

# Companies House

**VOLCANO THEATRE COMPANY LIMITED**

*A Company Limited by Guarantee*

**REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**

# **VOLCANO THEATRE COMPANY LIMITED**

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## **VOLCANO THEATRE COMPANY LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

The trustees, who are also the directors of the charitable company for the purposes of the Companies Act 2006, present their annual report together with the audited financial statements of the charitable company the year ended 31 March 2021 which are also prepared to meet the requirement for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) 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 Charities Act 2011 and the Companies Act 2006 .

### **OUR PURPOSE AND ACTIVITIES**

Volcano is a unique investigative arts organisation built on distinctive practice. Whilst the company's activities are various and far-reaching, everything we do depends on the health and integrity of our core creative process. Theatre-making occupies, for us, the centre of a network of practices and relationships that are rooted in the city of Swansea and reach out through Wales, the UK, Europe, and beyond.

Our work is created from a meanwhile-use building in the High Street, an area of Swansea in need of regeneration. This enables us to encourage the development of Arts & Performance in an area where there previously was none.

Volcano have taken over the entire ground floor of the building which incorporates the Bunker Theatre to the rear. We have created a series of performance/ arts & social spaces within the remainder of the ground floor which will enable increased access and a variety of events.

### **STRATEGIC PRIORITIES**

#### *DELIVER ARTISTIC EXCELLENCE*

- Create outstanding original work and develop new ways of making work.
- Build capacity to maximize creative output.

#### *REACH MORE PEOPLE*

- Create quality experiences with tangible benefits for a diverse populace.
- Develop existing audiences and target new ones.

#### **WORK IN PARTNERSHIP**

- Develop and strengthen partnerships with venues, promoters, and stakeholders.
- Forge new associations across art forms and between artists.

#### *BE SUSTAINABLE*

- Build sustainability and resilience through good leadership, governance, and accountability.
- Be an innovator of good organisational and social practice.

#### *PASS IT ON*

- Identify, nurture, and inspire the current and next generation of creators.
- Build legacy and sustainability into the full range of our activities.

#### *WORK IN AND FOR SWANSEA*

- Invigorate Swansea as a cultural environment by being an instigator of urban change.
- Make work that is culturally distinctive, and which responds to a sense of place.
- Develop our strand of offsite and community activity within the city.

## **VOLCANO THEATRE COMPANY LIMITED**

### *REPRESENT WALES*

- Develop an authentically bilingual capacity at all levels.
- Be a cultural ambassador for Wales at national and international levels, through artistic practice and dialogue.

### **ACHIEVEMENTS & PERFORMANCE 2020/21 (A year with Covid)**

The financial year began with the ‘rug being pulled’ quite literally from beneath Volcano’s scheduled works for 2020/21. Volcano Theatre was suddenly faced with the challenge of finding new ways to reach audiences and new ways to engage and communicate. Volcano responded to this challenge by launching a program of new works for the period of closure geared to the continuity of the creative spirit, to a sense of communality and to the idea that when we do return to the rehearsal room, we will do so with a greater understanding of our lives and the places that we live.

### **PERFORMANCES**

#### **DIGITAL VOLCANO – ENCOUNTERS UNKNOWN**

##### **NOTES FROM THE INTERIOR.**

Volcano enlisted the help of some brilliant actors to keep ideas, improvisation and inspiration pinging around the virtual studio, in a format designed for theatre and drama students (and anyone else who wanted to) to join in and get creating some encounters as yet unknown. Director Paul Davies set a weekly challenge based on a passage of text or other stimulus.

##### **THE EMPTY SPACE**

Heartfelt thoughts from our empty theatre by Volcano’s Artistic Director Paul Davies.

##### **LOOKING SIDEWAYS FROM THE FUTURE**

A digital performance by Volcano’s Mighty New to give form to the collective feelings of The Mighty New during this strange year. This project was part funded by People’s Postcode Magic Little Grants scheme.

##### **WHICH WAY TO THE WATERFALL**

Volcano’s Artistic Director, Paul Davies worked with Brazilian participants of the Reside Festival on a digital residency entitled Which Way to the Waterfall. Funded by the British Council, Paul was due to travel to Recife in the north-eastern state of Pernambuco to lead a residency programme. Due to travel restrictions he instead worked with Portuguese and sign-language translators, utilising a number of online platforms to ensure that the residency continued online.

##### **THE CLOCKWORK CROW**

In collaboration with Icelandic Designer Guðný Hrunn Sigurðardóttir, Volcano have developed a Christmas family promenade adventure show. Based on the novel by Welsh author Catherine Fisher, this show combines it’s youth company, The Mighty New and professional actors in an adaptation of the novel. Created during look-down as a bubble-based audience experience but cancelled under further Covid restrictions the show has been re-scheduled for December 2021.

