

Charity registration number 1067810

Company registration number 02150427 (England and Wales)

THEATR IOLO LTD.
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



THEATR IOLO LTD.

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THEATR IOLO LTD.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

Objectives and activities

The purpose of the charity is;

'To encourage and develop the knowledge, enjoyment and understanding of the arts and to promote, improve and advance public education through the production of theatrical and other related educational and artistic activities.'

Vision

Theatr iolo is the leading Welsh children's theatre company, creating high quality experiences that are stimulating, surprising and meaningful for children and their adults.

Values

- **Trust:** When you come to a Theatr iolo production, you can trust your experience will be of the highest quality. You can rely on us to feel included, be inspired and entertained.
- **Ambitious:** We would like you to feel challenged and hope to help you to explore relevant issues that you face and deal with. We want to help young people open up and learn about themselves and the world in which they live.
- **Collaborative:** We want to reach as many young people as possible and particularly those that have not had access to live theatre before. We want to create work that is relevant to young people and strive to understand and represent the diverse nature of those stories.
- **Creative:** We want to ignite creativity and imagination in all the children that we reach and work with, in both Welsh and English languages. We want to offer the most creative, stimulating and surprising opportunities that challenges expectations.
- **Authentic:** We aim to represent children from all backgrounds and life experiences and deal with current challenges our audiences meet in their lives. We aim to remove barriers to attendance and strive to offer genuine and inclusive opportunities.

Aims

Theatr iolo aims to create quality experiences that are stimulating, surprising and meaningful for children of all ages and backgrounds, to help them make sense of the world around them and to find their place in it.

Theatr iolo want to find as many ways as possible to ignite creativity and imagination in all the children that they reach and work with in both Welsh and English languages. To aim to be the leading children's theatre company in Wales, that tours throughout the whole of Wales and collaborates with as many organisations and venues as possible in order to reach more young people and particularly those that have not had access to live theatre before. Theatr iolo wants to build on their excellent reputation as the key player in developing children's and family theatre and showcase that to the rest of Wales, UK and beyond.

There are three main strands to Theatr iolo's activity; a **Leading Organisation** for making work for young people, an **Artist Developer** and a **Learning & Engagement Provider**.

THEATR IOLO LTD.

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

FOR THE YEAR ENDED 31 MARCH 2022

Organisational Aims;

AIM 1: Produce/co-produce 1-2 productions a year that tour throughout Wales, within the restrictions at the time. Begin development on up to 3 further productions a year, collaborating with appropriate external partners in order to enable these productions to increase reach.

AIM 2: Be at the forefront of creating new work for young audiences by continuing to develop one artist a year in our mentor and development programme, prioritising Welsh language and/or Black, Asian or minority ethnic artists.

AIM 3: Commission 1-2 new plays/adaptations a year and also conduct a biennial new writing call-out.

AIM 4: Increase the amount of Welsh language work produced and developed, actively seeking new Welsh language artists, writers and creatives to work with.

AIM 5: Aim to be as accessible and inclusive as possible and consider those opportunities at the outset of all productions and projects.

AIM 6: Create a Creative Learning and Participation programme to run alongside our productions. These initiatives will offer more opportunities to grow audiences and increase engagement.

AIM 7: Strengthen resource base with new rehearsal room and base facilities and create a comprehensive fundraising and income generation strategy.

Volunteers:

The company is managed by a volunteer Board of Trustees who give their expertise in the areas of business management, arts management, marketing, governance, capital, and the law.

Public Benefit:

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Theatr iolo advances the education of children and young people as well as the wider community by making theatre that is accessible to all and celebrates, inspires and challenges young people, developing in them the desire and ability to express ideas and break down social and cultural barriers.

Internal and External Factors:

The company is operating under a remit from the Arts Council of Wales which emphasises the company's wider touring outside the traditional remit of schools-based performances.

