

REGISTERED COMPANY NUMBER: 12465903 (England and Wales)
REGISTERED CHARITY NUMBER: 1189857

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
Theatr Clwyd Trust Ltd

Haines Watts, Statutory Auditor
Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

Theatr Clwyd Trust Ltd

**Contents of the Financial Statements
for the Year Ended 31 March 2022**

	Page
Chairman's Report	1
Report of the Trustees	2 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 22
Detailed Statement of Financial Activities	23 to 24

Theatr Clwyd Trust Ltd
Chairman's Report
for the Year Ended 31 March 2022

As we review the first full trading year as a new charitable trust, it is important to remember the backdrop within the wider world at the point when we, as a newly formed group of trustees, took on responsibility for Theatr Clwyd and its activities.

In April 2021 we were only a year on from the initial lockdown to stop the spread of Covid-19, an event that impacted everyone, and the live performance sector was certainly one of the hardest hit industries. However, due to our knowledge and involvement for the 18 months (and indeed some of us as governors for years previously within previous governance arrangements), we had seen how well Theatr Clwyd had responded. The delivery of food parcels to the most vulnerable families in partnership with social services, distribution of over 10,000 laptops to those in digital poverty, becoming the major centre for blood donations (with the NHS confirming hundreds of lives had been saved due to Theatr Clwyd's involvement), the running of schemes like our freelancers micro bursaries, our continuing referral partnerships with NHS and Social Services, being the live test event partner with Welsh Government for outdoor events, and then being the first theatre to open in Wales, meant we were certain the organisation, under the leadership of our executive team, was a resilient, effective and nimble arts organisation that merged strong community values with high quality arts provision.

We must also acknowledge Flintshire County Council, who have taken a proactive and holistic view of their cultural offer and responsibilities, and who negotiated terms on which our new governance and operations could thrive into the future. They continue to prove themselves an outstanding local authority who can see the links between culture, arts, wellbeing, and improved social care provision above their statutory requirements.

In the build up to 1 April 2021 we put significant time and effort as an originating set of trustees into ensuring we had relevant and robust governance structures. Starting things anew offered us the opportunity to implement a full suite of new policies to cover all our operations, new fit for purpose contracts for all our core company members, and to agree strong terms of reference for our full board, and the three main subcommittees of Finance & Audit, People, and Capital Steering Group.

In the first 12 months we were pleased to welcome new board members to ensure we had a range of diverse lived experience and professional expertise, and as Chair I feel confident in the checks and balances we have in place, the board colleagues I have, and their focus and responsibilities. I would like to thank Steve Burnett, who at end of year stepped down as Vice Chair and Chair of the Finance & Audit committee for his time, skill, and diligence over the last three years as we reached this point, and Liam and Tamara who continue to lead the organisation with great dynamism and proactivity.

At the end of the financial year 2021/2022 we find ourselves in a stable financial position. Being able to post a surplus (before deduction of the pension fund deficit) was due to a stronger than expected performance at box office, and in turn secondary trading, alongside the Cultural Recovery 3 funding from Welsh Government and Arts Council of Wales which was much needed due to the additional restrictions for public health meaning we were required to cancel our major Christmas pantomime from Christmas eve onwards.

I, with the Trustees, have detailed some of our work this past year under the key strategic priorities from our business plan. We are clear moving forward as to the challenges we will work to overcome. The Capital project is key, and how we navigate operations and revenue during this time is essential. We have clear plans in place, and the support of funders such as the Esmée Fairbairn Foundation towards our revenue journey, alongside our newly acquired VAT cultural exemption, and the increased Theatre Tax Relief Rates, certainly make the revenue journey during the two years of capital slightly easier than previously forecast.

Other key areas of focus will be to continue our exceptional work both in community settings (for people's wellbeing and alongside our referral partners), and towards our high-quality theatre productions, where the best of talent from Wales is nurtured and grown and can work alongside the best of talent from across the UK and internationally. In doing this we will be undertaking significant work on our company structures, and the recognition and reward both our core company and freelancers receive to ensure we are a high quality, responsible employer, which acknowledges the rising cost of living, and that values the skills and expertise of those who deliver work for us.

Above all else we will continue to stand behind, and deliver against, our mission -

'To make the world a happier place, one moment at a time.'

