roald Dahl Literary Estate and Cardiff Council.

Young People's Laureate

The Young People's Laureate (YPL) initiative aims to develop self-expression, creativity and communication skills amongst young people. Drawing on a wide range of disciplines, the project has been developed to engage the next generation in new and innovative ways. The Young People's Laureate specifically works with young people from hard to reach and disadvantaged backgrounds.

During her final year in the role, Sophie McKeand engaged with young people across Wales and beyond through a variety of creative writing and spoken word workshops. Sophie also took part in wider projects such as the Dylan Day Celebrations at Chirk Castle, a Weird & Wonderful Wales event at Caernarfon Castle, Theatr Genedlaethol Cymru's Cipio'r Castell Poetry Slam and the Tree Charter poetry project at Bute Park, Cardiff. In March 2018, Sophie ended the year and her time as YPL by leading a young writers' residencies tour in partnership with Cadw and the National Trust. The project - The Language of the Land - explored linking literature and heritage, helping those involved to view and appreciate sites in a new way.

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Wales Launch of Philip Pullman's *La Belle Sauvage*

On 22 October 2017, Literature Wales partnered with Waterstones to deliver the Wales launch of *La Belle Sauvage* by Philip Pullman – the much anticipated first novel in The Book of Dust trilogy. The launch event took place in the BBC Hoddinott Hall, Cardiff to a sell-out audience of 350 and was followed by a 2-hour book signing by Philip, who is Literature Wales' Patron.

'Creativity and Time to Dream' – A triple laureate event

On 16 March 2018, Literature Wales welcomed the Waterstone's Children's Laureate, Lauren Child, to Cardiff to take part in a one-off "Triple Laureate" event. Famed as the creator of the popular Charlie and Lola series, Lauren was joined by Literature Wales' children's laureates Casia Wiliam and Sophie McKeand.

Held at Cardiff Metropolitan University Cyncoed Campus in association with the School of Education and Social Policy, 'Creativity and Time to Dream' was intended to inspire a new generation of children's writers and educators. All three Laureates discussed how they encourage a love of literature amongst children of all ages and shared their own methods in inspiring children to believe in their own creative potential.

This event was organised by Literature Wales in partnership with Cardiff Metropolitan University and Booktrust.

Tŷ Newydd Courses for Children and Young People

In 2017-18, Tŷ Newydd Writing Centre welcomed 7 schools for residential courses and 3 schools for day courses. The day courses were organised for local school pupils with authors Myrddin ap Dafydd and Mari Emlyn. One residential school travelled from Geneva, and during their stay enjoyed an evening of Welsh entertainment with Gwyneth Glyn and Twm Morys.

Tŷ Newydd also welcomed a group of Young Critics from Venue Cymru for a weekend course to enhance their critical analysis skills with the critics Lyn Gardner and Tamara Harvey. New initiatives were also developed in partnership with Mewn Cymeriad and Cwmni Theatr Frân Wen to offer a creative retreat for young writers to develop their scriptwriting skill set. A group of talented writers who found success in the Urdd National Eisteddfod literature competitions attended a weekend course led by Manon Steffan Ros and Eurig Salisbury, and the annual Creative Writing Course for Young People continues to go from strength to strength, as one of the attendees was specially selected to join the Spring Poetry Masterclass to further develop her poetic career.

Tŷ Newydd also housed a number of Writing Squad and Art Squad workshops for accomplished young writers and artists during 2017-18.

"We brought 19 boys to Tŷ Newydd last January to deliver some intensive revision sessions in the calm environs of beautiful Cricieth...We had some great results from them. The whole group were on D grades or below at Christmas and with the help of the residential they achieved 69% A-C. As a school, we are really proud of their achievement so I'd just like to pass on our thanks again for the stay."*

– Sarah, teacher at Woodchurch High, Wirral

Education

Literature Wales is dedicated to the presence of literature and creative writing within Welsh educational settings. Critical reading contributes to literacy, communication, empathy and cultural learning, but literature is also an expressive subject which can be deployed in cross-curricular settings and has significant value to both personal wellbeing and cultural life.

To these ends, Literature Wales has been fostering a close relationship with Welsh Government's Department for Education and Skills, culminating in commissioned consultancy work during the development of the new curriculum by the Languages, Literacy and Communication Area of Learning and Experience group. As part of this ongoing work, Literature Wales wrote a discussion paper with Jude Brigley and a range of educationalists and writers entitled '*Love the Words: A discussion of how literature can inspire successful Welsh futures*'. The paper argues that literature has a crucial role in raising standards and closing the

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achievement gap, and by deploying literature in all its forms, across all Areas of Learning and Experience, we will equip pupils with the means to become outspoken and engaged citizens of the world.

Cadwyn Heddwch

Literature Wales received funding from the Heritage Lottery Fund in 2016 to support a project called Cadwyn Heddwch. The aim was to enhance children's knowledge of peace interventions during the First World War. Three authors, Sian Northey, Gwion Hallam and Manon Steffan Ros, were invited to lead Welsh-language creative writing workshops at 15 Gwynedd primary schools, engaging over 300 children and teachers.

During school workshops and visits to local archives, the children wrote over 450 letters of peace, a selection of which were exhibited at the National Eisteddfod in 2017. Parts of the letters were adapted to form a script by the organisation Wales for Peace, and posted regularly on Twitter until March 2018. The project ended in September 2017, when the letters were buried in a time capsule under a tree in the garden at Tŷ Newydd Writing Centre, in the hope that they might someday be shared with future generations.

Champions League Project

Cardiff City Stadium hosted the UEFA Women's Champions League Final in June 2017, with the men's final taking place at the National Stadium of Wales. To celebrate this landmark event, Literature Wales and the Cardiff City FC Foundation teamed up to offer football and poetry workshops inspired by the Champions League and female role models.

Girls from Ysgol y Wern and Kitchener Primary Schools took part in football training sessions with the CCFC Foundation and worked with poet clare.e.potter over three days to create their own Champions League-themed poems. The project resulted in the creation of a short film celebrating women in sport, which was shared online across Literature Wales and Cardiff City FC's websites and social media channels.