Significant Activities:

Formed in 1987 Theatr iolo is a professional company which creates theatre especially for young people. It takes the very best of live theatre to venues across Wales, the United Kingdom and beyond, develops new artists, and curates the best of live theatre.

Achievements and performance

Leading Organisation for making work for young people:

In 2021-22 in spite of theatre closures, restrictions and slow recovery from the Covid-19 pandemic, for the majority of the year, Theatr iolo produced/co-produced two live outdoor theatre productions; **Baby, Bird & Bee** and **HOOF!** and one indoor theatre tour of Wales of the remounted **Llygoden yr Eira**. We delivered 164 performances in total in the year to 5,212 children, babies and their adults. *(It is worth noting that some capacity restrictions still applied limiting capacity for the outdoor productions.)*

THEATR IOLO LTD.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Artist Developer:

We also conducted more Research and Development for six other new shows; **Self-Raising, Time Detectives, Welsh Dragon, Pigeon/Pijin, Owl at Home and The Vanishers**, which will be delivered in 2022-2025. We also conducted a New Writers call out and workshopped four new scripts/ideas over 2 days in our Platform project.

Learning and Engagement Provider:

Theatr Iolo continued its commitment to creating a suite of online resources for teachers and parents, with free online creative learning programmes on storytelling and playwriting for home schoolers and teaching hubs available.

We also developed our digital **Young Playwrights** project expanding it to be an international competition in Wales and India. Four new radio plays written by the young people were produced for our podcast channel as a result.

Live Outdoor Shows

Baby, Bird & Bee was created by Sarah Argent and Kevin Lewis, performed by Kevin Lewis and designed by Valentine Gigandet, it was produced by Theatr Iolo.

Theatr Iolo are committed to making work for young audiences, including babies. This is unique in Wales and is infrequent in the rest of the UK. We co-produced this show in 2020 and explored themes of playfulness, wonder and discovery and focussed on the learning of social interaction, skills which are crucial to baby's development and skills which may well have been slow in developing during lockdown.

As this show was able to be performed outdoors and works well with restricted audience numbers, it was re-mounted in the summer of 2021 and went to the Hullabaloo Family Festival in Darlington in July, Grange Pavilion, Cardiff and Insole Court, Cardiff all in September 2021. It was also trialled as an indoor production at The Riverfront, Newport in September.

HOOF! was co-created with Kitsch n Sync, directed by Lee Lyford, performed by Kitsch n Sync, designed by Carl Davies, lighting design by Ceri James and sound design by Dyfan Jones.

In 2020, with the help of a small ACW Cultural Recovery Capital Grant, Theatr Iolo bought a second-hand trailer and converted it into a travelling theatre stage. **HOOF!** was the first production created for the Travelling Theatre, which was first performed in December 2020.

In order to aid the slow recovery of the theatre industry and to reach local communities, Theatr Iolo remounted a spring/summer version of **HOOF!** and performed outside closed theatre venues; The Riverfront, Newport, Barry MEMO, Chapter, Cardiff, Theatr Clwyd, Mold, Aberystwyth Arts Centre, Theatr Brycheiniog, Brecon, Bryngarw Park, Awen Trust and Welfare, Ystradgynlais. **HOOF!** also went to community venues; Llanrumney Hall in Cardiff, two Cardiff school playgrounds - Kitchener Primary School and Cardiff West Community High School and the Cardiff Summer Festival main site.

The 'Theatr Iolo Travelling Theatre' has enabled us to take live theatre direct to the audience, breaking down many barriers to attendance. This offered live performances to families and schools that are digitally poor, live in cultural cold spots and have many challenges to overcome in order for them to experience live theatre, even before a pandemic.

Creative Learning and Engagement

Playhouse: A UK collaboration between Theatre Royal Plymouth, Birmingham Rep, Bristol Old Vic, Polka, York Theatre Royal and Theatr Iolo. Due to Covid restrictions many of the UK partners had to postpone their festivals. However, Theatr Iolo continued with Playhouse Cymru and collaborated with The Riverfront, Newport to work with four local schools to deliver the festival in Wales.