### **CREATIVE/COMMUNITY PROJECTS**

#### **VOLCANO YOUTH COMPANY**

Volcano Youth Company provides an opportunity for young people aged 15-25 to explore their ideas, inspire one another and discover new skills. The emphasis is on enabling participants to unlock their creativity through experimentation in performance and to build trust and confidence (in themselves and one another) in a supportive, professional environment. We challenge young people with improvisational tasks that require practical, imaginative participation. Volcano aims to equip young performers with the tools and the skills to think and move for themselves with confidence and to embrace risk and vulnerability in a collaborative setting.

#### **POVERTY POWER & RESISTANCE New Collaborations for Cultural Democracy**

An R&D collaboration with Glynn Vivian Gallery, Taliesin Arts Centre, Castle Street Arts and Teatro El Extranjero of Buenos Aires, exploring citizens’ relationship with the cultural infrastructure of the city. Funded by ACW.

#### **BURSARIES**

An accessibility bursary to enable low income, minority and individuals with protected characteristics to create and display their own works.

## **VOLCANO THEATRE COMPANY LIMITED**

### **IPP2 LEGACY PROJECT: STORYOPOLIS**

Storyopolis children's literacy project providing free workshops for schools and occasional public events. The focus is on deprived communities seeing literacy as a broad church.

During 2020/21, workshops were held in local primary schools as part of the ChangeMakers Festival, works were exhibited at Volcano's Seaside Gallery and the Elysium Art Gallery during the festival. In addition, a new series of workshops were initiated with artist Nicky Arscott and Birchgrove Comprehensive Year 7 named 'Your Story: Our Story'. A personal and social document of Life and Look-down. A series of videos have been developed to facilitate online workshops with an intention to move on to 'in-class' workshops at Birchgrove as a pilot project.

### **VOLCANO VENUE**

Hosting and supporting community events at our High Street Arts Centre has become an established part of Volcano Theatre's community activity. With regret, for the majority of the year the building was closed to the public. For a brief period of 2020, Volcano were able to open the gallery space when restrictions allowed and look forward with great anticipation to welcoming back a variety of performances, community events, exhibitions, workshops, music, and dance in the near future.

### **FUTURE PLANS**

#### **FUTURE PERFORMANCES**

##### **THE CLOCKWORK CROW**

Developed in 2021/21 this show is poised to run in December 2021.

##### **V \*NEW\***

"Class v class, as bitter as before. The unending violence of US and THEM". 30 years after Volcano performed Tony Harrison's state-of-the-nation poem on the Royal Mile, we greet the entrenched enmities and intractable antagonisms of the current age with a brand-new version of our signature cri de coeur. A new generation of performers tackles the show that set the post-punk benchmark for dangerous theatre.

##### **WE ARE KASPAR HAUSER \*NEW\***

Volcano Youth Company explores the tyranny of language within the confines of a traditionally constructed Bavarian sitting room. Using words by Peter Handke and inspired by a film by Werner Herzog.

##### **BREAK | REPAIR | REPEAT \*NEW\***

A new design-led Volcano Original arising from a collaboration between versatile pseudonymous Swansea-based artist Bourdon Brindille and Volcano's director Paul Davies. Built in the Bunker Theatre.

#### **FUTURE CREATIVE/COMMUNITY PROJECTS**

##### **NATIONAL VOLCANIC ASSOCIATION (NVA) \*NEW\***

Volcano is reorganizing its programme of regular youth work to bring the three strands for different age groups under a single member organisation steered by a new youth panel, to amplify the voices of young creatives in the design and content of the programme, foster a greater sense of ownership amongst young people and their friends and families of the company and the venue, and encourage continuity and interaction between the groups. NVA will incorporate Volcano Youth Company for ages 15-25, The Mighty New (9-15), and a new division for 5 to 9-year-olds under the stewardship of VYC alumni and talented graduates of local performing arts colleges.

##### **POVERTY POWER & RESISTANCE**

###### **New Collaborations for Cultural Democracy**

Continuation of an R&D collaboration with Glynn Vivian Gallery, Taliesin Arts Centre, Castle Street Arts and Teatro El Extranjero of Buenos Aires, exploring citizens' relationship with the cultural infrastructure of the city.

##### **THE OLYMPIADS \*NEW\***

A spin-off performance venture from the Poverty, Power, Resistance project. Pop up squads of sports people, construction teams and suited officials conduct intriguing public activities in preparation for a major international sports tournament in Swansea.

## **VOLCANO THEATRE COMPANY LIMITED**

### **CONNEXIONS – PLACES & SPACES\*NEW\***

An experimental digital platform connecting a small, diverse, international collective of urban cultural and community practitioners, organised around key cultural institutions or hubs in the three partner countries – Wales, Brazil, and Argentina. The collective will produce a manifesto. Supported by British Council Wales.

### **HAMLET IN YEMEN\*NEW\***

Paul Davies works with director Amr Gamal and Khaleej Aden Company to mentor a site-specific Yemeni-dialect adaptation of Hamlet in the Legislative Council Building in the former church of St Maria in Aden. Funded by the British Council.