Theatr Clwyd Trust Ltd
Report of the Trustees
for the Year Ended 31 March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity is established for the advancement of the arts by the management and development of Theatr Clwyd and its programme of productions, events, shows and other activities involving the arts of theatre, dance, visual arts and music and the pursuit of any other charitable objects

Theatr Clwyd Trust Ltd

Report of the Trustees for the Year Ended 31 March 2022

ACHIEVEMENT AND PERFORMANCE

Our Building

To deliver a major capital scheme which reimagines and reshapes our building to secure Theatr Clwyd for future generations.

The financial year 2021/22 saw us make significant strides towards delivering this essential scheme. At the time of writing, we have secured £38m in public funding towards the scheme from a combination of Welsh Government, Flintshire County Council, and Arts Council of Wales's lottery programme. We are also grateful to the lead private funders who have pledged their support, over £3.3m already committed, and thank Garfield Weston, Wolfson, The Moondance Foundation, The Waterloo Foundation, The Dorey Foundation and The Mosawi Foundation for their generous support.

This year saw the programme become a physical reality, with the full building decanted (aside from the main house), our 'interim' theatre village become operational including the secondary performance space 'The Mix' opening with its first performances, and with the relocation of administrative and community operations moving to new town centre offices in Mold. The business continuity plans are working well and have allowed the team to engage an asbestos specialist company to come and deliver a 3-4 month programme of asbestos strip of the building before allowing the main contractor on site.

As a board we monitor the risks related to capital via our Capital Steering Group which involves stakeholders from Flintshire County Council, Arts Council of Wales & Welsh Government.

We monitor risk monthly and are under no illusions as to the challenging market conditions this scheme is being delivered against, but we feel confident that all stakeholders are committed, and as a trust the full risk is mitigated by the contract ownership ultimately resting with Flintshire County Council.

Our Community

To reach out to those in our communities who are disadvantaged, finding new and creative ways to listen to and engage their creativity

This year allowed us to cement some of the strands of work within the community that came about due to the pandemic, and to re-introduce strands that were unable to take place during the heightened restrictions. There are, even from a trustee point of view, far too many exceptional areas of work to mention. As part of the capital redevelopment the team were able to commission a Social Impact Report from Social Impact Consulting Ltd, who focused on 16 (a reasonable size segment) of our long running community programmes. Their findings were significant with 17,860 people impacted positively by the projects reviewed, with a total Social Value created was costed at £10,271,117 and an analysis that for every £1 invested by the theatre, another £14.20 of social value is created against these programmes.

Little of our community support work would be possible without strong professional partnerships for referral and identifying the community need.

Social Services at Flintshire County Council are a key partner as we work with them to improve the lives of the most vulnerable young people in their care, and via the Arts Council of Wales Connect & Flourish funding we have also shifted practice as to how social care and arts provision can be participant lead.

Betsi Cadwalder University Health Board have long relied on us for major referral and social prescribing partnerships, and our award winning work with sufferers of onset memory loss, and their carers, continues to grow and offer wider impact. This has also been supported by funding from Thalamic Ltd for a period of 5 years - a significant sign of support for such important work.

There are several housing associations we work with closely and City of Sanctuary is also a key partnership as we look to support the many displaced families who now find themselves living in North Wales and North West England.

We should also note the early stages of work in delivering music education, with around 1000 people each week receiving lessons from our musicians. We feel privileged and excited to be responsible for Theatr Clwyd Music Trust.

All this was recognised by us winning the Stage Awards for best UK Theatre during 2021 - a real testament to the team, their hard work, and their support of those in our communities who need it most.

Theatr Clwyd Trust Ltd
Report of the Trustees
for the Year Ended 31 March 2022

Our Business

To continue operating the main areas of our business, whilst balancing resource, to ensure the business model during capital is stable and allows a strong foundation of growth when entering the new building, and for the future of the organisation.

Our business activities are wide and varied, and during this period of accounting we saw the shift from digital and online work back to 'in person' performance.

Our digital strands were based on two models, the revenue generating type which included full scale productions such as The Picture of Dorian Gray with stars such as Fionn Whitehead, Alfie Enoch and Joanna Lumley, through to access based delivery which included our 'In conversation with' (opportunities for public to listen to famous names talk about their work for free), The Secret Shows (free for audiences to book and then a new play read live by actors).