Watch the video here: www.literaturewales.org/lw-blog/literature-wales-sports

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 and represents the best writing from Wales on the national and international stage. The National Poet of Wales also leads campaigns within Wales and appears at events and festivals worldwide to raise the profile of writing and writers from Wales.

During his second year in the role, award-winning poet Ifor ap Glyn travelled to China, Poland, Belgium and Ireland, sharing stages with poets from all over the world. Ifor was also a key contributor to Literature Wales' Poetry of Loss programme (further information below).

In 2017-18, National Poet of Wales Ifor ap Glyn took part in over 160 events and activities both in Wales and beyond.

A television programme charting Ifor's first year as National Poet of Wales was broadcast on S4C, and he has been invited to contribute to national and international radio and television programmes discussing different aspects of Welsh poetry.

The National Poet of Wales has a role in commemorating key events in Wales by writing commissioned poems which are published on the Literature Wales website. On 8 October 2017, Ifor ap Glyn's monologue 'Mamgu's Letter', commissioned by Wales Millennium Centre to mark 50 years since the Aberfan disaster, was read onstage by the actor Siân Phillips at the Aberfan Memorial Concert and broadcast live on S4C, with highlights of the concert shown on BBC2 Wales.

LLENYDDIAETH CYMRU/LITERATURE WALES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

Poetry of Loss

Literature Wales delivered an international programme commemorating the First World War and Welsh poet Hedd Wyn, who was killed on the battlefields of Flanders in 1917. The project was funded by the Welsh Government's *Cymru'n Cofio* Wales Remembers 1914-1918 First World War Centenary Programme and delivered in partnership with the Government of Flanders and Snowdonia National Park Authority.

The year-long programme included: an evening of poetry, music and discussion about Hedd Wyn and the poets of the First World War at Passa Porta, the International House of Literature in Brussels; a three-week literary residency for Welsh poet Nerys Williams in Brussels; a literary residency for Peter Theuynck, a writer from Flanders at Tŷ Newydd Writing Centre, Llanystumdwy; an evening of poetry in Dublin on the theme of First World War poetry; a school workshop with Ifor ap Glyn and secondary school pupils from east Dublin; and multimedia poetry show 'Y Gadair Wag | The Empty Chair', written and performed by National Poet of Wales, Ifor ap Glyn. The show revisited the life of Hedd Wyn and explored the nature of loss and identity; it toured five venues in Wales and two in Ireland during September 2017.

The Valley, The City, The Village

Literature Wales collaborated with Parthian Books, Wales Arts Review and Bee Books in Kolkata, India for a literature project between Welsh and Indian writers. The Valley, The City, The Village was supported by Wales Arts International and the British Council's India Wales Fund.

During February 2017, three Welsh writers, Natalie Ann Holborow, Siôn Tomos Owen and Sophie McKeand, visited India for three weeks. During their visit they attended Kolkata Book Fair, took part in numerous readings, events and projects and collaborated with three selected Indian writers. In June 2017 Indian writers Arunava Sinha, Aniesha Brahma and Srijato Bandyopadhyay, visited Wales for three weeks, and took part in a number of events at Hay Festival, Tŷ Newydd Writing Centre and the Llansteffan Literary Festival.

London Book Fair

The International Literature Stakeholder Group in Wales worked to deliver a branded stand for Wales at London Book Fair 2018 (LBF). The group comprises seven organisations from Wales who work internationally in the literature sector. It was formed 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. The seven partner organisations are: Arts Council of Wales, British Council Wales, Literature Across Frontiers, Literature Wales, Wales Literature Exchange, Wales PEN Cymru and the Welsh Books Council.

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.

Tandem Europe

Literature Wales was selected to represent Wales at the prestigious Tandem Europe programme. Tandem Europe is a cross-border learning and action programme which is built on cross-cultural and cross-border partnerships. To date, the project has seen Literature Wales visit Bulgaria, Portugal and Spain to link and share learning with other cultural partners across Europe and explore how creativity can be used for social innovation.

Literature Wales is working in partnership with Solidarios para el Desarrollo in Madrid to develop a year-long project entitled *A Taste for Life / Gusto por la Vida / Blas ar Fwyd*, engaging with older citizens of Spain and Wales to reduce the risk of isolation. The initial project will see three Spanish and three Welsh older people sharing recipes, food and memories with Welsh poets, who will later compose poems inspired by the food and stories.

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

Her 100 Cerdd

To celebrate National Poetry Day on Wednesday 27 September, Literature Wales once again challenged four poets to compose 100 Welsh-language poems in 24 hours. The four poets who accepted the challenge this year were Karen Owen, Rhys Iorwerth, Iestyn Tyne and Gwynfor Dafydd. Since its inception in 2012, this innovative digital project has provided a unique snapshot of Wales on that specific day – its politics, interests, news and culture.

Over 130 individual requests for poems via Facebook, Twitter, Email and personal messages to the poets were received. All poems were published on Literature Wales' website and were shared on social media, in newsletters and on external platforms.

The Her 100 Cerdd twitter posts received 110,743 organic impressions and the Literature Wales website received over 16,000 page views between 27 - 29 September 2017.

Unique Digital Content

Literature Wales worked with many partners during 2017-18 to create more unique digital content in order to showcase our activities to wider and hard-to-reach audiences. These partners include the Cardiff City FC Foundation; Roald Dahl Literary Estate; Stop Climate Chaos Cymru; Visit Wales; Wales for Peace; Weston Jerwood; Write4Word as well as a number of individual writers and artists. The content created includes videos, photographs, blog posts, storytelling twitter feeds and audio recordings.

Business Development

The Welsh Government Review into support for Publishing and Literature in Wales, June 2017

The Independent Review of Support for Publishing and Literature in Wales commissioned by Welsh Government and chaired by Professor Medwin Hughes, was published on 17 June 2017. The report included recommendations to transfer a range of responsibilities from Literature Wales to the Welsh Books Council.

