

Companies House Copy

VOLCANO THEATRE COMPANY LIMITED

A Company Limited by Guarantee

REPORT AND UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

VOLCANO THEATRE COMPANY LIMITED

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VOLCANO THEATRE COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 2023 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

- Make 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 reach new ones.

WORK IN PARTNERSHIP

- Develop and strengthen partnerships with venues, promoters, and stakeholders.
- Forge new associations between artists, organisations and practitioners.

PROMOTE CLIMATE JUSTICE

- Recognise the climate and ecological emergency and promote urgent action and democratic solutions.
- Be an exemplar of sustainable practice. Educate and motivate others.

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 and champion cultural democracy.
- Make work that is culturally distinctive, and which responds to a sense of place.

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 2022/23

PERFORMANCES

SINCERE AS OBJECTS: PERFORMANCE STAGE

Turning conventional theatre on its head, Artistic Director Paul Davies was set the challenge of developing ideas from design, rather than design being dictated by an existing script. Presented with two actors and a wild and wonderful landscape designed and built by creator Bourdon Brindille; two charming but unsettling guides inviting an audience into a surreal afterworld, reflecting on fragments of personal lives and manmade destruction.

SOLO DUETS FOR THE FUTURE

Started in 2021/22 and extended into 2022/23, Volcano commissioned a new series of short daytime performances, each around 30 minutes long, crafted by one or two performers to make apt and imaginative use of cupboards, galleries, corridors, bars and even a garage. Aimed at developing new talent and attracting new audiences and giving people the chance to catch a short lunch break or post-work show at an affordable price to attract people back to live performance in a convenient and low risk way.

AR LAN Y MOR

A Welsh language production with artist Rhiannon Mair developed as part of the Solo Duets series was performed at the 2022 Eisteddfod.

KAFKAESQUE

Gregor Samsa and his disdainful sister Greta made an appearance in Swansea High Street during an ad hoc arts festival, his plight on display to the street. A voyeuristic vignette for pop-up spaces and festivals.

THE DREAD ZONE

Connecting our appetite for horror entertainment with anxieties about the contemporary world, from fear of leaving the house to the threat of arbitrary torture or nuclear annihilation. A revived in-your-face French gore genre spliced with a stylised homage to Rod Serling's Twilight Zone, to make a fun, affordable alternative family entertainment for Christmas 2022.

CREATIVE EDUCATION & COMMUNITY PROJECTS

LOADED! - Volcano Youth

When you're loaded, you stay loaded. An enjoyable assault on the public school system and the monstrous inequalities it produces, by Volcano Youth Company.

URBANITES - Volcano Youth

A half term week at Swansea's Arts Arcade gave Volcano Youth the opportunity to work with professional actors, refugees and cutting edge visual arts technology contemplating movement through modern urban environments.

GROWING TOGETHER

Funded by The National Lottery Awards for All, associate artist Catherine Bennett worked with 60 pupils from St Jospeh's School of Sanctuary in a series of movement, script writing and costume design workshops culminating in a performance at Volcano's Bunker theatre.

UNIVERSITY OF WEST LONDON

Volcano's relationship with Drama Studio London further develops with a week's workshops on movement in summer 2022 and spring 2023, led by Volcano's Freelance Movement Director Catherine Bennett.

Our Station to Sea legacy project STORYOPOLIS, working in partnership with Cover to Cover Bookshop continued to develop existing projects, carried out a series of one off workshops based around climate change and rolled out a weekly term time 'Saturday Club'.

YOUR STORY OUR STORY

Following on from a Pilot scheme in early 2022, funding was secured from the Peoples Postcode to further develop this project with Year 7 pupils of Birchgrove Comprehensive. A personal and social document of life and lockdown focusing on self-expression and amplification of young people's voices.

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GREAT BIG GREEN WEEK

A series of workshops based on Climate Change funded by Great Big Green Week.

CHANGEMAKERS FESTIVAL

Storyopolis in partnership with Elysium gallery participated in this year's Swansea Changemakers Festival, exploring activism and social change through exhibitions, workshops, text and visual digital arts.

SATURDAY CLUB

A weekly school term club for children aged 8 – 14.