THEATR IOLO LTD.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The four final performances took place live at The Riverfront Theatre and Arts Centre and they were broadcast live over Zoom to the children's friends and family in July 2021.

Alun Saunders was commissioned to write a new Welsh language play as part of the project, and it was also translated into English for the rest of the UK for the Playhouse back catalogue. Ysgol Gymraeg Bro Teyrnnon performed Alun's play.

Young Playwrights: Following the success of the inaugural competition in 2020, Theatr Iolo ran their Young Playwrights' Competition for a second year in autumn 2021. This time they collaborated with the Hyderabad Children's Theatre Festival in India to make the competition International.

During autumn 2021, young people from Wales and India were asked to write an original, imaginative and relevant 10-minute play for an audience between the ages of 7 and 16. The winning plays were **A Life in The Wild** by Mabli (age 9), **Y Lladrad Lloerig** by Awen (Age 12), **A Warning to the Museum** by Shiraz (Age 12) and **Small World** by Mahiya (age 16).

The four young writers then spent time alongside a professional director and actors to bring their ideas to life as an audio play. The plays were recorded over a series of video calls, in which the winning playwrights had an opportunity to share their inspiration with the actors and directors, and watch their plays being recorded. The plays were directed by Lee Lyford, Ffion Wyn Bowen and Shaili Sathyu, and performed by Mari Beard, Ffion Wyn Bowen, Cellan Evans, Shayantoni Ghosh, Faraz Khan, Kyle Lima, Elin Llwyd, Hannah McPake, Puja Sarup and Rhys ap Irefor.

This project was made possible thanks to a **Connections Through Culture: India-Wales grant** received from The British Council.

Creative Play Packs: Theatr Iolo believe a childhood without creativity is no childhood at all. Creativity and play are essential for children to develop new skills and use their imaginations, as well as offering them new ways to explore the world around them. In response to the Covid-19 crisis and the large amounts of digital and real poverty in their local area, Theatr Iolo teamed up with Naz Syed from Ziba Creative to create a fantastic Creative Play Pack, which included materials, equipment, lots of ideas, instructions and templates to inspire children aged 5 to 11.

When putting food on the table is a struggle, it is no surprise that families simply cannot afford to spend money on craft supplies such as scissors and glue. These items are not the everyday essential items that families with children need the most, but Theatr Iolo did not want them to remain a luxury for the hundreds of children that live in poverty.

In April 2021, thanks to a generous grant from The Millennium Stadium Charitable Trust, Theatr Iolo were able to create, pack and deliver 350 Creative Play Packs to children in deprived areas of Cardiff and Newport.

Bespoke Workshops: Theatr Iolo delivered 7 free family workshops and 11 school workshops throughout the year to 478 children and their adults.

Artist Development

Platform Artist: The Theatr Iolo Platform artist is given space, time and support to think, conceive and develop a new piece of theatre for a young audience. Theatr Iolo began working with and mentoring Kyle Lima as the Platform Artist in December 2019 and gave him the opportunity to spend time writing and researching to develop his play *The Welsh Dragon*.

Platform New Writing: A writer call out was conducted in 2020 and invited Welsh and Wales based writers to submit new stories/ideas for the stage for young audiences. The submissions received had varied topics and themes covered, reflecting the lived experiences of children and young people growing up in Wales today.

THEATR IOLO LTD.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The winning writers and scripts selected were: Chris Harris, Krystal Lowe, Naomi Chiffi and Connor Allen & Roanna Lewis. The two-day workshop event, to develop the successful writer's idea/script further with professional writers and directors, took place in September 2021 at the Sherman Theatre, Cardiff.

Associate Artists: Theatr Iolo support six Associate Artists by commissioning them to develop, create or produce work specifically for Theatr Iolo at least once in their six-year tenure with us (2020-2026). Associate Artists are also provided access to Theatr Iolo's resources, such as artistic and marketing expertise and office space. Theatr Iolo's current Associate Artists are: Anisha Fields, Catherine Dyson, Elgan Rhys, Hannah McPake, Kyle Lima and Sarah Argent.