Literature Wales had grave reservations concerning the recommendations and the evidence presented to support them, as well as the misinformed portrayal of the organisation. These reservations were communicated to the Welsh Government and the National Assembly for Wales' Culture, Welsh Language and Communications Committee.

A number of Literature Wales' senior managers and a substantial amount of staff time (estimated at 1,200 hours with an approximate value of £24,000) were dedicated to the provision of counter evidence, rebuttals, and responses to the report. In addition, the time given to this work significantly impacted on Literature Wales' activity delivery, and the uncertainty engendered by the report's recommendations is likely to have influenced the outcome of grant and sponsorship applications which were under consideration at the time.

Examples of the report's negative impact on Literature Wales' reputation, fundraising, activity delivery and staff capacity during 2016-17 have been calculated and provided to the organisation's Auditors, and are detailed in the Financial Review section, page 21.

It is not expected that the recommendations made in the report will be actioned. However, to date this decision is still to be officially confirmed and therefore an element of uncertainty exists concerning the organisation.

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Weston Jerwood Creative Bursary Award

In 2017/2018, Literature Wales was awarded a Weston Jerwood Creative Bursary. This is a UK-wide programme supporting arts organisations to diversify recruitment and talent development and build their capacity for outstanding artistic production. Literature Wales is one of only two organisations from Wales to be awarded the Bursary, worth £13,046.

A new post was created – Development & Communications Officer – with a successful appointment in February 2018. The participant is tasked with bridging the Development and Communication teams, strengthening the links between Literature Wales' evaluation methods and the internal and external communications. The aim is to develop new and more effective ways of communicating the impact of Literature Wales' work.

As part of the programme, a Senior Manager attended a diversity in recruitment workshop. The recruitment processes were subsequently revised in order to increase the reach, accessibility and appeal of future job adverts, and to focus on potential amongst entry level applicants who are less likely to have relevant experience. Equality in representation amongst staffing is essential for increasing the diversity of Literature Wales' audiences and programming.

Human Resource Policy & Procedure

All HR policies are reviewed and approved annually by Literature Wales' Board of Directors. In 2017-18 a new Professional Development Review system was developed and approved by the Board. The new system will be rolled out early in 2018-19.

Tŷ Newydd Writing Centre Commercial Development

2017-18 was a successful business year at Tŷ Newydd Writing Centre. Increased efforts were made to secure non-course related revenue for days where the house is usually empty. 18 private hires were hosted, including one wedding, mainly via the holiday rental agency Under the Thatch. In addition, many organisations and societies hosted a variety of closed activities including conferences, meetings and tours. These organisations and societies include Gwynedd Council, The Edward Llwyd Society, British Gestalt Journal and NAWÉ.

Literature Wales was awarded a grant by the Pilgrim Trust which will be invested in further conservation plans for the Grade II* listed building. Literature Wales will collaborate with Chambers Conservation Architects on this work in 2018-19.

Monitoring & Evaluation

The Development & Communications Officer (recruited following receipt of a Weston Jerwood Creative Bursary – see page 24) scaled up the development of a new system detailed in the 2016-2019 Monitoring & Evaluation Strategy. Due for full implementation by the end of 2018-19, this system will embed data capture and analysis of the activity within existing delivery models. It will also act as a wheel, more effectively communicating outcomes and lessons learnt to Senior Managers and the Business Team (including Governance, Development and Communications staff).

This process will influence strategic, operational and programming decisions and relay them back to delivery staff. It will also allow for more detailed analysis of organisational impact for communication with Management Board and stakeholders including funders, partners, writers and audiences.

During 2017-18, the value-added impact of Literature Wales' work was calculated in real terms. For every £1 invested in Literature Wales by the Arts Council of Wales, an additional £2.50 is generated - equating to £1.827M per annum. An infographic was commissioned to communicate this which can be viewed on page 20.

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The General Data Protection Regulation

The General Data Protection Regulation (GDPR) will come into force on 25 May 2018. Literature Wales is developing new privacy notices for staff and the public which include definitions of the legal bases for data processing, and the procedures for data access requests, data revisions, data limitations, and data deletion.

Management Board Recruitment

Following a public recruitment drive, Management Board Director interviews were held on 21 March 2018. Nine new Directors were appointed – seven will join the Literature Wales Management Board in the 16 May 2018 Board Meeting and the remaining two will join in September 2018 and February 2019. An induction pack for Directors has been developed and a governance training course will precede the 16 May 2018 Board meeting. Information about Literature Wales' Directors can be found on:

www.literaturewales.org/about/management-board.

Governance Action Plan

A number of actions from the Literature Wales Governance Action plan were completed during the 2017-18 financial year and these are detailed below:

i. Management Board

Training and induction resources have been developed for the Literature Wales Management Board. Proposed changes to the frequency and timing of Management Board meetings - and their support through the establishment of sub-committees - will be actioned in 2018-19. The conflict of interest and declaration of benefits registers for Management Board Directors have been revised and will be placed as a public resource on the Literature Wales website in 2018-19.

ii. Articles of Association

The executive will meet Geldard's LLP in 2018-19 to begin the process of updating and revising the current Literature Wales Articles of Association. This will include legislative revisions and development of the charity's objects.

iii. Reserves Policy

A formal reserves policy has been developed during the 2017-18 financial year to increase Literature Wales' level of financial reserve. The policy will be presented for Management Board approval in the 16 May 2018 meeting.

iv. The Risk Register

The Risk Register was revised during 2017-2018 to provide more detail and breadth. The executive will be working with a consultant as part of the ACW Resilience Programme to develop a more dynamic system which integrates better with internal working practices.

Strategic Equality Plan

Literature Wales is currently revising its Strategic Equality Plan and this will be presented to the Arts Council of Wales in 2018/19. The Strategic Equality Plan will include representation and employment targets. It will be developed further during the next financial year and incorporated into Literature Wales' Strategic Plan for 2019-2022.