### **STORYOPOLIS**

A Station to Sea legacy project, in partnership with Cover to Cover independent book shop. City-centre based children's literacy and story-making project previously funded by Garfield Weston. A pilot scheme for Your Story: Our Story is due to roll out in April. In addition, Volcano will be fundraising for an expansion of this project and a pilot Fake News symposium, as well as for capacity-building for the project with a view to Storyopolis becoming sustainable in the long term.

### **OUR HERITAGES\*NEW\***

Funded by the National Lottery: Awards for All, children of Volcano's youth company worked together with children from St Joseph's School of Sanctuary on a joint production exploring the heritages of those children involved, celebrating diversity and culture.

### **YOU, ME, US & THEM QUEERNESS & CREATIVE\*NEW\***

A series of workshops designed to bring LGBTQ+ individuals together to bring physical theatre to Trans\* and Queer people. Created and run by Volcano Youth alumni Gabe Patterson.

### **SUSTRANS ACTIVE TRAVEL HUB \*NEW\***

Volcano will be partnering with Sustrans to pilot an e-bike scheme using our loading bay area in Orchard Street, in 2022. If successful we hope to be able to continue the scheme at Volcano's new premises from April 2023.

### **THE BOOTROOM \*NEW\***

Volcano will become an official partner and the city centre drop-off of The Bootroom, a charity set up by a Swansea City fan to provide good quality donated second-hand football boots and nearly new kit for children whose families would otherwise be unable to meet the cost.

## **VOLCANO VENUE**

Lined up for 2021/22;

ALISON LOCHHEAD / ROBIN INCE / LIGHTHOUSE THEATRE / GABRIEL PATERSON / JOHN HARRIS / JOSE CIFUENTES / JULIE ANN SHERIDAN / AXE HEAD TO EVERYTHING / KLATCH COLLECTIVE / BEING HUMAN FESTIVAL / MARK THOMAS / KAREN ELPHICK / THE LAST FOUNDATION / BOURDON BRINDILLE & CLAIRE MISSELBROOK / GRAHAM PARKER & FRIENDS / DRAMA STUDIO LONDON / YMCA / MIKE LEAHY & JEFF PHILLIPS / PLATFORM / HUMBERTO GATICA / OPEN UNIVERSITY / THE SILVER FIELD / SEAN CLANCY & ANDY INGAMELLS / SWANSEA UNIVERSITY / DAVID GREENSLADE / POPCYCLE / SWANSEA FRINGE / OLIVER BUNN / CAI BARNARD-DADDS / JENN KIRBY / EMMA COULTHARD / EDDIE LADD / MEMET ALI ALABORA / GOWER COLLEGE IBERIAN & LATIN AMERICAN ASSOCIATION WALES

## **VOLUNTEERS**

Volcano are working with Swansea's Fusion co-ordinator to establish a Cultural Volunteering Steering Group for the city. Access to these opportunities is also an Equalities Issue of a specifically socio-economic nature. SCVS are assisting us to achieve a volunteer profile that better reflects the population of our home city.

## **FAIR PAY**

March 2021 volcano became an accredited fair wage employer.

## **VOLCANO THEATRE COMPANY LIMITED**

### **FUNDRAISING**

We are both funded (see \*1) and also raise funds (see \*2)

- \*1 Volcano is an Arts Council of Wales revenue funded company so receives annual base funding
- \*2 Volcano raises funding through ticket income/external hire fees/ services delivered/Performance fees from tour venues/ Sponsorship & additional project funding.

New funding secured in 2020/21

ACW: Connect & Flourish	£39,005
ACW: Covid 19 Support for Arts	£18,045
National Lottery: Awards for All	£5,100
British Council: Connexions	£19,800
British Council: Hamlet in Yemen	£2,750
WCVA: Third Sector Resilience Fund:	£9,677
Architectural Heritage Fund: Viability Report	£7,500
Wales Co-Operative: Business Plan	£3,685

The WCVA grant included funding for the post of trainee fundraiser to assist in improving the sustainability of our community and youth based projects and to help co-ordinate our overall fundraising policy. This included funding for a professional mentor to work alongside the fundraiser in the first year.

### **VOLCANO: HOME & HUB**

Volcano's current High Street location was due for major redevelopment in 2021/2022, however due to delays in this project Volcano has been able to extend its current lease for a further two years.

Volcano recognise the developing community role that they hold in Swansea's Castle Ward, an area affected by inequality and disadvantage. An Options Appraisal undertaken by Volcano's Trustees has helped establish the future property needs of Volcano Theatre as a production company and community hub. Several potential locations have been identified and a Viability Report and Business Plan have been commissioned.

### **FINANCIAL REVIEW**

The charity's statement of financial activities is shown on page 10 and comprises restricted and unrestricted funds, being those provided to assist in furthering the general objects of the charity.