As we moved into in person productions, we continued to test the digital model. For the Grace of you Go I by Alan Harries, played in our Emlyn Williams Theatre as well as 'digitally touring' to partner organisations across the UK. We continued the approach of streaming our Christmas pantomime, This year Beauty and the Beast by Christian Patterson, into every NHS site in North Wales and over 20 care homes locally.

Other productions included Missing Julie by Kaite O'Riley, Curtain Up (20 new plays performed by 30 actors), Isla by Tim Price in co-production with London's Royal Court, Beauty & The Beast, Our Welsh language Christmas Trilogy by Emyr John, and Milky Peaks by Seriol Davies which also toured Wales.

As outlined within these accounts - we had a stable business year given all the disruption, not least the mid run cancelation of the panto due to Welsh Government Covid restrictions. We continued to see steady audience growth as we strive to return to pre-pandemic levels.

Our Company

To empower our staff, freelancers, volunteers and apprentices to have creative ownership as an essential part of the whole, whilst working towards a balance between work and wider interests.

As a brand-new employer, we continue to strive to be the best we can for our core company members, and freelance workers. Due to the high-quality delivery during the year, we were able to offer a full company recognition payment to all core employees at year end.

We reviewed and re-wrote all policies and developed a new employee benefits package which includes Occupational Health, Care First, extra holiday on birthdays, free tickets to all events held at Theatr Clwyd sites, free gym use, free music lessons, and a host of wellbeing activities including walking and running groups, yoga sessions, and dance classes.

With an awareness that mental health is a continued challenge for many, we have also engaged a company counsellor. The provision of a minimum 12 week programmes is not only available for all core employees, but also to the 400+ freelancers who work with us each year.

Our Theatre Makers and Artists

To develop, nurture and grow Welsh, UK and international artists, makers, facilitators and practitioners

2021 saw our inaugural trainee directorships come to an end, with both Francesca Goodridge and Eleri Jones going onto regular work following their two years of employment with us. Thanks to the Carne Trust and Ian McKellen for funding such a scheme. Our new trainees will start in 2022.

We were proud to be the first theatre in the UK to use Open Hire for any position on a production, and also the first to offer a director position via the same scheme. We are committed to offering at least one position via Open Hire on every production into the future.

We continued our long standing partnership with the National Youth Theatre of Wales - delivering both in person and online training to their 2021 cohort.

Our other most important partnership with Royal Welsh College of Music and Drama continues to blossom - indeed in far too many ways to mention within this report.

Theatr Clwyd Trust Ltd
Report of the Trustees
for the Year Ended 31 March 2022

FINANCIAL REVIEW

Financial position

The year ended 31 March 2022 resulted in a surplus of £1.5m (before other recognised gains and losses). This figure reflects some initial first year transactions acknowledging reserves and opening balances that were transferred from Flintshire County Council.

This surplus is further adjusted to reflect the actuarial losses of our defined benefit pension scheme.

Theatr Clwyd Productions Limited generated a net profit after tax of £20k.

Principal funding sources

Theatr Clwyd acknowledges the financial support it received from Flintshire County Council £1.24m and Arts Council of Wales £1.82m

Reserves policy

The Trust will require both restricted, designated (earmarked) and unrestricted (general / free) reserves in order to cover business risk.

Restricted reserves will be identified for a specific use and will be designated for that purpose.

Unrestricted reserves are required to cover a general business and operating risk.

Target range for reserves

The target range is set at £1.2 million for the initial 5 year contract period of 2021-2026. The Board of Trustees consider that this target range provides sufficient flexibility in the context of operational requirements, and for an organisation of our size and complexity.

Going concern

We draw attention to the charity balance sheet at 31 March 2022 which shows that the charity's liabilities exceed its total assets by £806,224.

The trustees point out that this net liability has only arisen as a result of the pension scheme deficit of £2,387,000. The charity's pension liability in the balance sheet is not a cash liability, it arises from the application of relevant accounting standards for defined benefit schemes only. The scheme is guaranteed by Flintshire County Council. Whilst Flintshire County Council can request that a bond of up to £500,000 be acquired by the Charity to contribute to any shortfall, Flintshire County Council have not exercised this option to date.