Volcano is partnering with several local and national organisations to offer a range of regular or permanent drop-in facilities and free provisions for the community based on principles of equal access, re-use and exchange, recycling, economy, and sustainability.

These include;

Men's wellbeing workshops funded by Community Changemakers and Austin Bailey Foundation.

A series of community workshops funded by Weston Bay Community Cohesion Fund kicked off in March 23 with an Eco art workshop free to attendees.

Free period products as part of Swansea Council's Period Dignity campaign.

CLIMATE JUSTICE

Volcano's climate justice commitments run like a seam through our work, ethos and future plans.

We apply the circular economy principles of reduce, repair, re-use, re-purpose & refuse.

Support from Cwmpas (formerly Social Business Wales) enabled a Sustainability Health Check leading to the development of an Eco-Code and Climate Justice Action Plan to be reviewed annually. Two sustainability champions have stepped up from the Volcano team to help drive this forward.

A sample of projects include:

RECYCLING SHED

In partnership with Swansea Environment Centre and with help from Eco Artist Clare Misselbrook, a garden shed left over from a previous Volcano production was repurposed and upcycled into a recycling station for difficult to recycle items. We are currently able to accept batteries, CDs/DVDs, rubber shoes/boots and corks and hope to expand this facility in future. Recycling bags for curbside collections are also available.

GREAT BIG GREEN WEEK

A series of climate change workshops were run during the Great Big Green Week.

COMMUNITY WORKSHOPS

Volcano facilitated a number of sustainability focused community workshops supported by the Austin Bailey Foundation, Swansea Environment Centre and Western Bay Community Cohesion Fund.

THE BOOTROOM

Volcano are a Bootroom drop off point. A local community initiative looking to ensure the community's young footballers are not prevented from participating in the game they love due to lack of equipment.

Our High Street venue continued to develop as an arts centre for the city hosting a wide range of cultural, educational & community activities and events including the following;

- 131 Performances
- 18 Exhibitions involving 104 individual artists.
- 78 Workshops/activities specifically for young people.
- 54 Workshops/Creative learning experiences.
- 29 other Community Events.
- All contributing to over 7500 attendees to the venue.

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The range of groups using the venue continues to increase and in this financial year included National Theatre Wales, UWTSD, Gower College, Open University, Swansea Asylum Seekers Support, Swansea City of Sanctuary, Swansea Stand up to Racism, Greenpeace, Restoring Hope Foundation, Sunflower Lounge, Swansea Environment Centre, St Josephs School of Sanctuary, Turkish Earthquake appeal, Calon, Cover 2 Cover. Latvian National Council, Elysium Gallery as well as a range of independent artists and performers.

Activities ranged from Volcano productions, youth theatre groups, educational workshops, ADHD workshops, community workshops and support groups, charity appeals, book launches, an International Ullian piping festival, polling station for Latvian elections, days of culture and refugee support events, Pilates & Yoga.

VOLCANO INTERNATIONAL

HAMLET IN YEMEN

Funded by British Council, in collaboration with director Amr Gamal and Kkaleejo Aden Company, Volcano's Paul Davies served as mentor for a site-specific Yemeni-dialect adaptation of Hamlet in the Legislative Council Building in the former church of St Maria in Aden.

FUTURE PLANS

FUTURE PERFORMANCES

SOLO DUETS FOR THE FUTURE returns as the of *THE SHAPE OF THINGS TO COME*, an annual series of future-oriented commissions.

AR LANY MOR, further development of this Welsh language production will see it Tour to mid and north Wales under the ACW Night Out scheme.

VOLCANO ORIGINALS Now a staple of the Volcano calendar there will once again be a new site specific piece for December 2023 inspired by the fading of the light and return to darkness of our UK winters. This will be followed by a spring show championing the return of daylight and change of the seasons.

FUTURE CREATIVE/COMMUNITY PROJECTS/EDUCATION

A range of youth, educational, community and climate justice activities and free provisions to include further work with local schools/youth groups, Hwb Y Stryd regular drop-in facilities with free provisions for our local community and Menywod/Man-made weekly creative social groups.

FAIR PAY

Volcano is a an accredited Living Wage Foundation employer.