During the year the charity's income was £377,745 with expenditure of £287,055 resulting in a surplus for the year before taxation of £90,690.

At the year end the unrestricted funds amounted to £215,117 of which £14,292 were held as fixed assets and investments. Free reserves amount to £78,000 with the remaining £122,825 being designated as follows:

Relocation fund	£85,946
Future productions fund	£31,879
Youth/community development fund	£ 5,000

The restricted funds amounted to £4,986 of which £2,243 are represented by fixed assets.

#### ***Investment policy***

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. The charity has a policy of keeping surplus liquid funds in short-term deposits which can be accessed readily.

#### ***Reserves policy***

Reserves are needed to bridge the gap between expenditure and receiving of resources, to cover unplanned repairs or other expenditure and to bridge the gap caused by any loss of funding. The Trustees consider that the level of reserves should be maintained between four and six months basic overheads, a figure of £52,000 - £78,000.

The current level of free reserves stands at £78,000.

## **VOLCANO THEATRE COMPANY LIMITED**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity Name:** Volcano Theatre Company Limited (trading as Volcano)

**Charity registration number:** 1161081

**Company registration number:** 02212900

**Registered office:** Volcano Theatre, 27-29 High Street, Swansea, SA1 1LG

#### ***Our advisers***

**Independent Examiner** Ian David Bowen. I D Bowen & Co., Chartered Accountants, 19 Alexandra Road, Gorseinon, Swansea, SA4 4NW

**Bankers** National Westminster Bank Plc., Swansea City Centre Branch, 14-16A Oxford Street, Swansea, SA1 3AG

#### **Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

The trustees serving during the year and since the year end were as follows:

#### **Key management personnel: Trustees and Directors**

Elected trustees:	Professor Keith Robert Lloyd	Chair
	Miss Elen Mair Thomas	
	Professor Catrin Elizabeth Webster	
	Mr Gavin David Dudeney	
	Mr Marc Jones	
	Ms Allie Symonds	

#### **Key management personnel: Executive team**

Artistic Director	Paul Davies
Executive Producer	Claudine Conway
Digital Media & Marketing	
Manager	Victoria Boobyer
Finance Officer	Sarah Dow



## **VOLCANO THEATRE COMPANY LIMITED**

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

#### ***Governing document***

Volcano Theatre Company Limited is a charitable company limited by guarantee. The company was incorporated on 21 January 1988 and converted to charitable status by the adoption of the amended Memorandum and Articles of Association on 24 June 2014. The company was registered as a charity by the Charity Commission on 26 March 2016. In the event of the company being wound up the members are required to contribute an amount not exceeding £1. The maximum number of members permitted by the Articles of Association is 10 but the board of trustees may from time to time register an increase in members.

#### ***Appointment of trustees***

As set out in the Articles of Association the minimum number of trustees is 3 and until otherwise determined by a General Meeting shall not be more than 7. The board of trustees may appoint any member of the charity as a member of the board of trustees, either to fill a casual vacancy or by way of addition to the board of trustees. Any member so elected holds office until the next Annual General Meeting at which time they will be eligible for re-election.

Only members of the company are eligible to hold office as a member of the board of trustees.

The appointment and retiring of trustees, the conduct of business, the proceedings of meetings, the management of risk and the general management of the company all took place during the year in accordance with the provisions of the governing documents.

#### ***Trustees induction and training***

All new trustees receive an induction pack of information about Volcano and guidance on their responsibilities as charity trustees and company directors. The induction pack provides information on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informs them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

#### ***Organisation***

The board of trustees, which can have up to 7 members, administers the charity. The board normally meets each quarter. An Executive Team is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Team has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance related activity.

Volcano's trustees take ultimate legal and financial responsibility for the company while the day-to-day running of the charity is delegated to the Executive Team.

#### ***Related parties and co-operation with other organisations***

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Details of related party transactions in the current year are set out in the notes to the accounts.

#### ***Risk management***

The trustees have examined the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks identified.

### **SMALL COMPANIES PROVISIONS**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

## **VOLCANO THEATRE COMPANY LIMITED**

### **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Trustees (who are also directors of Volcano Theatre Company Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

By order of the board of trustees

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GAVIN DAVID DUDENEY, Trustee on behalf of trustees

10 December 2021

## **VOLCANO THEATRE COMPANY LIMITED**

### **INDEPENDENT EXAMINER'S REPORT TO THE CHARITY TRUSTEES OF VOLCANO THEATRE COMPANY LIMITED**

I report on the accounts of the company for the year ended 31 March 2021, which are set out on pages 10 to 22.

#### **Respective responsibilities of trustees and examiner**

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention to indicate that:

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- the accounts do not accord with the records;
- where accounts have been prepared on an accruals basis, whether they fail to comply with the relevant accounting requirements under section 396 of the Companies Act 2006 or are not consistent with the Charities SORP (FRS102)
- any matter to which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.