Financial review

The budget policy of the trustees is to utilise the income received during the year as the entirety of its operating budget for that year. The majority of the company's income (a grant of £259,573) is derived from the Arts Council of Wales's grant towards the running costs of the charity.

The charity made an overall deficit of £1,732 for the year ended 31 March 2022, consisting of an unrestricted surplus of £10,768 and a restricted deficit of £12,500.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The charity's reserves at the year-end totalled £272,076, consisting of restricted reserves of £nil, general unrestricted reserves of £256,746 and designated reserves of £15,330. The charity's free reserves (unrestricted funds less fixed assets) totalled £237,146.

Plans for future periods

Theatr Iolo has shown their adaptability, flexibility and creativity in times of adversity. Their work has meant that they were able to employ freelancers and continue to keep a high profile of the positivity that the arts bring to the wider society. Moving forwards, a number of creative ideas for new productions and ways to adapt planned productions (live and digital content) are being developed. Artists will continue to be mentored and new writing developed as well as offering a number of creative learning opportunities for schools and families.

The company will be looking into remounting HOOF! for the 'Travelling Theatre' in the Summer of 2022 to take it to outdoor festivals. The company will also be producing an indoor theatre tour of Wales of the postponed Owl at Home production in Autumn 2022 and the co-production with Theatr Genedlaethol Cymru of Pijin/Pigeon in Spring 2023.

The company will continue to research and develop at least 4 other productions including: Remarkable Rhythm, The Welsh Dragon, Mission to the Midnight Zone and Self Raising.

The company will also be delivering the Playhouse project with The Riverfront Theatre and schools in Newport and look for ways to develop and grow their Creative Learning and Engagement programme.

The company will continue to consult, learn, meet, talk with and listen to a number of communities that they serve in Cardiff and throughout Wales, to ensure that they increase inclusion and representation and improve their environmental sustainability.

THEATR IOLO LTD.

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

FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Organisational Structure:

The board of trustees, who meet at least quarterly, administer the charity. The trustees appoint an Artistic Director/Chief Executive and Executive Director to manage the day-to-day operation of the charity. The company's staff comprises the Artistic Director, the Executive Director, the Communications and Engagement Manager and an Artistic Administrator.

To facilitate effective operation the Artistic Director and Executive Director has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and general management.

Wider Network:

Theatr iolo operates within a wider network of theatre companies providing work for children and young people. The company is currently an Ethical Manager of ITC (Independent Theatre Council) and a member of TYA-UK (formerly ASSITEJ UK), a charitable organisation that represents the interests of similar theatre companies throughout the UK within an international network. The company moved its administration base to Chapter Arts Centre in 2011.

Related Parties:

There were no related-party transactions during the year.

Risk Management:

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The company's risk register is presented annually to the board and major risks are reported on at each meeting. The register covers the major strategies, business and operational risks which the charity faces. The reporting system so established is to enable regular reports to be produced so that any necessary steps can be taken to mitigate exposure to these risks. These procedures are to be periodically reviewed to ensure that they still meet the needs of the charity.

The risk management strategy comprises:-

- the regular review of the risks the charity may face;
- the establishment of procedures to analyse the risks involved with any new activities;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and,
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Each member of staff with line management or project management responsibilities is required to be involved in identifying, evaluating and managing risks. The context for risk assessment and management is the vision, aims and objectives of the charity.

Responsibility for operational risks (risks to projects and activities) rests with the staff of the company and will be reviewed by the board at regular intervals. Responsibility for strategic risks (risks to the organisation) rests with the Board, with the staff responsible for reporting these risks to the board.

The major risks to which the charity is exposed were reviewed, discussed and any appropriate action taken.