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/external hire fees/services delivered/Performance fees from tour venues/Sponsorship & additional core/project funding.

With support from Arts & Business Volcano have developed a Fundraising Strategy for the next three years. This will focus on increasing our Core funding, income generating potential, reducing energy costs and extending project funding.

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New funding secured in 2022/23

The National Lottery: Community Grant (Storyopolis Saturday Club)	£9,097
Warm This Winter (Education/Climate Justice)	£4,441
Great Big Green Week (Climate Justice Event)	£3,754
Cwmpas (Consultancy/Policies)	£1,125
Arts & Business Cymru: Prosper (Fundraising Training)	£1,000
The National Lottery: Growing Together (Education)	£2,500
Swansea Church All Wales Trust Fund (Education)	£2,500
Western Bay Community Cohesion Small Grants: (Community workshops)	£1,500
Austin Bailey Foundation (Men's Wellbeing/Community workshops)	£1,000
City & County of Swansea: Period Dignity Grant (Free period products)	£ 838
WWF Mobilising Communities Fund (Education/Climate Justice)	£ 500
ONA Community Pitch Fund (Adult education/community workshops)	£ 500

A major shake up in funding from Arts Council of Wales sees it scrapping its long term 'Portfolio' of funded organisations with an investment review designed to respond to current challenges and bring it's cultural support further in line with the principles of the Wellbeing of Future Generations act and Welsh Government's commitments to carbon zero and climate justice.

Funding for the year 2023/24 has already been secured.

The funding review took place in January to March 2023, announcements to be made at the end of September. Volcano have applied to ACW as part of this funding review which in the first instance will be for 3 years from April 2024. If successful funding will be secured until the end of March 2027.

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 £417,428 with expenditure of £450,022 resulting in a deficit for the year before taxation of £32,594.

At the year end the unrestricted funds amounted to £220,050 of which £7,529 were held as fixed assets and investments. Free reserves amount to £81,001 with the remaining £131,520 being designated as follows:

Relocation fund	£97,170
Future productions fund	£22,250
Storyopolis	£12,100

The restricted funds amounted to £1,261 which is entirely 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 £54,000 - £81,000.

The current level of free reserves stands at £81,001.

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	
	Mr Ibukun Olatunji	(Appointed 30 March 2023)

Key management personnel: Executive team

Artistic Director	Paul Davies
Executive Producer	Claudine Conway
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

GAVIN DAVID DUDENEY, Trustee on behalf of trustees

15 December 2023

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 2023, 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:

18 December 2023

VOLCANO THEATRE COMPANY LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2023**

	<i>Note</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2023</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2022</i>
		£	£	£	£	£	£
INCOME							
Donations and legacies	3	312,340	21,582	333,922	279,385	29,261	308,646
<i>Income from charitable activities:</i>							
Operation of theatre company	4	14,384	-	14,384	10,362	-	10,362
<i>Income from other trading activities:</i>							
Commercial trading operations	5	64,468	-	64,468	49,725	-	49,725
Investment income	6	4,654	-	4,654	1,675	-	1,675
TOTAL INCOMING RESOURCES		395,846	21,582	417,428	341,147	29,261	370,408
EXPENDITURE							
<i>Expenditure on charitable activities:</i>							
Operation of theatre company	7	(428,019)	(22,003)	450,022	304,041	32,565	336,606
TOTAL EXPENDITURE		(428,019)	(22,003)	450,022	304,041	32,565	336,606
NET INCOME FOR THE YEAR BEFORE TAXATION	8	(32,173)	(421)	(32,594)	37,106	(3,304)	33,802
Taxation	9	-	-	-	-	-	-
NET INCOME AND NET MOVEMENT IN FOR THE YEAR AFTER TAXATION		(32,173)	(421)	(32,594)	37,106	(3,304)	33,802
RECONCILIATION OF FUNDS							
Total funds brought forward		252,223	1,682	253,905	215,117	4,986	220,103
TOTAL FUNDS CARRIED FORWARD		220,050	1,261	221,311	252,223	1,682	253,905

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 2023**
Company number: 02212900