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Llenyddiaeth
Cymru
Literature
Wales

For every £1
invested in Literature
Wales by the Arts
Council of Wales, an
additional £2.50 is
generated

An additional
£114,000 is
created through
Writers on Tour

An additional
£308,000 is
generated
through
fundraising

This
equates to
£1.827M*

An additional
£326,000 is
created through
Tŷ Newydd
Writing Centre

An additional
£910,000 is
generated for
others through
partnerships

An additional
£109,000 is created
through other
activity including
major events, Wales
Book of the Year and
literary tours

An additional
£60,000 worth
of in-kind
support is
provided to
others

Writers' Bursaries create additional income from book sales - e.g. Kate Hamer's *The Girl in the Red Coat* received a £5000 Writer's Bursary and has sold 75,911 copies in the UK, worth £400,252**

*Based on 2015-2017 figures

** Based on UK sales figures provided by Nielsen BookData

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FINANCIAL REVIEW

Overview

Literature Wales is a member of the Arts Council Wales' Arts Portfolio Wales and a Lottery delegate, responsible for allocating funding through the Writers on Tour, Writers' Bursaries and Mentoring schemes. Literature Wales also works directly with Welsh Government, which supports projects such as the Roald Dahl 100 Wales celebrations and the online literary tourism hub, Land of Legends - www.landoflegends.wales

Funding for the Arts Portfolio Wales is confirmed on an annual basis, following the pattern of ACW's own agreement with Welsh Government. Literature Wales' Arts Portfolio Wales funding from ACW for 2017-18 has been reinstated to 2015-16 levels - by reversing the 3.5% reduction seen in 2016-17. This sees ACW core funding increase from £717,163 in 2016-17 to £742,264 in 2017-18. Writers Bursaries, Mentoring and Writers on Tour continue to be supported through a Lottery Delegation Agreement.

Independent Review of Support for Publishing and Literature in Wales

The Welsh Government's Independent Review of Support for Publishing and Literature in Wales had a considerable impact on Literature Wales' reputation, fundraising, activity delivery and staff capacity during 2016-17. Details of this impact include:

- A substantial amount of staff time (estimated at 1,200 hours with an approximate value of £24,000) was dedicated to the provision of counter evidence, rebuttals, and responses to the report.
- Time dedicated to the work detailed above significantly impacted on Literature Wales' activity delivery.
- Overall drop in additional grant funding secured by Literature Wales from £202,000 in 2016/17 to £106,000 in 2017/18, in part due to a reduction of submitted applications.
- One grant application and one sponsorship pitch - with a combined value of £40,000 - were unsuccessful, likely as a direct result of the report's recommendations and the reputational damage incurred.
- A significant delay to Literature Wales' entry into the Arts Council of Wales' Resilience Programme. This impacted the organisation's ability to timetable urgent operational and governance development work.
- Design, translation and printing costs totalling £978.31.
- Delays to some scheduled activity delivery (e.g. Weird & Wonderful Wales, Lit Reach, Reading Friends)

Fundraising

2017-18 saw Literature Wales deliver on its 2016-2019 Fundraising Strategy mission to better realise the potential of alternative income sources. Building on improved charitable trust and foundation grant application outcomes achieved in 2016-17, efforts to increase commercial income have been particularly successful in 2017-18. This sees Literature Wales progress towards 70% reliance.

Highlights include:

Commercial Income

- *Tŷ Newydd holiday lettings and weddings.* Following the 2015-2017 redevelopment of the centre, and the consolidation of the new Tŷ Newydd team, holiday and wedding bookings during fallow periods are an increasingly lucrative source of income.

Tŷ Newydd venue hire and weddings revenue, has seen an increase of over a 3000% since 2014-15 and a 156% increase since 2016-17:

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2014-2015	2015-2016	2016-2017	2017-18
£815	£8,085	£10,384	£26,249

- *Monetising Literature Wales' role as sector facilitators.* In 2017, a three year contract with Pop Up Projects CIC was agreed to deliver activity in Wales. Similarly, Literature Wales was commissioned by The Reading Agency in early 2017 to deliver their Reading Friends project in Wales, and by Welsh Government in autumn 2017 to consult on Wales' literature during the development of the new curriculum. These are strong examples of Literature Wales monetising its sector specialism, generating a total of £34,000 in 2017-18, and a further £85,500 by the end of 2019-20.
- *Merchandising.* Literature Wales has started capitalising on the merchandising potential of its literary tourism activity (e.g. www.landoflegends.wales and *Weird & Wonderful Wales*). A limited edition run of 200 signed giclée prints of Pete Fowler's Cardiff Railway Station Water Tower Mural (RRP £100 unframed/£150 framed) are available to buy, as well as other spin-off Land of Legends merchandise (e.g. tote bags). Income for literary tourism merchandising in 2017-18 was £2,600.
- *Tŷ Newydd course bookings income.* More effective course marketing, coupled with a new dynamic pricing structure and increased repeat bookings, has led to a 65% increase in income from Tŷ Newydd course bookings since 2014-15:

2014-2015	2015-2016	2016-2017	2017-18
£102,716	£144,490	£152,814	£169,342

Corporate Sponsorship & Charitable Trusts and Foundations

- *Trust & Foundation Grant Applications.* In its second year, the Fundraising Team has refined the approach adopted in 2016-17 by focusing on developing large grant applications (over £30,000). Programmes Team staff have been encouraged to apply for more small activity grants (under £10,000), and both the Fundraising and Programme Teams submitting medium level grant applications (i.e. £10,000-£30,000). This achieved £99,000 in income from competitive grant income, compared to £139,920 in 2016-17. Unfortunately, one large collaborative grant application, which reached phase 2, was ultimately unsuccessful.
- *Corporate Sponsorship.* Efforts to initiate profitable relationships with corporate sponsors have met with some success. FOR Cardiff gave a significant financial contribution towards the *Weird & Wonderful Wales* Cardiff Water Tower mural, and in-kind support was garnered from Arriva Trains Wales, Network Rail and Gardners for the same project. Pitches have been submitted for a potential overall Wales Book of the Year corporate sponsor, and a number of category sponsors remained loyal to the award.

Work for 2018-19 will include further developing corporate income sources, including the creation of a Business Partnership Plan. We also intend to better realise voluntary giving revenue such as legacies, a Friends Of scheme and digital giving campaigns. These will further diversify our income streams and reinforce our charitable status amongst audiences.