Name of independent examiner:

---

Ian David Bowen

Professional body:

Institute of Chartered Accountants in England & Wales

Address:

I D Bowen & Co  
Chartered Accountants  
19 Alexandra Road  
Gorseinon  
Swansea  
SA4 4NW

Date: December 2021

**VOLCANO THEATRE COMPANY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
YEAR ENDED 31 MARCH 2021**

	<i>Note</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2021</i>	<i>Total Funds 2020</i>
		£	£	£	£
<b>INCOME</b>					
Donations and legacies	3	323,788	23,449	347,237	280,085
<i>Income from charitable activities:</i>					
Operation of theatre company	4	1,602	-	1,602	25,905
<i>Income from other trading activities:</i>					
Commercial trading operations	5	28,261	-	28,261	91,658
Investment income	6	645	-	645	269
<b>TOTAL INCOMING RESOURCES</b>		354,296	23,449	377,745	397,917
<b>EXPENDITURE</b>					
<i>Expenditure on charitable activities:</i>					
Operation of theatre company	7	254,679	32,376	287,055	450,170
<b>TOTAL EXPENDITURE</b>		254,679	32,376	287,055	450,170
<b>NET EXPENDITURE FOR THE YEAR BEFORE TAXATION</b>	8	99,617	(8,927)	90,690	(52,253)
Taxation	9	-	-	-	-
<b>NET EXPENDITURE AND NET MOVEMENT IN FOR THE YEAR AFTER TAXATION</b>		99,617	(8,927)	90,690	(52,253)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		115,500	13,913	129,413	181,666
<b>TOTAL FUNDS CARRIED FORWARD</b>		215,117	4,986	220,103	129,413

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

All income and expenditure derives from continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

**VOLCANO THEATRE COMPANY LIMITED**
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**
**Company number: 02212900**

	<i>Note</i>	<b>£</b>	<b>2021 £</b>	<b>2020 £</b>
<b>FIXED ASSETS</b>				
Tangible assets	12		16,534	17,665
Investments	13		1	1
			<hr/> 16,535	<hr/> 17,666
<b>CURRENT ASSETS</b>				
Stock		60	551	
Debtors	14	5,916	9,899	
Cash at bank and hand		310,067	118,737	
		<hr/> 316,043	<hr/> 129,187	
<b>Creditors:</b> amounts falling due within one year	15	<hr/> (65,728)	<hr/> (17,440)	
<b>NET CURRENT ASSETS</b>			<hr/> 250,315	<hr/> 111,747
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/> 266,850	<hr/> 129,413
Amounts falling due in more than one year	16		<hr/> (46,747)	<hr/> -
<b>TOTAL NET ASSETS</b>			<hr/> 220,103	<hr/> 129,413
<b>CHARITY FUNDS</b>				
Unrestricted income funds	17		215,117	115,500
Restricted income funds			4,986	13,913
<b>TOTAL FUNDS</b>			<hr/> 220,103	<hr/> 129,413

The financial statements have been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The trustees are satisfied that the company is entitled to exemption from the requirements to obtain an audit under Section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

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

Signed:

\_\_\_\_\_

Name: GAVIN DAVID DUDENEY, Trustee on behalf of trustees

Approved by the trustees on 10 December 2021

The notes on pages 12 to 22 form part of these financial statements.

# **VOLCANO THEATRE COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

### **1 ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### ***Basis of preparation***

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Volcano Theatre Company Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### ***Consolidation***

The charitable company and its subsidiary comprise a small sized group. The charitable company has therefore taken advantage of the exemption provided in section 399 of the Companies Act 2006 not to prepare group financial statements and accordingly these financial statements present information about the charitable company as a single undertaking.

#### ***Going concern***

The charitable company reported a surplus of £90,690 for the year.

The Trustees and Executive have prepared cash flow forecasts and budgets that support the going concern basis of these financial statements. COVID-19 has had a significant impact on the creative sector resulting in the cancellation of the charity's production work during the year.

The uncertain economic outlook and willingness of the public to purchase admission and theatre tickets is a significant area of financial uncertainty which the trustees have mitigated by reviewing the artistic programme and taking measures subsequent to the year-end to reduce operating costs.

The Trustees remain in regular contact with Arts Council Wales and have successfully obtained an extension of the current funding cycle for a further year.

The charity has adequate cash reserves which are being actively monitored and managed and the trustees believe that these actions have secured the immediate future of the charitable company for the next 12 to 18 months and that on this basis the charity is a going concern.

#### ***Income recognition policies***

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of theatrical performances or provision of other specified service is deferred until the criteria for income recognition are met.

## **VOLCANO THEATRE COMPANY LIMITED**

### ***Donated services and facilities***

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### ***Interest receivable***

Interest in funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

### ***Fund accounting***

Funds held by the charity are either:

*Unrestricted general funds:* these are funds which are available to spend on activities that further any of the purposes of the charity.