	<i>Note</i>	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	12		8,789		12,634
Investments	13		1		1
			<hr/>		<hr/>
			8,790		12,635
CURRENT ASSETS					
Stock		1,357		520	
Debtors	14	9,123		8,341	
Cash at bank and hand		315,156		354,229	
		<hr/>		<hr/>	
		325,636		363,090	
Creditors: amounts falling due within one year					
	15	<hr/>		<hr/>	
		(87,351)		(86,182)	
NET CURRENT ASSETS					
			<hr/>		<hr/>
			238,285		276,908
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<hr/>		<hr/>
			247,075		289,543
Amounts falling due in more than one year	16		(25,764)		(35,638)
			<hr/>		<hr/>
TOTAL NET ASSETS			<hr/>		<hr/>
			221,311		253,905
CHARITY FUNDS					
Unrestricted income funds	17		220,050		252,223
Restricted income funds			1,261		1,682
			<hr/>		<hr/>
TOTAL FUNDS			<hr/>		<hr/>
			221,311		253,905

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 15 December 2023

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 2023

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 deficit of £32,594 for the year.

The Trustees and Executive have prepared cash flow forecasts and budgets that support the going concern basis of these financial statements.

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.

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,

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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

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.

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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

	2023	2022
	£	£
<i>Unrestricted income</i>		
Arts Council of Wales - Revenue grant	221,333	211,505
In kind support - donated services and facilities	60,698	63,253
Covid business support grants	-	4,000
Garfield Weston Foundation	30,000	-
Bounce back loan interest and similar charges subsidy	-	551
Gifts and donations	309	76
<i>Total unrestricted income from donations and legacies</i>	312,340	279,385
<i>Restricted income</i>		
Arts Council of Wales - Connect & Flourish	699	6,124
C & C Swansea - Western Bay Community Cohesion Fund	330	-
WCVA - Third Sector Resilience Fund	3,451	5,892
National Lottery - Awards for All	-	5,100
National Lottery - Community Fund - Growing Together	2,500	-
National Lottery - UK Comic Workshop	500	-
C & C Swansea - Period Dignity	828	-
British Council - Connexions	-	4,990
C & C Swansea - Summer of fun	-	3,000
C & C Swansea - Covid recovery fund	-	1,500
Architectural Heritage Fund - Viability report	-	2,150
Postcode Community Trust - Peoples' postcode	7,939	505
The Climate Coalition - The Great Big Green Week	963	-
Austin Bailey Foundation	531	-
The Social Change Uplift Grant	479	-
IETM	1,062	-
The Great Big Green Week	2,300	-
<i>Total restricted income from donations and legacies</i>	21,582	29,261
Total income from donations and legacies	333,922	308,646

VOLCANO THEATRE COMPANY LIMITED

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.

The value of the rate relief is £13,226 (2022 - £13,222) and the reduced rent £42,360 (2022 - £42,360). 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

	2023 £	2022 £
<i>Unrestricted income</i>		
Performance fees	4,709	2,716
Project fees	3,000	2,750
Workshops	6,675	4,896
<i>Total unrestricted income from charitable activities</i>	14,384	10,362
Total income from charitable activities	14,384	10,362

5 INCOME FROM TRADING ACTIVITIES

	2023 £	2022 £
<i>Unrestricted income</i>		
Vehicle hire	-	4,150
Premises hire	11,725	11,073
Bar sales	3,545	3,383
Other income	835	2,777
Management charges	48,363	28,342
Total income from trading activities	64,468	49,725