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Reserves Policy

Literature Wales aims to maintain sufficient funds within its unrestricted reserves to cover core functions and costs for a period of six months. Literature Wales plans to increase its general unrestricted funds by a minimum of £10,000 each year over the next 5 years.

At the end of the financial year, the balance of unrestricted reserves was £256,220. Free reserves were £159,881, which comprises unrestricted reserves excluding designated reserves of £69,047 and Fixed Assets of £27,292.

Investment Policy and Objectives

Literature Wales' policy is to invest prudently in order to ensure that the best use is made 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 additional 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 available.

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 revised during 2017-18 to provide more detail and breadth.

The main risks identified are:

- **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 ACW; recognise pressure on ACW from Welsh Government in terms of targets and seeking value for money and return on investment; ensure activity is consistent with funders' priorities; 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; foster good working relationships with Welsh Government departments; keep up to date with Welsh Government policy and strategy.

- **Failure to comply with legislation and regulations appropriate to the activities, size and structure of the charity**

To mitigate this risk, Literature Wales will: identify key legal and regulatory requirements and monitor these regularly; allocate responsibility for key compliance procedures; report any compliance issues to the Senior Management Team and Board and put in place measures to ensure compliance; create communications plan should any cases of non-compliance or legal action occur; ensure compliance with new GDPR regulations that come into place on 25 May 2018, and report to the Board.

- **Reduction in participation figures due to more targeted, intensive activity**

To mitigate this risk, Literature Wales will: collect and present relevant audience and participant data in a meaningful way; communicate Literature Wales' aim to engage those who have not previously engaged and encourage more active participation, through the Business Plan, strategies and MARCOMMS; continue dialogue with ACW relating to the way in which statistics are collected and shared; implement meaningful evaluation methods and learn from outcomes for future planning; develop new ways of presenting data and impact stories, through the Weston Jerwood Creative Bursary post.

- **Liability and Responsibility of working with Children and Vulnerable Adults**

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To mitigate this risk, Literature Wales will: update the Children & Vulnerable Adults Policy annually, approved by the Board; provide regular professional training for relevant staff working with children & vulnerable adults; carry out relevant DBS checks for staff and practitioners, where required; follow best practice guidelines issues by accredited agencies such as Children in Wales; offer specialist training for practitioners working with vulnerable groups and/or children and young people.

FUTURE PLANS

2019 - 2022 Strategic Plan

The Literature Wales 2019 - 2022 Strategic Plan will be finalised by winter 2018. During the next business year, Literature Wales will undertake a sector wide consultation to inform the strategic planning process, supported via the Arts Council Wales Resilience Programme. As part of this consultation, a network of Critical Friends will be established, where a number of individuals from a variety of backgrounds with expertise in a number of fields will be identified. They will provide constructive feedback on Literature Wales' work during 2016-19 and ideas for the future, review drafts of the organisation's new Strategic Plan, and help to measure progress in its delivery from 2019-2022. Literature Wales will also consult with key stakeholders, testing out programming ideas and new strategic priorities. This process will enable Literature Wales to continue to focus its offer, strengthening the alignment of its activity with the sharpened mission and vision.

Arts Council Wales Resilience Programme

Literature Wales was accepted into the Arts Council of Wales' Resilience Programme, which seeks to increase the resilience of arts organisations against existential threats. Engagement with this programme was put on hold due to the publication of the Welsh Government Review into support for Publishing and Literature in Wales. Specific areas for development have been identified, and Literature Wales will work with designated Arts Council of Wales Associates on three areas: consultation during the development of the 2019-2022 Strategic Plan; embedding a new consultation and governance framework into Literature Wales' operations; and developing a more integrated and dynamic risk management system.

Programme

Below is a selection of developments within Literature Wales' programme for 2018-19:

Dementia and the Arts

As part of its growing Literature for Wellbeing activities, Literature Wales will organise a Dementia and the Arts day which will be held in spring 2018. Dementia and the Arts will be a bilingual day of discussion and presentations by experts in the field of arts for health and wellbeing. It will be an opportunity to listen and learn in the company of guest speakers from many different art disciplines who specialise in working with people living with dementia.

Reading Friends

The Reading Friends scheme will be officially launched in October 2018 by national partners The Reading Agency. During the test phase, regional partners and deliverers have evaluated the project at the various locations, and the analysis of this evaluation is expected in September 2018.

There will be discussions with a second partner in Wales with a view to develop the scheme at a new location alongside Conwy in 2018-19.

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Cardiff Eisteddfod

The 2018 National Eisteddfod will be held on the doorstep of Literature Wales' Cardiff Bay office. During 2017-18, Literature Wales was involved in discussions with colleagues at the National Eisteddfod in order to plan its involvement at the annual festival. A representative from Literature Wales was also invited as a member of the Eisteddfod's Literature Committee to organise the literary programme.

Literature Wales is working with a variety of partners including Welsh Refugee Council, Red Cross Wales, The National Trust Wales and Octavos to ensure an inclusive and diverse programme of activities in its Eisteddfod programme.

Hay

Literature Wales will once again work with Hay Festival to deliver Hay Writers at Work - a professional development programme aimed at nurturing Welsh talent in both Welsh and English, managed by Hay Festival with support from Arts Council of Wales. For 2018, the involvement will be developed further by organising and delivering a bespoke industry day of where the cohort will benefit from talks and Q&As with a variety of UK literature industry professionals.

A number of events at the festival will also be developed, including a drinks reception for Literature Wales partners, stakeholders and writers.

Young People's Laureate Wales

With Sophie McKeand's tenure as Young People's Laureate (YPL) Wales coming to an end during 2017-18, the next business year will see the recruitment of a new writer to this post. Literature Wales will work with a variety of partners and individuals to appoint the new YPL with the announcement coinciding with the publication of its 2019-2022 Strategic Plan.