If the deficit on the pension scheme was removed in its entirety, then the balance sheet would show net assets of £1,580,776.

The Trustees believe that it is highly unlikely that any liability in respect of the pension scheme deficit would crystallise in the period 12 months from the date the audit report is signed.

On this basis the accounts are prepared under the going concern basis.

Rent

Since transferring from local authority ownership Theatr Clwyd has a licence to occupy the building. Once the major redevelopment has been completed a 50-year lease will be signed. This rental is charged at a peppercorn rent

Pension

Employees who transferred under TUPE on 1st April 2021 remain members of the Clwyd Pension Fund (LGPS). At the point of transfer this pension scheme was closed to new members. Under the terms of our Cultural Services Agreement and the Business Transfer Deed any deficit arising from the pension up to 31st March remains the responsibility of Flintshire County Council. From 1st April 2021 Flintshire County Council and Theatr Clwyd Trust agreed a risk share approach in respect of future service and deficit payments

Capital Redevelopment

In Spring 2022 Theatr Clwyd began a multimillion-pound capital redevelopment. Flintshire County Council as the owner of the building are the client for the project. However, Theatr Clwyd will expend costs relating to the project; these will be reimbursed via Flintshire County Council. In the year under review these costs totalled £489,318

Theatr Clwyd Trust Ltd

Report of the Trustees for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Theatr Clwyd Trust Ltd is a registered charity and a company limited by guarantee governed by its Memorandum and Articles of Association dated 17 February 2020

Recruitment and appointment of new trustees

As set out in the Articles of Association the directors elect the chair of the trustees. All elected trustees serve for an initial term of four years and may then serve for a further four years.

Nominees appointed by Flintshire County Council are subject to the appointment processes of those bodies and the guidelines on appointment to public office as they apply to Local Government nominees.

Organisational structure

The board of trustees, which can have up to 13 members, administers the charity.

The board meets quarterly and there are sub-committees covering Finance and Audit, People and Capital Steering. The trustees appoint the Joint Chief Executives to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executives have delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance related activity.

Decision making

The Board of Trustees are responsible for ensuring that we manage our resources responsibly, and that we act in the best interests of the organisation and the people we serve. The Board has responsibility for approving and monitoring the implementation of this policy.

The Finance and Audit Committee are responsible for monitoring and supervision of the current and future financial situation and associated risks to the organisation. The committee has responsibility for reviewing this policy and making recommendation for approval to the Board.

The Executive Leadership Team is responsible for providing clear and focused leadership of the organisation, and to ensure our financial stability.

The Finance, Operations & People Director is the policy owner and is responsible for managing our reserves level within the policy range, ensuring this policy is reviewed in line with corporate requirements.

Induction and training of new trustees

New trustees are invited to meet with the Executive and Senior Leadership Team to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity.

Any trustees elected to serve on the Finance Sub Committee receive a more detailed financial induction following appointment.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

12465903 (England and Wales)

Registered Charity number

1189857

Registered office

Theatr Clwyd
Raikes Lane
Mold
Flintshire
CH7 1YA

Theatr Clwyd Trust Ltd
Report of the Trustees
for the Year Ended 31 March 2022

Trustees

S R Burnett (resigned 31.3.22)
Dr S J Caddick
Mrs P M Jewson
R Jones Mbe
T J Price
A Watkin
Mrs H A Watson
Ms M Bateman (appointed 27.9.21)
G Collett (appointed 28.9.21)
Ms L F Llewelyn (appointed 6.1.22)
H D Finley (appointed 6.1.22)
Ms S Jones (appointed 6.1.22)

The Trusts Joint Chief Executives are Liam Evans-Ford & Tamara Harvey.

Company Secretary

A Roberts

Auditors

Haines Watts, Statutory Auditor
Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Theatr Clwyd Trust Ltd for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on and signed on its behalf by:

Theatr Clwyd Trust Ltd
Report of the Trustees
for the Year Ended 31 March 2022

.....
Mrs H A Watson - Trustee

Report of the Independent Auditors to the Members of Theatr Clwyd Trust Ltd

Opinion

We have audited the financial statements of Theatr Clwyd Trust Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Theatr Clwyd Trust Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management, those charged with governance around actual and potential litigation and claims.