6 INVESTMENT INCOME

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

VOLCANO THEATRE COMPANY LIMITED

7 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Basis of Allocation</i>	<i>Total 2023</i> £	<i>Total 2022</i> £
<i>Costs directly allocated to activities</i>			
New show development	Direct	-	96
Production cost	Direct	195,755	89,131
Salaries and fees for workshop leaders, consultants and performers	Direct	43,947	50,191
Motor, travelling and accommodation	Direct	4,771	3,818
Publicity expenses	Direct	4,405	4,563
Property and costume costs	Direct	3,849	4,232
Royalties	Direct	53	84
Depreciation	Direct	5,067	5,493
Other workshop costs	Direct	11,221	576
Total costs directly allocated to activities		269,068	158,184
<i>Support costs allocated to activities</i>			
Premises costs	Direct	76,341	73,816
Repairs and refurbishment	Direct	6,642	3,778
Salaries and statutory contributions	Direct	60,860	64,923
Pension contributions	Direct	2,061	1,096
Telephone	Direct	743	645
Insurances	Direct	3,116	2,959
Printing, postage, stationery and advertising	Direct	114	411
Bank charges and similar costs	Direct	1,148	136
Sundry expenses	Direct	10,043	9,966
Training	Direct	946	752
Depreciation	Direct	83	84
Loss on disposal of fixed assets	Direct	-	280
Interest and similar charges	Direct	-	1,143
		162,097	159,989
<i>Governance costs</i>			
Book keeping	Direct	16,932	10,608
Independent examiner's fee	Direct	1,925	1,925
Other legal & professional fees	Direct	-	5,900
Total governance costs		18,857	18,433
Total expenditure		450,022	336,606

Of the £450,022 expenditure in 2023 (2022 - £336,606) £428,019 was charged to unrestricted funds (2022 - £304,041) and £ 22,003 to restricted funds (2022 - £32,565).

8 NET INCOME FOR THE YEAR

	2023 £	2022 £
This is stated after charging:-		
Operating leases - land and buildings	6,000	6,000
Independent examiner's fee	1,925	1,925
Depreciation of tangible fixed assets	5,150	5,577

VOLCANO THEATRE COMPANY LIMITED

9 TAXATION

	2023 £	2022 £
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

	2023 £	2022 £
Total wage costs		
Wages and salaries	101,175	96,588
Social security costs	3,632	4,534
Pension costs	2,061	2,048
	106,868	103,170

No employees had emoluments in excess of £60,000 (2022 - £ 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 (2022 - £Nil) neither were they reimbursed expenses during the year (2022 - £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 and Finance Officer. The total employee benefits of the key management personnel of the charity were £76,719 (2022 - £71,170).

11 STAFF NUMBERS

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

	2023	2022
Administration staff	4	3
Charitable activities	1	1
	5	4

VOLCANO THEATRE COMPANY LIMITED

12 TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost			
At 1 April 2022	118,983	42,897	161,880
Additions	1,305	-	1,305
At 31 March 2023	12,0288	42,897	163,185
Depreciation			
At 1 April 2022	115,059	34,187	149,246
Charge for year	2,971	2,179	5,150
At 31 March 2023	118,030	36,366	154,396
Net book value			
At 31 March 2023	2,258	6,531	8,789
At 31 March 2022	3,924	8,710	12,634

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> £
Cost	
At 1 April 2022	1
Purchased in the year	-
At 31 March 2023	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:

	2023 £	2022 £
Turnover	143,594	63,173
Cost of sales and administrative costs	(145,134)	(64,568)
Interest receivable	1	-
Net loss	(1,539)	(1,395)
Taxation	37,630	18,030
Profit after tax	36,091	16,635
Amount gift aided to the charity	-	-
Retained in subsidiary	36,091	16,635
The assets and liabilities of the subsidiary were:		
Current assets	86,629	50,392
Current liabilities	(1,538)	(1,392)
Total net assets	85,091	49,000
Aggregate share of capital and reserves	85,091	49,000

14 DEBTORS

	2023 £	2022 £
Trade debtors	4,016	494
Other debtors	-	159
Prepayments and accrued income	5,107	7,688
	9,123	8,341

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans	9,872	9,629
Trade creditors	5,592	3,922
Other taxes and social security costs	2,279	1,832
Deferred income	60,879	56,225
Other creditors and accruals	8,729	14,574
	87,351	86,182

16 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2023 £	2022 £
Bank loans	25,764	35,638
	25,764	35,638