NHS 70

Casia Wiliam, Bardd Plant Cymru, has been commissioned by the Hywel Dda Health Board to write a poem to celebrate the NHS' 70th birthday celebrations. This poem will be distributed to, and displayed at, children's wards in hospitals across Wales.

National Poet

The National Poet of Wales Ifor ap Glyn will publish a bilingual collection of poems in 2018, many of which have been written during his tenure. The volume will be launched at the Hay Festival.

Poetry commissions for 2018 - 2019 will include a poem for Visit Wales' Year of the Sea, which will be released as a film on the Visit Wales and Literature Wales websites and social media platforms.

Wales Book of the Year 2018

Following the 2017 Wales Book of the Year Award Ceremony in November 2017, Literature Wales consulted with funders and partners in order to plan the timetable and organisation of the 2018 Award. It was agreed that the timetable should return to its original form with the Short List announcement in May and the Award Ceremony in June. The Award Ceremony will return to Tramshed, Cardiff for 2018, and conversations with further venues and funders are scheduled for summer 2018 for the 2019 Award.

Theatr Genedlaethol Cymru New Writers' Group

In 2018 Literature Wales will work with Theatr Genedlaethol Cymru on New Writers' Group, an initiative presented in association with further partners S4C, Pontio, Theatr Clwyd, Aberystwyth Arts Centre, Carmarthenshire Theatres, Wales Millennium Centre and the Sherman Theatre. The New Writers' Group is a unique opportunity for up to 8 new or emerging theatre writers to develop their craft through a series of events, workshops and mentoring over a period of 10 months. The aim of the New Writers' Group is to nurture future talent in Welsh-language theatre writing, and to enable new and diverse voices to flourish

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through the creation of new work for the theatre in Welsh. The call-out for writers will be launched in summer 2018.

Review of Books for Children and Young People

In 2017 the Welsh Books Council commissioned Dr Siwan Rosser to undertake a Review of Books for Children and Young People in Wales which was published in July 2017. Discussions are ongoing with regards how Literature Wales might respond to some of the recommendations. In autumn 2018, Literature Wales and Welsh Books Council will collaborate to organise a Welsh-language creative writing course for writers and illustrators of children's books at Tŷ Newydd Writing Centre. This course will welcome 12 participants and will be fully funded by the two organisations.

Education

Consultancy with Welsh Government's Department for Education and Skills will continue during 2018-2019, alongside a partnership project with CREW, Swansea University, which will commission educational resources aimed at increasing uptake of Welsh writers at GCSE and AS/A Level.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Literature Wales is a registered charity and a company limited by guarantee.

Governing document

The organisation 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.

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 represent specific portfolios or to strengthen the skills and expertise 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.

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

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 organisations 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; 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 (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

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

Dr Kate Teresa North (Chair – appointed 16/5/2018)
Professor Damian Walford Davies (Chair - resigned 16/5/2018)
Jacob Dafydd Ellis (Deputy Chair - appointed 16/5/2018)
Justin Thomas Albert (resigned 16/5/2018)
Craig Austin (appointed 16/5/2018)
William Ayot
Dr Tammy Boyce (resigned 18/01/2018)
Eric Charles
Catrin Gerallt Daniel (resigned 18/10/2017)
James Richard Dunn (resigned 14/07/2017)
Hannah Florence Ellis (resigned 14/07/2017)
Angharad Wynne Evans
Annie Finlayson (appointed 16/5/2018)
Elizabeth Margaret George
Llio Elain Maddocks (resigned 17/01/2018)
Radhika Mohanram (appointed 16/5/2018)
John O'Shea (appointed 16/5/2018)
Delyth Roberts (appointed 16/5/2018)
Owain Taylor-Shaw (appointed 16/5/2018)

Chief executive officer

Lleucu Siencyn

Company secretary

Ifan Brychan

Principal bankers

CAF Bank
25 Kings Hill Avenue,
Kings Hill,
Kent
ME19 4JQ

Auditors

MHA Broomfield Alexander
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



Date 12/7/2018

LLENYDDIAETH CYMRU/LITERATURE WALES

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2018

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 MEMBERS OF LLENYDDIAETH CYMRU/LITERATURE WALES

Opinion

We have audited the financial statements of Llenyddiaeth Cymru/Literature Wales (the 'charity') for the year ended 31 March 2018 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 2018 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 MEMBERS OF LLENYDDIAETH CYMRU/LITERATURE WALES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

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

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.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of MHA Broomfield Alexander

12/9/18

Chartered Accountants
Statutory Auditor

Waters Lane Chambers
Waters Lane
NEWPORT
UK
NP20 1LA

LLENYDDIAETH CYMRU/LITERATURE WALES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income and endowments from:</u>					
Donations and legacies	3	1,151	-	1,151	2,234
Charitable activities	4	1,159,266	38,296	1,197,562	1,176,991
Other trading activities	5	34,421	-	34,421	13,107
Investments	6	542	-	542	929
Other income	7	5,616	-	5,616	11,021
Total income		1,200,996	38,296	1,239,292	1,204,282
<u>Expenditure on:</u>					
Raising funds	8	30,788	-	30,788	30,331
Charitable activities	9	1,135,951	18,874	1,154,825	1,178,858
Total resources expended		1,166,739	18,874	1,185,613	1,209,189
Net income/(expenditure) for the year/ Net movement in funds		34,257	19,422	53,679	(4,907)
Fund balances at 1 April 2017		221,963	2,279,297	2,501,260	2,506,167
Fund balances at 31 March 2018		256,220	2,298,719	2,554,939	2,501,260

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	14		2,246,738		2,254,662
Current assets					
Stocks	16	306		753	
Debtors	17	163,869		186,265	
Cash at bank and in hand		441,878		370,382	
		606,053		557,400	
Creditors: amounts falling due within one year	18	(297,852)		(310,802)	
Net current assets			308,201		246,598
Total assets less current liabilities			2,554,939		2,501,260
Income funds					
Restricted funds	21		2,298,719		2,279,297
<u>Unrestricted funds</u>					
Designated funds	23	69,047		62,016	
General unrestricted funds		187,173		159,947	
			256,220		221,963
			2,554,939		2,501,260

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 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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.