The company perceives its main risks to be its reliance on government funding and the uncertain status of the arts industry as a whole due to the slow recovery from the Covid-19 pandemic crisis and the impending cost of living crisis. The model of touring shows across Wales and beyond at suitable venues is still slow to recover, as the industry continues to deal with disruptions, still expected to continue into 2022/23. To minimise these risks, the company is exploring creating digital content, creative learning programmes, more outdoor performances and other creative solutions to live performance in non-theatre spaces.

THEATR IOLO LTD.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Reference and administrative details

Registered charity number
1067810

Registered company number
02150427

Name
Theatr Iolo Ltd.

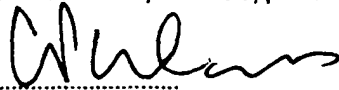
Trustees
J Cotsen
K Davies
S Edwards - resigned 14/10/21
R Lane
S Lewis
A Meikle-Thomas
S Wardle
E Williams
N Lawley - appointed 15/12/21

Company Secretary
M Reed-Perez

Principal and registered office
Chapter Arts Centre
Market Road
Canton
Cardiff
CF5 1QE

Independent examiners
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

The trustees' report was approved by the Board of Trustees.


.....
EVAN WILLIAMS
Trustee
Dated: 8-12-2022

THEATR IOLO LTD.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THEATR IOLO LTD.

I report to the trustees on my examination of the financial statements of Theatr Iolo Ltd. (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

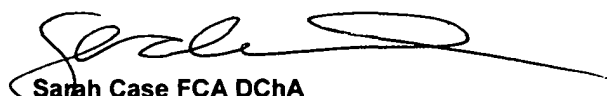
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Sarah Case FCA DChA

Azets Audit Services

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

United Kingdom

Dated: 21-12-2022

THEATR IOLO LTD.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	419	-	419	519	-	519
Charitable activities	4	316,661	3,500	320,161	269,177	25,000	294,177
Investments	5	314	-	314	153	-	153
Other income	6	12,324	-	12,324	11,820	-	11,820
Total income		329,718	3,500	333,218	281,669	25,000	306,669
<u>Expenditure on:</u>							
Charitable activities	7	318,950	16,000	334,950	256,531	22,500	279,031
Net income/(expenditure) for the year/							
Net movement in funds		10,768	(12,500)	(1,732)	25,138	2,500	27,638
Fund balances at 1 April 2021		261,308	12,500	273,808	236,170	10,000	246,170
Fund balances at 31 March 2022		272,076	-	272,076	261,308	12,500	273,808

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.

THEATR IOLO LTD.

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		19,599		30,237
Investments	12		1		1
			<u>19,600</u>		<u>30,238</u>
Current assets					
Stocks	14	150		150	
Debtors	15	25,902		14,738	
Cash at bank and in hand		235,892		234,766	
		<u>261,944</u>		<u>249,654</u>	
Creditors: amounts falling due within one year	16	(9,468)		(6,084)	
Net current assets			<u>252,476</u>		<u>243,570</u>
Total assets less current liabilities			<u>272,076</u>		<u>273,808</u>
Income funds					
Restricted funds	17		-		12,500
<u>Unrestricted funds</u>					
Designated funds	18	15,330		15,330	
General unrestricted funds		<u>256,746</u>		<u>245,978</u>	
			<u>272,076</u>		<u>261,308</u>
			<u>272,076</u>		<u>273,808</u>

THEATR IOLO LTD.

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

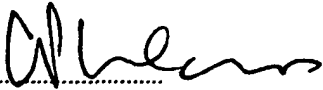
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The financial statements were approved by the Trustees on 8-12-2022



Trustee - EVAN WILLIAMS

Company registration number 02150427

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Theatr Iolo Ltd. is a private company limited by guarantee incorporated in England and Wales. The registered office is Chapter Arts Centre, Market Road, Cardiff, South Glamorgan, CF5 1QE, United Kingdom.