VOLCANO THEATRE COMPANY LIMITED

17 ANALYSIS OF MOVEMENT IN UNRESTRICTED FUNDS

	<i>Brought Forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> £	<i>Carried Forward</i> £
Unrestricted funds					
<i>Designated funds</i>					
Relocation fund	97,170	-	-	-	97,170
Ongoing productions: Sincere as Objects	29,620	-	-	(29,260)	-
Ongoing productions: Solo Duets for the Future	8,597	-	-	(8,597)	-
Future productions fund	19,883	-	-	2,367	22,250
Youth/community development fund	5,000	-	-	(5,000)	-
Storyopolis	-	-	-	12,100	12,100
<i>Total designated funds</i>	160,270	-	-	(28,750)	131,520
<i>General fund</i>	91,953	395,846	(428,019)	28,750	88,530
Total unrestricted funds	252,223	395,846	(428,019)	-	220,050

Analysis of movement in unrestricted funds - prior year

	<i>Brought Forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> £	<i>Carried Forward</i> £
Unrestricted funds					
<i>Designated funds</i>					
Relocation fund	85,946	-	-	11,224	97,170
Ongoing productions: Sincere as Objects	-	-	-	29,620	29,620
Ongoing productions: Solo Duets for the Future	-	-	-	8,597	8,597
Future productions fund	31,879	-	-	(11,996)	19,883
Youth/community development fund	5,000	-	-	-	5,000
<i>Total designated funds</i>	122,825	-	-	37,445	160,270
<i>General fund</i>	92,292	341,147	(304,041)	(37,445)	91,953
Total unrestricted funds	215,117	341,147	(304,041)	-	252,223

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>Carried Forward</i> £
<i>Restricted funds</i>				
Fixed assets	1,682	-	(421)	1,261
Arts Council of Wales - Connect & Flourish	-	699	(699)	-
WCVA - Third Sector Resilience Fund	-	3,451	(3,451)	-
C & C Swansea - Western Bay Community Cohesion Fund	-	330	(330)	-
National Lottery - Community Fund - Growing together	-	2,500	(2,500)	-
National Lottery - UK Comic Workshop	-	500	(500)	-
C & C Swansea- Period Dignity	-	828	(828)	-
Postcode Community Trust - Peoples' postcode	-	7,939	(7,939)	-
Community Changemakers Fund	-	963	(963)	-
The Climate Coalition - The Great Big Green Week	-	2,300	(2,300)	-
Austin Bailey Foundation	-	531	(531)	-
The Social Change Uplift Grant	-	479	(479)	-
IETM	-	1,062	(1,062)	-
<i>Total restricted funds</i>	1,682	21,582	(22,003)	1,261

Analysis of movement in restricted funds - prior year

	<i>Brought Forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Carried Forward</i> £
<i>Restricted funds</i>				
Fixed assets	2,243	-	(561)	1,682
Storyopolis	2,743	-	(2,743)	-
Arts Council of Wales - Connect & Flourish	-	6,124	(6,124)	-
WCVA - Third Sector Resilience Fund	-	5,892	(5,892)	-
National Lottery - Awards for All	-	5,100	(5,100)	-
British Council - Connexions	-	4,990	(4,990)	-
C & Swansea - Summer of fun	-	3,000	(3,000)	-
C & C Swansea - Covid recovery fund	-	1,500	(1,500)	-
Architectural Heritage Fund - Viability report	-	2,150	(2,150)	-
Postcode Community Trust - Peoples' postcode	-	505	(505)	-
<i>Total restricted funds</i>	4,986	29,261	(32,565)	1,682

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.

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	7,528	1,261	8,789
Investments	1	-	1
Net current assets	238,285	-	238,285
Creditors falling due in more than 12 months	(25,764)	-	(25,764)
Total	220,050	1,261	221,311

Analysis of net assets between funds - prior year

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>
	£	£	£
Tangible fixed assets	10,952	1,682	12,634
Investments	1	-	1
Net current assets	276,908	-	276,908
Creditors falling due in more than 12 months	(35,638)	-	(35,638)
Total	252,223	1,682	253,905

19 RELATED PARTY TRANSACTIONS

The charity charged Volcano Trading Company Limited, wholly owned subsidiary, £48,233 (2022 - £33,612) in respect of management and other services provided during the year.

The charity paid Volcano Trading Company Limited £143,594 (2022 - £63,173) 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:

	2023	2022
	£	£
Falling due:		
within one year	6,000	6,000
within two to five years	-	-
	<u>6,000</u>	<u>6,000</u>

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.