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 12/9/18


K North

J Dafydd Ellis

Trustee



Trustee



LLENYDDIAETH CYMRU/LITERATURE WALES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		73,687		(9,611)
Investing activities					
Purchase of tangible fixed assets		(2,733)		-	
Interest received		542		929	
Net cash (used in)/generated from investing activities			(2,191)		929
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			71,496		(8,682)
Cash and cash equivalents at beginning of year			370,382		379,064
Cash and cash equivalents at end of year			441,878		370,382
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			-		-

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 Millennium 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 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 a net surplus of £53,679 (2017 - deficit of £4,907). 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.

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.

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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	
Plant and equipment	10% reducing balance
Fixtures and fittings	10% reducing balance

The trustees believe that due to the listed status of the property, combined with a policy of continuous ongoing maintenance, the net realisable value of the property will always be greater than its cost. Therefore, the property is not depreciated.

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

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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 Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.11 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.

1.12 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 2018

1.13 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

	2018	2017
	£	£
Donations and gifts	<u>1,151</u>	<u>2,234</u>
Donations and gifts	<u>1,151</u>	<u>2,234</u>
Other	<u>1,151</u>	<u>2,234</u>

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Charitable activities

	2018 £	2017 £
Grants	1,016,857	996,921
Income from activities	180,705	180,070
	<u>1,197,562</u>	<u>1,176,991</u>
Analysis by fund		
Unrestricted funds	1,159,266	
Restricted funds	38,296	
	<u>1,197,562</u>	
For the year ended 31 March 2017		
Unrestricted funds		1,073,556
Restricted funds		103,435
		<u>1,176,991</u>
Performance related grants		
Arts Council of Wales	851,701	846,663
Welsh Assembly Government	92,190	118,927
Literature and health	3,290	6,580
Bardd Plant Cymru	11,620	5,000
Reading Friends	35,336	-
Other	22,720	19,751
	<u>1,016,857</u>	<u>996,921</u>

5 Other trading activities

	2018 £	2017 £
Sale of books	8,172	2,722
Hire of Ty Newydd	26,249	10,385
	<u>34,421</u>	<u>13,107</u>
Other trading activities		

LLENYDDIAETH CYMRU/LITERATURE WALES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

6 Investments

2018	2017
£	£

Interest receivable	542	929
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7 Other income

2018	2017
£	£

Other income	5,616	11,021
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8 Raising funds

2018	2017
£	£

Trading activities

Ty Newydd

Administrative costs

Trading activities

15,566	15,202
15,222	15,129
30,788	30,331
30,788	30,331

For the year ended 31 March 2017

Trading activities

30,331

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Charitable activities

	2018 £	2017 £
Participation	386,888	370,054
Writer development	403,877	419,661
International representation & promotion	72,583	82,003
Children & Young People	146,616	142,496
Digital	17,509	17,125
	<u>1,027,473</u>	<u>1,031,339</u>
Grant funding of activities (see note 10)	101,600	134,365
Share of support costs (see note 11)	10,657	3,913
Share of governance costs (see note 11)	15,095	9,241
	<u>1,154,825</u>	<u>1,178,858</u>
Analysis by fund		
Unrestricted funds	1,135,951	
Restricted funds	18,874	
	<u>1,154,825</u>	
For the year ended 31 March 2017		
Unrestricted funds		1,065,429
Restricted funds		113,429
		<u>1,178,858</u>

10 Grants payable

Grants to organisations	12,145	27,950
Grants to individuals via organisations	15,327	33,020
Grants to individuals (Bursaries)	74,128	73,395
	<u>101,600</u>	<u>134,365</u>

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

11 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Depreciation and loss on disposal of fixed assets	10,657	-	10,657	3,913	
Audit fees	-	8,200	8,200	7,230	Governance
Direct costs	-	1,148	1,148	599	Governance
Administrative costs	-	5,747	5,747	1,412	Governance
	<u>10,657</u>	<u>15,095</u>	<u>25,752</u>	<u>13,154</u>	
Analysed between Charitable activities	<u>10,657</u>	<u>15,095</u>	<u>25,752</u>	<u>13,154</u>	

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

12 Net movement in funds

	2018 £	2017 £
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	7,230
Depreciation of owned tangible fixed assets	3,335	3,913
Loss on disposal of tangible fixed assets	<u>7,322</u>	<u>-</u>

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Average number of employees	<u>22</u>	<u>22</u>

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

	2018 Number	2017 Number
£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 £148,404 (2017: £149,986).

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2017	2,219,446	3,020	53,134	2,275,600
Additions	-	-	2,733	2,733
Disposals	-	-	(11,515)	(11,515)
At 31 March 2018	2,219,446	3,020	44,352	2,266,818
Depreciation and impairment				
At 1 April 2017	-	1,769	19,169	20,938
Depreciation charged in the year	-	125	3,210	3,335
Eliminated in respect of disposals	-	-	(4,193)	(4,193)
At 31 March 2018	-	1,894	18,186	20,080
Carrying amount				
At 31 March 2018	2,219,446	1,126	26,166	2,246,738
At 31 March 2017	2,219,446	1,251	33,965	2,254,662

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	598,608	539,287
Carrying amount of financial liabilities		
Measured at amortised cost	146,377	192,756

16 Stocks

	2018 £	2017 £
Finished goods and goods for resale	306	753

17 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	156,666	168,807
Other debtors	64	98
Prepayments and accrued income	7,139	17,360
	163,869	186,265

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

18 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other taxation and social security		11,263	9,690
Deferred income	19	140,212	108,356
Trade creditors		91,480	96,392
Other creditors		54,897	96,364
		<u>297,852</u>	<u>310,802</u>

19 Deferred income

	2018 £	2017 £
Other deferred income	<u>140,212</u>	<u>108,356</u>

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Balance brought forward	108,356	74,240
Income received	187,569	158,741
Income released	(155,713)	(124,625)
	<u>140,212</u>	<u>108,356</u>

Contained within deferred income is £113,100 that relates to courses and trading, and £27,112 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 £42,401 (2017 - £30,331).