*Designated funds:* these are unrestricted funds which the trustees have decided at their discretion to set aside to use for a specific purpose.

*Restricted funds:* these are funds which the donor has specified are to be solely used for particular areas of the charity's work or for specific artistic projects being undertaken by the charity.

### ***Expenditure and irrecoverable VAT***

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

Expenditure on charitable activities includes the costs of performances, workshops and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### ***Allocation of support costs***

Support costs are those functions which assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel, payroll and governance costs which support the charity's artistic programmes and activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out on note 7.

### ***Operating leases***

The charity classifies the lease of printing, specialist lighting and audio equipment as operating leases: the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

### ***Tangible fixed assets and depreciation***

Depreciation is provided on all tangible fixed assets so as to write off their full cost or valuation less estimated residual value over their expected useful lives at the following rates:

Plant and machinery	20% - 33.3% on cost
Motor vehicles	25% on the reducing balance

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### *Stocks*

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

### *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Debtors are usually measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

### *Cash at bank and in hand*

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### *Creditors and provisions*

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

## 2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## 3 INCOME FROM DONATIONS AND LEGACIES

	2021 £	2020 £
<b><i>Unrestricted income</i></b>		
Arts Council of Wales - Revenue grant	211,505	209,204
In kind support - donated services and facilities	64,427	61,229
Covid business support grants	45,000	-
Corona Virus Job Retention Scheme grants	2,047	-
Bounce back loan interest and similar charges subsidy	699	-
Gifts and donations	110	9,652
<b><i>Total unrestricted income from donations and legacies</i></b>	<b>323,788</b>	<b>280,085</b>
<b><i>Restricted income</i></b>		
Arts Council of Wales - Covid Support for Arts - Revenue	14,660	-
Arts Council of Wales - Covid Support for Arts - Capital	3,379	-
Local Giving - Magical Little grants	500	-
WCVA - Third Sector Resilience Fund	334	-
des Organismes vivants	4,576	-
<b><i>Total restricted income from donations and legacies</i></b>	<b>23,449</b>	<b>-</b>
<b>Total income from donations and legacies</b>	<b>347,237</b>	<b>280,085</b>

The charity is grateful to all donors of in kind support including the City & County of Swansea for providing Non-domestic Business Rate relief to the charity in respect of its premises and to Coastal Housing Group Limited for providing a lease on its premises at below market rental.



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The value of the rate relief is £13,234 (2020 - £13,016) and the reduced rent £42,320 (2020 - £42,319). The estimated value of these services is recognised within incoming resources as a donation, and an equivalent charge included within premises costs.

### 4 INCOME FROM CHARITABLE ACTIVITIES

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
<i>Unrestricted income</i>		
Performance fees	69	8,259
Workshops	1,533	2,793
<i>Total unrestricted income from charitable activities</i>	1,602	11,052
<i>Restricted income</i>		
Arts Council of Wales - Touring grant	-	12,703
City & County of Swansea - Workshop grants	-	2,150
<i>Total restricted income from charitable activities</i>	-	14,853
<b>Total income from charitable activities</b>	1,602	25,905

### 5 INCOME FROM TRADING ACTIVITIES

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
<i>Unrestricted income</i>		
Vehicle hire	-	7,832
Premises hire	3,429	12,883
Bar sales	33	7,152
Other income	4,369	2,543
Management charges	20,430	61,248
<b>Total income from trading activities</b>	28,261	91,658

### 6 INVESTMENT INCOME

All of the charity's investment income arises from money held in interest bearing deposit accounts.

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## 7 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Basis of Allocation</i>	<i>Total 2021 £</i>	<i>Total 2020 £</i>
<b><i>Costs directly allocated to activities</i></b>			
New show development	Direct	792	2,677
Production cost	Direct	65,106	192,932
Salaries and fees for workshop leaders, consultants and performers	Direct	49,384	58,923
Motor, travelling and accommodation	Direct	3,189	11,284
Publicity expenses	Direct	3,046	4,587
Property and costume costs	Direct	632	5,064
Royalties	Direct	268	267
Depreciation	Direct	7,454	6,911
<b>Total costs directly allocated to activities</b>		<b>129,871</b>	<b>282,645</b>
<b><i>Support costs allocated to activities</i></b>			
Premises costs	Direct	67,068	70,530
Repairs and refurbishment	Direct	3,209	4,255
Salaries and statutory contributions	Direct	53,907	62,067
Pension contributions	Direct	1,090	971
Telephone	Direct	730	825
Insurances	Direct	2,805	1,445
Printing, postage, stationery and advertising	Direct	343	545
Bank charges and similar costs	Direct	304	736
Sundry expenses	Direct	10,851	10,852
Training	Direct	258	429
Depreciation	Direct	100	101
Bad debts	Direct	-	81
Return of unneeded advance	Direct	-	2,517
Interest and similar charges	Direct	699	-
<b>Total support costs allocated to activities</b>		<b>141,364</b>	<b>155,354</b>
<b><i>Governance costs</i></b>			
Book keeping	Direct	10,374	10,416
Independent examiner's fee	Direct	1,750	1,750
Other legal & professional fees	Direct	3,696	5
<b>Total governance costs</b>		<b>15,820</b>	<b>12,171</b>
<b>Total expenditure</b>		<b>287,055</b>	<b>450,170</b>

Of the £287,055 expenditure in 2021 (2020 - £450,170) £254,679 was charged to unrestricted funds (2020 - £397,300) and £32,376 to restricted funds (2020 - £52,870).