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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

Grants receivable for the specific purpose of purchasing fixed assets for the continued use of the charity are treated as restricted funds. The restricted fund is then reduced by amounts equivalent to the depreciation charges on the assets concerned and will continue to do so over the expected useful lives of the assets concerned until the funding conditions of the grant are fulfilled, at this time the amount will be transferred to unrestricted funds.

Grants receivable for specific purposes are also 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 trustees can choose how the funds are expended, are treated as unrestricted funds.

Production income is invoiced and recognised in the period to which the production was held.

Income from investments is included in the year in which it is receivable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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

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:

Stage equipment	20% reducing balance
Furniture and equipment	20% reducing balance
Database and website	20% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 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.

1.10 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.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Taxation

As a registered charity, Theatr Iolo Ltd. 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.

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.

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Donations and gifts	419	519

4 Charitable activities

	2022 £	2021 £
Production income	57,088	9,604
Grants	263,073	284,573
	<u>320,161</u>	<u>294,177</u>

Analysis by fund		
Unrestricted funds	316,661	269,177
Restricted funds	3,500	25,000
	<u>320,161</u>	<u>294,177</u>

Grants

Arts Council of Wales - revenue	259,573	259,573
Arts Council of Wales - India	-	10,000
Arts Council of Wales - Cultural Recovery Project	-	15,000
Millenium Stadium Charitable Trust	2,500	-
Tesco Bags for Help	1,000	-
	<u>263,073</u>	<u>284,573</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	314	153

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	12,324	11,820

7 Charitable activities

	2022	2021
	£	£
Staff costs	89,273	96,892
Depreciation and impairment	10,639	7,561
Advertising and marketing	18,937	6,697
Bank charges	268	258
Insurance	2,893	2,705
IT and software	4,647	3,426
Printing, postage and stationery	2,738	1,396
Production costs	131,816	95,606
Professional fees	2,954	4,172
Repairs and maintenance	478	574
Subscriptions	2,645	1,664
Telephone	1,809	1,709
Training	3,121	4,935
Travel and subsistence	10,682	2,481
Utilities	5,649	5,708
	288,549	235,784
Share of support costs (see note 8)	42,921	40,347
Share of governance costs (see note 8)	3,480	2,900
	334,950	279,031
Analysis by fund		
Unrestricted funds	318,950	256,531
Restricted funds	16,000	22,500
	334,950	279,031

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	30,925	-	30,925	32,297	32,297
Advertising and marketing	6,312	-	6,312	2,232	2,232
Bank charges	89	-	89	86	86
Insurance	964	-	964	902	902
Professional fees	2,145	-	2,145	2,357	2,357
Telephone	603	-	603	570	570
Utilities	1,883	-	1,883	1,903	1,903
Accountancy fees	-	3,480	3,480	-	2,900
	<u>42,921</u>	<u>3,480</u>	<u>46,401</u>	<u>40,347</u>	<u>43,247</u>
Analysed between Charitable activities	<u>42,921</u>	<u>3,480</u>	<u>46,401</u>	<u>40,347</u>	<u>43,247</u>

Governance costs includes payments to the independent examiners of £2,160 (2021: £1,800) for independent examination fees and £1,320 (2021: £1,100) for accountancy services

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or prior year.

No trustees were reimbursed for expenses in the year (2021: no trustees were reimbursed for expenses)

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>4</u>	<u>4</u>
Employment costs	2022 £	2021 £
Wages and salaries	110,645	112,381
Social security costs	6,876	13,437
Other pension costs	2,677	3,371
	<u>120,198</u>	<u>129,189</u>

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

(Continued)

Key management personnel

The total amount of employee benefits (including gross salary, employers national insurance contributions and employers pension contributions) received by the charity's key management personnel for their services to the charity during the year was £79,141 (2021: £85,642).

There were no employees whose annual remuneration was £60,000 or more (2021: nil).

There were no employees whose annual remuneration was more than £60,000.