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Theatr Clwyd Trust Ltd**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Francis Murphy (Senior Statutory Auditor)
for and on behalf of Haines Watts, Statutory Auditor
Military House
24 Castle Street
Chester
Cheshire
CH1 2DS

Date:

Theatr Clwyd Trust Ltd

**Statement of Financial Activities
for the Year Ended 31 March 2022**

				Year Ended 31.3.22 Total funds £	Period 17.2.20 to 31.3.21 Total funds £
	Notes	Unrestricted fund £	Restricted funds £		
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	4,979,108	610,521	5,589,629	-
Other trading activities	4	1,413,625	-	1,413,625	-
Investment income	5	39	-	39	-
Total		<u>6,392,772</u>	<u>610,521</u>	<u>7,003,293</u>	<u>-</u>
EXPENDITURE ON					
Charitable activities	6				
Wages		2,765,714	48,885	2,814,599	-
Music Trust Service Contract		266,808	-	266,808	-
Production costs		982,569	-	982,569	-
Other costs		165,965	-	165,965	-
Capital Development costs		-	489,318	489,318	-
Other		703,258	-	703,258	-
Total		<u>4,884,314</u>	<u>538,203</u>	<u>5,422,517</u>	<u>-</u>
NET INCOME		1,508,458	72,318	1,580,776	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		(2,387,000)	-	(2,387,000)	-
Net movement in funds		(878,542)	72,318	(806,224)	-
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>(878,542)</u>	<u>72,318</u>	<u>(806,224)</u>	<u>-</u>

The notes form part of these financial statements

Theatr Clwyd Trust Ltd

**Balance Sheet
31 March 2022**

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	12	232,625	-	232,625	-
Investments	13	2	-	2	-
		<u>232,627</u>	<u>-</u>	<u>232,627</u>	<u>-</u>
CURRENT ASSETS					
Debtors	14	1,110,504	-	1,110,504	-
Cash at bank and in hand		<u>1,645,349</u>	<u>72,318</u>	<u>1,717,667</u>	<u>-</u>
		2,755,853	72,318	2,828,171	-
CREDITORS					
Amounts falling due within one year	15	(1,480,022)	-	(1,480,022)	-
NET CURRENT ASSETS		<u>1,275,831</u>	<u>72,318</u>	<u>1,348,149</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,508,458	72,318	1,580,776	-
PENSION (LIABILITY)/ASSET		(2,387,000)	-	(2,387,000)	-
NET ASSETS		<u>(878,542)</u>	<u>72,318</u>	<u>(806,224)</u>	<u>-</u>
FUNDS	16				
Unrestricted funds				(878,542)	-
Restricted funds				<u>72,318</u>	<u>-</u>
TOTAL FUNDS				<u>(806,224)</u>	<u>-</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
H A Watson - Trustee

.....
A Watkin - Trustee

The notes form part of these financial statements

Theatr Clwyd Trust Ltd

**Cash Flow Statement
for the Year Ended 31 March 2022**

		Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	2,313,844	-
Net cash provided by operating activities		2,313,844	-
Cash flows from investing activities			
Purchase of tangible fixed assets		(273,676)	-
Purchase of fixed asset investments		(2)	-
Interest received		39	-
Net cash (used in)/provided by investing activities		(273,639)	-
Cash flows from financing activities			
Intercompany loans in year		(322,538)	-
Net cash (used in)/provided by financing activities		(322,538)	-
Change in cash and cash equivalents in the reporting period		1,717,667	-
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period		1,717,667	-

The notes form part of these financial statements

Theatr Clwyd Trust Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,580,776	-
Adjustments for:		
Depreciation charges	41,051	-
Interest received	(39)	-
Increase in debtors	(787,966)	-
Increase in creditors	1,480,022	-
Net cash provided by operations	<u>2,313,844</u>	<u>-</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	-	1,717,667	1,717,667
	<u>-</u>	<u>1,717,667</u>	<u>1,717,667</u>
Total	<u>-</u>	<u>1,717,667</u>	<u>1,717,667</u>

The notes form part of these financial statements

Theatr Clwyd Trust Ltd

Notes to the Financial Statements for the Year Ended 31 March 2022

1. GOING CONCERN

We draw attention to the charity balance sheet at 31 March 2022 which shows that the charity's liabilities exceed its total assets by £806,224.

