

**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 2023**

# THEATR IOLO LTD.

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# THEATR IOLO LTD.

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

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 wants to live in a society in which all children can feel empowered and inspired. They strive to do this by enriching the lives of children through memorable experiences that challenge the mind and stir the imagination.*

### Purpose

Theatr iolo has been at the forefront of creating theatre for children in Wales for over 35 years. They are passionate about nurturing and igniting the imagination and creativity of young minds, to help children make sense of the world around them and to find their place within it.

They work with the best artists, writers and creatives, to create memorable and bold live theatre, workshops and activities in both English and Welsh. Their work for babies, children and teenagers is toured across Wales, the UK and internationally.

### Values

- **Accessible:** They want children aged 0-16 and their adults to trust that their experience of a Theatr iolo production will be of the highest quality and that they will feel included.
- **Authentic:** They want to create work that is relevant to children from all backgrounds, by striving to understand their life experiences and the current challenges that they face.
- **Bold:** They want young audiences to feel challenged and want to help them to explore, open-up and learn about themselves and the world in which they live.
- **Collaborative:** They want to collaborate with partners to reach as many young people as possible, particularly those that have not had access to live theatre before, by removing as many barriers to attendance as possible.
- **Creative:** They want to ignite creativity and imagination in all children in both Welsh and English, by offering stimulating opportunities that challenge expectations.

### Aims

Theatr iolo creates new, memorable, bold and imaginative theatre for children aged 0-16. They create their own work, collaborate with others and/or develop artists to make new shows for young audiences. These shows tour Wales, the UK and beyond. To supplement their live theatre programme, they also provide a stimulating creative learning programme to offer children, their schools and families as many opportunities as possible to access cultural activities.

# THEATR IOLO LTD.

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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Their aims are set out below:

AIM 1: Produce/co-produce 1-2 touring productions a year, whilst also developing up to 3 further productions a year.

AIM 2: Commission 1-2 writers a year to write new plays/adaptations and also carry out a new writing call-out every 2 years.

AIM 3: Take positive action to encourage Black, Asian or minority ethnic artists and/or artists with disabilities to take part in the mentor and development programme Platform. 50% of the 4 new ideas/scripts chosen will be developed in Welsh.

AIM 4: Create 2 in 5 of all new productions in Welsh and offer at least 50% of the Creative Learning programme in Welsh.

AIM 5: Improve access services and offer at least one audio description performance and at least one BSL, captioned performance and/or visual information sheets for each production.

AIM 6: Achieve the Theatre Green Book Baseline standard with every new or re-mounted production.

AIM 7: Increase income from Trusts & Foundations and individual donations by at least 5% each year.

### **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. They develop new artists, create and take the very best of live theatre across Wales, the United Kingdom and beyond.

### **Achievements and performance**

Theatr iolo is an award-winning theatre company, which has been at the forefront of creating theatre for children and young people for over 35 years. Babies, children, teenagers, parents, pupils, and teachers have enjoyed workshops and performances from the company, performed in all kinds of spaces across Wales, the UK and internationally. The Artistic Director, Lee Lyford, joined the company in 2018 and brought his highly regarded reputation, dynamic and enthusiastic approach to lead the organisation, which has gone from strength to strength.

As one of the leading children's theatre creators in Wales, they have taken the lead in providing creative solutions to reach young people. During the recent years of disruption, they chose to do this through digital content but also through live performance - outdoors and indoors, as they believe children and young people deserve live arts experiences.

# THEATR IOLO LTD.

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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Between April 2022 and the end of March 2023, Theatr Iolo have produced or co-produced:

- **3 productions**, that toured to 17 Welsh venues.
- **60 performances** took place during the year (with 18 of them in Welsh).
- **8,532 children and their adults** attended our live shows.
- **1,332 participants** took part in **58 workshops** delivered in communities or schools.

### Tours of Welsh Theatre Venues

In 2022-2023 even though theatres were still in recovery mode, Theatr Iolo were still able to produce or co-produce two live indoor theatre productions: **Owl at Home** and **Pijin/Pigeon**.