11 Tangible fixed assets

	Stage equipment £	Furniture and equipment £	Database and website £	Motor vehicles £	Total £
Cost					
At 1 April 2021	58,636	58,554	24,213	43,395	184,798
Disposals	-	-	(24,213)	-	(24,213)
At 31 March 2022	58,636	58,554	-	43,395	160,585
Depreciation and impairment					
At 1 April 2021	46,244	48,445	18,474	41,397	154,560
Depreciation charged in the year	2,478	2,022	1,148	400	6,048
Eliminated in respect of disposals	-	-	(19,622)	-	(19,622)
At 31 March 2022	48,722	50,467	-	41,797	140,986
Carrying amount					
At 31 March 2022	9,914	8,087	-	1,598	19,599
At 31 March 2021	12,391	10,109	5,739	1,998	30,237

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Fixed asset investments

			Other investments
Cost or valuation			
At 1 April 2021 & 31 March 2022			1
Carrying amount			
At 31 March 2022			1
At 31 March 2021			1
Other investments comprise:	Notes	2022 £	2021 £
Investments in subsidiaries	13	1	1

13 Subsidiaries

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Theatr Iolo Productions Ltd	Chapter Arts Centre, Market Road, Cardiff, CF5 1QE	Dormant	Ordinary Shares	100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Theatr Iolo Productions Ltd	-	1

14 Stocks

	2022 £	2021 £
Finished goods and goods for resale	150	150

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	23,113	11,820
Prepayments and accrued income	2,789	2,918
	<u>25,902</u>	<u>14,738</u>

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	2,941	2,837
Trade creditors	3,047	347
Accruals and deferred income	3,480	2,900
	<u>9,468</u>	<u>6,084</u>

17 Restricted funds

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

	Movement in funds			Movement in funds			
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
ACW Cultural Recovery	-	15,000	(15,000)	-	-	-	-
India fund	10,000	10,000	(7,500)	12,500	-	(12,500)	-
Millenium Stadium Charitable Trust	-	-	-	-	2,500	(2,500)	-
Tescos Bags for Help	-	-	-	-	1,000	(1,000)	-
	<u>10,000</u>	<u>25,000</u>	<u>-</u>	<u>12,500</u>	<u>3,500</u>	<u>(16,000)</u>	<u>-</u>

ACW Cultural Recovery - this funding was received to purchase and convert a trailer into a 'Travelling Theatre'.

India fund - this funding was received to provide our 'Transporter' production at the Tata Steel Junior Kolkata Literary Meet Festival in Kolkata, India. The remaining amount will be spent in 2022.

Millennium Stadium Charitable Trust - this funding was received in relation to Play Packs.

Tescos Bags for Help - this funding was received in relation to Play Packs.

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Restricted funds

(Continued)

18 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:

	Balance at 1 April 2020 £	Incoming resources £	Balance at 1 April 2021 £	Incoming resources £	Balance at 31 March 2022 £
Future motor vehicle replacement fund	8,000	-	8,000	-	8,000
Digital technology fund	7,330	-	7,330	-	7,330
	<u>15,330</u>	<u>-</u>	<u>15,330</u>	<u>-</u>	<u>15,330</u>

Future motor vehicle replacement fund - the trustees have designated a set amount of reserves to invest in motor vehicles in future periods.

Digital technology fund - the trustees have designated a set amount of reserves to invest in digital technology in future periods.

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19 Analysis of net assets between funds

	Unrestricted 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:								
Tangible assets	19,599	-	-	19,599	30,237	-	-	30,237
Investments	1	-	-	1	1	-	-	1
Current assets/(liabilities)	237,146	15,330	-	252,476	215,740	15,330	12,500	243,570
	<u>256,746</u>	<u>15,330</u>	<u>-</u>	<u>272,076</u>	<u>245,978</u>	<u>15,330</u>	<u>12,500</u>	<u>273,808</u>

THEATR IOLO LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 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:

	2022	2021
	£	£
Within one year	-	1,349
	<u> </u>	<u> </u>

21 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).