## 8 NET INCOME FOR THE YEAR

	<i>2021 £</i>	<i>2020 £</i>
This is stated after charging:-		
Operating leases - land and buildings	6,000	6,000
Independent examiner's fee	1,750	1,750
Depreciation of tangible fixed assets	7,554	7,012

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### 9 TAXATION

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
United Kingdom corporation tax refund	-	-
	-	-

The charitable company's activities are potentially exempt from taxation under Part 11 of the Corporation Tax Act 2010. No tax charge has arisen in the year.

### 10 ANALYSIS OF STAFF COSTS AND TRUSTEE REMUNERATION AND EXPENSES

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
<b>Total wage costs</b>		
Wages and salaries	88,354	99,207
Social security costs	4,256	5,928
Pension costs	2,005	1,991
	94,615	107,126

No employees had emoluments in excess of £60,000 (2020 - £ Nil) Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020 - £Nil) neither were they reimbursed expenses during the year (2020 - £Nil). No trustee received payment for professional or other services supplied to the charity.

The key management personnel of the charity comprise the trustees, Artistic Director, Executive Producer, Digital Media & Marketing Manager and Finance Officer. The total employee benefits of the key management personnel of the charity were £95,722 (2020 - £92,450).

### 11 STAFF NUMBERS

The average number of employees (including casual and part time staff) during the year was:-

	<i>2021</i>	<i>2020</i>
Administration staff	3	3
Charitable activities	1	1
	4	4

There were no employees remunerated at a rate exceeding £60,000 per annum and there were no employees accruing benefits under money purchase or defined benefit pension schemes.

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## 12 TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
<b>Cost</b>			
At 1 April 2020	111,524	64,610	176,134
Additions	6,506	-	6,506
Disposals	(583)	(21,713)	(22,296)
At 31 March 2021	117,447	42,897	160,344
<b>Depreciation</b>			
At 1 April 2020	109,428	49,041	158,469
Charge for year	3,682	3,872	7,554
On disposals	(583)	(21,630)	(22,213)
At 31 March 2021	112,527	31,283	143,810
<b>Net book value</b>			
At 31 March 2021	4,920	11,614	16,534
At 31 March 2020	2,096	15,569	17,665

## 13 INVESTMENTS

The charity holds the entire share capital of Volcano Trading Company Limited which is incorporated in the United Kingdom (company number 09527257).

	<i>Investment in subsidiary undertakings</i> £
<b>Cost</b>	
At 1 April 2020	1
Purchased in the year	-
At 31 March 2021	1

The holding is 1 share of £1 which is the only share allotted, called up and fully paid.

The company will pay all of its profits to the charity under the gift aid scheme.

Volcano Trading Company Limited provides theatrical production services to the charity. All commercial trading operations are carried out from the charity's premises.

## VOLCANO THEATRE COMPANY LIMITED

The summary financial performance of the subsidiary is:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Turnover	38,454	141,856
Cost of sales and administrative costs	(39,725)	(143,451)
Interest receivable	4	-
Net loss	(1,267)	(1,595)
Taxation	6,151	15,378
Profit after tax	4,884	13,783
Amount gift aided to the charity	-	(9,400)
Retained in subsidiary	4,884	4,383
The assets and liabilities of the subsidiary were:		
Current assets	34,835	29,021
Current liabilities	(2,470)	(1,540)
Total net assets	32,365	27,481
Aggregate share capital and reserves	32,365	27,481

### 14 DEBTORS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	4,504
Other debtors	121	-
Prepayments and accrued income	4,329	5,395
Grants receivable	1,466	-
	5,916	9,899

### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	5,833	-
Trade creditors	1,095	3,597
Other taxes and social security costs	425	923
deferred income	47,613	-
Other creditors and accruals	10,762	12,920
	65,728	17,440

### 16 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	44,166	-
Other loans	2,581	-
	46,747	-

**VOLCANO THEATRE COMPANY LIMITED**

**17 ANALYSIS OF MOVEMENT IN UNRESTRICTED FUNDS**

	<i><b>Brought Forward £</b></i>	<i><b>Income £</b></i>	<i><b>Expenditure £</b></i>	<i><b>Transfers £</b></i>	<i><b>Carried Forward £</b></i>
<b>Unrestricted funds</b>					
<i><b>Designated funds</b></i>					
Relocation fund	26,188	-	-	59,758	85,946
Future production fund	5,000	-	-	26,879	31,879
Youth/community development fund	-	-	-	5,000	5,000
<i><b>Total designated funds</b></i>	31,188	-	-	91,637	122,825
<i><b>General fund</b></i>	84,312	354,296	(254,679)	(91,637)	92,292
<b>Total unrestricted funds</b>	115,500	354,296	(254,679)	-	215,117