**Owl at Home** toured Wales for three weeks, performing 18 times at 6 venues in Wales to 1,068 children and their adults. Based on the illustrated children's book by Arnold Lobel, this family show was adapted for the stage by Rina Vergano and Theatr Iolo. This visual piece of storytelling presented with little spoken word, looked at how Owl deals with an unpredictable world, loneliness, boredom, insomnia, curiosity and learning independence. This show had even more resonance with young people after their recent experiences during the pandemic.

Theatr Iolo also toured the mid-scale Theatr Genedlaethol Cymru co-production; **Pijin / Pigeon**. Based on the best-selling novel *Pigeon* by author Alys Conran, this play was adapted for the stage by Bethan Marlow. Welsh and English were subtly woven together and every performance used integrated captioning in both languages. Live audio description in both languages was also offered on this tour. Non-Welsh speaking visually impaired customers were also provided Welsh to English translation through the same headset. *Pijin/Pigeon* was performed 18 times at 6 venues to 3,006 children and adults.

### Live Outdoor Shows

Theatr Iolo were successful in attaining a small Cultural Recovery Fund capital grant in 2020 to purchase a second-hand exhibition trailer, which was transformed into the Theatr Iolo Travelling Theatre. To inspire and provide entertainment for children of all ages, **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.

**HOOF!** was a family friendly show that appealed to both children and adults alike. Performed throughout 2021, it was brought back in 2022 to offer free performances at festivals within Wales, including, *Dance Days* in Swansea, *Big Splash* in Newport, the National *Eisteddfod* and the *Greenman Festival*. Free performances to families also took place in Cardiff City centre in the summer holidays. **HOOF!** was performed 24 times in 5 locations and at least 4,458 children and adults saw the show.

The Theatr Iolo Travelling Theatre removed some barriers to attendance and gave access to children who had little experience of live theatre before and/or who are living in poverty.

### Artist Developer:

During 2022-23, the company also conducted or were involved with Research and Development for five other new shows: **Self-Raising**, **Time Detectives**, **Welsh Dragon**, **Mission to the Midnight Zone** and **Draenog**, which will be delivered during 2023-2026.

Theatr Iolo continued to develop their **Platform** programme in 2022 by choosing an artist to support in Stage 2 of the programme. Theatr Iolo's second Platform artist was Krystal Lowe, who was given space, time and support to think, conceive and develop a new piece of theatre for a young audience. The team helped to mentor and support her production of **Remarkable Rhythm** by providing monetary and in-kind support, as well as bespoke artistic, producing and marketing mentorship and advice.

**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.

# THEATR IOLO LTD.

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Outreach:

**Playhouse:** A UK collaboration between Theatre Royal Plymouth, York Theatre Royal and Theatr Iolo. Theatr Iolo in collaboration with The Riverfront Theatre and Arts Centre in Newport work with local schools to deliver Playhouse Cymru. One of the new Playhouse commissions were translated into Welsh. The school children performed their final plays in front of their friends and family at The Riverfront in July 2022.

**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 Creative Play Pack, which included materials, equipment, lots of ideas, instructions and templates to inspire children aged 5 to 11.

In September 2022, thanks to funding from the Barrett Foundation, Theatr Iolo were able to create, pack and deliver 200 Creative Play Packs to families in need identified by the Oasis Centre in Cardiff and Barnado's Cymru.

**Bespoke Workshops:** Theatr Iolo delivered 37 free workshops for 716 children and their adults at venues on tour throughout Wales and in school holidays at The Riverfront in Newport and at Chapter, Llanrumney Hall and Grange Pavillion – all in Cardiff. Theatr Iolo also delivered 21 school workshops throughout the year to 616 children.

### 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 £308,171) is derived from the Arts Council of Wales's grant towards the running costs of the charity.

The charity made an overall deficit of £48,415 (2022: £1,732 deficit) for the year ended 31 March 2023, consisting of an unrestricted deficit of £48,760 (2022: £10,768 surplus) and a restricted surplus of £345 (2022: £12,500 deficit).

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 £223,661 (2022: £272,076), consisting of restricted reserves of £345 (2022: £nil), general unrestricted reserves of £223,316 (2022: £256,746) and designated reserves of £15,330 (2022: £15,330). The charity's free reserves (unrestricted funds less fixed assets) totalled £207,986 (2022: £237,146).

### Plans for future periods

Theatr Iolo has shown their adaptability, flexibility and creativity in times of adversity. Their continued work has meant that they were able to employ a large number of freelancers and keep a high profile of the positivity that the arts bring to the wider society.

Moving forwards, a number of creative activities are planned for the near future. The company will be collaborating with partners to co-produce three productions during 2023-2024. Firstly, a collaboration with Graeae and in association with Soho Theatre, will take place in the summer of 2023 with the production **Self-Raising** that will have a four-week run at the Edinburgh Festival. Written by Mike Kenny and Jenny Sealey and directed by Lee Lyford, **Self-Raising** is a true-life story about growing up Deaf in a family with a secret. All performances will creatively integrate BSL, AD and captions and by collaborating with Graeae, Theatr Iolo will continue their commitment to developing and championing unheard voices in mainstream theatre and embedding access for all within the fabric of their work.

# THEATR IOLO LTD.

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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At Christmas, Theatr Iolo will also be co-producing the Sherman Theatre's main house family production **Peter Pan** in Cardiff. Then finishing off the financial year in spring 2024, will be the co-production with the children's theatre specialists Polka in Wimbledon to create **Tidy**. The award-winning picture book by Emily Gravett will be adapted for the stage by Lee Lyford, Lucy Rivers and Rachael Canning and will follow the adventures of Pete the badger who discovers that keeping his forest tidy is more complicated than he first thought. This play for early years, explores the impact our actions have on the environment and is an age-appropriate introduction to the global climate crisis. It is hoped that this show will then be remounted and a Welsh language version *Taclus* will be created in order to tour Wales in Spring 2025.

The company will also be re-mounting the enchanting tale with music, **Owl at Home**, with a second autumn tour of Wales and England in 2023. Based on the illustrated children's book by Arnold Lobel, this family show was adapted for the stage by Rina Vergano and Theatr Iolo and received a great response from Welsh audiences, which created more interest in venues in North-Wales and the South-West of England.

The company will continue to research and develop at least 3 other productions including: *The Welsh Dragon*, *Mission to the Midnight Zone* and *Y Boi Madfall*, as well as commissioning a new Welsh language episodic audio fantasy adventure for pre-teens and Welsh learners. The company will also be continuing to support and mentor their Platform artist Krystal Lowe to deliver her tour of *Remarkable Rhythm*.

The company will also be delivering the Playhouse project with The Riverfront Theatre and schools in Newport. Also launching another Young Playwrights programme this year, offering four young writers the opportunity to develop their play into a podcast. Bespoke family and school workshops will also be delivered throughout the year and they will be looking for ways to develop and grow their Outreach and Engagement programme further. The company will continue to consult, learn, meet, talk with and listen to a number of communities that they serve throughout Wales, to ensure that they increase inclusion and representation and improve their environmental sustainability.

### 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 runs the TYA Cymru network and is 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.



# **THEATR IOLO LTD.**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** ***FOR THE YEAR ENDED 31 MARCH 2023***

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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.



# **THEATR IOLO LTD.**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Reference and administrative details**

**Registered charity number**  
1067810

**Registered company number**  
02150427

**Name**  
Theatr Iolo Ltd.

**Trustees**  
J Cotsen  
K Davies  
R Lane  
S Lewis  
A Meikle-Thomas  
S Wardle  
E Williams  
N Lawley  
K Perridge - appointed 24/10/23

**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.



**Mr E Williams**

**Trustee**

**Dated:** 7/12/2023

# THEATR IOLO LTD.

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THEATR IOLO LTD.

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I report to the trustees on my examination of the financial statements of Theatr Iolo Ltd. (the charity) for the year ended 31 March 2023.

#### 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.

*Claire Thompson*

**Claire Thompson FCCA DChA**

Azets Audit Services  
Ty Derw, Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB  
United Kingdom

Dated: 12/12/23

# THEATR IOLO LTD.

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	326	-	326	419	-	419
Charitable activities	4	341,575	1,800	343,375	316,661	3,500	320,161
Investments	5	1,107	-	1,107	314	-	314
Other income	6	21,128	-	21,128	12,324	-	12,324
<b>Total income</b>		<b>364,136</b>	<b>1,800</b>	<b>365,936</b>	<b>329,718</b>	<b>3,500</b>	<b>333,218</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	7	412,896	1,455	414,351	318,950	16,000	334,950
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(48,760)</b>	<b>345</b>	<b>(48,415)</b>	<b>10,768</b>	<b>(12,500)</b>	<b>(1,732)</b>
Fund balances at 1 April 2022		272,076	-	272,076	261,308	12,500	273,808
<b>Fund balances at 31 March 2023</b>		<b>223,316</b>	<b>345</b>	<b>223,661</b>	<b>272,076</b>	<b>-</b>	<b>272,076</b>

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

All income and expenditure derive from continuing activities.

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

# THEATR IOLO LTD.

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	12		15,679		19,599
Investments	13		1		1
			<u>15,680</u>		<u>19,600</u>
<b>Current assets</b>					
Stocks	15	150		150	
Debtors	16	36,811		25,902	
Cash at bank and in hand		179,563		235,892	
		<u>216,524</u>		<u>261,944</u>	
<b>Creditors: amounts falling due within one year</b>	17	(8,543)		(9,468)	
Net current assets			<u>207,981</u>		<u>252,476</u>
<b>Total assets less current liabilities</b>			<u>223,661</u>		<u>272,076</u>
<b>Income funds</b>					
Restricted funds	18		345		-
<u>Unrestricted funds</u>					
Designated funds	19	15,330		15,330	
General unrestricted funds		<u>207,986</u>		<u>256,746</u>	
			<u>223,316</u>		<u>272,076</u>
			<u>223,661</u>		<u>272,076</u>

# **THEATR IOLO LTD.**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2023**

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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 2023.


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 .....

7/12/2023

  
.....  
Mr E Williams  
Trustee

Company registration number 02150427

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 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 2023

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### 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
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.

#### 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.



# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### 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.

##### **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.

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### ***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.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	326	419

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 4 Charitable activities

	2023 £	2022 £
Production income	22,204	57,088
Grants	321,171	263,073
	<u>343,375</u>	<u>320,161</u>
Analysis by fund		
Unrestricted funds	341,575	316,661
Restricted funds	1,800	3,500
	<u>343,375</u>	<u>320,161</u>
<b>Grants</b>		
Arts Council of Wales - revenue	308,171	259,573
Cardiff Council	5,000	-
Millenium Stadium Charitable Trust	-	2,500
Tesco Bags for Help	-	1,000
The Barrett Foundation	3,000	-
FOR Cardiff	5,000	-
	<u>321,171</u>	<u>263,073</u>

### 5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>1,107</u>	<u>314</u>

### 6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	<u>21,128</u>	<u>12,324</u>

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Charitable activities

	2023 £	2022 £
Staff costs	96,591	89,273
Depreciation and impairment	3,920	10,639
Advertising and marketing	7,613	18,937
Bank charges	148	268
Insurance	2,820	2,893
IT and software	11,304	4,647
Printing, postage and stationery	2,660	2,738
Production costs	195,523	131,816
Professional fees	14,864	2,954
Repairs and maintenance	3,567	478
Subscriptions	2,079	2,645
Telephone	1,382	1,809
Training	3,570	3,121
Travel and subsistence	13,870	10,682
Utilities	6,194	5,649
	<u>366,105</u>	<u>288,549</u>
Share of support costs (see note 8)	44,464	42,921
Share of governance costs (see note 8)	3,782	3,480
	<u>414,351</u>	<u>334,950</u>
<b>Analysis by fund</b>		
Unrestricted funds	412,896	318,950
Restricted funds	1,455	16,000
	<u>414,351</u>	<u>334,950</u>

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 8 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	32,197	-	32,197	30,925	30,925
Advertising and marketing	2,537	-	2,537	6,312	6,312
Bank charges	49	-	49	89	89
Insurance	940	-	940	964	964
Professional fees	6,215	-	6,215	2,145	2,145
Telephone	461	-	461	603	603
Utilities	2,065	-	2,065	1,883	1,883
Accountancy fees	-	3,782	3,782	-	3,480
	<u>44,464</u>	<u>3,782</u>	<u>48,246</u>	<u>42,921</u>	<u>46,401</u>
Analysed between Charitable activities	<u>44,464</u>	<u>3,782</u>	<u>48,246</u>	<u>42,921</u>	<u>46,401</u>

Governance costs includes payments to the independent examiners of £2,356 (2022: £2,160) for independent examination fees and £1,426 (2022: £1,320) 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 (2022: no trustees were reimbursed for expenses)

### 10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	<u>4</u>	<u>4</u>
<b>Employment costs</b>	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	118,904	110,645
Social security costs	7,059	6,876
Other pension costs	2,825	2,677
	<u>128,788</u>	<u>120,198</u>

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 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 £82,745 (2022: £79,141).

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

### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 12 Tangible fixed assets

	Stage equipment £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	58,636	58,554	43,395	160,585
At 31 March 2023	58,636	58,554	43,395	160,585
<b>Depreciation and impairment</b>				
At 1 April 2022	48,722	50,467	41,797	140,986
Depreciation charged in the year	1,983	1,617	320	3,920
At 31 March 2023	50,705	52,084	42,117	144,906
<b>Carrying amount</b>				
At 31 March 2023	7,931	6,470	1,278	15,679
At 31 March 2022	9,914	8,087	1,598	19,599

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Fixed asset investments

			Other investments
<b>Cost or valuation</b>			
At 1 April 2022 & 31 March 2023			1
<b>Carrying amount</b>			
At 31 March 2023			1
At 31 March 2022			1
Other investments comprise:	<b>Notes</b>	<b>2023 £</b>	<b>2022 £</b>
Investments in subsidiaries	<b>14</b>	<b>1</b>	<b>1</b>

### 14 Subsidiaries

Details of the charity's subsidiaries at 31 March 2023 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

### 15 Stocks

	<b>2023 £</b>	<b>2022 £</b>
Finished goods and goods for resale	150	150



# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Other debtors	33,909	23,113
Prepayments and accrued income	2,902	2,789
	<u>36,811</u>	<u>25,902</u>

### 17 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	3,022	2,941
Trade creditors	539	3,047
Accruals and deferred income	4,982	3,480
	<u>8,543</u>	<u>9,468</u>

### 18 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 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended 31 March 2023 £
India fund	12,500	-	(12,500)	-	-	-
Millenium Stadium Charitable Trust	-	2,500	(2,500)	-	-	-
Tescos Bags for Help	-	1,000	(1,000)	-	-	-
Sharing Together	-	-	-	-	1,800	(1,455)
	<u>12,500</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>345</u>

**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 was 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.

**Sharing Together** - this funding was received in relation to TYA Cymru fund.

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 19 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 2021 £	Incoming resources £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Future motor vehicle replacement fund	8,000	-	8,000	7,330	15,330
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. The transfer recognises the increased cost of replacing the current vehicle.

**Digital technology fund** - the trustees have designated a set amount of reserves to invest in digital technology in future periods. Trustees consider this has now been satisfied and have therefore released this designated fund.

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 20 Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted 2023 £	Designated 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £
Tangible assets	15,679	-	-	15,679	19,599	-	-	19,599
Investments	1	-	-	1	1	-	-	1
Current assets/(liabilities)	192,306	15,330	345	207,981	237,146	15,330	-	252,476
	<u>207,986</u>	<u>15,330</u>	<u>345</u>	<u>223,661</u>	<u>256,746</u>	<u>15,330</u>	<u>-</u>	<u>272,076</u>

# THEATR IOLO LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 21 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:

	2023 £	2022 £
Within one year	675	-
	<u>        </u>	<u>        </u>

### 22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).