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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:

	Balance at 1 April 2017	Movement in funds		Balance at 31 March 2018
	£	Incoming resources £	Resources expended £	£
Literature Reach	-	29,517	-	29,517
Y Neuadd	1,004	-	-	1,004
Literature and Health	17,548	1,090	(4,095)	14,543
Young Peoples Laureate	1,350	-	-	1,350
Rhys Davies Trust	3,684	-	-	3,684
Bardd Plant Cymru	5,898	-	(165)	5,733
Capital Development Reserve	2,219,446	-	-	2,219,446
Jan Mark Bursary	5,870	-	-	5,870
Judi Thwaite Bursary	500	-	-	500
Reading Friends	846	1,104	-	1,950
CCLF	-	1,047	(1,047)	-
IOF	-	347	(102)	245
Roald Dahl 100	18,636	-	(9,612)	9,024
Dylan Day	4,515	-	(3,853)	662
Weird and Wonderful Wales	-	5,191	-	5,191
	<u>2,279,297</u>	<u>38,296</u>	<u>(18,874)</u>	<u>2,298,719</u>

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

21 Restricted funds (Continued)

Literature Reach is a community project programme to offer creative and artistic opportunities through literature.

Y Neuadd is an online Welsh language literary journal which publishes new and experimental work. Its main source of income is a grant from the Welsh Books Council.

Literature and Health the charity received a grant from the Esmee Fairbairn Foundation to promote health and wellbeing through literature, and to broaden access to Ty Newydd.

Young People's Laureate the charity received funds from the British Council to fund international activities with the laureate.

Rhys Davies Trust - Literature Wales was successful in securing a grant from the Rhys Davies Trust to cover the costs incurred in organising a conference, a short story competition, and a number of outreach workshops in South Wales.

Bardd Plant Cymru the charity received funds from Welsh Government and S4C to allow the project to continue. The Bardd Plant Cymru is the Welsh-language Children's Poet Laureate.

Capital Development Reserve funded the purchase and substantial work done on the freehold property.

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 has been awarded for the delivery of Reading Friends co-ordination activities in Wales.

Cardiff Children's Literature Festival funding was provided for a family quiz with author Sian Lewis.

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

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

Road Dahl 100 funding was provided for specific projects with balances relating to 2018/19.

Weird and Wonderful Wales funding was provided for a six stop tour of Wales exploring myths and legends with illustrator Pete Fowler and guest artists.

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

22 Restricted Funds - Prior year

	Movement in funds				
	Balance at 1 April 2016	Incoming resources	Resources expended	Transfer	Balance at 31 March 2017
	£	£	£	£	£
Y Neuadd	5,244	-	(4,240)	-	1,004
Literature and Health	17,233	6,580	(6,265)	-	17,548
Cardiff Children's Festival	1,247	-	(200)	(1,047)	-
Young People's Laureate	1,566	-	(216)	-	1,350
Rhys Davies Trust	3,684	-	-	-	3,684
Bardd Plant Cymru	3,708	12,280	(10,090)	-	5,898
Capital Development Reserve	2,219,446	-	-	-	2,219,446
Jan Mark Bursary	5,870	-	-	-	5,870
Judi Thwaite Bursary	500	-	-	-	500
Reading Friends	-	2,475	(1,629)	-	846
Roald Dahl 100	-	70,100	(73,980)	22,516	18,636
Dylan Day	-	12,000	(16,809)	9,324	4,515
	<u>2,258,498</u>	<u>103,435</u>	<u>(113,429)</u>	<u>30,793</u>	<u>2,279,297</u>

23 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			
	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 31 March 2018
	£	£	£	£
Glyn Jones Bequest	57,280	-	-	57,280
John Tripp Fund	-	7,247	(667)	6,580
Ty Newydd Bursaries	4,736	1,121	(670)	5,187
	<u>62,016</u>	<u>8,368</u>	<u>(1,337)</u>	<u>69,047</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 2018

24 Designated funds - prior year

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:

	Balance at 1 April 2016 £	Movement in funds Resources expended £	Transfers £	Balance at 31 March 2017 £
Glyn Jones Bequest	60,130	(2,850)	-	57,280
Pension Reserve	4,512	(4,512)	-	-
Ty Newydd Bursaries	-	-	4,736	4,736
	<u>64,642</u>	<u>(7,362)</u>	<u>(4,736)</u>	<u>62,016</u>

25 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Tangible assets	27,292	2,219,446	2,246,738
Current assets/(liabilities)	228,928	79,273	308,201
	<u>256,220</u>	<u>2,298,719</u>	<u>2,554,939</u>

Analysis of net assets between funds - Prior Year

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible assets	35,216	2,219,446	2,254,662
Current assets/(liabilities)	186,747	59,851	246,598
	<u>221,963</u>	<u>2,279,297</u>	<u>2,501,260</u>

26 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	-	14,053

LLENYDDIAETH CYMRU/LITERATURE WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

27 Related party transactions

Travel expenses were reimbursed to 1 board member (2017: 3 board members) to the value of £251 (2017: £734) during the financial year.

Trustees remuneration and benefits

No trustees received remuneration for the year ended 31 March 2018 (2017: £nil). However, payments were made to board and committee members by Literature Wales for activities organised directly by Literature Wales or for activities supported by Literature Wales through Writers on Tour.

There were 2 board and committee members (2017: 4) who received fees totalling £1,376 (2017: £2,512).

28 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.

29 Cash generated from operations	2018 £	2017 £
Surplus/(deficit) for the year	53,679	(4,907)
Adjustments for:		
Investment income recognised in statement of financial activities	(542)	(929)
Loss on disposal of tangible fixed assets	7,322	-
Depreciation and impairment of tangible fixed assets	3,335	3,913
Movements in working capital:		
Decrease/(increase) in stocks	447	(243)
Decrease/(increase) in debtors	22,396	(27,315)
(Decrease) in creditors	(44,806)	(14,246)
Increase in deferred income	31,856	34,116
Cash generated from/(absorbed by) operations	73,687	(9,611)