**Analysis of movement in unrestricted funds - prior year**

	<i><b>Brought Forward £</b></i>	<i><b>Income £</b></i>	<i><b>Expenditure £</b></i>	<i><b>Transfers £</b></i>	<i><b>Carried Forward £</b></i>
<b>Unrestricted funds</b>					
<i><b>Designated funds</b></i>					
Relocation fund	26,188	-	-	-	26,188
Future production fund	27,524	-	-	(22,524)	5,000
<i><b>Total designated funds</b></i>	53,712	-	-	(22,524)	31,188
<i><b>General funds</b></i>	76,024	383,064	(397,300)	22,524	84,312
<b>Total unrestricted funds</b>	129,736	383,064	(397,300)	-	115,500

**Name of unrestricted fund**

**Description, nature and purposes of the fund**

*General fund*

The 'free reserves' after allowing for all designated funds.

*Designated funds*

Designated relocation fund to provide against costs of relocating to new premises.

Designated future productions for the creation of future productions.

Designated youth/community development fund for the development of educational and community partnerships - National Volcanic Association.

# VOLCANO THEATRE COMPANY LIMITED

## Analysis of movement in restricted funds

	<i>Brought Forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> £	<i>Carried Forward</i> £
<b><i>Restricted funds</i></b>					
Fixed assets	2,991	-	(748)	-	2,243
Storyopolis	9,279	-	(6,536)	-	2,743
Wales EU fund	1,643	-	(1,643)	-	-
Arts Council of Wales - Covid Support for Arts - Revenue	-	14,660	(14,660)	-	-
Arts Council of Wales - Covid Support for Arts - Capital	-	3,379	(3,379)	-	-
Local Giving - Magical Little grants	-	500	(500)	-	-
WCVA - Third Sector Resilience Fund	-	334	(334)	-	-
des Organismes vivants	-	4,576	(4,576)	-	-
<b><i>Total restricted funds</i></b>	<b>13,913</b>	<b>23,449</b>	<b>(32,376)</b>	<b>-</b>	<b>4,986</b>

## Analysis of movement in restricted funds - prior year

	<i>Brought Forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> £	<i>Carried Forward</i> £
<b><i>Restricted funds</i></b>					
Fixed assets	3,989	-	(998)	-	2,991
Storyopolis	19,805	-	(10,526)	-	9,279
Paul Hamlyn A & P Fund	17,609	-	(17,609)	-	-
PolArt EU	6,527	-	(6,527)	-	-
Wales EU fund	4,000	-	(2,357)	-	1,643
Touring grant	-	12,703	(12,703)	-	-
Workshop grants	-	2,150	(2,150)	-	-
<b><i>Total restricted funds</i></b>	<b>51,930</b>	<b>14,853</b>	<b>(52,870)</b>	<b>-</b>	<b>13,913</b>

## Name of unrestricted fund

## Description, nature and purposes of the fund

Storyopolis	Storyopolis fund providing free workshops for schools, and occasional public events for the children's literacy project.
Wales EU fund	Wales EU fund to cover travel for a research & development period of Wales/Spanish/Greek arts group.

## VOLCANO THEATRE COMPANY LIMITED

### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total £</i>
Tangible fixed assets	14,291	2,243	16,534
Investments	1	-	1
Net current assets	200,825	2,743	203,568
Total	215,117	4,986	220,103

**Analysis of net assets between funds - prior year**

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total £</i>
Tangible fixed assets	14,674	2,991	17,665
Investments	1	-	1
Net current assets	100,825	10,922	111,747
Total	115,500	13,913	129,413

### 19 RELATED PARTY TRANSACTIONS

During the year the trustees made aggregate in kind donations £250 (2020 - £Nil) in respect of IT services provided free of charge to the charity.

The charity charged Volcano Trading Company Limited, wholly owned subsidiary, £20,430 (2020 - £61,235) in respect of management and other services provided during the year.

The charity paid Volcano Trading Company Limited £38,454 (2020 - £141,856) in respect of theatrical production services received during the year.

### 20 OPERATING LEASE COMMITMENTS

The total minimum future lease commitments under non cancellable leases are as follows:

	<b>2021 £</b>	<b>2020 £</b>
<b>Falling due:</b>		
within one year	6,000	6,000
within two to five years	6,000	-
	<b>12,000</b>	<b>6,000</b>

### 21 CONTROL OF THE CHARITABLE COMPANY

The charitable company is under the control of the board of trustees and no individual is a person of significant control.