The trustees point out that this net liability has only arisen as a result of the pension scheme deficit of £2,387,000. The charity's pension liability in the balance sheet is not a cash liability, it arises from the application of relevant accounting standards for defined benefit schemes only. The scheme is guaranteed by Flintshire County Council. Whilst Flintshire County Council can request that a bond of up to £500,000 be acquired by the Charity to contribute to any shortfall, Flintshire County Council have not exercised this option to date.

If the deficit on the pension scheme was removed in its entirety, then the balance sheet would show net assets of £1,580,776

The Trustees believe that it is highly unlikely that any liability in respect of the pension scheme deficit would crystallise in the period 12 months from the date the audit report is signed.

On this basis the accounts are prepared under the going concern basis.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are presented in sterling which is the functional currency of the Trust, rounded to the nearest £1.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The main source of income from charitable activities is show income. Tickets are sold in advance and released to the Statement of Financial Activities once the show has opened.

Grants are recognised when the Trust become legally entitled to the grant income.

Donations are recognised Statement of Financial Activities when received.

Where donations are received in the form of donated items, such as equipment etc, the donation is recognised, once received, at Market value as determined by the Trustees.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Theatr Clwyd Trust Ltd

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery - 15% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

3. DONATIONS AND LEGACIES

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Donations	1,745,074	-
Grants	3,844,555	-
	<u>5,589,629</u>	<u>-</u>

Grants received, included in the above, are as follows:

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Furlough scheme claims	122,400	-
Arts Council Wales	1,870,962	-
Other grants	114,902	-
Flintshire Council Cultural Services Agreement	1,246,973	-
Capital grant income	489,318	-
	<u>3,844,555</u>	<u>-</u>

Theatr Clwyd Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

4. OTHER TRADING ACTIVITIES

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Membership fees & Sponsorship	37,279	-
Box Office sales etc	1,318,003	-
Management fees & other income	58,343	-
	<u>1,413,625</u>	<u>-</u>

5. INVESTMENT INCOME

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Deposit account interest	39	-
	<u>39</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Wages	2,814,599
Music Trust Service Contract	266,808
Production costs	982,569
Other costs	165,965
Capital Development costs	489,318
	<u>4,719,259</u>

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Other resources expended	<u>596,302</u>	<u>3,857</u>	<u>103,099</u>	<u>703,258</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Depreciation - owned assets	41,051	-
Other operating leases	<u>28,402</u>	<u>-</u>

Theatr Clwyd Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the period ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the period ended 31 March 2021.

10. STAFF COSTS

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Wages and salaries	2,526,666	-
Other pension costs	277,956	-
	<u>2,804,622</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	Year Ended 31.3.22	Period 17.2.20 to 31.3.21
Executive	2	6
SLT	4	-
Operations	38	-
Producing and production	45	-
Administration	10	-
Creative engagement	15	-
	<u>114</u>	<u>6</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Year Ended 31.3.22	Period 17.2.20 to 31.3.21
£60,001 - £70,000	2	-
	<u>2</u>	<u>-</u>

Theatr Clwyd Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Total funds £
NET INCOME	-
TOTAL FUNDS CARRIED FORWARD	- <u><u> </u></u>

12. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
Additions	273,676 <u> </u>
DEPRECIATION	
Charge for year	41,051 <u> </u>
NET BOOK VALUE	
At 31 March 2022	232,625 <u><u> </u></u>
At 31 March 2021	- <u><u> </u></u>

During the period ended 31 March 2022, assets consisting of plant and equipment etc was donated to the Trust. These assets are recognised within the financial statements at market value, as calculated by the Trustees.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
Additions	2 <u> </u>
NET BOOK VALUE	
At 31 March 2022	2 <u><u> </u></u>
At 31 March 2021	- <u><u> </u></u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Theatr Clwyd Productions Ltd

Registered office: England and Wales

Nature of business: Theatre production company

Class of share:	%
Ordinary	holding 100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	1	-
Profit for the year	20,005 <u><u> </u></u>	- <u><u> </u></u>

Theatr Clwyd Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

13. FIXED ASSET INVESTMENTS - continued

Theatr Clwyd Enterprises Ltd

Registered office: England and Wales

Nature of business: Theatre food and retail sales

	%	
Class of share:	holding	
Ordinary	100	

	31.3.22	31.3.21
	£	£
Aggregate capital and reserves	1	-

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	54,657	-
Amounts owed by group undertakings	322,538	-
Other debtors	3,522	-
VAT	12,247	-
Prepayments	717,540	-
	1,110,504	-
	1,110,504	-

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	400,194	-
Other creditors	2	-
Accruals and deferred income	970,123	-
Accrued expenses	109,703	-
	1,480,022	-
	1,480,022	-

16. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	-	(878,542)	(878,542)
Restricted funds			
Arts from the Armchair	-	20,656	20,656
Brightsparks	-	13,878	13,878
Summer of Fun	-	33,134	33,134
Film Cymru	-	4,650	4,650
	-	72,318	72,318
TOTAL FUNDS	-	(806,224)	(806,224)

Theatr Clwyd Trust Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	6,392,772	(4,884,314)	(2,387,000)	(878,542)
Restricted funds				
Arts from the Armchair	20,656	-	-	20,656
Brightsparks	28,078	(14,200)	-	13,878
Summer of Fun	67,819	(34,685)	-	33,134
Film Cymru	4,650	-	-	4,650
Capital development	489,318	(489,318)	-	-
	<u>610,521</u>	<u>(538,203)</u>	<u>-</u>	<u>72,318</u>
TOTAL FUNDS	<u><u>7,003,293</u></u>	<u><u>(5,422,517)</u></u>	<u><u>(2,387,000)</u></u>	<u><u>(806,224)</u></u>

17. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year £5,400 was received by the Trust in relation to sponsorship income from a business in which a Trustee of the Trust is a partner.

During the year £14,245 was received by the Trust in relation to hire income from an organisation in which an employee of the Trust is Trustee.

During the year £15,000 was received by the Trust in relation to a donation from a Business in which a Trustee of the Trust is a Director.

Theatr Clwyd Trust Ltd

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2022**

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	1,745,074	-
Grants	3,844,555	-
	<hr/> 5,589,629	<hr/> -
Other trading activities		
Membership fees & Sponsorship	37,279	-
Box Office sales etc	1,318,003	-
Management fees & other income	58,343	-
	<hr/> 1,413,625	<hr/> -
Investment income		
Deposit account interest	39	-
	<hr/>	<hr/>
Total incoming resources	7,003,293	-
EXPENDITURE		
Charitable activities		
Wages	2,526,666	-
Pensions	277,956	-
Music Trust Service Contract	266,808	-
Production costs	982,569	-
Temporary facility costs	46,638	-
Capital development costs	489,318	-
Postage and stationery	10,849	-
Advertising	77,404	-
Depreciation of tangible fixed assets	41,051	-
	<hr/> 4,719,259	<hr/> -
Support costs		
Management		
Rent	28,402	-
Rates and water	23,939	-
Insurance	52,461	-
Light and heat	104,928	-
Telephone	6,688	-
Postage and stationery	56,264	-
Sundries	2,573	-
I T Costs	112,351	-
Repairs and renewals	79,810	-
Carried forward	467,416	-

This page does not form part of the statutory financial statements

Theatr Clwyd Trust Ltd

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2022**

	Year Ended 31.3.22 £	Period 17.2.20 to 31.3.21 £
Management		
Brought forward	467,416	-
Training	10,381	-
Cleaning costs	35,375	-
Uniforms	1,092	-
Irrecoverable VAT	7,895	-
Motor and travel	29,076	-
Entertaining	11,137	-
Staff Welfare	14,269	-
Licences and subscriptions	8,910	-
Environmental costs	10,751	-
	<hr/> 596,302	<hr/> -
Finance		
Bank charges	3,857	-
Governance costs		
Accountancy and legal fees	103,099	-
	<hr/>	<hr/>
Total resources expended	5,422,517	-
	<hr/>	<hr/>
Net income	1,580,776	-
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements