CHAPTER (CARDIFF) LIMITED

England & Wales · Charity number 500813

Details

Other names	CHAPTER, CHAPTER ARTS CENTRE
Status	Registered
Legal form	Charitable company
Company number	01005570
Registered	1971-05-17
Register	View on the Charity Commission register

Contact

Address	Chapter Market Road Canton Cardiff
Phone	02920304400
Email	enquiry@chapter.org
Website	www.chapter.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE, FOR THE PUBLIC BENEFIT, TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE THE PUBLIC'S EDUCATION AND UNDERSTANDING OF THE ARTS, INCLUDING BY THE PROVISION OF AN ARTS CENTRE IN THE CITY OF CARDIFF OR ELSEWHERE IN THE UNITED KINGDOM AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE. IN THIS ARTICLE ?THE ARTS? INCLUDES (BUT IS NOT LIMITED TO) THEATRE, VISUAL AND LIVE ART, FILM, MUSIC, DANCE, LITERATURE AND ALL DIGITAL FORMS OF ART.

Activities: Chapter operates an arts centre in Cardiff which has two cinemas, two theatre spaces and a gallery. It specialises in contemporary culture including cinema, visual arts, digital arts and performing arts. It also offers a programme of classes and activities for the public, workspaces for small cultural businesses and meeting rooms for the community.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE CARDIFF
- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,567,569	£3,879,071	£4,127,098	83
2024-03-31	£3,588,469	£3,725,806	£4,422,910	93
2023-03-31	£3,200,179	£3,571,179	£4,555,394	90
2022-03-31	£4,182,080	£3,113,590	£4,926,394	94
2021-03-31	£3,420,477	£2,384,626	£3,937,363	80

Trustees

Name	Role	Appointed
Alia Ilyas		2025-09-25
Alun Gwynne Jones		2013-08-19
Dela Carmelle Isma Anderson		2025-09-25
EWAN HILTON		2019-11-20
Howl Grace Hubbard		2025-09-25
Jane Elizabeth Messih		2025-09-25
Laura Marie Williams		2025-09-25
Lauren Orme		2023-06-28
Naomi Stocks		2023-06-28
Stephen Meade		2019-11-20

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CHAPTER (CARDIFF) LIMITED

England & Wales - Charity number 500813

Accounts

CHAPTER

Chapter Cardiff Limited
Market Road
Canton
Cardiff
CF5 1QE

MHA
Oak Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8RS

Dear Sirs

Financial Statements for the Year Ended 31 March 2025

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the following representations to you in connection with your audit of the charity's financial statements for the year ended 31 March 2025:

1 We have fulfilled our responsibilities as trustees under the Companies Act in accordance with the applicable accounting framework, Charities SORP 2019, which you have drafted on our behalf, and for making accurate representations to you.

We confirm that in our opinion the financial statements give a true and fair view and in particular where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed.

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.

All other records and related information, including minutes of all management and trustees' meetings, have been made available to you.

2 The financial statements are free of material misstatements, including omissions.

3 We believe that the effect of uncorrected misstatements (as set out in the appendix to this letter) is immaterial both individually and in total.

4 We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysis, regulators or others.

5 The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the notes to the financial statements.

6 We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties.

7 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

8 We confirm that there are no formal covenants attached to the Charity Bank loan with balance of £472,288 owing at 31 March 2025.

9 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

10 The charity has not granted any advances or credits to, or made guarantees on behalf of, trustees other than those disclosed in the financial statements.

11 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

12 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose affects should be considered when preparing the financial statements.

13 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

14 The company has at no time during the year entered into any arrangement, transaction or agreements to provide credit facilities (including loans, quasi loans, or credit transactions) for directors, not to guarantee or provide security for such matters, except as disclosed in the financial statements.

15 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

16 We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

17 All grants, donations and other income, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches in terms or conditions in the application of such income.

18 We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make him or herself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

....

Trustee Trustee

On behalf of the board of trustees

Date 26.11.25

CHAPTER (CARDIFF) LIMITED

England & Wales - Charity number 500813

Accounts

REGISTERED COMPANY NUMBER: 01005570 (England and Wales)
REGISTERED CHARITY NUMBER: 500813

REPORT OF THE TRUSTEES AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

FOR

CHAPTER (CARDIFF) LIMITED

MHA
Chartered Accountants and Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

CHAPTER (CARDIFF) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2024

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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 and its subsidiary for the year ended 31 March 2024. 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).

PURPOSE

Charitable objectives

Chapter aims to provide support for cultural organisations and arts in parallel with the provisions of public programmes of contemporary arts, principally in film, theatre and visual arts, as a means of achieving its objectives.

The Charity's objectives ('Objects') are specifically restricted to the following:

1.1 The Objectives of the Charity are, for the public benefit, to promote, maintain, improve and advance the public's education and understanding of the arts, including by the provision of an arts centre in the city of Cardiff or elsewhere in the United Kingdom as the trustees may from time to time determine.

1.2 In this article "the Arts" includes (but is not limited to) theatre, visual and live art, film, music, dance, literature and all digital forms of art.

Statement of purpose (Mission, Vision & Values)

Chapter is an international centre for contemporary arts and culture, rooted in the heart of Cardiff, Wales. Established by artists Christine Kinsey and Bryan Jones and writer Mik Flood in 1971 to celebrate experimentation and radical thought, we've been a catalyst for creativity and critical thinking ever since.

We commission and present thought-provoking exhibitions, films, performances and multidisciplinary events by established and emerging contemporary artists who expand our worldview and challenge the status quo. Embracing multiple and diverse perspectives, risk-taking and experimentation, our programme encourages conversations that cross boundaries and disciplines.

The artists we work with actively engage with the critical questions and issues that shape our present and we foster dialogue between audiences and artists through a public programme that provides opportunities to connect through our histories, the way we live now and how we might imagine new futures.

Our approach is collaborative, foregrounding projects that have shared purpose and prioritising social and cultural equity. We advocate for communities and artists as world builders.

Alongside our expansive public programme, we work behind the scenes to support the creative community in our 50+ studios and beyond, bringing people together to encourage ideas and collective agency.

We believe in equitable access to culture and that art has the power to connect us all in dialogue around diverse experiences and shared aspirations, support health and wellbeing and contribute to a more curious and cohesive society.

OBJECTIVES

Chapter is an ambitious, multi-artform venue that presents, produces and promotes international art, live performance and film. We welcome nearly 600,000 visitors through our doors each year and position our local communities at the heart of everything we do.

We're a centre for world-class, inventive and compelling work that's open and accessible to all. Our gallery commissions and produces exhibitions of the very best in national and international art. The theatre spaces are a platform for experimental and thought-provoking works, and our cinemas offer independent and challenging films alongside a range of unique festivals and events. We also bring more films, to more people, in more places through Film Hub Wales, and support young people's talent-pathways in the film industry through BFI Film Academy. All of this is supported by an innovative and inclusive programme of learning and community engagement, and we bring people together in our large social and community spaces.

Our artistic aims are to be:

1. internationally renowned as a hub for contemporary arts and culture.
2. a champion for diversity and inclusion.
3. an agent for collaboration.
4. a leader in creative learning and engagement.
5. an advocate of the cultural artistic landscape of Wales.
6. a catalyst for a new culture of experimentation for works originated in the Welsh language.

ACHIEVEMENT AND PERFORMANCE

- 525,000 people visited our building
- Over 6 million people visited our website
- Chapter Group turnover for 23/24 is £3,588,469
- 56 full time equivalent jobs at Chapter, 81 people
- We screened 388 film titles over 3,042 screenings selling 66,017 tickets
- We hosted 72 different events over 239 performances and sold 8,437 tickets
- We are home to 53 studios, hosting around 100 artists and creatives
- 24,061 people visited our free exhibitions
- £240,000 invested in the local freelance economy
- 5,989 hours of free or subsidised R&D support
- 2,058 free community tickets
- We hosted 1,700 classes and workshops
- We funded 42 projects across Wales through Film Hub Wales engaging with 40,797 people
- We made 198,000 hot drinks in our cafe

Film

We take the lead in independent cinema in Wales, presenting the best of Welsh, UK and international film. It is ever more important to present a clear and exciting independent voice in the cinema landscape in a world where screens large and small are competing for audiences. With that in mind, alongside new releases, we brought a range of festivals and curated seasons, with talks, Q&As and events offering our audiences an enriched cinema experience and insight into the thriving film industry in Wales.

The success of Barbenheimer (*Barbie* and *Oppenheimer*) showed a façade of mainstream success that buoyed up an otherwise difficult year for new releases. This gave us a chance to lean into our specialism and so we curated seasons of films with our visiting artists Myfanwy MacLeod alongside a season funded by the Canada Cymru project that brought in partners from Cardiff University, BBC Cardiff Singer of the World and The Evolution of Horror podcast. We also curated a successful season of films for the BFI: The Creative Worlds of Powell and Pressburger that dug into the work of Welsh actor Roger Livesey (*The Life and Death of Colonel Blimp; I Know Where I'm Going; A Matter of Life and Death*) and looked at themes of sex and obsession with writer So Mayer that allowed us to showcase our specialism with 35mm Projection room tours. We also experimented with mini seasons of classic films such as Krzysztof Kieślowski's Three Colours Trilogy and a bank holiday of Bruce Lee films.

After the big year for Welsh language film with *Y Sŵn* and *Gwledd*, this year was more about telling the story of how Wales' talent is key to the industry in a myriad of ways, including screenwriting (Keiron Self's *The Canterville Ghost*) and acting talent (Jack Parry Jones in *A Kind of Kidnapping*) and as a base to work from (Keith Kopp's *Translations*; Janis Pugh's *Chuck Chuck Baby*). We also showcased films where the filmmakers or subject of the film had deep relationships with Chapter, such as Chris Morris' *A Year in A Field*; Carol Morley's *Typist Artist Pirate King*; Jeanie Finlays' *Your Fat Friend* and Paul Sng's *Tish*. Another way of working with talent was taking experienced artists in other fields who are new to film such as John Rea's *Atgyfodi*; Anushiye Yarnell's *Marathon of Intimacies* and Kieron Self and Kevin Jones' *Martin Decker*. This year we also began a partnership with Welsh label PYST and S4C's Lŵp to present music videos before feature films that launched with a showcase of all 20 videos in the project on Dydd Miwsig Cymru, bringing a new micro-short music video every month.

We continued to work with BAFTA Cymru to showcase Welsh talent and communicate a better understanding of the industry to Welsh audiences including a showcase around the nomination announcements. We also worked monthly to showcase local shorts at Chapter Moviemaker as well as the Chapter Queer Film Prize which is automatically entered into the Iris Prize and shown on Channel 4 for 12 months (this year won by *Diomysus: More than Monogamy* by Emily Morus Jones).

Our advocacy work in the industry saw our Cinema Programme Manager Claire Vaughan voted onto the Executive Board of the UK Cinemas Association for the fifth year and on the new BFI Programme Committee. Here she continues to lobby for a more joined up approach between the commercial and publicly funded sides of the industry to help more audiences access film, with a focus on D/deaf audiences. This year we hosted Deaf Together and held a discussion on how D/deaf audiences experience film in the cinema. In December we began the Deaf Film Club with BSL discussion.

This year's festivals included Kotatsu Japanese Animation Festival; Iris Prize; BFI London Film Festival; Doc N Roll; Into Film; and SAFAR Festival; all of which presented a chance to connect in meaningful ways to an audience and provide films that were not available anywhere else in Wales.

Film Hub Wales
We continued our BFI funded work as lead organisation in Wales for Film Hub Wales (FHW). The project continues to support cinemas, festivals and community screens with funding, research, skills development and advocacy.

FHW distributed £77,000 in lottery awards to 43 projects, reaching 40,797 people in person, plus 4686 online audience. 96% of films were specialised and 36% were accessible screenings. Highlights included a new Windrush Festival in Newport with Cinema Golau, the Hijinx Unity Festival and hyperlocal street-based screenings in Riverside, with Gentle/Radical.

Our pioneering project, Inclusive Cinema came to an end as the new BFI strategy commenced. In its final year, it released resources around Trans* Loving Care and Working-Class Inclusion.

Made in Wales continued to celebrate films with Welsh connections, which included films such as *Y Sŵn*. With funding from Creative Wales, the project supported 130 films in 2022/23 (46 of which were new to the project), 43 cinemas, 129 filmmakers, 54 distributors and 134 production companies. We also created 29 assets including podcasts, interviews and video blogs, along with one curated film package and we host over 800 films on our online catalogue.

FHW's network reached 302 Welsh exhibitors, 191 of which are members of the Hub. This year, we welcomed the Maxime in Blackwood, The Little Cinema in Penmaenmawr and Gower Film Club.

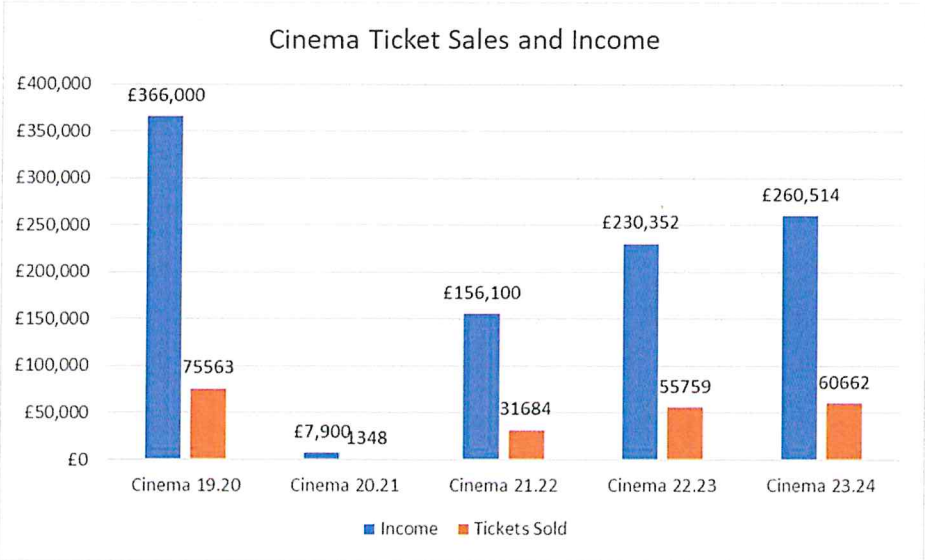
BFI Film Academy
We led the BFI Film Academy Plus events programme for Wales, partnering with a wide number of venues, organisations and industry specialists across the country.

Under the 'SCENE' strand, this included short film showcases and networking events in Cardiff and Bangor, collaborating with Cables & Cameras and Welsh participants from the International Youth Media Summit. And in February 2024, we were pleased to host the first event to take place in Wales for the BFI Future Film Festival.

For the 'Recommends' strand, Wes Anderson recorded a special introduction for his debut feature *Bottle Rocket*, and Christopher Nolan did likewise for his film *Following*, and these were complemented by a live cast Q&A for the latter, screenings of *The Prestige* on 35mm with projection tours, and a Q&A with Gorilla VFX for their work on *Asteroid City*.

Online, we hosted a UK-wide Lab for the BFI on the business of film, and Wales-focused sessions on film locations and opportunities for young programmers. Plus, we funded five micro-short films, provided industry mentoring to the selected filmmakers and a wider number of applicants, and arranged several screening opportunities afterwards.

And throughout this year, we laid the groundwork for a very expanded programme in 2024-2025.



Performance and Live Events
From May 2023 our performance programme began to take a new direction following the appointment of Performance Curator, Kit Edwards. Since then, the programme has renewed its focus on nurturing experimental and interdisciplinary live art practices, further distinguishing Chapter as the only institution in Wales supporting this kind of work. Artist development, long-term support, commissioning and an expanded understanding of what performance can be, have been key to this new approach.

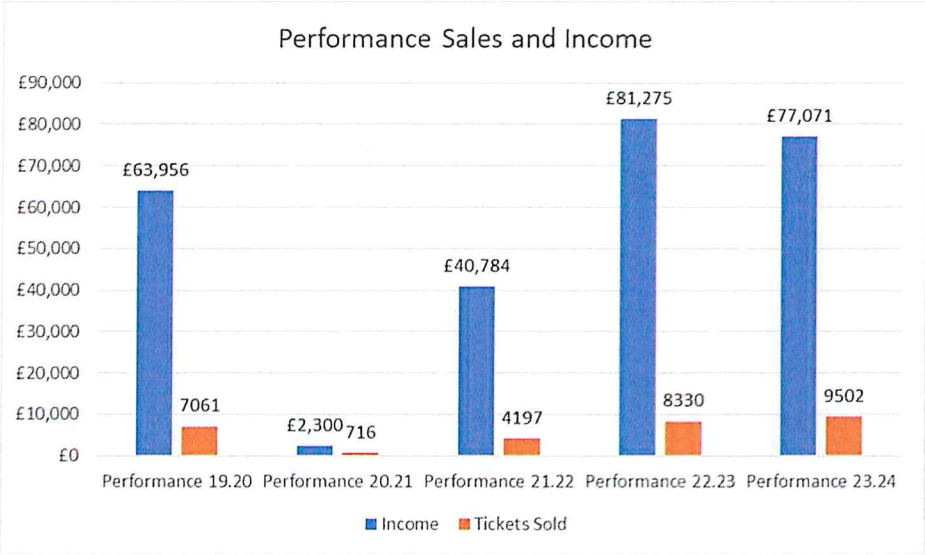
In September 2023 we launched the new programme with Reciprocal Gestures: a season of movement and dance. This saw 10 artists working with experimental and interdisciplinary modes of dance come together in a season that foregrounded creative exchange through collaboration, conversation and skill-sharing. Explorations of intimacy, community, queerness, aging, masculinity, and the afterlives of colonialism featured in work by Gareth Chambers, Seke Chimutengwende, Emilyn Claid, Good News from the Future, Anushiye Yarnell, and Lewys Holt.

At a time where dance in Wales was and continues to experience a critical lack of investment and support, programming the best of Wales based and national dance felt like a vital injection of energy into the scene.

During this season, we initiated the first of our Performance Artist in Residence positions with Anushiye Yarnell. Over 6 months, Anushiye received financial support, regular space, curatorial, technical, fundraising and marketing support. She spent this time developing her practice, sharing new works, workshops, screenings and talks, and was later commissioned for Experimentica 2024. This rigorous and sustained approach to artist development is something that will continue into the future.

From January 2024, we began programming monthly gigs, recognising the desire for more regular music at Chapter. Featuring artists such as Islet, Mary Lattimore, Muriel, Papa Jupe's TC, Volley Ball, Rufus Mufasa, Sgarab Tapes and more. These shows consistently sold out and have brought new younger audiences to the programme.

Providing free and subsidised space for R&D to local and national artists and companies, we continue our legacy as an organisation committed to supporting artists.



Visual Arts
During the period we presented eight thought-provoking projects by national and international artists. The artists we worked with were relevant and responsive to the social, cultural and political issues of our times, exploring subjects including the climate crisis, colonial legacies, migration and race.

Significant exhibitions included a solo exhibition by Adham Faramawy, that brought together for the first time recent video works, paintings and sculptures. Exploring the entanglement of land, rivers and migratory flows through personal histories, mythology and flora, their work centred the nuanced and complex relationships between marginalised bodies and place.

An exhibition by Canadian artist Myfanwy MacLeod, her first in Wales, reconciled us with the botanical world, magnifying the interdependency and symbiotic relationship between plants and humans. The exhibition was accompanied by a family activity pack and a series of workshops for young people. It was supported by the Canada Council for the Arts, BC Arts Council and Canada Cymru.

Chapter continued its strong partnership with the Artes Mundi prize, presenting three international artists, including the prize winner at Chapter: Carolina Caycedo (USA), Taloi Havini (Nakas Tribe, Hakö people) and Naomi Rincon Gallardo (Mexico).

In our cafe we curated and produced presentations by Seo Hye Lee, whose work challenges the notion of listening taking her experience as a deaf person with a cochlear implant as a starting point. In partnership with Artlink, we worked with the artist Leanne Ross, displaying her iconic 'Shout Out' paintings which feature snippets of conversations and observations from her life.

On our Lightbox we commissioned artwork by Rosa Johan-Uddoh, which mobilised portraits of Balthazar from historic paintings, challenging the cultural marginality of Black people and the ways culture reproduces and fixes ideas of their representation.

We were awarded £60,000 project funding from Welsh Government to collaborate with Arts Council of Wales and Amgueddfa Cymru on Perspective(s) to bring about a step change in how the visual arts and heritage sector reflects the cultural and ethnic diversity of our society. Chapter appointed artist Sophie Mak-Schram, whose work spans experiential education, collective practice and research, to question and challenge current ways of thinking within the sector through an anti-racist and decolonising lens.

We appointed Farah Allibhai, the first recipient of the Chapter Artist in Residence scheme which offers a Black, Asian and Minority Ethnic artist or artists a free 12-month studio with curatorial support.

Creative Community
We're home to some of Wales' most innovative arts organisations, facilitators and practitioners and we helped them share their stories with Wales and the world. We extended our commitment to collaboration and co-commissioning through partnerships with arts venues, education, industry and community organisations to bring exciting and original programming to Wales and take the best of Wales to the world.

The creative community of artists and companies based in our 50 studios, are at the heart of our organisation. We worked collaboratively with them to support their organisational growth and sustainability and showcased the work that they do within our communities. Together, we worked to foreground Welsh talent and to offer audiences multiple pathways to engagement with creativity. Partners included Theatr Iolo, Taking Flight Theatre, The Printhaus, Music Theatre Wales, Flossy & Boo, BAFTA Cymru, Cardiff Animation Festival and Into Film, to name a few.

We also supported organisations and creative individuals from across the sector but who are not based in our buildings. In the year this included approximately 5000+ hours of free or subsidised space for professional practitioners/creative organisations to support R&D; 120+ hours of curatorial, marketing and technical support; 5540+ hours of subsidised hire rates to creative organisations to deliver core activity to c37,000 beneficiaries, and subsidised rents to our 53 tenants. The combined commercial value of this subsidy and support is over £600,000 per year.

Community Engagement and Audience Development
Following an intensive period of internal reflection and community consultation, we revised our business model and looked to optimise our role and impact in our communities. We worked with them to empower them to shape and inform their own cultural experiences.

Over the last year, we've been focused on meetings with community groups, community leaders, everyday citizens, shop keepers, arts organisations and other stakeholders. During this time, we engaged hundreds of people across Cardiff. This work is ongoing.

We focussed on exploring people's relationship to Cardiff, to creativity and culture, and then to Chapter. We are learning about historical relationships, and then focusing on what these relationships might look like in the future, and how Chapter can take a lead in that. Some of the key relationships so far have been with (but are by no means limited to):

STEM Riverside - local organisation working with young Muslim girls; Green Soul - Somali Muslim women's group; Grange Pavilion - organisers of the community hub in Grangetown; Grange Pavilion Youth Forum - the community hub's membership group for young Global Majority people aged 14-25; Oasis - Refugee, Migrant and Asylum seeker support organisation and Ely and Caerau Hub - Cardiff Council run community hub.

We've taken the time to understand how this can not only inform our programming, but also how we can create better access for groups who feel marginalised and do not come to Chapter; we explored how to structurally embed this into the organisation. For example, we have created a dedicated community room at Chapter (Peilot) that hosts activities for grassroots community groups who traditionally cannot afford regular hired space. This room also functions as a public space that is distinct in activity and atmosphere to our café which is our largest public space.

Peilot has been used for a wide range of activities including a regular Persian music group and South Asian History month activities. We're working with an after-school tutor group from Fitzalan High School who have described their activities, and the impact of our support, below.

"Chapter have provided suitable accommodation for us to provide this vital work thanks to staff who have gone out of their way to engage with the diverse community that surrounds Canton and Riverside, thus growing to reflect the society that is sits within. Peilot has given us a refuge in short and without exaggeration, the future of our STEM club is dependent upon this ongoing hospitality and locality to Fitzalan School where the majority of our attendees attend. Chapter has given us hope to be frank. As a small grassroots organisation that is utterly dependent upon its volunteer bank to impart their knowledge upon our attendees, we are constantly fighting for help usually in the face of adversity. It means everything to us in our underpinning goal to be part of a fairer and kinder world. Chapter has helped us to be part of the change that we want to see."

We continued our work with D/deaf children and young people, working with Deaf consultants and artists Jonny Cotsen and Heather Williams. In May 2023, we hosted Deaf Together, a festival of D/deaf-led activity, with D/deaf and hearing audiences to centre the experiences of D/deaf people and showcase their creativity. We're improving our building to make it more accessible to D/deaf audiences and communities and continued to develop a regular programme for all ages. We installed new hearing loops in the Seligman Theatre and Stiwdio Seligman and bought wireless equipment to improve visitor experience in our gallery. D/deaf Film Club hosted by Heather Williams started in December 2023.

With BFI Audience Projects Fund support we started working closely with target audiences to grow our film audience. As well as the work with Deaf Film Club, we worked with Grange Pavilion and Ely and Caerau Hub to establish off-site film groups with young people. This has enabled us to build relationships in locations where young people are comfortable before welcoming them to Chapter. The long-term goal with these groups is to re-establish our young programmers' forum to co-create our programme and ensure it remains relevant and interesting.

We continued to offer at least one weekly event free or at a low cost for young people and families including free Saturday morning films and free films during school holidays. We also continued offering a free lunch to children and young people during the holidays, and a regular programme of free workshops and self-led activity packs exploring the key strands of our programme. We provided approximately 900 free lunches per week of each school holiday and screened 78 free films to 12,333 visitors this year.

We offered free gallery tours and workshops to primary and secondary schools in the region, around our exhibitions and theatre programme.

We have continued our weekly 'Carry on Screaming' strand, which is a relaxed screening for parents with babies under 12 months. Over the year we sold 376 tickets to 51 films.

We delivered a number of co-created community events including a celebration of Jamaica Independence Day, Printed Festival and Windrush @75. These drop-in events were family-oriented and included activities of interest to young age-groups, including arts, music, printmaking & craft workshops, film screenings, poetry and live music performance.

We worked towards greening more outside areas of the building and created new planters with several fruit trees and smaller edible plants, as a first step. Our volunteer group, Canton Community Gardeners, hosted activities with young people aimed at encouraging them to better understand the world around them and how they can make sustainable choices.

DEVELOPMENT

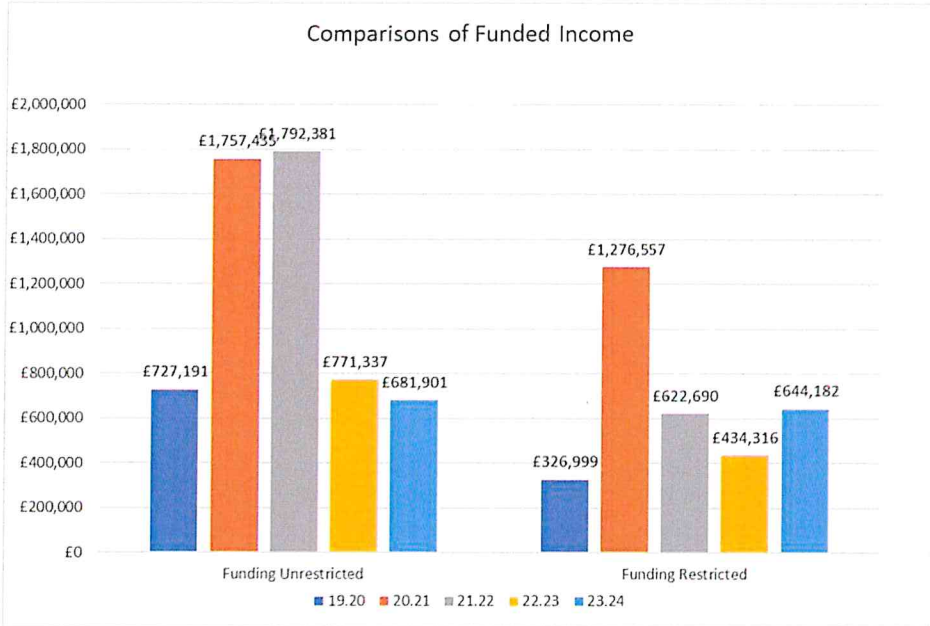
Fundraising

The fundraising landscape continues to be challenging as more organisations feel the impact of the cost-of-living crisis and post-Covid environment. This is resulting in a higher number of applications to trusts and foundations which is having a knock-on effect to our success rate. Many foundations are replying to our applications with supportive emails, but the comment that the fund was oversubscribed. This has led to a number of trusts and foundations reviewing their application processes, and some of them closing to new applications for the time being.

We've achieved moderate success to support projects in our gallery and performance programme and continue to receive support from Moondance Foundation for our engagement programme.

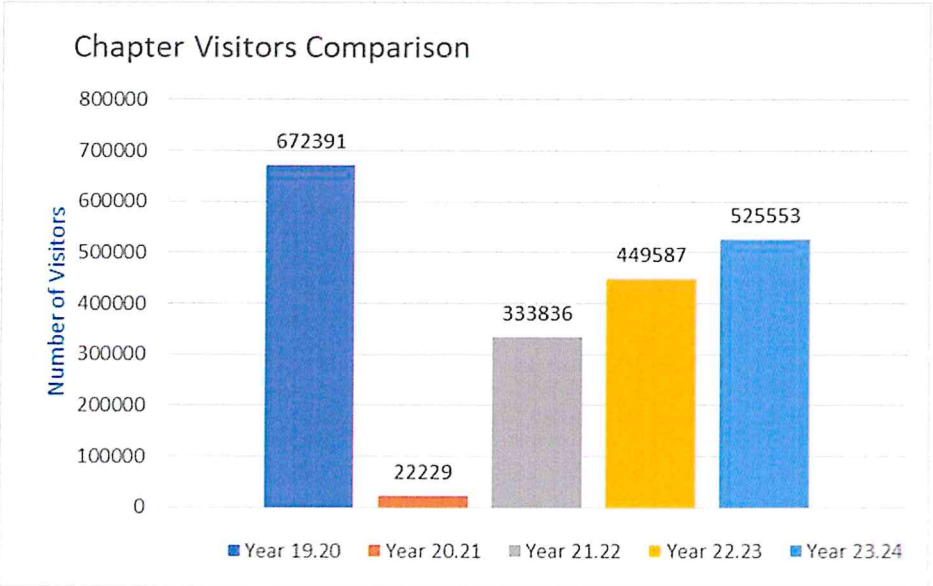
We re-started our Friends scheme in December 2023 with a more philanthropic focus, as opposed to our previous transactional scheme. Take-up was good in the first few months but has slowed down as year progressed. The new Fundraising Assistant started in January 2024 and will be key to maintaining relationships with our new members.

We're continuing to develop a relationship with the Fidelity Foundation and are working closely with them on a substantial ask for renovations to our Seligman Stiwdio.



COVID RECOVERY

Covid recovery is slow, and we continue to be impacted. We are currently experiencing footfall at 75% of pre-pandemic levels. People's habits have changed, we have a cost-of-living crisis, there is less disposable income. We endeavour to explore new ways of working that encourage people through the doors to increase engagement and participation and support us to generate income.



Equity, diversity and inclusion
Chapter aims to be an Equal Opportunity and Fair Treatment Organisation and recognises that it has an important role to play in Canton and the wider Wales as a vibrant and diverse community. It aims to be an organisation with a reputation for celebrating diversity and ensuring fairness and equality in everything that it does.

The key principle is to encourage full contribution from Chapter's diverse community and to further ensure that no-one (staff, visitors, artists, partners, volunteers, consultants) receives less favourable treatment on the grounds of race, age, ethnic or national origin, sex, pregnancy and maternity, marital status, gender reassignment, disability, religion or beliefs, sexual orientation or any other unjustifiable grounds.

Chapter is totally committed to promoting equality in all aspects of the organisation. It is the intention of Chapter that all people should be treated with respect, dignity and integrity whilst involved in activities concerned with its work.

We endeavour to actively improve the quality of our services and facilities to serve the differing needs of our staff, audiences and community.

Chapter aims to avoid or remove any unfair and or discriminatory practices within its operations and to actively oppose all forms of discrimination.

We recognise and value the cultural diversity that exists in society, but also acknowledge that there are many forms of discrimination leading to unacceptable behaviour.

We are committed to taking positive steps to remove barriers to participation and access, so that everyone in our community may enjoy and benefit from our programme and activities.

We recognise our responsibilities to comply with current equality legislation, including the Equality Act (2010).

In this respect, we will have due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

We recognise as an organisation we are on a constant journey of improvement. Throughout 2023-24 we worked to learn, unlearn and reflect on our offer and our impact on our community. We updated and reviewed our Anti-Racism Action Plan, Code of Conduct that is shared with all our staff, partners and artists, introduced new recruitment practices, and revised our Strategic Equalities Action Plan.

Public benefit
The trustees have had regard to the Charity Commission's guidance on public benefit in planning and carrying out the charity's programme.

We're a centre for world-class, inventive and compelling work that's open and accessible to all. Our gallery commissions and produces exhibitions of the very best in national and international art. The theatre spaces are a platform for experimental and thought-provoking works, and our cinemas offer independent and challenging films alongside a range of unique festivals and events. We also bring more films, to more people, in more places through Film Hub Wales, and support young people's talent-pathways in the film industry through BFI Film Academy Plus. All of this is supported by an innovative and inclusive programme of learning and community engagement, and we bring people together in our large social space and café bar.

Our programme champions the artists of today and invests in those of tomorrow. We work with practitioners at every stage in their careers, supporting and stimulating opportunities for exciting new talent as well as promoting the work of established artists.

We have 50+ studios on our campus that are home to 53 of Wales' most exciting artists and creative companies including ie ie productions, BAFTA Cymru, Beryl Productions, Music Theatre Wales, Taking Flight Theatre, Holly Davey, Marca Design and The Printhaus, to name a few (a full list is available at www.chapter.org).

We also support local artists and companies to undertake research and development, test out ideas and rehearse without financial risk through giving a range of spaces free or at a subsidised rate. Curatorial, technical and marketing support is estimated across R&D and varies depending on need.

Our social space is an important civic hub where we welcome everyone from our local communities. As well as offering a programme of diverse events for and with them, we also provide a Community Larder, free school holiday meals and a range of un-ticketed, low-risk creative activities to support people to come together on their doorstep.

In our audience-informed business model, we have committed to becoming a listening organisation and civic hub, giving our audiences a stake in the work and operation of the organisation. This is informed by an ongoing process of consultation that is embedded into our new operational model and is distinguished from being 'audience led' because our specialist curators and creators will use their skills to listen to our audiences and to reflect their interests and priorities back to them. They are invited to come on a collaborative journey with us, to create and curate the work in our venue, and to embrace challenge and risk in their choices.

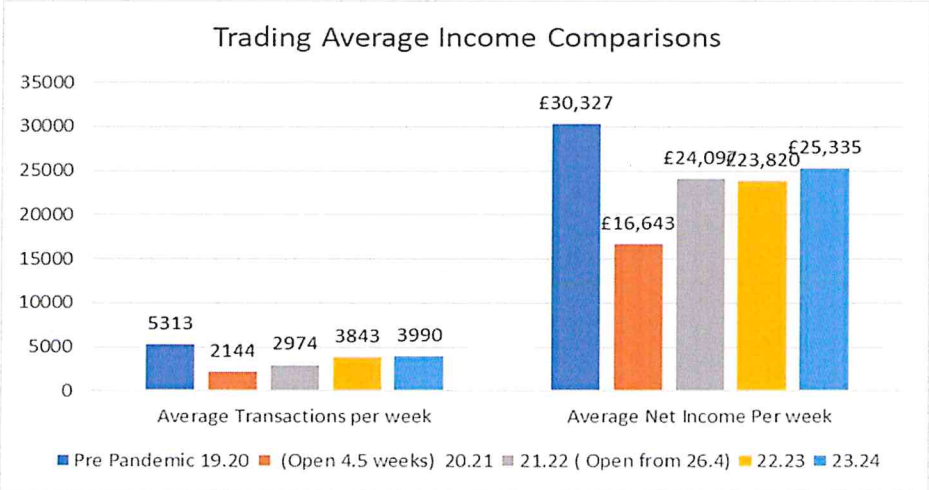
To enable this dialogue between creators and audiences we offer regular opportunities for engagement to build trust and ensure that every aspect of our organisation responds to the priorities and interests of the audience segments we've committed to serving. In the next three years this includes the following people within a 3-mile radius of Chapter: artists and creative practitioners, D/Deaf and disabled people, Black, Asian & Minority Ethnic people, people identifying as LGBTQIA+, people from lower socio-economic backgrounds and young people aged 16-30 yrs.

Our audience-informed approach is strongly aligned with current cultural policy from the perspective of statutory bodies and funders - ensuring that we're open to all and that we make a particular commitment to reaching and engaging priority audience groups.

Café Bar Trading Subsidiary
We value the café bar as part of the holistic Chapter offer, and we work to enhance and develop its role as an important civic space in Cardiff. However, we need it to make a financial contribution to support our artistic programme including our public engagement activity.

The café bar continues to struggle like all other hospitality business, with a staff and skills shortage. This is the first year, since the pandemic that the Trading company has contributed to the Charity. Although this is welcomed, it has a long way to go to return to the profitability we saw before the enforced pandemic closure.

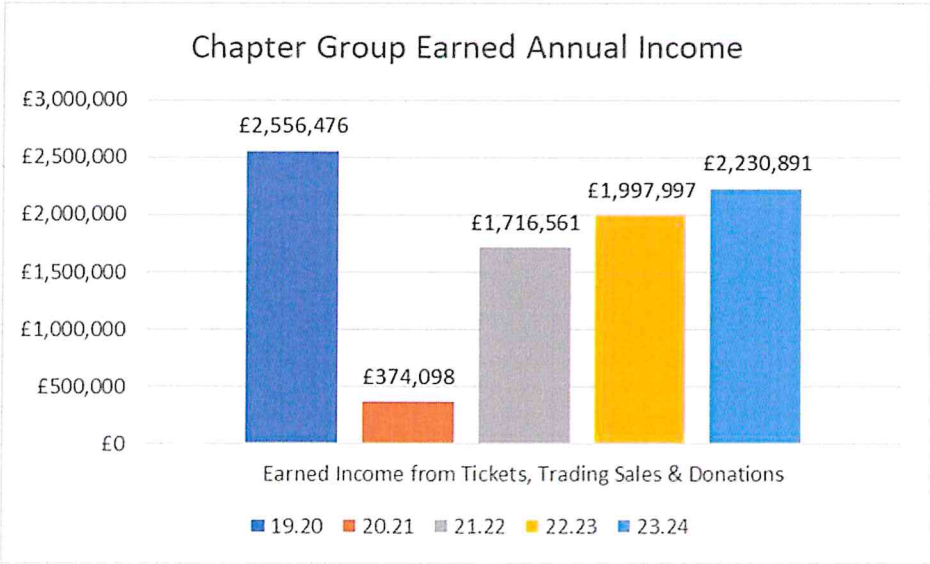
With the cost of living crisis, it is difficult to make the levels of income and profit from catering.





Challenges

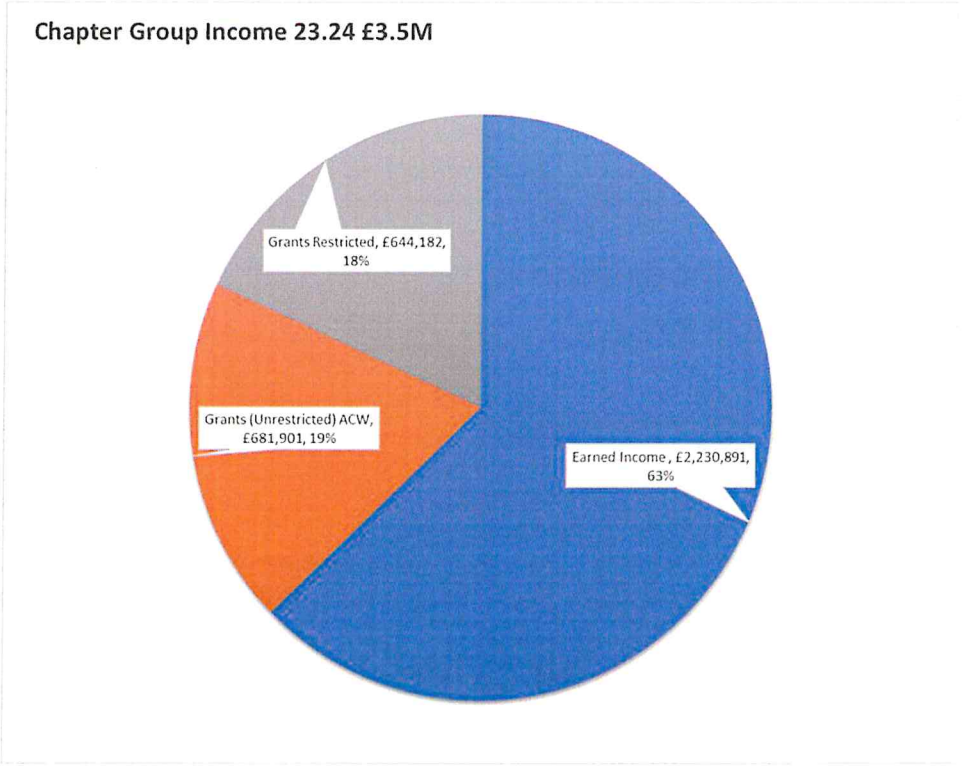
Our business model has been very reliant on trading activity both within the charity, such as ticket sales and room hire, and within hospitality to generate income. With this slow to return to profitability we must be proactive in our approach to a renewed business model.



Financial review
The consolidated Statement of Financial Activities shows a net deficit in unrestricted funds after transfers of £54,944 This leaves free reserves of £16,726 after releasing the designated funds to support the deficit.

In 23/24 we secured unrestricted core grants representing 19% of income, restricted grants representing 18% of income and earned income (ticket sales, rents, donations and hospitality) equating to 39% of turnover. Including restricted project grants our overall earned income is 81% of turnover and ACW core funding is just 19% of turnover.

	Income 19/20	**Income 20/21**	**Income 21/22**	**Income 22/23**	**Income 23/24**
Total income	£3,610,666	£3,408,090	£4,131,631	£3,200,179	£3,588,469
ACW Core Grant	£657,391	£664,620	£664,620	£681,337	£681,491
Percentage	18.21%	19.5%	16.09%	21.29%	18.99%



The principal sources of Chapter's funding are shown in Notes 3 and 5 to the Financial Statements.

Chapter (Trading) Ltd
The trading subsidiary made a small loss of £6. Footfall and the number of transactions are slowly increasing, (we are operating at approximately 75% of pre-pandemic footfall) but costs are high for supplies and staff. It will take a while to recover from the pandemic and we must adapt the business to expect a lower financial contribution to the Charity and celebrate the café bar's importance as part of the holistic offer at Chapter.

There is work to be done on improving the menu and Gross Profit. A hew Head Chef has been recruited, the menu has improved, and consistency and quality is better.

We have confidence that the café bar can start to make a financial contribution to the Charity albeit not at the levels we were used to.

Policy on reserves
The trustees have reviewed and discussed Chapter's reserves position and have agreed a reserves policy. This policy focuses on the building of unrestricted reserves as a basis for aiming towards a positive free reserves figure.

Going forward, the plan is to build unrestricted reserves over time and to work towards a free reserves position. The trustees suggest that the charity should strive for free reserves, equivalent to 3 months overheads, so that, should we be in an emergency such as the COVID Pandemic again, then we have some funds to support its initial impact.

2017/18 Unrestricted funds £(119k)
2018/19 Unrestricted funds £(19k)
2019/20 Unrestricted funds 63k
2020/21 Unrestricted Funds £759k
2021/22 Unrestricted Funds £1,833k
2022/23 Unrestricted Funds £1,742k
2023/24 Unrestricted Funds £1,687k

Chapter's unrestricted reserves are mainly represented by fixed assets. Taking this into account, the 2024 free reserves position is £16,726.

Unrestricted funds as of 31 March 2024:	£1,687,622
Less unrestricted fixed assets:	(£1,670,896)
Free reserves as of 31 March 2024:	£16,726

These unrestricted fixed assets are those assets the organisation needs to carry out its activities, such as land and buildings and are therefore not liquid and not available to us with ease.

Principal risks and uncertainties
Chapter's risk register is regularly reviewed via its subcommittee and Board. At the last review the following were the most pressing risks and thus flagged as 'red' in the risk register:

- Non-Equalities Act compliant lift. The lift has been rebuilt; one small adaptation is still outstanding - announcements in the Welsh language.
- Income risk. The ongoing impact of COVID clearly creates a significant risk to income going forward. Audiences are returning although fewer than pre-pandemic closure. We hope that confidence will grow, but COVID has not gone away and both staff and audiences are still being impacted. The growth of audiences in 23/24 was reassuring but we believe it will take several years for us to be trading at the levels we saw prior to lockdown.
- Cash flow risk. This relates to the income risk above and is included due to the importance of cash flow to the organisation.
- Reduction in ACW Core Revenue funding. Whilst we were successful in the Investment Review in that we remain a portfolio client of ACW, we received a 43% cut in core funding. We are successful in earning our own income but to find £290K a year to bridge that gap whilst costs continue to increase exponentially is a real challenge.
- Government policy/actions. This is to recognise the uncontrollable forces that can affect our operations and strategy.
- Non completion of the Chapter Capital Development.
- Sustainability of the breadth of the Chapter arts programme.

The principal risks that the charity faces relate to the uncertain nature of grant funding and the increased uncertainty of funding in the current economic and political climate. Alongside the potential difficulty in the ability to earn our own income as COVID restrictions are lifted. Diversification of income streams is constantly under review and being developed to mitigate this.

FUTURE PLANS

We ended 2023/24 with the Arts Council of Wales Investment Review process complete. Whilst we successfully remained a Portfolio Organisation, our funding was cut by £291,000 per year for 2024-2027.

Our Arts Council funding will represent on average, c10% of our earned and funded income. Our Fundraising Strategy builds on our audience-informed approach which is in line with policy and ambition and focused on impact for individuals and communities in line with our priority audiences.

It seeks to diversify funders, build support from trusts and foundations which has significant growth potential in the period, build on our Friends scheme, and on individual donations using an 'impact philanthropy' model where gifts are reciprocated but incentivised by the impact they make rather than through offering benefits. We'll also develop corporate offers, but acknowledge that this is opportunistic in this period, given the decline of corporate income in the current economic environment.

We seek to strengthen the business model of the Trading Subsidiary. The 2019 business model saw a heavy reliance on trading income made in the café bar to subsidise the wider creative programme. Post-pandemic and deep into the cost-of-living crisis, it hasn't been possible to recreate this model. Whilst this is challenging, it's also given us the impetus to reflect on how we use the space and focus on the vital role it can play in enabling equitable access, community cohesion and creative connection.

In taking an audience-informed approach to our business plan, we're seeking to balance our triple bottom line as a cultural charity - that is art, audience and money. This enables the purpose and impact of our organisation to be optimised whilst ensuring financial sustainability and is particular important at a time when cultural organisations and their audiences are under considerable financial pressure.

Our forthcoming work will respond to the six principles enshrined in the Arts Council of Wales Investment Review:

Creativity

Whilst we work with practitioners at every stage of their careers, we'll focus resources on supporting and stimulating opportunities for exciting early- to mid-career talent. We'll support artists to take risks and grow in confidence as they consider ways their ideas can develop and manifest, empowering them through critical exchange and knowledge sharing. They'll be supported by our experienced, cross-disciplinary team and through peer mentoring accessed via our extensive network of artistic communities of studio artists, and partnerships in Wales and nationally.

Our programme will be outward-looking and resonate with what's happening across the world and around the corner. We'll create compelling, transformative experiences connecting art with community. To do this we'll design clear pathways for audiences to move closer as creative collaborators and co-creators of the programme.

We'll champion and promote the strength and diversity of work being produced and presented in and from Wales to ensure we better reflect the world we live in. We'll foreground artists who work across disciplines and whose voices are marginalised in the arts.

We'll continue to build on our audience-informed model so that we can reassure creative practitioners that we want to engage with them authentically, over time. Through this work, we can foreground the voices of marginalised people and their experiences, stimulating emotional and relational connections that will help to build the trust that's needed to encourage ownership and connectivity with our programme.

We'll focus our collaborations with the following diverse groups of artists: Black, Asian and Minority Ethnic, LGBTQIA+, lower socio-economic, D/deaf and disabled. They'll be front and centre of our programme. We'll ensure that we're ambitious, connected and imaginative in enabling these artists to tell their stories. We'll pay particular attention to 16-30-year-olds and will launch a new young person's membership to support this commitment.

Nurturing Talent

We'll nurture networks with creative and educational organisations to better support career development for artists at all stages. We'll be a listening organisation and consult regularly with the artist-community to understand need. We'll be more transparent in our support and offer multiple points of access for artists to engage with us.

We'll seek to develop our studio provision to support more creative practitioners. We'll also provide a range of supported shorter-term residencies with bespoke mentoring. This will enable them to research, develop and experiment with ideas for new bodies of work and to test out new forms of expression for their creative practice, through moments of public engagement.

We're committed to developing inclusive practices that involve participation, and that encourage the co-creation of experiences with young people. We'll foreground equity, democracy and openness at the centre of our creative engagement work.

We'll nurture and engage the artists and creative practitioners of tomorrow. We'll do this by providing creative opportunities and talent pathways for them at all stages in their lives, but we'll focus in particular on those aged between 16 and 30 years.

We'll support children and young people in different ways to explore who and what impacts their lives. We'll encourage them to articulate how these issues affect their physical/mental health and wellbeing, and we'll work creatively with them to empower them to speak out about the things they care about and ensure their voices are heard.

We'll lead the BFI Film Academy Plus in Wales until 2026. Aimed at supporting industry career development for 16-25-year-olds, the programme provides multiple points of access for young people to explore creative pathways and autonomy through the medium of film.

We'll be guided by the principles of mutual trust and respect; transparency and open communication; professionalism; ethical and equitable practice, and prioritising care.

Widening Engagement
We believe that creative engagement with the arts can inspire and energise people of all ages and backgrounds to become more confident, more self-aware and more compassionate global citizens.

We'll continue to develop a creative and highly engaging community programme that responds to need, explores innovative practice in relation to collaboration, and demonstrates impact. Our work will encourage local people to take the lead in co-creation.

We'll tap into the potential of the arts to enable us to better understand the world in which we live together. Our work will prioritise the shared potential to look at the world through different lenses, to recognise diverse experiences and think collectively about how we might shape a better future. We'll work with our communities to creatively address the themes that concern them, acknowledging and foregrounding their stories.

We'll recruit a new role of Audience Development Manager. Central to the role will be the creation and delivery of ambitious strategies that reflect a deep understanding of our existing and aspirational audiences and that propose effective, imaginative approaches to ensure maximum reach and engagement. Working closely with our Head of Marketing & Communications and Head of Community Engagement, they'll contribute effectively to our understanding of who is or is not engaging with us, and why. These insights will provide evidence to help us better understand the creative, social and economic impact we have in our community and beyond and support us to shape our organisational objectives to secure the long-term sustainability of the organisation.

Welsh Language
We'll work hard to safeguard the Welsh language as an integral part of contemporary culture. We're committed to offering creative practitioners the opportunity to explore their own creativity through the language of their choice.

We recognise the need to strengthen the Welsh language arts ecology particularly in relation to experimental practice. We'll actively pursue alliances with progressive, ambitious advocates for Welsh language arts and ensure that works in the Welsh language are positioned and celebrated in an international context.

We'll work in partnership with organisations and freelance workers producing work in the Welsh language to provide opportunities for presentation, across all our spaces. We'll encourage audiences to take risks and will introduce them to high-quality, innovative practices that engage with contemporary issues.

We're a bilingual organisation and there will be a parity of marketing towards Welsh- and English-communicating audiences. We'll take an active role in encouraging and supporting Welsh language marketing, ensuring that companies, artists and groups take the use of the language into their everyday lives. We'll create generous and meaningful feedback loops for communities to be heard - because it's vital to understand what a contemporary Welsh language audience want and need.

Climate Justice
Our programme will highlight the impact and systemic causes of the climate emergency and the important intersection between climate change and other social, political and economic injustices. This will centre the creativity and lived experiences of artists and communities who are vulnerable and will foreground proposals for long-term change and solutions.

We'll seek to work with our local communities in a process of place-making to improve our green and public spaces. We'll expand and invest further in our work in partnership with Canton Community Gardeners to develop the garden and provide more opportunities for local people to connect with it in meaningful ways.

We'll take urgent steps towards improving our sustainability, demonstrating a positive impact on our workforce and the people and places around us. We'll strengthen our relationship with expert leaders such as Julie's Bicycle, to review our footprint, and commit to the necessary changes. We'll consult with communities with lived experience of climate change impact and injustice, working authentically to ensure that our work with them doesn't perpetuate extractive practices.

We'll continue to provide fair pay and good working conditions for artists and arts workers, and we recognise that this can contribute to improved wellbeing and greater societal equity.

Transformation
We acknowledge that equitable access to working in the arts remains an urgent issue across the industry, with those from marginalised communities vastly under-represented amongst artists and employees within our own organisation.

We're committed to the specific wellbeing goal within the Well Being of Future Generations Act: "A society that enables people to fulfil their potential no matter what their background or circumstances". We acknowledge that the current make-up of our Board, staff and volunteers does not mirror our local communities. We'll improve representation from diverse people by connecting with openness and transparency, positioning their lived experiences at the heart of the work we do.

We understand that making and experiencing arts and culture can transform the quality of life for individuals and communities. Following the development of our audience-informed business plan, we'll commit to a process of active listening, informed by an ongoing process of community, staff and stakeholder consultation. We'll create a positive and healthy environment for our workforce, placing their wellbeing at the centre of our operational model.

We'll value and respect the experiences, insights and participation of our staff, volunteers, Board and freelance community, because we believe that everyone has a valuable contribution to make and that our collective voice holds power to steer positive organisational transformation and community cohesion.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
Chapter (Cardiff) Ltd is legally constituted as both a company limited by guarantee (Company no. 1005570) and registered charity (Charity reg. no. 500813). Trustees are therefore Directors of the Company and Trustees of the Charity. The Board is the non-executive leadership body for the Charity that ensures that strategic and operational decisions are in line with the mission, vision and values of the organisation and are operated within the laws and regulations that govern.

Artistic programme, operational decisions and staff management are delegated to the Executive Team. The Executive Team, alongside those delegated by the Executive, are responsible for the business management and day-to-day operations of the organisation.

Recruitment, induction and training of trustees
Trustees are recruited by an open application process and interviewed and selected following a review of skills needed.

Following appointment, trustees are invited to an introductory meeting to familiarise them with the organisation and with their responsibilities as trustees. They are also provided with relevant Charity Commission guidance. Training is considered by the Chair, Chief Executive and through self-review on a case-by-case basis.

The term of office for trustees is three years. Trustees can stand for re-election to the Board for an additional two terms. Attendance is quarterly with the invitation to sit on a variety of sub-committees including Finance & Risk, Artistic & Learning and Governance.

Chapter is committed to increasing the diversity of its Board and, in the period, undertook a review of barriers to recruitment, where we advertise opportunities and other strategies to ensure we're able to diversify our workforce.

The Chair of Trustees (appointed in 2021) has unlocked the opportunity for us to explore what excellent governance looks like, and how to manifest strong and open lines of communication between Board, staff, stakeholders and audiences.

Staff Leadership
The trustees have determined that the key management personnel of the charity are the members of the Strategic Leadership Team. This team comprises:

- Co-Director and Artistic Director
- Co-Director and Director of Finance and Resources

Artistic programme, operational decisions and staff management are delegated to the Executive team. The Executive Team, alongside those delegated by the Executive, are responsible for the business management and day-to-day operations of the organisation.

Remuneration is set in accordance with Chapter's established pay structure which is kept under review by the Finance & Risk Sub-Committee. Co-Directors' remuneration is determined by the Board of Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
01005570 (England and Wales)

Registered Charity number
500813

Registered office
Chapter Arts Centre
Market Road
Canton
CARDIFF
CF5 1QE

Trustees

Sara Lee-Ling Chan	
Catrin Daniel	(resigned 25/09/2024)
Ewan Hilton	
Alun Jones	
Kami Lamakan - Chair	
Stephen Meade	
Lauren Orme	(appointed 28/6/2023)
Villida Ramasut	(resigned 25/09/2024)
Naomi Stocks	(appointed 28/6/2023)
Laurence Kahn	(resigned 15/11/2023)
Benedict Borthwick	(resigned 28/6/2023)

Company secretary
Sharon Stone

Key management personnel
Hannah Firth – Co-Director / Artistic Director
Sharon Stone – Co-Director / Director of Finance and Resources

Auditors
MHA
Chartered Accountants and Statutory Auditor
Elfed House, Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

REFERENCE AND ADMINISTRATIVE DETAILS

Principal Bankers
Lloyds Bank
514 Cowbridge Road East
CARDIFF
CF5 1BL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Chapter (Cardiff) Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

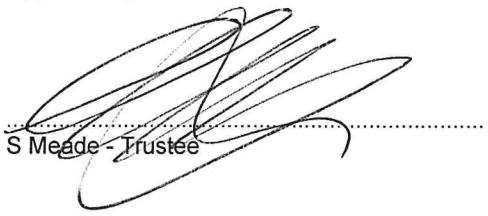
In so far as the trustees are aware:

- 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, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 27 November 2024 and signed on its behalf by:



S Meade - Trustee

Opinion
We have audited the financial statements of Chapter (Cardiff) Limited (the 'parent charitable company') and its subsidiary (the group) for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024 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 (incorporating the Report of the Directors) 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.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent 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 parent charitable company 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 parent 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 group's and the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

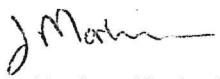
- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.to underlying supporting documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA
Chartered Accountants and Statutory Auditor
CARDIFF
CF23 8RS

10 December 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CHAPTER (CARDIFF) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	742,812	-	742,812	794,985
Charitable activities	5				
Charitable activities		761,283	644,182	1,405,465	1,088,881
Other trading activities	6	1,402,053	-	1,402,053	1,304,683
Investment income	4	6,233	-	6,233	-
Other income		31,906	-	31,906	11,630
Total		2,944,287	644,182	3,588,469	3,200,179
EXPENDITURE ON					
Raising funds	8	1,317,207	-	1,317,207	1,271,729
Charitable activities	9				
Charitable activities		1,812,245	596,354	2,408,599	2,299,450
NET INCOME/(EXPENDITURE) BEFORE TAX		(185,165)	47,828	(137,337)	(371,000)
Tax on (loss)/profit		5,648	-	5,648	-
NET INCOME/(EXPENDITURE) AFTER TAX		(179,517)	47,828	(131,689)	(371,000)
Transfers between funds	23	124,573	(124,573)	-	-
Net movement in funds		(54,944)	(76,745)	(131,689)	(371,000)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,742,566	2,812,828	4,555,394	4,926,394
TOTAL FUNDS CARRIED FORWARD		1,687,622	2,736,083	4,423,705	4,555,394

The notes form part of these financial statements

CHAPTER (CARDIFF) LIMITED

CONSOLIDATED BALANCE SHEET
31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	15	1,670,896	2,325,477	3,996,373	4,056,514
		1,670,896	2,325,477	3,996,373	4,056,514
CURRENT ASSETS					
Stock		27,504	-	27,504	27,262
Debtors	17	121,610	17,734	139,344	153,322
Cash at bank		874,647	393,372	1,268,019	1,370,130
		1,023,761	411,106	1,434,867	1,550,714
CREDITORS					
Amounts falling due within one year	18	(467,920)	(500)	(468,420)	(454,956)
NET CURRENT ASSETS		555,841	410,606	966,447	1,095,758
TOTAL ASSETS LESS CURRENT LIABILITIES		2,226,737	2,736,083	4,962,820	5,152,272
CREDITORS					
Amounts falling due after more than one year	19	(539,115)	-	(539,115)	(596,878)
NET ASSETS		1,687,622	2,736,083	4,423,705	4,555,394
FUNDS	23				
Unrestricted funds				1,687,622	1,742,566
Restricted funds				2,736,083	2,812,828
TOTAL FUNDS				4,423,705	4,555,394

The financial statements were approved by the Board of Trustees and authorised for issue on 27 November 2024 and were signed on its behalf by:

S Meade - Trustee

The notes form part of these financial statements

CHAPTER (CARDIFF) LIMITED

BALANCE SHEET
31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	15	1,670,896	2,325,477	3,996,373	4,056,514
Investments	16	2	-	2	2
		1,670,898	2,325,477	3,996,375	4,056,516
CURRENT ASSETS					
Debtors	17	496,320	17,734	514,054	262,182
Cash at bank		355,222	393,372	748,594	1,008,126
		851,542	411,106	1,262,648	1,270,308
CREDITORS					
Amounts falling due within one year	18	(343,165)	(500)	(343,665)	(262,020)
NET CURRENT ASSETS		508,377	410,606	918,983	1,008,288
TOTAL ASSETS LESS CURRENT LIABILITIES		2,179,275	2,736,083	4,915,358	5,064,804
CREDITORS					
Amounts falling due after more than one year	19	(492,448)	-	(492,448)	(510,211)
NET ASSETS		1,686,827	2,736,083	4,422,910	4,554,593
FUNDS	23				
Unrestricted funds				1,686,827	1,741,765
Restricted funds				2,736,083	2,812,828
TOTAL FUNDS				4,422,910	4,554,593

The financial statements were approved by the Board of Trustees and authorised for issue on 27 November 2024 and were signed on its behalf by:

S Meade - Trustee

The notes form part of these financial statements

CHAPTER (CARDIFF) LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	59,651	8,266
Net cash used in operating activities		59,651	8,266
Cash flows from investing activities			
Purchase of tangible fixed assets		(103,493)	(95,739)
Interest received		6,233	-
Net cash used in investing activities		(97,260)	(95,739)
Cash flows from financing activities			
Capital repayments in the year		(64,502)	(60,206)
Net cash used in financing activities		(64,502)	(60,206)
Change in cash and cash equivalents in the reporting period		(102,111)	(147,679)
Cash and cash equivalents at the beginning of the reporting period		1,370,130	1,517,809
Cash and cash equivalents at the end of the reporting period		1,268,019	1,370,130

The notes form part of these financial statements

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

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(131,689)	(371,000)
Adjustments for:		
Interest received	(6,233)	-
Depreciation charge	163,624	151,791
Increase in stocks	(242)	(3,352)
Decrease in debtors	13,978	131,365
Increase in creditors	20,213	99,462
Net cash used in operations	59,651	8,266

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/23 £	Cash flow £	At 31/3/24 £
Net cash			
Cash at bank	1,370,130	(102,111)	1,268,019
	1,370,130	(102,111)	1,268,019
Debt			
Debts falling due within 1 year	(73,078)	6,749	(66,329)
Debts falling due after 1 year	(596,878)	57,763	(539,115)
	(669,956)	64,512	(605,444)
Total	**700,174**	**(37,599)**	**662,575**

1. STATUTORY INFORMATION

Chapter (Cardiff) Limited is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Going concern
The trustees have reviewed the forecasts based on the latest income and expenditure to ensure cash liquidity is maintained to an appropriate level for the 12 month period, from the date of signing these statements. In the circumstances they have concluded that no additional disclosure is required to the financial statements at this time. The trustees are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

Group financial statements
These consolidated financial statements include the financial statements of Chapter (Cardiff) Limited (the charitable company) and Chapter Trading Limited its wholly owned trading subsidiary, made up to 31 March 2024.

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line-by-line basis.

Income
All income resources are classified under activity headings that aggregate all income related to that category.

- Donations and legacies relate to income from general donations, unrestricted grants, membership and sponsorship income
- Incoming resources from charitable activities are those derived from the art forms as well as project and grant funding
- Other trading activities relate to facilities, property and gallery shop income
- Other income relates to sundry items and the management charge to its trading subsidiaries

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions required deferral of the amount.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

continued...

2. ACCOUNTING POLICIES - continued

Income
Grants received to fund capital expenditure are recognised in the Statement of Financial Activities in the year of receipt and held in restricted reserves. The balance unrestricted reserves is released in future years at the same rate so as to match the depreciation of the related asset. Once the restriction has been met the funds are transferred to unrestricted reserves.

Membership and subscriptions income is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Income earned from the arts and arts forms is credited to the Statement of Financial Activities in the year in why they are due. Income received in advance is deferred to the appropriate year.

Facilities and property income consists of the invoiced value (excluding VAT) of goods sold/supplied to third parties and members. This is recognised in the period in which the service was provided. The management fees in other income are invoiced quarterly and recognised in the period to which the service was provided.

Turnover from café and bar sales is recognised on the date of sale. Income for services such as hospitality is recognised on the date the service is provided with any amounts deferred when received in advance of this. Income is recognised net of VAT.

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

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.

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

Grants payable are payments made to third parties in furtherance of the charitable objects of the company. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive the grant, or any condition attached to the grant is outside the control of the company.

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

Tangible fixed assets
Tangible fixed assets are initial measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses or in cases where fixed assets have been donated to the charity, at valuation at time of acquisition

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

Freehold land	0% straight-line
Freehold buildings	2% straight-line
Leasehold buildings	Over 125 years
Fixtures & fittings	10% - 20% straight-line
Improvements to Leasehold buildings	1% - 10% straight-line

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost less provision for impairment.

continued...

2. ACCOUNTING POLICIES - continued

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving. Stocks relate to café and bar items.

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.

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

Cash and cash equivalents
Cash and cash equivalent include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Operating leases
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	52,063	45,391
Gift aid	2,049	2,882
Grants	681,491	741,337
Membership	7,209	375
Sponsorship	-	5,000
	742,812	794,985

Included in donations is £30,000 from the Moondance Foundation (2023: £30,000).

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

	2024	2023
	£	£
Arts Council of Wales	681,491	681,337
BFI Organisation awards	-	60,000
	681,491	741,337

4. INVESTMENT INCOME

	2024	2023
	£	£
Interest earned	6,233	-

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Grants	644,182	434,316
Cinema income	292,969	221,051
Theatre income	45,003	44,145
Facilities and property income	422,961	375,635
BFI	-	11,292
Film education	350	2,442
	1,405,465	1,088,881

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

	2024	2023
	£	£
Artes Mundi Prize Limited	5,752	-
Arts and Business	-	1,046
Arts Fund - Joy Labinjo	-	4,000
Arts Council of Wales - Hearing Loops Project	15,000	-
Arts Council of Wales - Connect & Flourish	48,099	-
Arts Council of Wales - Experimentica	46,350	17,818
Arts Council of Wales - Gwyl Cymru	-	9,900
Arts Council of Wales - Perspectives	15,000	30,000
Arts Council of Wales - Sharing Together	4,050	-
Arts Council of Wales - WAI Canada	27,000	-
British Council	4,000	-
British Film Industry - Audiences	37,500	-
British Film Industry - Diversity	-	45,000
British Film Industry - Film Academy Plus	57,100	-
British Film Industry - Film Hub	286,900	210,000
British Film Industry - Nottingham	-	4,500
British Film Industry - P&P	500	-
British Film Industry - VEF	-	54,890
British Film Industry - Watershed	7,700	-
Canada Council	1,089	-
Cardiff Council	7,000	-
Colwinston Trust	10,000	-
Ffilm Cymru	10,000	15,000
Ffilm Cymru - Young Programmers	-	10,843
Freelands Foundation	10,000	-
National Grid - Community Matters Fund	10,000	-
Simon Gibson Charitable Trust	4,500	-
WCVA - Energy	1,000	-
Welsh Government - Made in Wales	33,537	28,819
WPD Holiday	-	2,500
Other grants	2,105	-
	644,182	434,316

6. INCOME FROM OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Trading subsidiary	1,402,053	1,304,683

continued...

7. RESULTS OF PARENT CHARITABLE COMPANY

The total income of the parent charitable company was £2,276,916 and the net expenditure (deficit) for the year was £131,683.

8. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Trading subsidiary	1,317,207	1,271,729
	1,317,207	1,271,729

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Charitable activities	2,180,132	228,467	2,408,599

Contained in direct costs above is grants payable by the charity totalling £77,015 (2023: 127,959). These can be split into the following categories:

	Total 2024	Total 2023
	£	£
Pitch Plot	-	3,605
Canada Goes Cymru	-	2,245
Witchcraft	-	3,909
Film Exhibition Fund	-	92,700
Cost of Living fund	-	25,500
Abergavenny Film Society	2,515	-
Aberstwyth Arts Centre	5,000	-
Cardiff Animation Festival	8,000	-
GWALLGOFIAID / CELLB	7,000	-
Hay Castle Trust	3,000	-
Iris Prize LGBTQ+ Film Festival	2,500	-
Kotatsu Japanese Animation Festival	2,000	-
Magic Lantern Cinema	6,000	-
Phantasmagoria Horror Film Festival	500	-
The Dragon Theatre	6,000	-
The National Library of Wales	9,000	-
Theatr Gwaun	6,500	-
Wicked Wales Film	5,000	-
WOW Film Festival	7,000	-
Wyeside Arts Centre	7,000	-
	77,015	127,959

During the year the charity provided 15 institutions (2023: 25 institutions) with grants.

10. SUPPORT COSTS

	Management	Other costs	Governance costs	Totals
	£	£	£	£
Charitable activities	110,386	79,022	39,059	228,467

continued...

11. NET INCOME/(EXPENDITURE)

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

	2024	2023
	£	£
Auditors' remuneration	14,970	11,770
Depreciation	163,624	151,791
Operating leases	5,550	3,159

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 or for the year ended 31 March 2023.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 March 2024 or for the year ended 31 March 2023.

13. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,680,659	1,494,460
Social security costs	116,098	104,899
Other pension costs	31,034	57,996
	1,827,791	1,657,355

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

	2024	2023
Chapter (Cardiff) employees	46	42
Chapter Trading employees	47	48

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

	2024	2023
£60,001 - £70,000	2	2

The total key management personnel remuneration benefits paid during the year was £147,464 (2023: £188,346).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	789,985	5,000	794,985
Charitable activities			
Charitable activities	643,273	445,608	1,088,881
Other trading activity	1,304,683	-	1,304,683
Other income	11,630	-	11,630
Total	2,749,571	450,608	3,200,179

continued...

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	1,266,729	5,000	1,271,729
Charitable activities			
Charitable activities	1,657,316	642,134	2,299,450
NET INCOME/(EXPENDITURE)	(179,474)	(191,526)	(371,000)
Transfers between funds	88,499	(88,499)	-
Net movement in funds	(117,897)	(280,025)	(397,922)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,833,541	3,092,853	4,926,394
TOTAL FUNDS CARRIED FORWARD	1,742,566	2,812,828	4,555,394

15. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Freehold land and buildings £	Improvements to leasehold buildings £	Long leasehold £	Fixtures and fittings £	Totals £
COST					
At 1 April 2023	562,000	4,366,846	879,000	1,214,177	7,022,023
Additions	-	32,295	-	71,198	103,493
At 31 March 2024	562,000	4,399,141	879,000	1,285,375	7,125,516
DEPRECIATION					
At 1 April 2023	309,588	877,586	665,078	1,113,267	2,965,509
Charge for year	11,120	99,419	1,828	51,257	163,624
At 31 March 2024	320,708	977,005	666,906	1,164,524	3,129,133
NET BOOK VALUE					
At 31 March 2024	241,292	3,422,136	212,094	120,851	3,996,373
At 31 March 2023	252,412	3,489,260	213,922	100,910	4,056,514

The Arts Council of Wales holds a legal charge over the leasehold property as a condition of their grant funding, the carrying value of the assets at as 31 March 2024 totalled £212,094 (2023: £213,922).

The bank loan is secured on the freehold land and buildings, the carrying value of the assets as at 13 March 2024 totalled £241,292 (2023: £252,412). The bank overdraft is secured against a second legal charge over the freehold land and buildings.

The leasehold building above is being depreciated over the term of the lease of 125 years. The carrying value of the building as at 31 March 2024 totalled £212,094 (2023: £213,922).

The trading subsidiary does not hold any assets.

continued...

16. TRADING SUBSIDIARY

The company owns 100% of the issues ordinary share capital of Chapter Trading Limited, a company incorporated on the 1 March 2007 in England and Wales, company number 06133709. The registered office of the company is the same as the charity. The principal activity of the company is the operating of the caffi bar at Chapter. The results of the company have been consolidated into the group accounts.

The results of the company can be found below:

	Total 2024 £	Total 2023 £
Turnover	1,372,401	1,283,986
Cost of sales and admin costs	(1,407,707)	(1,276,316)
Operating profit	(35,306)	7,670
Other income	35,300	25,712
(Loss)/profit for the year	(6)	33,382
Assets and liabilities:		
Total assets	553,391	394,104
Total liabilities	(552,591)	(393,298)
Net assets	800	806

Statement of changes in equity:

	Share capital £	Profit and loss reserve £	Total 2024 £
Balance at 01 April 2023	2	804	806
(Loss) and total comprehensive income	-	(6)	(6)
Balance at 31 March 2024	2	798	800

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	81,447	73,242	81,447	73,267
Amount due from group undertakings	-	-	381,012	113,695
Other debtors	5,648	-	-	-
VAT recoverable	-	-	-	-
Prepayments and accrued income	52,249	80,080	51,595	75,220
	139,344	153,322	514,054	262,182

continued...

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loan and overdraft	66,329	73,078	26,329	33,078
Trade creditors	161,158	198,419	109,789	132,510
Taxation and social security	30,411	82,668	22,661	28,610
VAT	77,939	-	78,099	-
Other creditors	41,671	13,732	36,532	19,827
Accruals and deferred income	90,912	87,059	70,258	47,995
	468,420	454,956	343,668	262,020

Included within accruals and deferred income above is the following deferred income:

	2024 £	2023 £
Deferred income brought forward	7,654	3,046
Released to SOFA	(7,654)	(3,046)
Additional income deferred in the year	26,524	7,654
	26,524	7,654

The deferred income relates to invoices raised in advance of service delivery and performances.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £	2023 £
Loans (see note 20)	539,115	596,878

The bank loan term is 15 years with an interest rate of 9.5%. The CBILS loan has a term of 5 years with interest charged at 3.40%. The loan with CVCA has a term of 8 years and an interest rate of 3%.

The bank loan is secured on the freehold land and buildings.

20. LOANS

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year on demand:		
Loans	66,329	73,078
Amounts falling between one and two years:		
Loans	514,611	587,387
Amounts falling due between two and five years:		
Loans paid by instalments	24,504	9,491

continued...

21. LEASING AGREEMENTS - GROUP

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	7,701	3,160
Between one and five years	15,924	4,773
	23,625	7,933

Operating lease payments recognised as an expense during the year amount to £5,550 (2023: £3,159)

LEASING AGREEMENTS - CHARITY

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	6,261	3,160
Between one and five years	14,004	4,773
	20,265	7,933

Operating lease payments recognised as an expense during the year amount to £4,830 (2023: £3,159).

22. EMPLOYEE BENEFIT OBLIGATIONS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents the contributions paid by the group to the funds and amounted to £31,034 (2023: £57,996). At the year end there were outstanding contributions of £6,429 (2023: £5,585).

continued...

23. MOVEMENT IN FUNDS

	At 1/4/23 £	Net movement in funds £	Transfers between funds £	At 31/3/24 £
Unrestricted funds				
General fund	1,660,566	(179,517)	206,573	1,687,622
Designated funds	82,000	-	(82,000)	-
	1,742,566	(179,517)	124,573	1,687,622
Restricted funds				
Access to Work	-	855	(855)	-
Artes Mundi Prize Limited	-	1,694	-	1,694
Arts Council of Wales - Hearing Loop Projects	-	14,186	(14,186)	-
Arts Council of Wales - Connect & Flourish	40,781	9,010	(16,000)	33,791
Arts Council of Wales - Experimentica	-	31,212	-	31,212
Arts Council of Wales - Perspectives	30,000	2,500	-	32,500
Arts Council of Wales - Quebec	-	(924)	-	(924)
Arts Council of Wales - Sharing Together	-	(771)	-	(771)
Arts Council of Wales - WAI Canada	-	190	(190)	-
Ashley Foundation	2,700	-	-	2,700
British Council	-	4,000	-	4,000
British Film Industry - Audiences	-	16,565	(16,565)	-
British Film Industry - Diversity	25,148	(18,707)	-	6,441
British Film Industry - Film Academy Plus	-	22,009	(5,000)	17,009
British Film Industry - Film Hub Wales	46,425	82,630	(16,000)	113,055
British Fim Industry - P&P	-	500	-	500
British Film Industry - VEF	25,190	(18,700)	(6,490)	-
British Film Industry - Watershed	-	6,472	(6,472)	-
Cardiff University	9,500	-	-	9,500
Cardiff Council - Capital	-	2,000	(2,000)	-
Cardiff Council - Community Larder	-	5,000	-	5,000
Chapter Building - Capital	2,456,378	(130,901)	-	2,325,477
Colwinston Trust	-	10,000	-	10,000
Contemporary Art	3,000	-	-	3,000
Darkley Trust	1,765	-	(1,765)	-
Dunhill Medical Foundation	13,431	-	-	13,431
DWR	-	250	(250)	-
Ewart Parkinson Award	5,150	-	-	5,150
Ffilm Cymru	15,000	-	(15,000)	-
Ffilm Cymru - Project	-	10,000	-	10,000
Ffilm Cymru - Reopening	9,800	-	(9,800)	-
Foyle Foundation	30,000	-	-	30,000
Freelands Foundation	-	9,702	-	9,702
Garfield Weston Foundation	37,386	(2,750)	(12,857)	21,779
Henry Moore Foundation	3,000	-	-	3,000
Henry Moore Foundation - Garth Evans	2,000	-	-	2,000
National grid Community Matters Fund	-	10,000	(10,000)	-
Oakdale	-	1,000	(1,000)	-
Rayne Foundation	20,059	-	-	20,059
Simon Gibson Charitable Trust	-	(12,857)	12,857	-
Theatre Trust	5,000	-	-	5,000
WCVA - Energy	-	1,000	-	1,000
WCVA - Third Sector Resilience Fund	28,836	(13,841)	-	14,995
Welsh Government - Made in Wales	2,279	6,504	(3,000)	5,783
	2,812,828	47,828	(124,573)	2,736,083
TOTAL FUNDS	4,555,394	(131,689)	-	4,423,705

continued...

23. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,944,287	(3,123,804)	(179,517)
Restricted funds			
Access to Work	855	-	855
Artes Mundi Prize Limited	5,752	(4,058)	1,694
Arts Council of Wales - Hearing Loop Projects	15,000	(814)	14,186
Arts Council of Wales - Connect & Flourish	48,099	(39,089)	9,010
Arts Council of Wales - Experimentica	46,350	(15,138)	31,212
Arts Council of Wales - Perspectives	15,000	(12,500)	2,500
Arts Council of Wales - Quebec	-	(924)	(924)
Arts Council of Wales - Sharing Together	4,050	(4,821)	(771)
Arts Council of Wales - WAI Canada	27,000	(26,810)	190
British Council	4,000	-	4,000
British Film Industry - Audiences	37,500	(20,935)	16,565
British Film Industry - Diversity	-	(18,707)	(18,707)
British Film Industry - Film Academy Plus	57,100	(35,091)	22,009
British Film Industry - Film Hub Wales	286,900	(204,270)	82,630
British Fim Industry - P&P	500	-	500
British Film Industry - VEF	-	(18,700)	(18,700)
British Film Industry - Watershed	7,700	(1,228)	6,472
Cardiff Council - Capital	2,000	-	2,000
Cardiff Council - Community Larder	5,000	-	5,000
Chapter Building - Capital	-	(130,901)	(130,901)
Colwinston Trust	10,000	-	10,000
DWR	250	-	250
Ffilm Cymru - Project	10,000	-	10,000
Film Hub - Canada Council	1,089	(1,089)	-
Freelands Foundation	10,000	(298)	9,702
Garfield Weston Foundation	-	(2,750)	(2,750)
National grid Community Matters Fund	10,000	-	10,000
Oakdale	1,000	-	1,000
Simon Gibson Charitable Trust	4,500	(17,357)	(12,857)
WCVA - Energy	1,000	-	1,000
WCVA - Third Sector Resilience Fund	-	(13,841)	(13,841)
Welsh Government - Made in Wales	33,537	(27,033)	6,504
	644,182	(596,354)	47,828
TOTAL FUNDS	3,588,469	(3,720,158)	(131,689)

continued...

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/22 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	1,693,541	(179,474)	146,499	1,660,566
Designated fund – To support 2023/24	140,000	-	(58,000)	82,000
Restricted funds				
Art Fund - Joy Labinjo	-	(137)	137	-
Art Fund - Save our Sculpture	482	-	(482)	-
Arts Council of Wales - Connect & Flourish	80,080	(39,299)	-	40,781
Arts Council of Wales - Experimentica	(6,779)	14,618	(7,839)	-
Arts Council of Wales - Gwyl Cymru	-	5,596	(5,596)	-
Arts Council of Wales - Perspectives	-	30,000	-	30,000
Arts Council of Wales - Resilience	4,290	(4,791)	501	-
Ashley Foundation	2,700	-	-	2,700
BFI Film Education Feasibility Grant	2,771	-	(2,771)	-
British Film Industry - Diversity	39,355	(10,737)	(3,470)	25,148
British Film Industry - Film Fees	825	-	(825)	-
British Film Industry - Film Hub Wales	123,357	(62,049)	(14,883)	46,425
British Film Industry - Japan	3,857	(1,000)	(2,857)	-
British Film Industry - Nottingham	-	3,567	(3,567)	-
British Film Industry - VEF	39,919	10,271	(25,000)	25,190
Cardiff University	9,500	-	-	9,500
Chapter Building - Capital	2,577,811	(121,433)	-	2,456,378
Contemporary Art	3,000	-	-	3,000
Darkley Trust	1,765	-	-	1,765
Dunhill Medical Foundation	13,431	-	-	13,431
Ewart Parkinson Award	5,150	-	-	5,150
Ffilm Cymru	-	15,000	-	15,000
Ffilm Cymru - Reopening	9,800	-	-	9,800
Ffilm Cymru - Young Programmers	20,993	3,387	(24,380)	-
Football Association of Wales	-	1,386	(1,386)	-
Foyle Foundation	30,000	-	-	30,000
Garfield Weston Foundation	75,000	(37,614)	-	37,386
Henry Moore Foundation	3,000	-	-	3,000
Henry Moore Foundation - Garth Evans	2,000	-	-	2,000
PRSF	(1,550)	-	1,550	-
Rayne Foundation	20,059	-	-	20,059
Theatre Trust	5,000	-	-	5,000
Wales Cultural Alliance	514	-	(514)	-
WCVA - Third Sector Resilience Fund	30,206	(1,370)	-	28,836
Welsh Government - Made in Wales	(3,683)	5,962	-	2,279
WPD Holiday	-	(2,883)	2,883	-
	3,092,853	(191,526)	(88,499)	2,812,828
TOTAL FUNDS	4,926,394	(371,000)	-	4,555,394

continued...

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,749,571	(2,929,045)	(179,474)
Restricted funds			
Art Fund - Joy Labinjo	4,000	(4,137)	(137)
Arts and Business	1,046	(1,046)	-
Arts Council of Wales - Connect & Flourish	-	(39,299)	(39,299)
Arts Council of Wales - Experimentica	17,818	(3,200)	14,618
Arts Council of Wales - Gwyl Cymru	9,900	(4,304)	5,596
Arts Council of Wales - Perspectives	30,000	-	30,000
Arts Council of Wales - Resilience	-	(4,791)	(4,791)
British Film Industry - Diversity	54,500	(65,237)	(10,737)
British Film Industry - Film Hub Wales	211,667	(273,716)	(62,049)
British Film Industry - Japan	-	(1,000)	(1,000)
British Film Industry - Nottingham	4,500	(933)	3,567
British Film Industry - VEF	54,890	(44,619)	10,271
Chapter Building - Capital	-	(121,433)	(121,433)
Ffilm Cymru	15,000	-	15,000
Ffilm Cymru - Young Programmers	10,843	(7,456)	3,387
Football Association of Wales	5,000	(3,614)	1,386
Garfield Weston Foundation	-	(37,614)	(37,614)
WCVA - Third Sector Resilience Fund	-	(1,370)	(1,370)
Welsh Government - Made in Wales	28,944	(22,982)	5,962
WPD Holiday	2,500	(5,383)	(2,883)
	450,608	(642,134)	(191,526)
TOTAL FUNDS	3,200,179	(3,571,179)	(371,000)

Current year restricted funds:

Access to Work
Funding to purchase an office chair for an employee with back problems.

Artes Mundi
Funding via Artes Mundi and Heritage Lottery Fund to provide workshops associated with their exhibition.

Arts Council of Wales - Capital Hearing Loops
This funding helped us to upgrade our Hearing loop provision in around the building in the Seligman theatre, the gallery, the front desk and the café sales point.

Arts Council of Wales - Quebec
We developed a partnership programme with LA SERRE in Quebec, supporting artists from Wales and Canada to develop a performance project together.

Arts Council of Wales - Sharing Together
This funding enabled us to continue supporting the D/deaf network that was created through the Connect & Flourish project.

Arts Council of Wales - WAI Canada
This supported a gallery exhibition by Myfanwy Macleod.

continued...

23. MOVEMENT IN FUNDS - continued

British Council
Funding to develop a site-specific performance in partnership with an organisation in Germany.

British Film Industry - Audiences
Year one of a 3 year project working to develop new audiences for our cinema programme.

British Film Industry - Film Academy Plus
A 3 year programme of training for young people interested in learning film production and presentation works.

British Film Industry - P&P
To support organisations to show a season of Powell & Pressburger Films.

British Film Industry - Watershed
To support Chapter to show a season of Powell & Pressburger Films.

CCC - Capital
To improve the Peilot space for community usage.

CCC - Community Larder
To support the community larder.

Colwinston
To support the live art/ performance festival Experimentica in 2024.

DWR
A contribution towards our community programme

Ffilm Cymru - Project
To support the presentation of a varied and diverse selection of independent films

Freelands
For an exhibition in 2026 by Imogen Stidworthy.

National Grid Community Matters Fund- Capital
Build new planters in the west wing and plant fruit trees

Oakdale
To improve the Peilot space for community usage

Simon Gibson
To support the provision of free lunches for young people during holiday periods

WCVA - Energy
A grant for an energy audit to be completed.

Prior year restricted funds:
Arts & Business
To match fund Admiral sponsorship.

Arts Council of Wales - Perspective
Working with the National Museum and 6 other arts organisations over a two year programme working with creative professionals from diverse backgrounds.

Art Fund - Joy Labinjo
Balance of Art Fund grant to support Gallery Programme.

continued...

23. MOVEMENT IN FUNDS - continued

Art Fund - Save Our Sculpture
Fundraising campaign with the Art Fund and Chapter donors to restore a Garth Evans sculpture, returning it to Cardiff to exhibit in the city centre and ultimately find it a new home in Wales.

Arts Council of Wales - Connect & Flourish
D/Deaf led project 'Hear We Are' led by Johnny Cotsen, looking at those working in or excluded from the creative sector, leading to a manifesto to underpin best practice for the arts.

Arts Council of Wales - Experimentica
Relates to funding received to support the 2021 Experimentica event.

Arts Council of Wales - Resilience
Relates to funding received to support the feasibility study.

Arts Council of Wales - Gwyl Cymru
To support a festival around Wales appearance in the World Cup.

Ashley Foundation
To support film education activity in 2021.

BFI FIlm Education Feasibility Grant
To facilitate the research for a larger grant to support the education and outreach programme of activity.
British Film Industry - Film Hub Wales
For film hub core programme of activity and includes contributions from other BFI Film Hubs to support SideCard project.

British Film Industry - Diversity
BFI grant to support Film Hub Wales and the Film Audience Network partners to deliver a UK wide inclusive cinema strategy for audiences with additional needs, including training, resource development and central coordination.

British Film Industry - Film Fees
To invest in online activity, Chapter programme.

British Film Industry - Japan
To support a season of Japanese films.

British Film Industry - Nottingham
To support the cinema programme 'Dreams are Monsters'.

British Film Industry - VEF
To support film related activity for young people aged 16-25.

Cardiff University
To support Chapter's Dementia work.

Contemporary Art
Contemporary Art Contribution to Chapter at the Wales in Venice Biennale.

Darkley Trust
To support Chapter's education and outreach work.

Dunhill Medical Foundation
To support the work of Chapter's Dementia film programme.

Ewart Parkinson Award
Ewart Parkinson award to support film education programme.

continued...

23. MOVEMENT IN FUNDS - continued

Ffilm Cymru
To support the cinema programme.

Ffilm Cymru - Reopening
Funding received to support the cinema.

Football Association of Wales
Sponsorship towards World Cup Football festival.

Foyle Foundation
To support core programmes.

Garfield Weston Foundation
To support activity.

Henry Moore Foundation
To support James Richards exhibition.

Henry Moore Foundation - Garth Evans
To support the exhibition at Chapter.

PRSF
To support a tour to Ireland by a group of musicians led by Emma Coulthard.

Rayne Foundation
Grant to support Chapter's Dementia film programme.

Theatre Trust
To support opening costs.

Wales Cultural Alliance
FHW to lead a facilitated session in film exhibitors across Wales to enable them to feed in to the development of the ACW / WG cultural contract.

WCVA - Third Sector Resilience Fund
To support development of Chapter website.

Welsh Government - Made in Wales
To promote Welsh film, managed by Film Hub Wales.

WPD Holiday
To support free arts activity and lunches during the school holidays.

Prior year designated funds:
Chapter Building capital grant
Relates to funding received to purchase and refurbish the Chapter building and various equipment

Transfers between funds:
Transfers were made between restricted funds and unrestricted funds in relation to contributions towards the charity's overheads and to transfer funds in relation to capital expenditure when the restriction had been satisfied.

24. RELATED PARTY DISCLOSURES

During the year the charity entered into transactions in the ordinary course of business with related parties as follows:

Name	Nature of transaction	2024	2023
		£	£
Entities under the charity's control	Recharges to	44,272	26,788
	Recharges from	63,513	37,393
	Management charges	90,500	-
	Amount owed from	381,012	113,695
Other related parties:			
Cardiff Animation Festival CIC	Income received from	588	8,433
	Expenditure paid to	8,223	7,712
	Amount owed to	485	1,625
	Amount owed from	-	3,972
ie ie Productions Limited	Income received from	4,770	5,831
	Amount owed from	776	194
Picl Animation Ltd	Income received	195	216

CHAPTER (CARDIFF) LIMITED

England & Wales - Charity number 500813

Accounts

Company registration number: 01005570
Charity registration number: 500813

CHAPTER (CARDIFF) LIMITED
(A company limited by guarantee
and not having share capital)

REPORT OF THE TRUSTEES INCLUDING STRATGIC REPORT & CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

CHAPTER (CARDIFF) LIMITED
YEAR ENDED 31 MARCH 2023

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CHAPTER (CARDIFF) LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2023

The trustees present their report and accounts for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

OBJECTIVES AND ACTIVITIES

Charitable Objectives

Chapter aims to provide support for cultural organisations and artists in parallel with the provision of public programmes of contemporary arts, principally in film, theatre and visual arts, as a means of achieving its objects.

The charity's objects ('Objects') are specifically restricted to the following:

1.1 The Objects of the Charity are, for the public benefit, to promote, maintain, improve and advance the public's education and understanding of the arts, including by the provision of an arts centre in the city of Cardiff or elsewhere in the United Kingdom as the Trustees may from time to time determine.

1.2 In this article 'the Arts' includes (but is not limited to) theatre, visual and live art, film, music, dance, literature and all digital forms of art.

Statement of purpose (Mission, Vision & Values)

Chapter is an international centre for contemporary arts and culture, rooted in the heart of Cardiff, Wales. For more than 50 years, we've been a catalyst for creativity and critical thinking, supporting artists and audiences to thrive and take risks. We believe that art has the power to connect us all, create meaningful change and transform people's lives in our community.

We're a dynamic hub that produces and promotes inventive and compelling work that's open and accessible to all. Across visual art, performance and film, we present an experimental, evocative and bold programme of events all year round. We also work behind the scenes to support individual artistic practice, connecting deeply over time with creative practitioners to support their evolving career journeys.

We're home to 50 studios that house a vibrant creative community of artists and makers based on our campus. We support them and the wider sector in Wales to ensure that the artistic community is more confident, ambitious and sustainable. We do this in partnership with colleagues because we understand that we're stronger and more resilient when we work together.

We're a local hub, with a globally focussed programme, always looking outwards to resonate with what's happening around the world and around the corner. We work with and for the people on our doorstep to create compelling, transformative experiences connecting art with community.

We work with partners to prioritise social and cultural equity so that we can be more representative of our local community in our structure and in the creative programme that we offer. We recognise that many people face barriers to inclusion and participation and we're focusing in particular on the following groups within a three-mile radius of our venue: children and young people; people facing economic barriers; D/deaf and hard of hearing people; Black, Asian & Minoritised Ethnic people; and artists.

We acknowledge that many of these groups intersect and that, within our bilingual nation, our work must intrinsically centre and promote the Welsh language.

Chapter belongs to everyone, we host moments of community, share in creative experiences and make space for Wales on a global stage.

OVERVIEW

During the period we were at the unique crossroads of post-pandemic recovery versus deep reflection on how we could rebuild the organisation differently. Whilst we continued to present world class contemporary arts, we also began to process of re-focusing our identity as a vital community hub, and a support organisation for artists across Cardiff and Wales. For example, the 2019 business model saw a heavy reliance on trading income made in the café bar to subsidise the wider creative programme. Post-pandemic and deep into the cost-of-living crisis, it hasn't been possible to recreate this model. Whilst this is challenging, it's also given us the impetus to reflect on how we use the space and focus on the vital role it can play in enabling equitable access, community cohesion and creative connection.

We were guided in this process by the cultural consultancy company, Achates (www.achates.org) who supported us to pivot our business plan to an 'audience informed' model. Our process of business planning began with community consultation, and this sits at the heart of our proposed way forward. This audience-informed approach will continue throughout the period of the new business plan (2023-2027) to ensure that the channels of communication between our audiences and staff team are alive and active.

Objectives and activities

Chapter is an ambitious, multi-artform venue that presents, produces and promotes international art, live performance and film. We welcome nearly 600,000 visitors through our doors each year and position our local communities at the heart of everything we do.

We're a centre for world-class, inventive and compelling work that's open and accessible to all. Our gallery commissions and produces exhibitions of the very best in national and international art. The theatre spaces are a platform for experimental and thought-provoking works, and our cinemas offer independent and challenging films alongside a range of unique festivals and events. We also bring more films, to more people, in more places through Film Hub Wales, and support young people's talent-pathways in the film industry through BFI Film Academy Plus. All of this is supported by an innovative and inclusive programme of learning and community engagement, and we bring people together in our large social and community spaces.

Our artistic aims are to be:

1. internationally renowned as a hub for contemporary arts and culture.
2. a champion of diversity and inclusion.
3. an agent for collaboration.
4. a leader in creative learning and engagement.
5. an advocate of the cultural artistic landscape of Wales.
6. a catalyst for a new culture of experimentation for works originated in the Welsh language.
7. an arts centre that embraces digital opportunity.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

ACHIEVEMENTS AND PERFORMANCE

Film

We take the lead in independent cinema in Wales, presenting the best of Welsh, UK and international film.

Alongside new releases, we bring a range of festivals and curated seasons, with talks, Q&As and events, offering our audiences an enriched cinema experience and insight into the thriving film industry here in Wales.

The big Welsh language release of note was Roger Williams and Lee Haven Jones' Welsh language horror *Gwledd (The Feast)*. A film celebrating Welsh folklore, the Welsh cadence of dark comedy and an elegant take on disquiet. Working with Picturehouse Distribution, MASSIVE and Film Hub Wales we helped get Welsh artists such as Morgan Dowdall and Matt Needle commissioned to create bespoke promotional items that were popular all over the UK, and Welsh film was discussed on an international stage. We also saw the release of Snowdon-set Brian and Charles; Jay Bedwani's wonderful documentary Donna; Lena Dunhams' Wales-shot young person's drama Catherine, Called Birdy; and we screened a package of films about men's mental health – Luke Bather's Bald and Mat David's Skinny Fat which had been a runner-up in the Chapter Queer Welsh Short Film Prize to the winner Samantha Rourke's Jelly. We continued to work with BAFTA Cymru to showcase some of these films and communicate a better understanding of the industry to Welsh audiences.

This year's festivals included Kotatsu Japanese Animation Festival, Iris Prize, London Film Festival, Watch Africa and Unfinished: Female Film Makers in Progress, all of which presented a chance to connect in meaningful ways to an audience and provide films that were simply not available anywhere else in Wales.

We successfully reapplied to the BFI to continue as lead organisation in Wales for Film Hub Wales (FHW), securing a further three years of the project, under the new Screen Culture 2033 strategy. The project continues to support cinemas, festivals and community screens with funding, research, skills development and advocacy, all of which help organisations to remain open through the cost-of-living crisis and re-build audiences post Covid.

FHW distributed £128,000 in lottery awards to 43 projects, reaching 40,797 people in person, plus 4,686 online audience. 96% of films were specialised and 36% were accessible screenings. Highlights included a new Windrush Festival in Newport with Cinema Golau, the Hijinx Unity Festival and hyperlocal street-based screenings in Riverside, with Gentle/Radical.

Our pioneering project, Inclusive Cinema came to an end as the new BFI strategy commenced. In its final year, it released resources around Trans* Loving Care and Working-Class Inclusion.

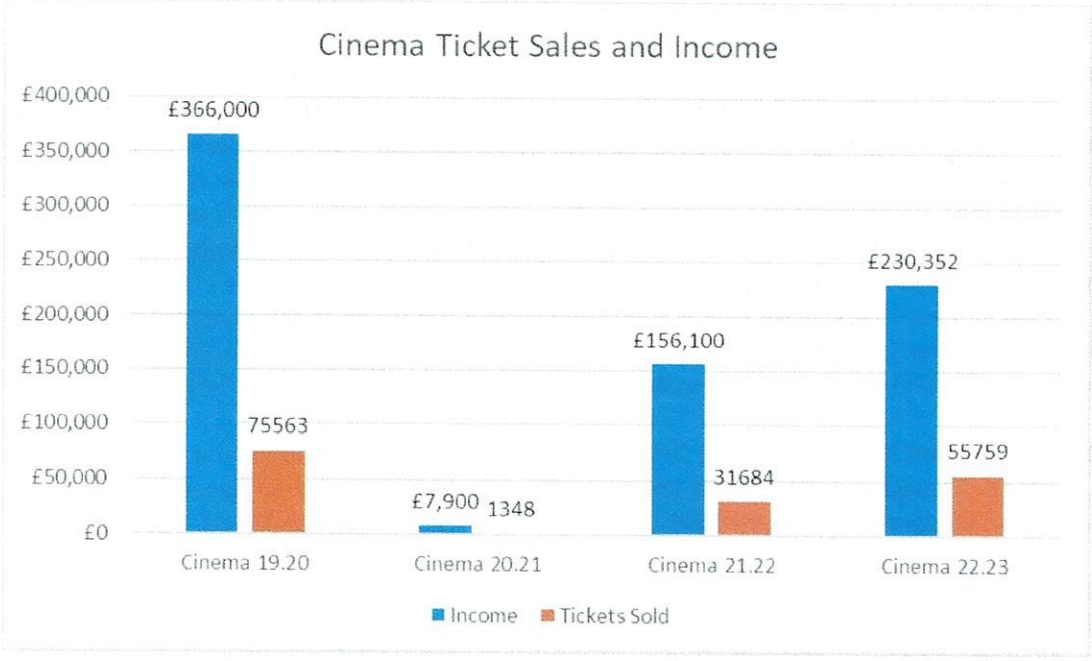
Made in Wales continued to celebrate films with Welsh connections, which included films such as Y Sŵn. With funding from Creative Wales, the project supported 130 films in 2022/23 (46 of which were new to the project), 43 cinemas, 129 filmmakers, 54 distributors and 134 production companies. We also created 29 assets including podcasts, interviews and video blogs, along with one curated film package and we host over 800 films on our online catalogue.

FHW's network reached 302 Welsh exhibitors, 191 of which are members of the Hub. This year, we welcomed the Maxime in Blackwood, The Little Cinema in Penmaenmawr and Gower Film Club.

We also led the national BFI Film Academy: Break Into Film. Through this programme, we delivered events, projects and opportunities for young filmmakers aged 16-25years across Wales. The programme supports young people to learn more about film, find their creative voice and start their career in the screen industries.

We offered Masterclasses, Mentoring, Grants, Screenings and Industry Showcases, amongst many other opportunities.

Cinema sales in 2022/23 were at 73% of pre-pandemic sales and income was at 63% of pre-pandemic income. In 2022/23 we kept ticket prices at £6/£4 to encourage people to return to the cinema and to reduce barriers for attendance.



Performance and Live Events
We delivered a vibrant, celebratory, and diverse programme of activity across performance and live events in our theatre spaces and around the public spaces of the building including our community garden and café bar.

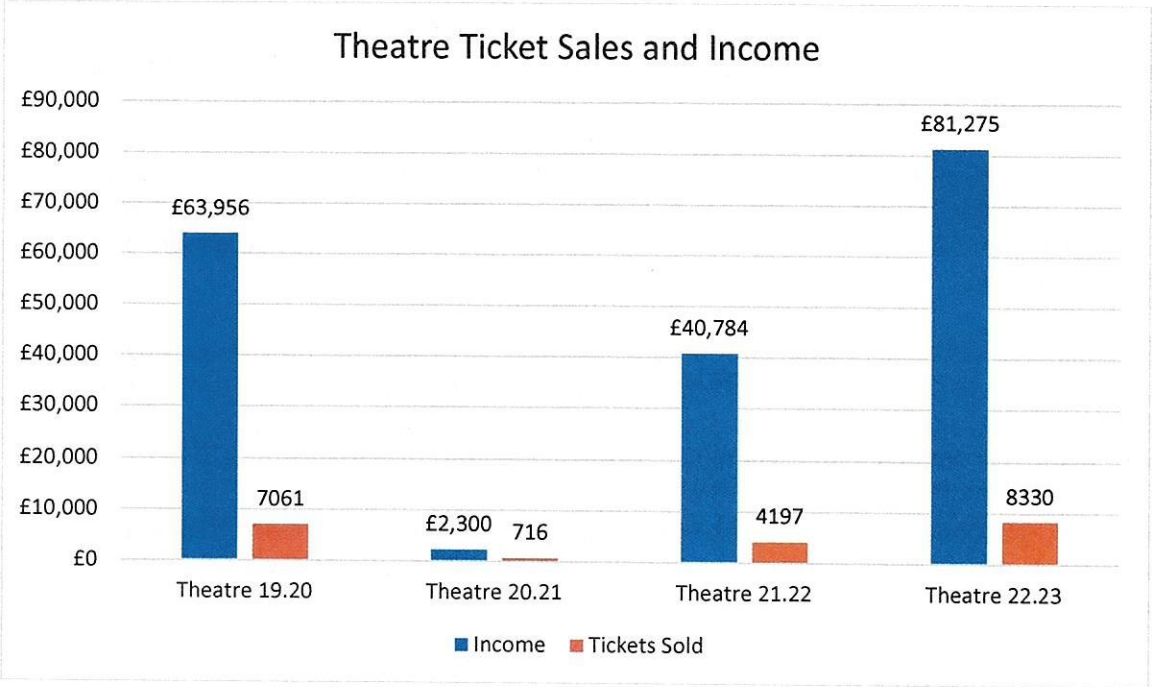
We developed a new partnership with National Dance Company Wales. Dance Lab brought together artists, dancers and choreographers for a two-week residency between Chapter and the Dance House in the Wales Millennium Centre.

Other highlights included Don't Play With Dead Things, a Chapter co-production with disabled artist Jeremy Linnell. DPWDT was a democratic, livestreamed horror escape room/theatre production. Sacrum Profanum was a Chapter commission presented by Emma Coulthard and Benjamin O'Dwyer, that fused classical music with multimedia storytelling. We also supported Idrissa Camara in a new venture, Spirit of Nimba, which blended African and Welsh music and dance and achieved four sell-out performances. We extended our relationship with New Sound Wales and Clwb Ifor Bach, presenting emerging Welsh and UK talent in the alt rock, folk and pop genres, with particular attention given to Welsh language acts.

We participated in the Gwyl Cymru celebrations for the World Cup football and presented a range of free public performances in our social spaces, including with Kitsch and Sync, Good News From The Future and Only Boys Aloud.

In 2022/23 theatre ticket sales were at 118% of pre-pandemic levels and income was at 127% of pre-pandemic income. Most of this ticket income was driven by third party sales, where the production company hires our theatre and keeps all the ticket income. The split for the £81,275 ticket income was 54% Chapter box office income and 46% third party income.

The organisations hiring the theatre were also given subsidised rates and often free or low-cost technical support.



Visual Arts

During the period we presented projects by critically outstanding visual artists to local audiences and positioned artists from Wales in an international context.

Significant exhibitions included a solo show of new work by the celebrated British-Nigerian artists Joy Labinjo. The exhibition was supported by the Art Fund and included a new publication, audio-described tour and 360-degree virtual exhibition.

The group exhibition Call the Waves was curated by Wales-based Louise Hobson and international curators Francesca Masoero (Marrakech) and Shayma Nader (Palestine). The show brought together five international artists: Fern Thomas (Wales), Kandace Siobhan Walker (Wales/London), Maya Al Khaldi (Jerusalem), Alia Mossallam (Berlin), Noureddine Ezarraf (Morroco) and Bint Mbareh (Palestine/London), whose video, sculpture, sound and installation works explored the power, histories and politics of water. The exhibition was commissioned by Chapter and supported by the Arts Council of Wales and Wales Arts International.

For his largest solo exhibition to date, Leo Robinson introduced a speculative future in which people of the diaspora, through attempts at healing, have rebuilt practices and rituals to cultivate self-knowledge. Robinson's rich exhibition encompassed oracles, musical scores and objects that guided visitors on spiritual journeys of transformation.

Our group exhibition Human Conditions of Clay featured works by Pio Abad, Jonathan Baldock, Oliver Beer, William Cobbing, Shawanda Corbett, Nathalie Djurberg & Hans Berg, Ryan Gander, Antony Gormley, Nancy Herbert, Lubaina Himid, Rachel Kneebone, Lindsay Mendick, Zoë Paul, Tal R, Renee So, Francis Upritchard, and Ai Weiwei, and toured to John Hansard Gallery in Southampton for a six-week period.

In our Art in the Bar, we presented an exhibition of paintings by Carmarthen School of Art graduate, Rithika Pandey. Her paintings draw on her experiences of moving between India and Africa, foregrounding issues around hybridity, displacement, the future and femininity.

On our Lightbox we commissioned an artwork by Welsh artist Phil Morgan in partnership with Gwyl Cymru Festival, celebrating Cymru's historic qualification for the World Cup.

Creative Community

We're home to some of Wales' most innovative arts organisations, facilitators and practitioners and we helped them share their stories with Wales and the world. We extended our commitment to collaboration and co-commissioning through partnerships with arts venues, education, industry and community organisations to bring exciting and original programming to Wales and take the best of Wales to the world.

The creative community of artists and companies based in our 50 studios, are at the heart of our organisation. We worked collaboratively with them to support their organisational growth and sustainability, and showcased the work that they do within our communities. Together, we worked to foreground Welsh talent and to offer audiences multiple pathways to engagement with creativity. Partners included Theatr Iolo, Taking Flight Theatre, The Printhaus, Music Theatre Wales, Flossy & Boo, BAFTA Cymru, Cardiff Animation Festival, Cardiff Music School and Into Film, to name a few.

We also supported organisations and creative individuals from across the sector but who are not based in our buildings. In the year this included approximately 5,000+ hours of free or subsidised space for professional practitioners/creative organisations to support R&D; 120+ hours of curatorial, marketing and technical support; 5,540+ hours of subsidised hire rates to creative organisations to deliver core activity to c37,000 beneficiaries, and subsidised rents to our 53 tenants. The combined commercial value of this subsidy and support is over £600,000 per year.

DEVELOPMENT

Fundraising

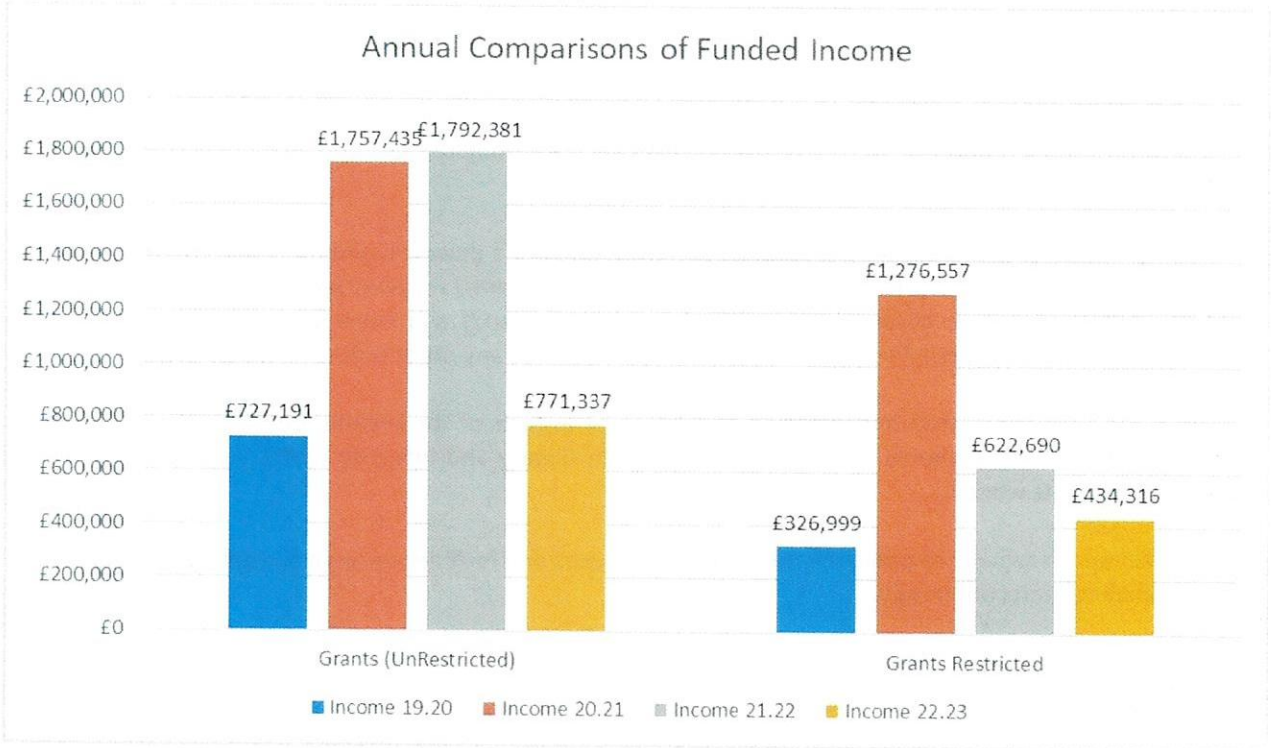
The fundraising landscape has been challenging due to the post-Covid environment, cost-of-living crisis, wider international factors and the global economy exerting a negative effect on the economic environment. We sought to grow voluntary income and we believe that a key to the success of our fundraising strategy is the transition to an audience-informed theory of change model, which articulates the impact and change created and designed for our priority audience groups.

Our fundraising has been dominated by statutory income with income sources including Arts Council Wales and the BFI, and a range of Covid recovery sources.

Our successful pre-Covid membership scheme was on hold but is being refreshed and relaunched during 2023/24. The new scheme will be less transactional and instead will encourage philanthropic giving.

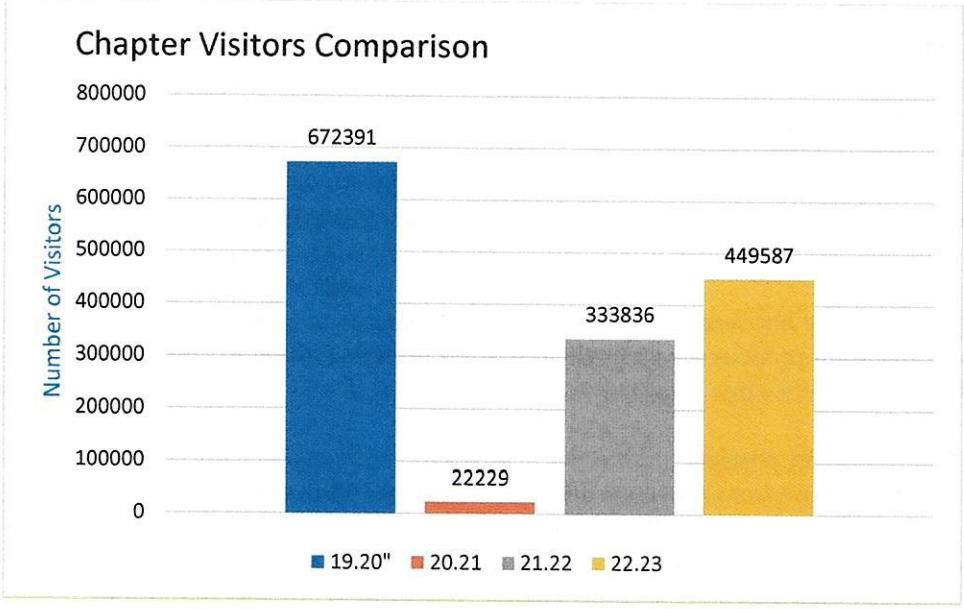
During the Covid lockdown we were encouraged by the surge of donations to support us, and this has continued since re-opening. We want to focus support by encouraging donations towards specific strands of activity and in particular our community work.

We raised restricted funding to support projects such as Film Hub Wales and film education from the British Film Industry (BFI), Connect and Flourish from Arts Council Wales (ACW), and film support from Ffilm Cymru, as well as smaller grants to support our initiative of free arts activity and free lunches during school holidays to support families during the cost-of-living crisis.



COVID RECOVERY

We continue to be impacted by Covid; the post pandemic recovery is slow. We are currently experiencing footfall at 67% of pre-pandemic levels. People's habits have changed, we have a cost-of-living crisis, there is less disposable income. We endeavour to explore new ways of working that encourage people through the doors and help us generate income.



Equity, Diversity and Inclusion

Chapter aims to be an Equal Opportunity and Fair Treatment Organisation and recognises that it has an important role to play in Canton and the wider Wales as a vibrant and diverse community. It aims to be an organisation with a reputation for celebrating diversity and ensuring fairness and equality in everything that it does.

The key principle is to encourage full contribution from Chapter's diverse community and to further ensure that no-one (staff, visitors, artists, partners, volunteers, consultants) receives less favourable treatment on the grounds of race, age, ethnic or national origin, sex, pregnancy and maternity, marital status, gender reassignment, disability, religion or beliefs, sexual orientation or any other unjustifiable grounds.

Chapter is totally committed to promoting equality in all aspects of the organisation. It is the intention of Chapter that all people should be treated with respect, dignity and integrity whilst involved in activities concerned with its work.

We endeavour to actively improve the quality of our services and facilities to serve the differing needs of our staff, audiences and community.

Chapter aims to avoid or remove any unfair and or discriminatory practices within its operations and to actively oppose all forms of discrimination.

We recognise and value the cultural diversity that exists in society, but also acknowledge that there are many forms of discrimination leading to unacceptable behaviour.

We are committed to taking positive steps to remove barriers to participation and access, so that everyone in our community may enjoy and benefit from our programme and activities.

We recognise our responsibilities to comply with current equality legislation, including the Equality Act (2010).

In this respect, we will have due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

We recognise as an organisation we are on a constant journey of improvement. Throughout 2022/23 we worked to learn, unlearn and reflect on our offer and our impact on our community. We produced an Anti-Racism Action Plan, a Code of Conduct that is shared with all our staff, partners and artists, introduced new recruitment practices, and revised our Strategic Equalities Action Plan.

Public benefit
The trustees have had regard to the Charity Commission's guidance on public benefit in planning and carrying out the charity's programme.

We're a centre for world-class, inventive and compelling work that's open and accessible to all. Our gallery commissions and produces exhibitions of the very best in national and international art. The theatre spaces are a platform for experimental and thought-provoking works, and our cinemas offer independent and challenging films alongside a range of unique festivals and events. We also bring more films, to more people, in more places through Film Hub Wales, and support young people's talent-pathways in the film industry through BFI Film Academy Plus. All of this is supported by an innovative and inclusive programme of learning and community engagement, and we bring people together in our large social space and café bar.

Our programme champions the artists of today and invests in those of tomorrow. We work with practitioners at every stage in their careers, supporting and stimulating opportunities for exciting new talent as well as promoting the work of established artists.

We have 50+ studios on our campus that are home to 53 of Wales' most exciting artists and creative companies including ie ie productions, BAFTA Cymru, Beryl Productions, Music Theatre Wales, Taking Flight Theatre, Holly Davey, Marca Design and The Printhaus, to name a few (a full list is available at www.chapter.org).

We also support local artists and companies to undertake research and development, test out ideas and rehearse without financial risk through giving a range of spaces free or at a subsidised rate. Curatorial, technical and marketing support is estimated across R&D and varies depending on need.

Our social space is an important civic hub where we welcome everyone from our local communities. As well as offering a programme of diverse events for and with them, we also provide a Community Larder, free holiday meals and a range of un-ticketed, low-risk creative activities to support people to come together on their doorstep.

In our new audience-informed business model, we have committed to becoming a listening organisation and civic hub, giving our audiences a stake in the work and operation of the organisation. This is informed by a process of consultation that is embedded into our new operational model and is distinguished from being 'audience led' because our specialist curators and creators will use their skills to listen to our audiences and to reflect their interests and priorities back to them. They are invited to come on a collaborative journey with us, to create and curate the work in our venue, and to embrace challenge and risk in their choices.

To enable this dialogue between creators and audiences we offer regular opportunities for engagement to build trust and ensure that every aspect of our organisation responds to the priorities and interests of the audience segments we've committed to serving. In the next three years this includes the following people within a 3-mile radius of Chapter: artists and creative practitioners, D/Deaf and disabled people, Black, Asian & Minoritised Ethnic people, people identifying as LGBTQIA+, people from lower socio-economic backgrounds, and young people aged 14-25 yrs.

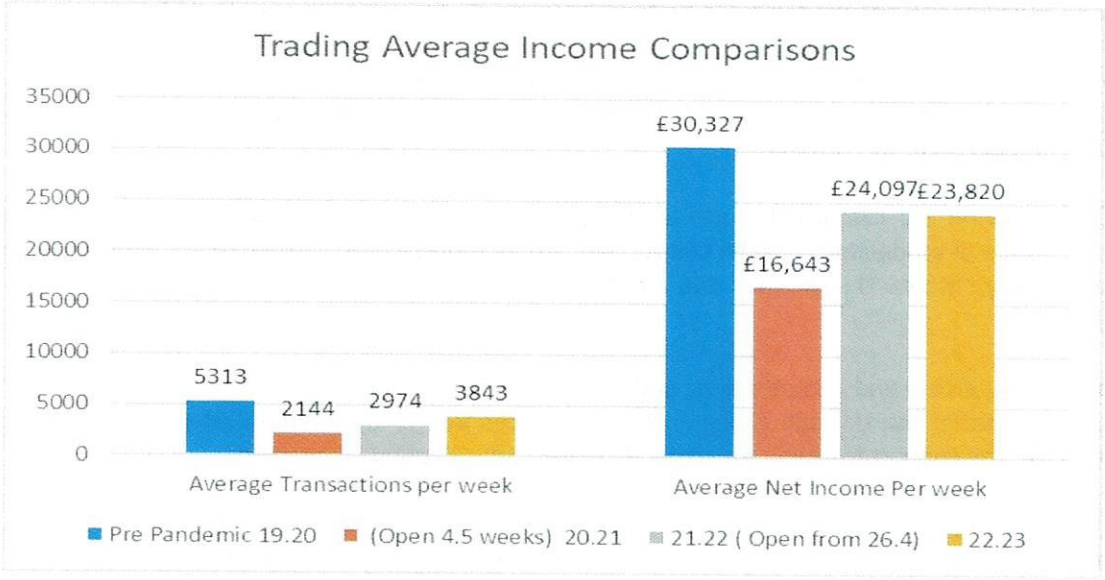
Our new, audience-informed approach is strongly aligned with current cultural policy from the perspective of statutory bodies and funders – ensuring that we're open to all and that we make a particular commitment to reaching and engaging priority audience groups.

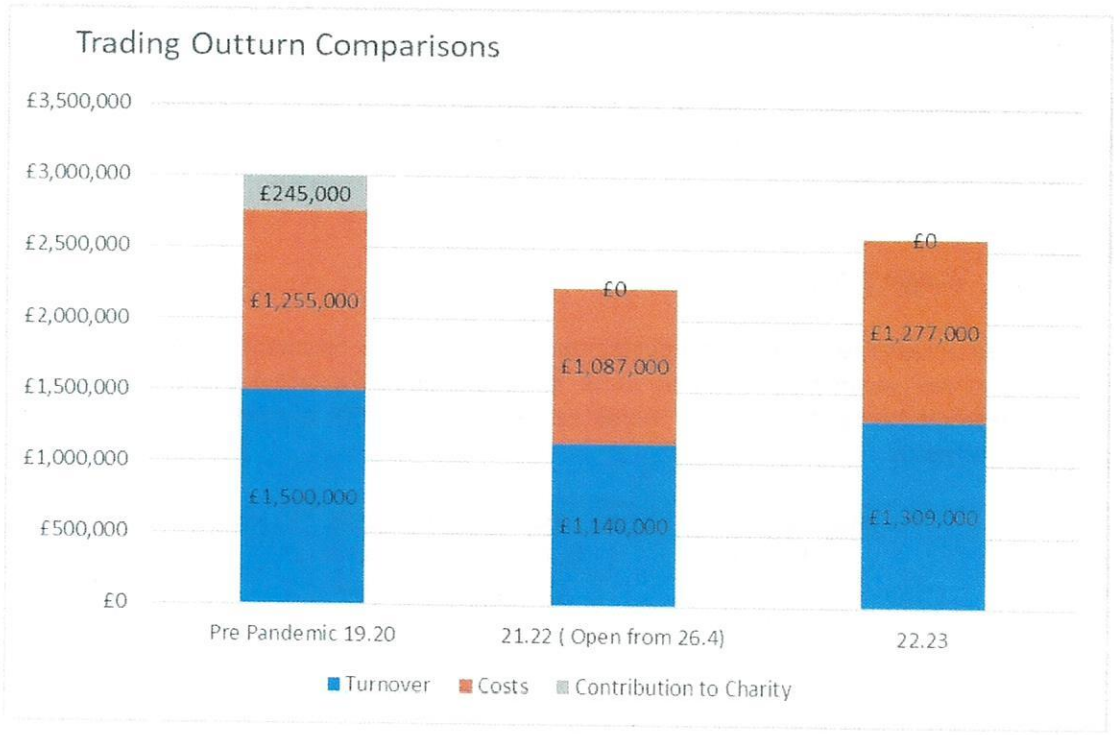
Café Bar Trading Subsidiary

The Caffi Bar continues to struggle, like all other hospitality businesses, with a staff and skills shortage. For the second year running there has been no financial contribution to the Charity as the Trading arm broke even for the year.

With the cost-of-living crisis, it is difficult to make the levels of income and profit from catering.

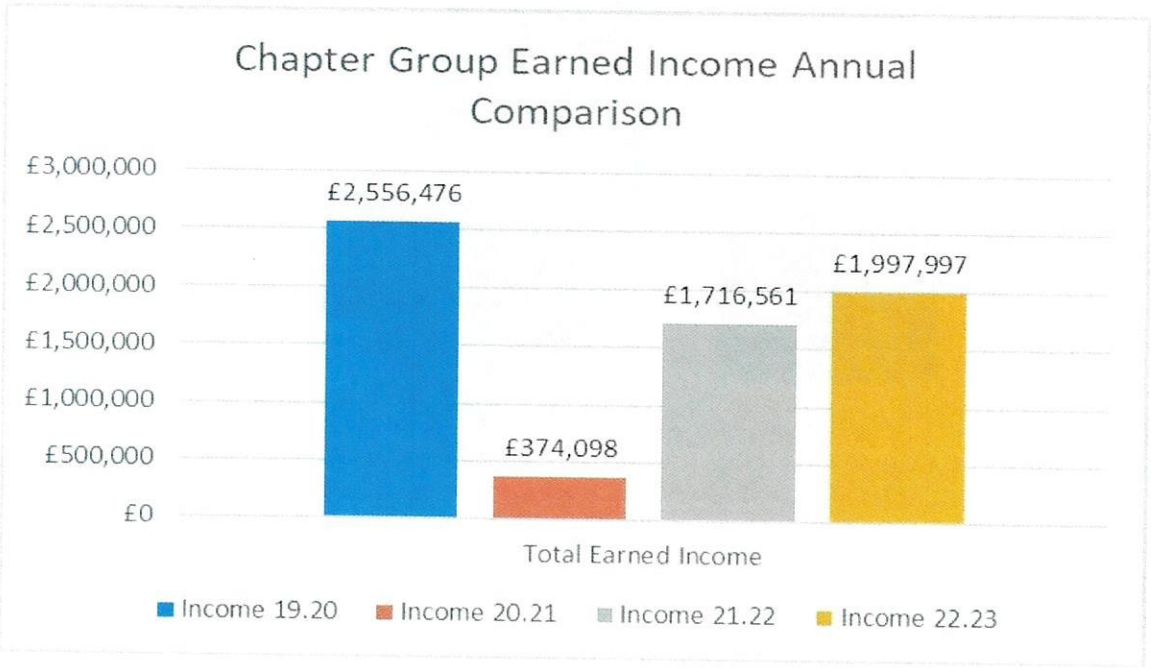
We value the caffi bar as part of the holistic Chapter offer but we do need to see it making a financial contribution to support the arts Chapter has to offer its community.





Challenges

Our business model has been very reliant on trading activity both within the charity, such as ticket sales and room hire, and within hospitality to generate income for the business. With this slow return to profitability we must be proactive in our approach to a renewed business model. In 2022/23 we managed to improve our earned income position by 16% from the previous year and achieve restricted funded income at the 2019/20 pre-pandemic levels.



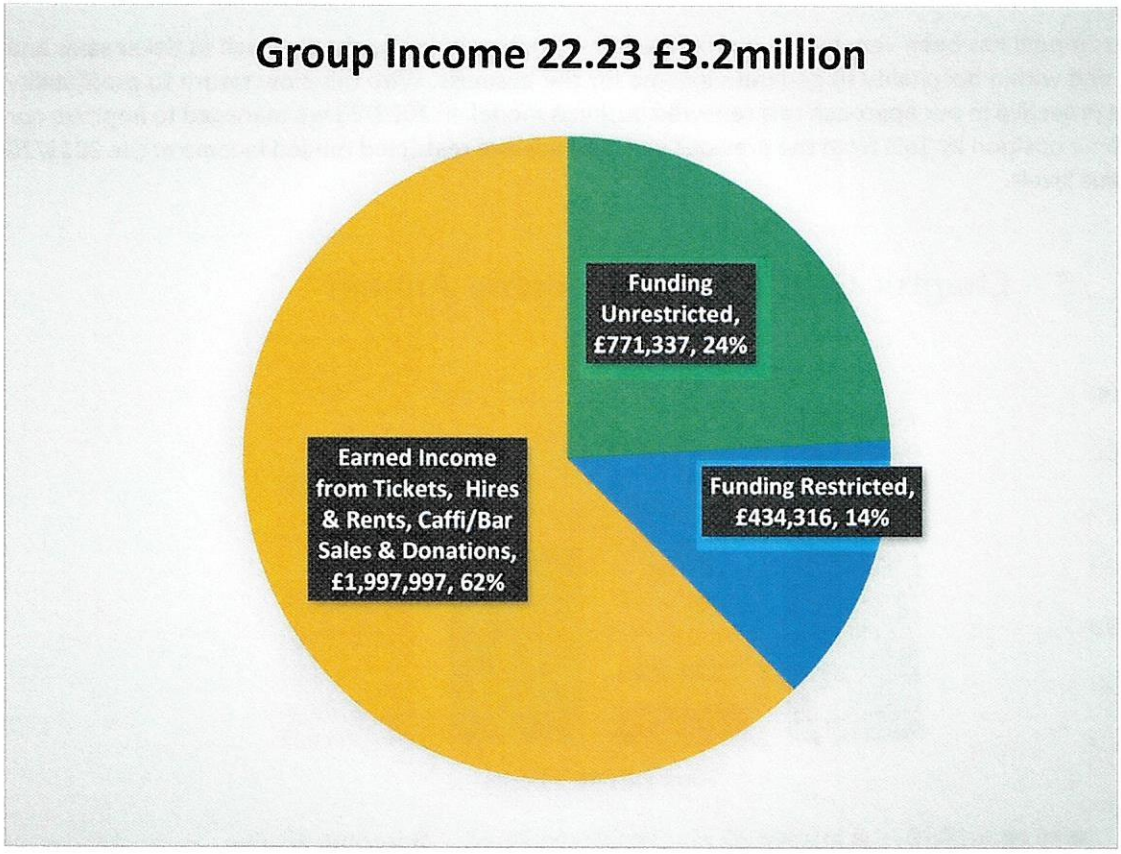
FINANCIAL REVIEW

The consolidated Statement of Financial Activities shows a net reserves position in unrestricted funds after transfers of £1,742,566. This leaves free reserves of £60,430 due to £82,000 being designated to cover the forecast deficit in the 23/24 budget.

Designated Funds
To Support 2023/24 Budget £82,000

In 2022/23 we secured Unrestricted core grants representing 24% of income, restricted grants representing 14% of income and earned income (ticket sales, rents, donations and hospitality) equating to 62% of turnover. Including restricted project grants our overall earned income is 79% of turnover and ACW core funding is just 21% of turnover.

	Income 19.20	Income 20.21	Income 21.22	Income 22.23
Total Income	£3,610,666	£3,408,090	£4,131,632	£3,203,650
ACW Core Grant	£657,391	£664,620	£644,620	£674,591
	18.21%	19.50%	15.60%	21.06%



The principal sources of Chapter's funding are shown in Note 3 to the Financial Statements.

Policy on reserves
The Trustees have reviewed and discussed Chapter's reserves position and have agreed a reserves policy. This policy focuses on the building of unrestricted reserves as a basis for aiming towards a positive free reserves figure.

Going forward, the plan is to build unrestricted reserves over time and to work towards a free reserves position. The trustees suggest that the charity should strive for free reserves, equivalent to 3 months overheads, so that, should we be in an emergency such as the COVID Pandemic again, then we have some funds to support its initial impact.

2017/18	Unrestricted funds	(£119k)
2018/19	Unrestricted funds	(£19k)
2019/20	Unrestricted funds	63k
2020/21	Unrestricted Funds	£759k
2021/22	Unrestricted Funds	£1,834k
2022/23	Unrestricted Funds	£1,743k

Chapter's unrestricted reserves are mainly represented by fixed assets as can be seen in Note 25. Taking this into account, the 2023 free reserves position is £60,430.

These unrestricted fixed assets are those assets the organisation needs to carry out its activities, such as land and buildings and are therefore not liquid and not available to us with ease.

The trustees agreed to designate some of the funds as per the table below:

Designated funds:
To Support 2023/24 Budget £82,000

The Trustees consider that the charity's current funding and finance arrangements are now sufficient to ensure that late receipt of grant income can be accommodated.

Chapter (Trading) Ltd
The trading subsidiary made a small surplus of £33k. Footfall and the number of transactions are slowly increasing, (we are operating at approximately 65% of pre-pandemic footfall) but costs are high for supplies and staff. It will take a while to recover from the pandemic and we must adapt the business to expect a lower financial contribution to the Charity and celebrate the caffi/bar's importance as part of the holistic offer at Chapter.

There is work to be done on improving the menu and Gross Profit. There is currently a restructure happening in the kitchen and we are looking to recruit a new head chef with the ambition to make the café a destination venue.

We have confidence that the caffi bar can start to make a financial contribution to the Charity albeit not at the historic levels we were used to.

Principal risks and uncertainties
Chapter's risk register is regularly reviewed via its subcommittee and Board. At the last review the following were the most pressing risks and thus flagged as 'red' in the risk register:

- Non-Equalities Act compliant lift
  The lift has been rebuilt; one small adaptation is still outstanding – announcements in the Welsh language.
- Income risk
  The ongoing impact of COVID clearly creates a significant risk to income going forward. Audiences are returning although fewer than pre-pandemic closure. We hope that confidence will grow, but COVID has not gone away and both staff and audiences are still being impacted. The growth of audiences in 2022/23 was reassuring but we believe it will take several years for us to be trading at the levels we saw prior to lockdown.
- Cash flow risk
  This relates to the income risk above and is included due to the importance of cash flow to the organisation.
- Government policy/actions
  This is to recognise the uncontrollable forces that can affect our operations and strategy.
- Non completion of the Chapter Capital Development
- Sustainability of the breadth of the Chapter arts programme.

The principal risks that the charity faces relate to the uncertain nature of grant funding and the increased uncertainty of funding in the current economic and political climate. Alongside the potential difficulty in the ability to earn our own income as COVID restrictions are lifted. Diversification of income streams is constantly under review and being developed to mitigate this.

FUTURE PLANS

We ended 2022/23 with the Arts Council for Wales Investment Review process complete. We await a decision on securing our next three year's funding which will determine our business model and activity levels for 2024-2027.

Our Arts Council funding represents on average, c18% of our earned and funded income. Our Fundraising Strategy therefore, will build on our new audience-informed approach which is in line with policy and ambition and focused on impact for individuals. It seeks to diversify funders including National Lottery Heritage Fund, build support from trusts and foundations, which has significant growth potential in the period, relaunch our members scheme, and build individual donations using an 'impact philanthropy' model where gifts are reciprocated but incentivised by the impact they make rather than through offering benefits. We'll also develop corporate offers, but acknowledge that this is opportunistic in this period, given the decline of corporate income in the current economic environment.

We seek to strengthen the business model of the Trading Subsidiary. The 2019 business model saw a heavy reliance on trading income made in the café bar to subsidise the wider creative programme. Post-pandemic and deep into the cost-of-living crisis, it hasn't been possible to recreate this model. Whilst this is challenging, it's also given us the impetus to reflect on how we use the space and focus on the vital role it can play in enabling equitable access, community cohesion and creative connection.

In taking an audience-informed approach to our business plan, we're seeking to balance our triple bottom line as a cultural charity – that is art, audience and money. This enables the purpose and impact of our organisation to be optimised whilst ensuring financial sustainability, and is particularly important at a time when cultural organisations and their audiences are under considerable financial pressure.

Creativity

Whilst we work with practitioners at every stage of their careers, we'll focus resources on supporting and stimulating opportunities for exciting early- to mid-career talent. We'll support artists to take risks and grow in confidence as they consider ways their ideas can develop and manifest, empowering them through critical exchange and knowledge sharing. They'll be supported by our experienced, cross-disciplinary team and through peer mentoring accessed via our extensive network of artistic communities of studio artists, and partnerships in Wales and nationally. Our resources include studio and research space, curatorial and technical support, marketing and promotional assistance, support and advice in writing funding applications, advisory and professional development mentoring, administrative management for events and exhibitions, equipment loans and office resources, community consultation support, alongside opportunities to come together to share learning and best practice.

Our programme will be outward-looking and resonate with what's happening across the world and around the corner. We'll create compelling, transformative experiences connecting art with community. To do this we'll design clear pathways for audiences to move closer as creative collaborators and co-creators of the programme.

We'll champion and promote the strength and diversity of work being produced and presented in and from Wales to ensure we better reflect the world we live in. We'll foreground artists who work across disciplines and whose voices are marginalised in the arts.

We'll work in collaboration with organisations and practitioners with lived experience to lead us in identifying opportunities that demonstrate best practice. We acknowledge that many people working in the arts face additional barriers to participation and we'll adjust our resources and support to offer a more open and equitable approach to creative production and engagement.

We'll continue to build on our audience-informed model so that we can reassure creative practitioners that we want to engage with them authentically, over time, with them. Through this work, we can foreground the voices of marginalised people and their experiences, stimulating emotional and relational connections that will help to build the trust that's needed to encourage ownership and connectivity with our programme.

We'll focus our collaborations with the following diverse groups of artists: Black, Asian and Minoritised Ethnic, LGBTQIA+, lower socio-economic, D/deaf and disabled. They'll be front and centre of our programme. We'll ensure that we're ambitious, connected and imaginative in enabling these artists to tell their stories.

We'll lobby for fair pay and good working conditions for artists and arts workers, because we recognise that this contributes to greater creative equity. We commit to developing our methods of selection to ensure that we reach a diverse range of practitioners to access opportunities. This includes a review of barriers where we advertise our opportunities and other strategies to ensure we're able to build a diverse programme. In doing so, we'll bring a range of lived experiences to our organisational conversations, and we'll be more relevant to more people as a result.

We'll improve our dialogue with all creatives around embedding access in their work at the point of production so that everyone we work with holds space for creative and integrated access considerations. We'll improve our spaces to better support artists to present their work.

Nurturing Talent

We'll nurture networks with creative and educational organisations to better support career development for artists at all stages. We'll be a listening organisation and consult regularly with the artist community to understand need. We'll be more transparent in our support and offer multiple points of access for artists to engage with our curatorial, technical, marketing, engagement and programme teams.

We'll seek to develop our studio provision to support more creative practitioners, so that they can build their professional practice and work within a wider, nurturing community of artists. We'll also provide a range of supported shorter-term residencies with bespoke mentoring. This will enable them to research, develop and experiment with ideas for new bodies of work and to test out new forms of expression for their creative practice, through moments of public engagement and in better integrating their work within our programme.

We're committed to developing inclusive practices that involve participation, and that encourage the co-creation of experiences with young people. We'll foreground equity, democracy and openness at the centre of our creative engagement work.

We'll develop inspiring and adventurous initiatives with children and young people to position their voices at the centre of our programme and strategic thinking, and to communicate the benefits of the arts and creativity for future generations. We'll nurture and engage the artists and creative practitioners of tomorrow. We'll do this by providing creative opportunities and talent pathways for them at all stages in their lives, but we'll focus in particular on those aged between 14 and 25 years.

We'll support children and young people in different ways to explore who and what impacts their lives. We'll encourage them to articulate how these issues affect their physical/mental health and wellbeing and we'll work creatively with them to empower them to speak out about the things they care about and ensure their voices are heard.

We'll lead the BFI Film Academy Plus in Wales until 2026. Aimed at supporting industry career development for 16-25-year-olds, the programme provides multiple points of access for young people to explore creative pathways and autonomy through the medium of film.

We'll take a leading role in Wales and nationally to advocate for the arts and creative learning, share best practice, and shape future policy in Wales and beyond, as champions of change.

We'll advocate the national priority of collaboration and involvement through increased visibility and partnership building.

We'll be guided by the principles of mutual trust and respect; transparency and open communication; professionalism; ethical and equitable practice, and prioritising care.

Widening Engagement

We believe that creative engagement with the arts can inspire and energise people of all ages and backgrounds to become more confident, more self-aware and more compassionate global citizens.

We'll develop community engagement programmes that are inspiring and representative of and to our audiences. These programmes will enable new audiences to engage more deeply with us and to find multiple points of access into our venue and work.

We'll build our audience-informed model so that we can reassure people to cross cultural bridges. Through this work, we'll foreground our communities' voices, sparking emotional and relational connections that will help build the trust needed to encourage ownership of and confidence in our programme.

We'll provide a varied programme of free and low-cost events and activities that will be promoted and specifically targeted at people within a three-mile radius who face barriers to engagement. We'll extend our Pay What You Can offer to support experimental programmes and enable audiences to make more adventurous choices.

We'll work in the communities on our doorstep to build this trust. We'll offer audiences out of the ordinary experiences, in safe spaces, taking the unfamiliar to the familiar so that residents can re-imagine their local area in new and unexpected ways.

We'll increase free and low-cost events in non-arts spaces in and around our venue to reach non-arts audiences so they can encounter cultural experiences by chance. We'll offer varied times for events and be mindful of inhibiting external factors such as public transport.

We'll address our marketing and communications to ensure that we're speaking to people in simple, engaging language that doesn't feel exclusive or intimidating. We'll continually consult with local, non-attenders to understand better the barriers they face through our venue, communications, programme and pricing and we'll be responsive and open to change.

We'll value collectivism and the open exchange of knowledge and experience. We'll seek to enable artists, audiences and our community to come together to create moments for reflection, learning and creative expression.

We'll work with people on our doorstep using a people-centred approach to the co-creation of activity, cultivating a sense of ownership, wellbeing and connection. We'll develop a creative and highly engaging community programme that responds to need, explores innovative practice in relation to collaboration, and demonstrates impact. Our work will encourage local people to take the lead in co-creation.

We'll tap into the potential of the arts to enable us to better understand the world in which we live together. Our work will prioritise the shared potential to look at the world through different lenses, to recognise diverse experiences and think collectively about how we might shape a better future. We'll work with our communities to creatively address the themes that concern them, acknowledging and foregrounding their stories.

Welsh Language

We'll work hard to safeguard the Welsh language as an integral part of contemporary culture. We're committed to offering creative practitioners the opportunity to explore their own creativity through the language of their choice.

We'll create and present programmes to ensure that we'll be visible and present at key Welsh language events, such as the Eisteddfod Genedlaethol, Tafwyl, Eisteddfod yr Urdd, and embed Chapter as regular supporters of these events, building trust.

We recognise the need to strengthen the Welsh language arts ecology, particularly in relation to experimental practice. We'll actively pursue alliances with progressive, ambitious advocates for Welsh language arts and ensure that works in the Welsh language are positioned and celebrated in an international context, particularly in the context of the International Decade of Indigenous Languages.

We'll continue to deliver Film Hub Wales' support for the presentation of new films from Wales and in the Welsh language through the Made in Wales activity strand, which supports filmmakers and exhibitors from Wales to promote new films to a wider audience, and we'll use this learning to expand the project across our wider programme.

Where we identify opportunities for development, we'll commission creative work in Welsh, and we'll build relationships with writers communicating in Welsh to better support this work and reach out to audiences to experience work in the Welsh language, improving access for all audiences.

We'll extend links with the education sector across Wales to strengthen knowledge of, and engagement with, Welsh language works of excellence, to support and nurture the next generation of homegrown talent.

We'll provide a varied programme of free and low-cost events and activities that will be promoted and specifically targeted at Welsh communicators. This may include gallery activity, Q&As etc led by or supported through access in Welsh. We'll extend our Pay What You Can offer to support more experimental Welsh-language programmes and enable audiences to make more adventurous choices with limited risk.

We'll work in partnership with organisations and freelance workers producing work in the Welsh language to provide opportunities for presentation, across all our spaces. We'll encourage audiences to take risks and will introduce them to high-quality, innovative practices that engage with contemporary issues.

We'll reassure people to cross linguistic bridges. We'll move forward as a listening organisation and give our Welsh language audiences a stake in our work and operation. This will be informed by regular and authentic consultation. We'll also work to encourage non-Welsh speakers to engage more deeply with activity led in Welsh, by providing improved and integrated access.

We're a bilingual organisation and there will be a parity of marketing towards Welsh- and English-communicating audiences. This encompasses everything from signage and wayfinding inside the building, through to social media, newsletters and policy documents. We'll take an active role in encouraging and supporting Welsh language marketing, ensuring that companies, artists and groups take the use of the language into their everyday lives. We'll create generous and meaningful feedback loops for communities to be heard – because it's vital to understand what a contemporary Welsh language audience want and need.

Climate Justice

Our programme will highlight the impact and systemic causes of the climate emergency and the important intersection between climate change and other social, political and economic injustices. This will centre the creativity and lived experiences of artists and communities who are vulnerable and will foreground proposals for long-term change and solutions.

Building on our recent programme of work with exhibitions such as 'Call the Waves' and 'The Infinity Card', we'll work with artists and organisations to explore how climate injustice is connected to land, water, environmental, disability and racial justice and we'll relate the effects of climate change to systemic inequality, the legacy and continuation of colonialism, human rights and the rights of nature.

We'll learn from those who are at the forefront of this commitment to justice. We'll work collaboratively to ensure that we're ambitious, connected and imaginative in telling stories that speak of and dismantle the structures that drive the climate crisis. We'll be sensitive to ensure that our collaborators have agency and that we're not perpetuating the extraction of people's lived experiences.

We'll carefully consider the entry points for this work and how climate justice impacts our audiences. We'll seek to communicate local, as well as global stories, understanding that the climate crisis affects everyone.

We'll reflect our (un)learning in the practical delivery of our programme. We'll minimise transport of artworks, utilise digital opportunities where this reduces our carbon footprint and ensure that we consider the green credentials of the materials that we use.

We'll consult with organisations who can support us to make ethical decisions and to centre an understanding of climate justice in our day-to-day programme delivery.

We'll work with our local communities in a process of place-making to improve our green and public spaces. We'll expand and invest further in our work in partnership with Canton Community Gardeners to develop the garden and provide more opportunities for local people to connect with it in meaningful ways.

We'll work towards 'greening' more outside areas of the building and aim to install new 'playable' sculptures within an 'edible' landscape that we'll co-design with our neighbourhood. Our Community Engagement team will embed programmes of socially engaged practice for this; we'll incorporate climate change and sustainability considerations into our programme and, by doing so, increase climate literacy, support people to think about how resilient their community may be to the impacts of climate change and how emissions can be reduced locally. This may also build evidence to demonstrate the need for more ambitious neighbourhood plan policies and lend strength to the lobbying voice.

We recognise the climate emergency as the most urgent issue of our time. As a public institution we're committed to creating a better future for everyone by reducing our impact on the environment and we'll embed environmental, ecological and social justice concerns across our programme, infrastructure and networks.

We understand our responsibility to mitigate against this crisis and we commit to achieving measurable carbon reductions in line with Welsh Government targets. We'll work in partnership with organisations to support sustainability initiatives, and with community organisations to embed sustainability in our neighbourhoods.

We'll take urgent steps towards improving our sustainability, demonstrating a positive impact on our workforce and the people and places around us. We'll strengthen our relationship with expert leaders such as Julie's Bicycle, to review our footprint, and commit to the necessary changes. We'll consult with communities with lived experience of climate change impact and injustice, working authentically to ensure that our work with them doesn't perpetuate extractive practices.

We'll continue to provide fair pay and good working conditions for artists and arts workers, and we recognise that this can contribute to improved wellbeing and greater societal equity.

We'll acknowledge that climate justice disproportionately impacts marginalised communities, and we'll address representation within our governance and staff. We'll work with people from communities that are under-represented in the creative industries, to enable them to gain access to our governance and decision-making mechanisms.

These steps will support us to become more efficient and improve our business resilience in the longer term.

Transformation

We acknowledge that equitable access to working in the arts remains an urgent issue across the industry, with those from marginalised communities vastly under-represented amongst artists and employees within our own organisation.

We're committed to the specific wellbeing goal within the Well Being of Future Generations Act: "A society that enables people to fulfil their potential no matter what their background or circumstances". We acknowledge that the current make-up of our Board, staff and volunteers does not mirror our local communities. We'll improve representation from diverse people by connecting with openness and transparency, positioning their lived experiences at the heart of the work we do and actively contributing to dismantling systems of oppression.

We'll work with our communities to be held accountable for delivering on our commitments. We'll be guided by a pledge to close the 'implementation gap' – the space between publishing our commitments and implementing them.

We'll continuously examine, unlearn, relearn and act across all areas of our operation. We'll work to encourage a full contribution from all sections of our diverse community, and to further ensure that no one person or group of people receives less favourable treatment on the grounds of age, sexual orientation, religion or belief, race, pregnancy or maternity, marriage or civil partnership, gender re-assignment, gender (sex) or disability, or any other unjustifiable grounds.

We understand that making and experiencing arts and culture can transform the quality of life for individuals and communities. Following the development of our audience-informed business plan, we'll commit to a process of active listening, informed by an ongoing process of community, staff and stakeholder consultation. We'll create a positive and healthy environment for our workforce, placing their wellbeing at the centre of our operational model.

We'll value and respect the experiences, insights and participation of our staff, volunteers, Board and freelance community, because we believe that everyone has a valuable contribution to make and that our collective voice holds power to steer positive organisational transformation and community cohesion.

We'll commit to holding and promoting clear boundaries and identifying appropriate ways of working. We'll seek to create an inclusive environment in which everyone's creativity can thrive. We acknowledge that particular care and attention will be required for individuals and organisations from minoritised communities, and we'll pledge additional resources to support them.

We'll implement and facilitate a Wellbeing Strategy and consider wellbeing at the point of project creation and in our budgets to ensure that we have the resources to support the artists and communities that we work with.

Our creative practice will be rooted in exploring and expanding methodologies that utilise art as a vehicle for dialogue, social change and community healing. We also recognise that, to do this, we must interrogate and explore the moral and ethical implications of working in and with our community.

We aim to create space for people to come together and interact with art, with each other, and with us. We'll do this by offering reciprocity and flexibility; people-centred community engagement; community building; collective impact and restorative justice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Chapter (Cardiff) Ltd is legally constituted as both a company limited by guarantee (Company No. 1005570) and a registered charity (Charity Reg. No. 500813). Trustees are therefore Directors of the Company and Trustees of the Charity. The Board is the non-executive leadership body for the charity that ensures that strategic and operational decisions are in line with the mission, vision and values of the organisation and are operated within the laws and regulations that govern.

Artistic programme, operational decisions and staff management are delegated to the Executive Team. The Executive Team, alongside those delegated by the Executive, are responsible for the business management and day-to-day operations of the organisation.

Recruitment, Induction and Training of Trustees

Trustees are recruited by an open application process and interviewed and selected following a review of skills needed.

Following appointment, trustees are invited to an introductory meeting to familiarise them with the organisation and with their responsibilities as trustees. They are also provided with relevant Charity Commission guidance. Training is considered by the Chair, Chief Executive and through self-review on a case-by-case basis.

The term of office for trustees is three years. Trustees can stand for re-election to the board for an additional one term. Attendance is quarterly with the invitation to sit on a variety of sub-committees including Finance & Risk, Artistic & Learning and Governance.

Chapter is committed to increasing the diversity of its board and, in the period, undertook a review of barriers to recruitment, where we advertise opportunities and other strategies to ensure we're able to diversify our workforce.

The Chair of Trustees (appointed in 2020) has unlocked the opportunity for us to explore what excellent governance looks like, and how to manifest strong and open lines of communication between board, staff, stakeholders and audiences.

Staff Leadership

The period saw changes to senior leadership with the departure of the previous CEO in June 2022 and a reduction in roles sitting within the Strategic Leadership Team (SLT). The CEO role has been filled by two experienced members of the SLT who've been working collaboratively with the wider staff and Trustees to forge a new path for the organisation.

The Trustees have determined that the key management personnel of the charity are the members of the Strategic Leadership Team. This team comprises:

Co-Director and Artistic Director
Co-Director and Director of Finance and Resources

Remuneration is set in accordance with Chapter's established pay structure which is kept under review by the Human Resources Sub-Committee. CEO remuneration is determined by the Board of Trustees.

Co-operation with other organisations is an essential part of enabling Chapter to meet its charitable objectives. These include other arts organisations, voluntary sector groups, local authorities, public agencies, broadcasters and many professional associations.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Chapter (Cardiff) Limited
Company Registration Number	01005570
Charity Registration Number	500813
Registered Office	Chapter Arts Centre Market Road Canton Cardiff CF5 1QE
Trustees	Catrin Daniel Ewan Hilton Stephen Meade Alun Jones Villida Ramasut Benedict Borthwick- resigned 28/6/23 Laurence Khan Kami Lamakan (Chair) Sarah Lee-Ling Chan – appointed 07/04/2022 Lauren Orme – appointed 28/6/23 Naomi Stocks – appointed 28/6/23
Company Secretary	Sharon Stone
Key Management Personnel	H Firth –Co-Director/Director of Programme and Deputy Director S Stone –Co-Director/Director, Finance and Resources
Principal Bankers	Lloyds Bank 514 Cowbridge Road East Cardiff CF5 1BL
Auditors	Azets Audit Services Chartered Accountants & Statutory Auditors Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB

Trustees responsibilities in relation to the financial statements

The trustees (who are also directors of Chapter (Cardiff) Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 maintaining proper accounting records which 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 the group 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on behalf of the Board



Kami Lamakan
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Chapter (Cardiff) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2023, and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent 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 other information comprises the information included in the trustees annual report , other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 groups and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 an auditor's report 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

John Howard
Senior Statutory Auditor
For and on behalf of Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date.....

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHAPTER (CARDIFF) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies	3	**789,985**	**5,000**	**794,985**	809,625
Charitable activities	4	**267,638**	**445,608**	**713,246**	1,846,121
Other trading activities	5	**1,680,318**	**-**	**1,680,318**	1,512,883
Other	6	**11,630**	**-**	**11,630**	13,451
Total income and endowments		**2,749,571**	**450,608**	**3,200,179**	4,182,080
Expenditure on:					
Charitable activities	7	**2,929,045**	**642,134**	**3,571,179**	3,113,590
Total expenditure		**2,929,045**	**642,134**	**3,571,179**	3,113,590
Net income/(expenditure)	10	**(179,474)**	**(191,526)**	**(371,000)**	1,068,490
Transfers between funds	22,23	**88,499**	**(88,499)**	**-**	-
Net movement in funds		**(90,975)**	**(280,025)**	**(371,000)**	1,068,490
Reconciliation of Funds					
Total funds brought forward	22,23	**1,833,541**	**3,092,853**	**4,926,394**	3,857,904
Total funds carried forward	24,25	**1,742,566**	**2,812,828**	**4,555,394**	4,926,394

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

The notes on pages 26 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies	3	**796,918**	**5,000**	**801,918**	809,625
Charitable activities	4	**267,638**	**445,608**	**713,246**	1,846,121
Other trading activities	5	**375,635**	**-**	**375,635**	312,702
Other	6	**11,630**	**-**	**11,630**	13,451
Total income and endowments		**1,451,821**	**450,608**	**1,902,429**	2,981,899
Expenditure on:					
Charitable activities	7	**1,658,217**	**642,134**	**2,300,351**	1,966,747
Total expenditure		**1,658,217**	**642,134**	**2,300,351**	1,966,747
Net income/(expenditure)	10	**(206,396)**	**(191,526)**	**(397,922)**	1,015,152
Transfers between funds	22,23	**88,499**	**(88,499)**	**-**	-
Net movement in funds		**(117,897)**	**(280,025)**	**(397,922)**	1,015,152
Reconciliation of Funds					
Total funds brought forward	22,23	**1,859,662**	**3,092,853**	**4,952,515**	3,937,363
Total funds carried forward	24,25	**1,741,765**	**2,812,828**	**4,554,593**	4,952,515

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

CHAPTER (CARDIFF) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	13		**4,056,514**		4,112,566
Current assets:					
Stocks	16	**27,262**		23,910	
Debtors	17	**153,322**		284,687	
Bank and cash balances		**1,370,130**		1,517,809	
		1,550,714		1,826,406	
Liabilities:					
Creditors: Amounts falling due within one year	18	**(454,956)**		(349,822)	
Net current assets/(liabilities)			**1,095,758**		1,476,584
Total assets less current liabilities			**5,152,272**		5,589,150
Creditors: Amounts falling due after more than one year	19		**(596,878)**		(662,756)
Net assets			**4,555,394**		4,926,394
The funds of the charity:					
Restricted income funds	22		**2,812,828**		3,092,853
Unrestricted income funds	24	**1,660,566**		1,693,541	
Designated funds	23	**82,000**		140,000	
			1,742,566		1,833,541
Total charity funds	25		**4,555,394**		4,926,394

These financial statements were approved by the Board of Directors/Trustees on 29.11.23

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Kami Lamakan - Chair
Company number 01005570

The notes on pages 26 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
BALANCE SHEET – CHARITY ONLY
AS AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Tangible assets	13		**4,056,514**		4,112,566
Investment in subsidiary	14		**2**		2
			4,056,516		4,112,568
Current assets:					
Debtors	17	**262,182**		286,244	
Bank and cash balances		**1,008,126**		1,290,690	
		1,270,308		1,576,934	
Liabilities:					
Creditors: Amounts falling due within one year	18	**(262,020)**		(201,878)	
Net current assets/(liabilities)			**1,008,288**		1,375,056
Total assets less current liabilities			**5,064,804**		5,487,624
Creditors: Amounts falling due after more than one year	19		**(510,211)**		(536,109)
Net assets			**4,554,593**		4,952,515
The funds of the charity:					
Restricted income funds	22		**2,812,828**		3,092,853
Unrestricted income funds	24	**1,659,765**		1,719,662	
Designated funds	23	**82,000**		140000	
			1,741,765		1,859,662
Total charity funds	25		**4,554,593**		4,952,515

These financial statements were approved by the Board of Directors/Trustees on 29.11.23.

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Kami Lamakan - Chair
Company number 01005570

The notes on pages 26 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
CASH FLOW STATEMENT - CONSOLIDATED
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Net cash used in operating activities	28	**(367,369)**	876,474
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	**375,635**	312,702
Purchase of property plant and equipment	13	**(95,739)**	(157,635)
Net cash provided by investing activities		**279,896**	155,067
Cash flows from financing activities:			
Repayments of borrowing		**(60,206)**	(49,500)
Net cash used in financing activities		**(60,206)**	(49,500)
Change in cash and cash equivalents in the reporting period		**(147,679)**	982,041
Cash and cash equivalents at the beginning of the reporting period		**1,517,809**	535,768
Cash and cash equivalents at the end of the reporting period	28	**1,370,130**	1,517,809

The notes on pages 26 to 55 form part of the financial statements

1. ACCOUNTING POLICIES

Legal form and address
Chapter (Cardiff) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE.

Basis of preparation
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Group financial statements
These consolidated financial statements include the financial statements of Chapter (Cardiff) Limited (the charitable company) and Chapter Trading Limited its wholly owned trading subsidiary, made up to 31 March 2023.

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line-by-line basis.

Going concern
The group reported a net unrestricted inflow of £90,975 for the year and had free reserves at the year end totalling £60,430. The charity and the group and are monitoring results on a frequent basis and the trustees are of the view that on this basis the charity and the group is a going concern and there are no material uncertainties about the charity and the group's ability to continue as a going concern.

The charity relies heavily on funding from Arts Council of Wales for its income. Should this source of income cease, it would have significant implications for the scale of operations of the charity. The trustees have prepared the financial statements on the going concern basis on the basis that grants from Arts Council of Wales will continue to be forthcoming in the future.

The trustees are closely monitoring the charity's performance against forecasts and budgets and consider that the company will produce a surplus for the year to 31 March 2024. Future plans and forecasts for the charity aim to further increase the charity's unrestricted reserves.

1. **ACCOUNTING POLICIES (continued)**

Fund accounting
The charity has various types of funds for which it is responsible, and which require further disclosure. These are as follows:

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. In addition to expenditure on the principal activities of the charity these funds can be held in order to fund capital expenditure.

Restricted funds are earmarked by the donor for specific purposes. Grant income received to fund capital expenditure is held in restricted reserves. The balance is transferred to unrestricted reserves in future years at the same rates as to match the depreciation charges of the related assets.

Revenue funds restricted by the donor are matched against expenditure as appropriate.

Income recognition
All incoming resources are classified under activity headings that aggregate all income related to that category.

- Donations and legacies relate to income from general donations, unrestricted grants, membership and sponsorship income.
- Incoming resources from charitable activities are those derived from the art forms as well as project and grant funding.
- Other trading activities relate to facilities, property and gallery shop income.
- Other income relates to sundry items and the management charge to its trading subsidiaries.

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Grants received to fund capital expenditure are recognised in the Statement of Financial Activities in the year of receipt and held in restricted reserves. The balance in restricted reserves is released in future years at the same rate so as to match the depreciation of the related asset. Once the restriction has been met the funds are transferred to unrestricted reserves.

Membership and subscriptions income is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

1. **ACCOUNTING POLICIES (continued)**

Income earned from the arts and art forms is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Facilities and property income consists of the invoiced value (excluding VAT) of goods sold/supplied to third parties and members. This is recognised in the period in which the service was provided. The management fees in other income are invoiced quarterly and recognised in the period to which the service was provided.

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

Trading subsidiary income is recognised when the service or goods are provided.

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

- Charitable activities include expenditure associated with all of the arts and other activities to further the objects of the charity.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.
- Support costs are those costs that have not been directly allocated to an activity of the charity but nevertheless support those activities. These costs have been allocated between the cost categories on a basis consistent with the use of resources.

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

Grants payable are payments made to third parties in furtherance of the charitable objects of the company. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attached to the grant is outside the control of the company.

Netting off of income against expenditure
It is not the policy of the charitable company to show incoming resources net of expenditure.

Taxation
As a registered charity Chapter (Cardiff) Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Fixed assets and depreciation
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses or in cases where fixed assets have been donated to the charity, at valuation at time of acquisition.

1. ACCOUNTING POLICIES (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	0% straight line
Freehold buildings	2% straight line and 20% straight line
Leasehold buildings	Over 125 years
Fixtures and fittings	10% straight line and 20% straight line
Improvements to leasehold buildings	1% straight line & 10% straight line

Assets are capitalised at cost.

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

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost less provision for impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving. Stocks relate to café and bar items and are independently valued by an external stock taker.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

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

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

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

1. ACCOUNTING POLICIES (continued)

Operating leases
The charity classifies the lease of a photocopier and lease of Market House as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

Company status
The charity is a company limited by guarantee. The members of the company are the Board of Trustees named in the trustees report.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. INCOME FROM DONATIONS AND LEGACIES

Group	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations*	**48,273**	**-**	**48,273**	51,836
Grants	**741,337**	**-**	**741,337**	739,622
Membership	**375**	**-**	**375**	1,917
Sponsorship	**-**	**5,000**	**5,000**	16,250
	789,985	**5,000**	**794,985**	809,625
Grants were received from the following:				
Arts Council of Wales – Core Grant Funding	**674,591**	**-**	**674,591**	664,622
BFI Organisation awards	**60,000**	**-**	**60,000**	75,000
Welsh Government Resilience	**6,746**	**-**	**6,746**	-
	741,337	**-**	**741,337**	739,622

3. INCOME FROM DONATIONS AND LEGACIES (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations*	**48,746**	**-**	**48,746**	51,836
Grants	**741,337**	**-**	**741,337**	739,622
Membership	**375**	**-**	**375**	1,917
Sponsorship	**-**	**5,000**	**5,000**	16,250
Gift Aid from Chapter Trading	**6,460**	**-**	**6,460**	-
	796,918	**5,000**	**801,918**	809,625
Grants were received from the following:				
Arts Council of Wales – Core Grant Funding	**674,591**	**-**	**674,591**	664,622
Arts Council of Wales – Cost of Living	**6,746**	**-**	**6,746**	-
BFI Organisation awards	**60,000**	**-**	**60,000**	75,000
	741,337	**-**	**741,337**	739,622

* Included in donations is £30,000 from the Moondance Foundation (2022: £30,000).

4. INCOME FROM CHARITABLE ACTIVITIES

Group and charity	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
BFI	**-**	**11,292**	**11,292**	13,167
Cinema	**221,051**	**-**	**221,051**	158,718
Film education	**2,442**	**-**	**2,442**	2,483
Grants	**-**	**434,316**	**434,316**	1,645,899
Events	**-**	**-**	**-**	2,154
Theatre	**44,145**	**-**	**44,145**	23,700
	267,638	**445,608**	**713,246**	1,846,121

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Group and charity

Grants were received from the following:

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Project funding:				
Arts & Business	-	**1,046**	**1,046**	-
Art fund – Joy Labinjo	-	**4,000**	**4,000**	-
Arts Council of Wales – Connect and Flourish	-	-	-	96,198
Arts Council of Wales – Cultural Recovery Fund	-	-	-	1,021,709
Arts Council of Wales – Experimentica	-	**17,818**	**17,818**	-
Arts Council of Wales – Gwyl Cymru	-	**9,900**	**9,900**	-
Arts Council of Wales – Perspectives	-	**30,000**	**30,000**	-
Arts Council of Wales – Resilience	-	-	-	4,800
British Film Industry Hub	-	**210,000**	**210,000**	230,000
British Film Industry Hub – Diversity	-	**45,000**	**45,000**	55,000
British Film Industry Hub – Education Feasibility	-	-	-	600
British Film Industry Hub – Japan	-	-	-	3,906
British Film Industry Hub – Nottingham	-	**4,500**	**4,500**	-
British Film Industry Hub – VEF	-	**54,890**	**54,890**	55,000
Ffilm Cymru	-	**15,000**	**15,000**	4,400
Ffilm Cymru – Young Programmers	-	**10,843**	**10,843**	-
HMRC Job Retention Scheme	-	-	-	7,754
HMRC Kickstart	-	-	-	1,500
WCA	-	-	-	1,410
WCVA – Third Sector Resilience Fund	-	-	-	15,000
Welsh Government Made in Wales	-	**28,819**	**28,819**	27,611
WPD Holiday	-	**2,500**	**2,500**	-
Capital:				
Arts Council Wales – Café Bar	-	-	-	114,800
Arts Council of Wales – Cultural Recovery Fund	-	-	-	6,211
	-	**434,316**	**434,316**	1,645,899

5. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Facilities and property income	375,635	-	375,635	312,702
Trading subsidiaries	1,304,683	-	1,304,683	1,200,181
	1,680,318	-	1,680,318	1,512,883
Charity				
Facilities and property income	375,635	-	375,635	312,702
	375,635	-	375,635	312,702

6. INCOME FROM OTHER SOURCES

Group and charity	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Other income	10,705	-	10,705	6,522
Insurance	925	-	925	6,929
	11,630	-	11,630	13,451

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Direct £	Grants payable £	Support £	Governance	Total 2023 £	Total 2022 £
Audit fees	-	-	-	6,350	6,350	5,740
BFI project costs	126,380	127,959	-	-	254,339	96,617
Cinema distributors payments	100,822	-	-	-	100,822	83,545
Cleaning	73,780	-	-	-	73,780	62,545
Credit card charges	240	-	-	-	240	240
Depreciation	151,791	-	-	-	151,791	146,552
Electricity	71,123	-	-	-	71,123	67,888
Equipment repairs	12,712	-	-	-	12,712	14,625
Event costs	300	-	-	-	300	818
Gallery production costs	42,121	-	-	-	42,121	13,448
Gas	23,936	-	-	-	23,936	22,546
Health & safety, security	11,391	-	-	-	11,391	6,404
Insurances	39,122	-	-	-	39,122	31,014
Interest & charges	44,414	-	-	-	44,414	31,893
Irrecoverable VAT	1,283	-	-	-	1,283	739
IT support costs	1,333	-	1,333	-	2,666	2,762
Professional & Legal fees	7,503	-	-	-	7,503	10,248
Licences	32,627	-	-	-	32,627	27,728
Maintenance	36,388	-	-	-	36,388	37,717
Marketing, press, PR	38,991	-	-	-	38,991	38,098
Other direct costs	150,192	-	-	-	150,192	160,069
Photocopying	2,262	-	2,262	-	4,524	5,284
Postage	397	-	-	-	397	199
Rates	10,713	-	-	-	10,713	6,380
Refuse collection	10,955	-	-	-	10,955	7,191
Rent	1,550	-	-	-	1,550	1,550
Stationery	1,490	-	-	-	1,490	1,099
Subscriptions	4,240	-	-	-	4,240	5,131
Sundries	-	-	7,241	-	7,241	1,227
Telephone	13,442	-	-	-	13,442	11,125
Theatre productions and producer's payments	44,851	-	-	-	44,851	19,807
Training	2,838	-	2,838	-	5,676	4,389
Travel	6,823	-	-	-	6,823	2,853
Wages and salaries	1,077,894	-	-	-	1,077,894	1,027,100
Water charges	7,563	-	-	-	7,563	12,444
	2,151,467	127,959	13,674	6,350	2,299,450	1,966,747
Trading subsidiaries	1,271,729	-	-	-	1,271,729	1,146,842
	3,423,196	127,959	13,674	6,350	3,571,179	3,113,590

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Charity	Direct £	Grants payable £	Support £	Governance	Total 2023 £	Total 2022 £
Audit fees	-	-	-	6,350	6,350	5,740
BFI project costs	126,380	127,959	-	-	254,339	96,617
Cinema distributors payments	100,822	-	-	-	100,822	83,545
Cleaning	74,681	-	-	-	74,681	62,545
Credit card charges	240	-	-	-	240	240
Depreciation	151,791	-	-	-	151,791	146,552
Electricity	71,123	-	-	-	71,123	67,888
Event costs	12,712	-	-	-	12,712	14,625
Equipment repairs	300	-	-	-	300	818
Gallery production costs	42,121	-	-	-	42,121	13,448
Gas	23,936	-	-	-	23,936	22,546
Health & safety, security	11,391	-	-	-	11,391	6,404
Insurances	39,122	-	-	-	39,122	31,014
Interest & charges	44,414	-	-	-	44,414	31,893
Irrecoverable VAT	1,283	-	-	-	1,283	739
IT support costs	1,333	-	1,333	-	2,666	2,762
Professional fees	7,503	-	-	-	7,503	10,248
Licences	32,627	-	-	-	32,627	27,728
Maintenance	36,388	-	-	-	36,388	37,717
Marketing, press, PR	38,991	-	-	-	38,991	38,098
Other direct costs	150,192	-	-	-	150,192	160,069
Photocopying	2,262	-	2,262	-	4,524	5,284
Postage	397	-	-	-	397	199
Rates	10,713	-	-	-	10,713	6,380
Refuse collection	10,955	-	-	-	10,955	7,191
Rent	1,550	-	-	-	1,550	1,550
Stationery	1,490	-	-	-	1,490	1,099
Subscriptions	4,240	-	-	-	4,240	5,131
Sundries	-	-	7,234	-	7,234	1,226
Telephone/fax	13,442	-	-	-	13,442	11,125
Theatre productions and producers payments	44,851	-	-	-	44,851	19,807
Training	2,838	-	2,838	-	5,676	4,389
Travel	6,823	-	-	-	6,823	2,853
Wages and salaries	1,077,894	-	-	-	1,077,894	1,027,100
Water charges	7,563	-	-	-	7,563	12,444
	2,152,368	127,959	13,674	6,350	2,300,351	1,966,747

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Contained in the above is grants payable by the charity totalling £127,959. These can be split into the following categories:

	Total 2023 £	Total 2022 £
Wales Youth Festival Network	-	9,390
Deaf Project	-	18,000
Off Y Grid	-	10,000
FEF Open Call	-	26,250
Animation Festivals	-	8,000
Film Clubs	-	8,560
Iris on the Move	-	3,000
Indie Cinema	-	1,400
Slate & Slavery	-	1,840
Pitch Plot	**3,605**	2,449
Canada goes Cymru	**2,245**	-
Witchcraft	**3,909**	-
Film Exhibition Fund	**92,700**	-
Cost of Living fund	**25,500**	-
	127,959	88,889

During the year the charity provided 25 institutions with grants ranging from £250 to £9,300. Details of grants payable can be found in the trustees' report and on the group's website.

2022/23 Film Exhibition Fund - Film Hub Wales | Canolfan Ffilm Cymru [filmhubwales.org]

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	Total 2023 £	Total 2022 £
Group		
Wages and salaries	**1,494,460**	1,466,550
Social security costs	**104,899**	100,390
Employers pension	**57,996**	53,623
	1,657,355	1,620,563
Charity		
Wages and salaries	**942,977**	905,583
Social security costs	**83,924**	75,935
Employers pension	**50,993**	45,582
	1,077,894	1,027,100

During 2023 there was 2 (2022: 1) employee who received employee benefits over £60,000. The employee received employee benefits ranging between £60,000-£70,000. Pension contributions for the individual totalled £16,196 (2022: 5,422).

The total amount of employee benefits received by key management personnel for their services to the group during the year totalled £188,346 (2022: £281,599).

The total amount of employee benefits received by key management personnel for their services to the charity during the year totalled £188,346 (2022: £235,094).

Included in the group wages and salaries above were termination and redundancy payments totalling £nil (2022: £nil). There were no amounts outstanding at the current and prior year end.

No trustee received remuneration during the year (2022: £nil). No trustee was reimbursed for expenses (2022: No trustee was reimbursed for travel expenses).

9. STAFF NUMBERS

	2023 No	2022 No
Group		
Average number of people employed by the group	**90**	94
Charity		
Average number of people employed by the charity	**42**	43

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Rentals under operating leases	**8,045**	14,754	**8,045**	14,754
Depreciation	**151,791**	146,552	**151,791**	146,552
Auditors remuneration:				
Audit fees	**11,770**	9,140	**6,875**	4,990
Accountancy services	**750**	750	**750**	750

11. TAXATION – GROUP AND CHARITY

As a registered charity, Chapter (Cardiff) Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

The subsidiary, Chapter Trading Limited, had no corporation tax charges for the period.

12. INTEREST PAYABLE – GROUP AND CHARITY

Interest payable and similar charges relates to interest on bank loans and overdraft facilities.

	Total	Total
	2023	2022
	£	£
Bank loan interest	**40,039**	24,786

13. TANGIBLE FIXED ASSETS

Group & Charity	Freehold land and buildings £	Improve-ments to leasehold buildings £	Leasehold buildings £	Fixtures & fittings £	Total £
Cost					
At 1 April 2022	562,000	4,354,296	879,000	1,130,988	6,926,284
Additions in year	-	12,550	-	83,189	95,739
At 31 March 2023	562,000	4,366,846	879,000	1,214,177	7,022,023
Depreciation					
At 1 April 2022	298,468	777,383	663,240	1,074,627	2,813,718
Charge for year	11,120	100,203	1,828	38,640	151,791
At 31 March 2023	309,588	877,586	665,078	1,113,267	2,965,509
Net book value					
At 31 March 2023	252,412	3,489,260	213,922	100,910	4,056,514
At 31 March 2022	263,532	3,576,913	215,760	56,361	4,112,566

A recent valuation of the freehold land and buildings for the purpose of the bank security arrangement has satisfied the trustees that the market value is well in excess of the carrying book value. The trustees exercise their right to continue valuation of the property under cost less accumulated depreciation.

The Arts Council of Wales holds a legal charge over the leasehold property as a condition of their grant funding, the carrying value of the assets as at 31 March 2023 totalled £213,922 (2022: £215,760).

The bank loan is secured on the freehold land and buildings, the carrying value of the assets as at 31 March 2023 totalled £252,412 (2022: £263,532). The bank overdraft is secured against a second legal charge over the freehold land and buildings, the carrying value of the assets as at 31 March 2023 totalled £252,412 (2022: £263,532).

The leasehold building above is being depreciated over the term of the lease of 125 years. The carrying value of building as at 31 March 2023 totalled £213,922 (2022: £215,760).

14. INVESTMENTS

Charity	Investments in group undertakings £
Cost as at 31 March 2022	2
Cost as at 31 March 2023	2

15. TRADING SUBSIDIARY

Chapter Trading Limited:

The company owns 100% of the issued ordinary share capital of Chapter Trading Limited, a company incorporated on the 1 March 2007 in England and Wales, company number 06133709. The registered office of the company is the same as the charity. The principal activity of the company is the operation of the caffi bar at Chapter. The results of the company have been consolidated into the group accounts.

The results of the company for the year ended 31 March 2023 can be found below:

	Total 2023 £	Total 2022 £
Turnover	**1,283,986**	1,140,994
Cost of sales and administration costs	**(1,276,316)**	(1,146,843)
Operating profit	**7,670**	(5,849)
Other income	**25,712**	59,187
(Loss)/profit for the year	**33,382**	53,338
Assets and liabilities:		
Total assets	**394,104**	258,009
Total liabilities	**(393,298)**	(284,125)
Net assets	**806**	(26,116)
Aggregate share capital and reserves	**806**	(26,116)

Statement of changes in equity

	Share capital £	Profit and loss reserve £	2023 Total £
Balance at 1 April 2022	2	(26,118)	(26,116)
Year ended 31 March 2023			
(Loss) and total comprehensive income for the year	-	**33,382**	**33,382**
Distributions to parent charity under Gift Aid	-	**(6,460)**	**(6,460)**
Balance at 31 March 2023	**2**	**804**	**806**

16. STOCKS

Group	2023	2022
	£	£
Caffi bar	**27,262**	23,910
	27,262	23,910

17. DEBTORS

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	£	£
Trade debtors	**73,242**	36,170	**73,267**	36,195
Prepayments and accrued income	**80,080**	248,157	**75,220**	242,089
Due from subsidiary undertakings	**-**	-	**113,695**	7,960
	153,322	284,687	**262,182**	286,244

18. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank loan and overdraft	**73,078**	67,406	**33,078**	28,386
Trade creditors	**198,419**	129,649	**132,510**	83,730
Taxation and social security	**82,668**	51,935	**28,610**	15,646
Other creditors	**13,732**	9,373	**19,827**	6,476
Accruals and deferred income	**87,059**	91,459	**47,995**	67,640
	454,956	349,822	**262,020**	201,878

Included within accruals and deferred income above is the following deferred income:

	2023	2022
	£	£
Ticket sales	**7,654**	3,046
	7,654	3,046

The deferred income relates to invoices raised in advance of service delivery and performances.

The movement in deferred income can be seen below:

	2023	2022
	£	£
Balance brought forward	**3,046**	3,062
Income received	**1,084,357**	2,169,140
Income released	**(1,079,749)**	(2,169,156)
Balance carried forward	**7,654**	3,046

19. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank loan	**488,719**	511,109	**488,719**	511,109
CBILS	**86,667**	126,647	**-**	-
WCVA	**21,492**	25,000	**21,492**	25,000
	596,878	662,756	**510,211**	536,109

The bank loan provides additional working capital and will be fully repaid over 15 years at a rate of interest of 4.35% per annum for the first three years, followed by a revised rate communicated by the bank at the end of the fixed term.

CBILS loan obtained by Chapter Trading during the year to provide additional working capital. No repayments are due within the first 7 months of the loan being issued and the first repayment date will be made 7 months after the date of drawdown (May 2021). The term of the loan is 5 years with interest charged at 3.49%.

A loan amount of £20,000 was received in March 2021 and a further £5,000 received in June 2021 from WCVA with interest payable after 24 months at a rate of 3%. The term of the loan is 8 years.

20. BORROWING

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank loan	**518,647**	538,495	**518,647**	538,495
CBILS loan	**126,667**	166,667	**-**	-
WCVA	**24,642**	25,000	**24,642**	25,000
	669,956	730,162	**543,289**	563,495
Less amounts falling due within one year	**(73,078)**	(67,406)	**(33,078)**	(28,386)
	596,878	662,756	**510,211**	535,109

20. BORROWING (CONTINUED)

Repayable by instalments

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Within one year	**73,078**	67,873	**33,078**	27,873
Between 2 and 5 years	**587,387**	142,667	**500,720**	106,000
After 5 years	**9,491**	519,622	**9,491**	429,622

The bank loan is secured on the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE. The bank overdraft is secured against a second legal charge over the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE and an unlimited debenture incorporating a fixed and floating charge. The property has a carrying value of £252,412 (2022: £263,532).

21. OPERATING LEASES – GROUP AND CHARITY

	Land & Buildings		Other	
	2023	2022	**2023**	2022
	£	£	**£**	£
Falling due:				
1-2 years	**1**	1	**3,160**	5,495
2-5 years	**4**	4	**4,773**	7,896
>5 years	**112**	114	**-**	-
	117	119	**7,933**	13,391

22. RESTRICTED FUNDS

Group and Charity	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Capital Grants:					
ACW Capital Café Bar	-				
Chapter Building	2,577,811	-	(121,433)	-	2,456,378
	2,577,811	-	(121,433)	-	2,456,378
Revenue and Project Grants:					
A&B	-	1,046	(1,046)	-	-
ACW Perspectives	-	30,000	-	-	30,000
Art fund – Joy Labinjo	-	4,000	(4,137)	137	-
Art Fund - Save Our Sculpture	482	-	-	(482)	-
Arts Council of Wales – Connect and Flourish	80,080	-	(39,299)	-	40,781
Arts Council of Wales – Experimentica	(6,779)	17,818	(3,200)	(7,839)	-
Arts Council of Wales – Resilience	4,290	-	(4,791)	501	-
Arts Council of Wales – Gwyl Cymru	-	9,900	(4,304)	(5,596)	-
Ashley Foundation	2,700	-	-	-	2,700
BFI Film Education Feasibility Grant	2,771	-	-	(2,771)	-
British Film Industry - Film Hub Wales	123,357	211,667	(273,716)	(14,883)	46,425
British Film Industry Hub – Diversity	39,355	54,500	(65,237)	(3,470)	25,148
British Film Industry Hub – Film Fees	825	-	-	(825)	-
British Film Industry Hub – Japan	3,857	-	(1,000)	(2,857)	-
British Film Industry Hub – Nottingham	-	4,500	(933)	(3,567)	-
British Film Industry Hub – VEF	39,919	54,890	(44,619)	(25,000)	25,190
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Darkley Trust	1,765	-	-	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru	-	15,000	-	-	15,000
Ffilm Cymru – Reopening	9,800	-	-	-	9,800
Ffilm Cymru – Young Programmers	20,993	10,843	(7,456)	(24,380)	-
Football Association of Wales	-	5,000	(3,614)	(1,386)	-
Foyle Foundation	30,000	-	-	-	30,000
Garfield Weston Foundation	75,000	-	(37,614)	-	37,386
Henry Moore Foundation	3,000	-	-	-	3,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
PRSF	(1,550)	-	-	1,550	-
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	5,000	-	-	-	5,000
Wales Cultural Alliance	514	-	-	(514)	-
WCVA – Third Sector Resilience Fund	30,206	-	(1,370)	-	28,836
Welsh Government Made in Wales	(3,683)	28,944	(22,982)	-	2,279
WPD Holiday	-	2,500	(5,383)	2,883	-
	515,042	450,608	(520,701)	(88,499)	356,450
	3,092,853	450,608	(642,134)	(88,499)	2,812,828

22. RESTRICTED FUNDS (continued)

Transfers above relate to contributions from restricted funds to the charity's overheads and to transfer funds in relation to capital expenditure when the restriction has been satisfied.

Capital Grants:
Relates to funding received to purchase and refurbish the Chapter building and various equipment.

Revenue Grant:

A&B
To match fund Admiral sponsorship.

ACW Perspective
Working with the National Museum and 6 other arts organisations over a two year programme working with creative professionals from diverse backgrounds.

Art Fund – Joy Labingo
Balance of Art Fund grant to support Gallery Programme.

Art Fund - Save Our Sculpture
Fundraising campaign with the Art Fund and Chapter donors to restore a Garth Evans sculpture, returning it to Cardiff to exhibit in the city centre and ultimately find it a new home in Wales.

Arts Council of Wales – Connect and flourish
D/Deaf led project 'Hear we Are' led by Johnny Cotsen, looking at those working in or excluded from the creative sector, leading to a manifesto to underpin best practice for the arts.

Arts Council of Wales - Experimenta
Relates to funding received to support the 2021 Experimentica event.

Arts Council of Wales - Resilience
Relates to funding received to support the feasibility study.

Arts Council of Wales – Gwyl Cymru
To support a festival around Wales appearance in the World Cup.

Ashley Foundation
To support film education activity 2021.

BFI Film Education Feasibility Grant
To facilitate the research for a larger grant to support the education and outreach programme of activity.

British Film Industry - Film Hub Wales
For film hub core programme of activity and includes contributions from other BFI Film Hubs to support SideCard project.

British Film Industry Hub - Diversity
BFI Grant to support Film Hub Wales and the Film Audience Network partners to deliver a UK wide inclusive cinema strategy for audiences with additional needs, including training, resource development and central coordination.

22. RESTRICTED FUNDS (continued)

British Film Industry Hub- Film Fees
To invest in online actvity , Chapter programme.

British Film Industry Hub - Japan
To support a season of Japanese Films

British Film Industry Hub - Nottingham
To support the cinema programme 'Dreams are Monsters'.

British Film Industry Hub - VEF
To support film related activity for young people aged 16-25

Cardiff University
To support Chapter's Dementia work.

Contemporary Art
Contemporary Art Contribution to Chapter at the Wales In Venice Biennale.

Darkley Trust
To support Chapter's education and outreach work.

Dunhill Medical Foundation
To support the work of Chapter's Dementia film programme.

Ewart Parkinson Award
Ewart Parkinson award to support film education programme.

Ffilm Cymru
To support the cinema programme.

Ffilm Cymru - Reopening
Funding received to support the cinema.

Ffilm Cymru - Young Programmers
Funding for Young Programmers.

Football Association of Wales
Sponsorship towards the World Cup Football Festival.

Foyle Foundation
To support core programme.

Garfield Weston Foundation
To support activity.

22. RESTRICTED FUNDS (continued)

Henry Moore Foundation
To support James Richards Exhibition.

Henry Moore Foundation - Garth Evans
To support the exhibition at Chapter.

PRSF
To support a tour to Ireland by a group of musicians led by Emma Coulthard.

Rayne Foundation
Grant to support Chapter's Dementia film programme.

Theatre Trust
To support reopening costs.

Wales Cultural Alliance
FHW to lead a facilitated session with film exhibitors across Wales to enable them to feed in to the development of the ACW / WG cultural contract.

WCVA - Third Sector Resilience Fund
To support redevelopment of Chapter website.

Welsh Government Made in Wales
To promote Welsh film, managed by Film Hub Wales.

WPD Holiday
To support free arts activity and lunches during the school holidays.

22. RESTRICTED FUNDS – GROUP AND CHARITY (continued)

Previous year

Group and Charity	Balance at 1 April 2021	Income	Expenditure	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Capital Grants:					
Arts Council of Wales – Cultural Recovery Fund	-	6,211	-	(6,211)	-
ACW Capital Café Bar	-	114,800	-	(114,800)	-
Chapter Building	2,695,052	-	(117,241)	-	2,577,811
	2,695,052	121,011	(117,241)	(121,011)	2,577,811
Revenue and Project Grants:					
Art fund	36,000	504	(39,213)	2,709	-
Art Fund - Save Our Sculpture	482	-	-	-	482
Arts Council of Wales – Connect and Flourish	-	96,198	(16,118)	-	80,080
Arts Council of Wales – Experimentica	15,727	1,034	(23,540)	-	(6,779)
Arts Council of Wales – Resilience	-	4,800	(510)	-	4,290
Ashley Foundation	5,000	-	(2,300)	-	2,700
BFI Film Education Feasibility Grant	2,171	600	-	-	2,771
British Film Industry - Film Hub Wales	55,681	231,667	(154,382)	(11,718)	121,248
British Film Industry Hub – Anim18	1,204	-	-	-	1,204
British Film Industry Hub – Clwster	178	-	-	-	178
British Film Industry Hub – Diversity	21,586	66,500	(41,449)	(7,282)	39,355
British Film Industry Hub – Film Fees	825	-	-	-	825
British Film Industry Hub – Japan	-	3,906	(49)	-	3,857
British Film Industry Hub – Sharing Together	727	-	-	-	727
British Film Industry Hub – VEF	-	55,778	(15,859)	-	39,919
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Darkley Trust	1,765	-	-	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	9,800	-	-	-	9,800
Ffilm Cymru – Young Programmers	16,793	4,200	-	-	20,993
Film Cymru – Connector Fund	265	200	(465)	-	-
Foyle Foundation	30,000	-	-	-	30,000
Garfield Weston Foundation	75,000	-	-	-	75,000
Henry Moore Foundation	7,000	-	(1,291)	(2,709)	3,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	7,755	(7,755)	-	-
Lightbox	4,000	3,000	(7,000)	-	-
PRSF	6,500	-	(8,050)	-	(1,550)
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	5,000	-	-	-	5,000
WCA	-	1,410	(896)	-	514
WCVA – Third Sector Resilience Fund	60,000	15,000	(44,794)	-	30,206
Welsh Government Made in Wales	(5,778)	27,611	(23,516)	(2,000)	(3,683)
	403,066	520,163	(387,187)	(21,000)	515,042
	3,098,118	641,174	(504,428)	(142,011)	3,092,853

23. DESIGNATED FUNDS

Group and Charity	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
To Support 2023/24	140,000	-	-	(58,000))	82,000
	140,000	-	-	(58,000)	82,000

Previous year

Group and Charity	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Emergency fund	-	-	-	140,000	140,000
	-	-	-	140,000	140,000

24. UNRESTRICTED FUNDS

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Group					
General funds	1,693,541	2,749,571	(2,929,045)	146,499	1,660,566
	1,693,541	2,749,571	(2,929,045)	146,499	1,660,566
Charity					
General funds	1,719,662	1,451,821	(1,658,217)	146,499	1,659,765
	1,719,662	1,451,821	(1,658,217)	146,499	1,659,765

Previous year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Group					
General funds	759,786	3,540,906	(2,609,162)	2,011	1,693,541
	759,786	3,549,906	(2,609,162)	2,011	1,693,541
Charity					
General funds	839,245	2,340,725	(1,462,319)	2,011	1,719,662
	839,245	2,340,725	(1,462,319)	2,011	1,719,662

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated Funds £	Restricted funds £	Total 2023 £
Group				
Fixed assets	**1,600,136**	**-**	**2,456,378**	**4,056,514**
Net current assets/(liabilities)	**657,308**	**82,000**	**356,450**	**1,095,758**
Long term liabilities	**(596,878)**	**-**	**-**	**(596,878)**
	1,660,566	**82,000**	**2,812,828**	**4,555,394**
Charity				
Investments	**2**	**-**	**-**	**2**
Fixed assets	**1,600,136**	**-**	**2,456,378**	**4,056,514**
Net current assets/(liabilities)	**569,838**	**82,000**	**356,450**	**1,008,288**
Long term liabilities	**(510,211)**	**-**	**-**	**(510,211)**
	1,659,765	**82,000**	**2,812,828**	**4,554,593**

Previous year

	Unrestricted funds £	Designated Funds £	Restricted funds £	Total 2022 £
Group				
Fixed assets	1,534,755	-	2,577,811	4,112,566
Net current assets/(liabilities)	821,075	140,000	515,042	1,476,117
Long term liabilities	(662,289)	-	-	(662,289)
	1,693,541	140,000	3,092,853	4,926,394
Charity				
Investments	2	-	-	2
Fixed assets	1,534,755	-	2,577,811	4,112,566
Net current assets/(liabilities)	720,527	140,000	515,042	1,375,569
Long term liabilities	(535,622)	-	-	(535,622)
	1,719,662	140,000	3,092,853	4,952,515

26. RELATED PARTIES

The charity was under the control of the trustees during the current and previous year.

Chapter (Cardiff) Limited received £nil in management fees from its wholly owned subsidiary, Chapter Trading Limited, during the year (2022: £ nil).

During the year Chapter (Cardiff) Limited invoiced Chapter Trading Limited for £26,788 (2022: £2,500) of recharges for wages, cost of sales, finance and marketing expenses. Chapter Trading Limited invoiced Chapter (Cardiff) Limited for similar recharges of £37,393 (2022: £2,227).

At the year end Chapter Trading Limited owed £113,695 to Chapter (Cardiff) Limited (2022: £7,960).

Transaction with the following companies took place during the year of which the charity and the companies have common directors:

Cardiff Animation Festival CIC
Chapter (Cardiff) Limited invoiced the above £8,433 (2022: £nil). The above company invoiced the charity £7,712 (2022: £nil). At the year end the charity was owed £3,972 (2022: £nil) and owed £1,625 (2022: £nil).

IE IE Productions Limited
Chapter (Cardiff) Limited invoiced the above £5,831 (2022: £nil). At the year end the charity was owed £194 (2022: £nil).

PICL Animation Ltd
Chapter (Cardiff) Limited invoiced the above £216 (2022: £nil). At the year end the charity was owed £126 (2022: £nil).

27. SHARE CAPITAL

The charity is limited by guarantee and has no share capital. The liability of each member under the guarantee is limited to £1.

28. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

The charity and group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity and group in an independently administered fund. Costs are allocated between unrestricted and restricted funds based on funding agreements.

The charge to profit or loss in respect of defined contribution schemes for the group was £57,996 (2022: £53,623). Amounts outstanding at the year end totalled £8,714 (2022: £8,233).

The charge to profit or loss in respect of defined contribution schemes for the charity was £50,993 (2022: £45,582). Amounts outstanding at the year end totalled £5,585 (2022: £5,336).

29. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net expenditure for the reporting period	**(371,000)**	1,068,490
Adjustments for:		
Depreciation charges and impairment	**151,791**	146,554
Dividends, interest and rents from investments	**(375,635)**	(312,702)
(Increase)/decrease in stocks	**(3,352)**	(11,656)
(Increase)/decrease in debtors	**131,365**	(127,463)
Increase/(decrease) in creditors	**99,462**	113,256
Net cash provided by/(used in) operating activities	**(367,369)**	876,477

Analysis of Cash and Cash Equivalents

Cash in hand	**1,370,130**	1,517,809
Total Cash and Cash Equivalents	**1,370,130**	1,507,809

	At 1 April 2022	Cash-flows	As at 31 March 2023
	£	£	£
Cash	1,517,809	**(147,679)**	**1,370,130**
Bank loans falling due within one year	(67,873)	**(5,205)**	**(73,078)**
Bank loans falling due after more than one year	(662,289)	**65,411**	**(596,878)**
	787,647	**(87,473)**	**700,174**

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income and endowments from:			
Donations and legacies	806,625	3,000	809,625
Charitable activities	1,208,726	637,395	1,846,121
Other trading activities	1,512,883	-	1,512,883
Other	12,672	779	13,451
Total income and endowments	3,540,906	641,174	4,182,080
Expenditure on:			
Charitable activities	2,609,162	504,428	3,113,590
Total expenditure	2,609,162	504,428	3,113,590
Net income/(expenditure)	931,744	136,746	1,068,490
Transfers between funds	142,011	(142,011)	-
Net movement in funds	1,073,755	(5,265)	1,068,490
Reconciliation of Funds			
Total funds brought forward	759,786	3,098,118	3,857,904
Total funds carried forward	1,833,541	3,092,853	4,926,394

Charity	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income and endowments from:			
Donations and legacies	806,625	3,000	809,625
Charitable activities	1,208,726	637,395	1,846,121
Other trading activities	312,702	-	312,702
Other	12,672	779	13,451
Total income and endowments	2,340,725	641,174	2,981,899
Expenditure on:			
Charitable activities	1,462,319	504,428	1,966,747
Total expenditure	1,462,319	504,428	1,966,747
Net income/(expenditure)	878,406	136,746	1,015,152
Transfers between funds	142,011	(142,011)	-
Net movement in funds	1,020,417	(5,265)	1,015,152
Reconciliation of Funds			
Total funds brought forward	839,245	3,098,118	3,937,363
Total funds carried forward	1,859,662	3,092,853	4,952,515

CHAPTER (CARDIFF) LIMITED

England & Wales - Charity number 500813

Accounts

Company registration number: 01005570
Charity registration number: 500813

CHAPTER (CARDIFF) LIMITED
(A company limited by guarantee and not having share capital)

REPORT OF THE TRUSTEES & CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

CHAPTER (CARDIFF) LIMITED
YEAR ENDED 31 MARCH 2022

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CHAPTER (CARDIFF) LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2022

The trustees present their report and accounts for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

OBJECTIVES AND ACTIVITIES
Chapter is a national centre for contemporary arts and culture.

Aims
Chapter aims to provide support for cultural organisations and artists in parallel with the provision of public programmes of contemporary arts, principally in film, theatre and visual arts, as a means of achieving its objects.

The charity's objects ('Objects') are specifically restricted to the following:

1.1 The Objects of the Charity are, for the public benefit, to promote, maintain, improve and advance the public's education and understanding of the Arts, including by the provision of an arts centre in the city of Cardiff or elsewhere in the United Kingdom as the Trustees may from time to time determine.
1.2 In this article "the Arts" includes (but is not limited to) theatre, visual and live art, film, music, dance, literature and all digital forms of art.

MISSION
Chapter is a national centre for world class contemporary arts and culture. It's a place that stimulates and supports creative artistic practice to inspire everyone to engage deeply with the arts.

VISION
The vision positions Chapter as a recognised international centre for the contemporary arts that is open to all. It is a vision that places diversity, inclusion and equality at its heart, and believes in the power of the arts to transform people's lives.

We support artists and audiences to thrive and take risks.

We are an outstanding hub for the production and presentation of world-class, inventive and compelling work that is open and accessible to all. Our gallery commissions and produces exhibitions of the very best in national and international art. Our theatre spaces are a platform for experimental and thought-provoking works. Our cinemas offer independent and challenging films alongside a range of unique festivals and events, and we bring more films, to more people, in more places through Film Hub Wales. All of this is supported by an innovative and inclusive programme of learning and community engagement.

Our programme champions the artists of today and invests in those of tomorrow. We work with practitioners at every stage in their careers, supporting and stimulating opportunities for exciting new talent as well as promoting the work of established artists.

We strive for excellence in everything that we do and take a strong sector-advocacy role in Wales and the rest of the UK.

We support the creative communities of Cardiff and South Wales and we aim to be a catalyst for the development and presentation of experimental work in the Welsh language.

Chapter believes in the power of the arts to transform lives and promote personal and social wellbeing today, and for future generations.

We celebrate the diversity of the society in which we live.

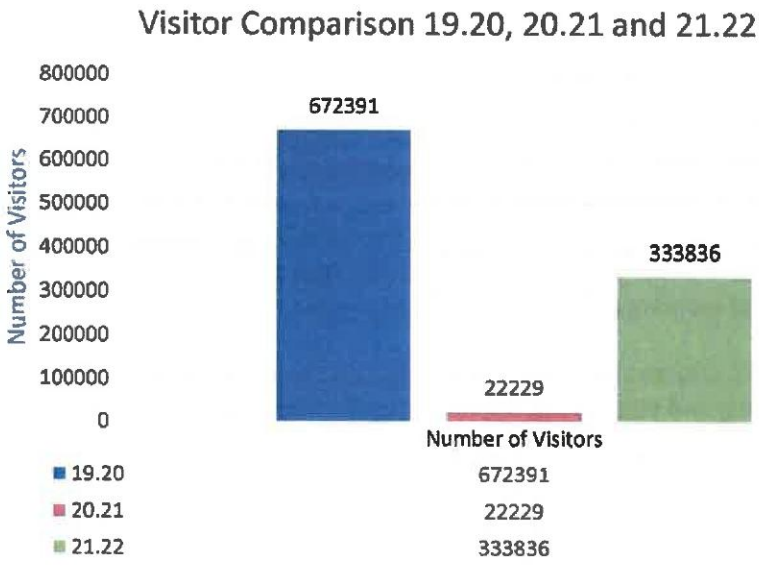
As an organisation we are committed to working in collaboration with colleagues to ensure that we bring the world to Wales and Wales to the world.

STRATEGIC REPORT

As we approached the new financial year with no indication of when we would be able to reopen under Welsh Government Covid guidelines, we established a budget based on limited activity whilst being able to cover our overheads and retain staff to enable us to open once allowed.

Hospitality could open outdoors from 26 April. In response, we implemented a number of measures to maximise footfall using our outdoor spaces. Covid rules meant that we had to open with table service and Track & Trace, which meant investment in systems such as Resdiary and an ordering app, and extra staff to ensure we could offer a good level of service. We were initially surprised by the numbers through the door, but this settled and we became used to the service style and the adaptations required and were able to respond to change quickly and effectively.

On 17 May we were allowed to open indoors and began selling tickets for the cinema and theatre albeit at very reduced capacities with 2m distancing imposed. These restrictions severely impacted our ability to generate income through our programme strands. For example, our 188 seat cinema had a Covid restricted capacity of 35.



We realised that to survive the year we were going to need additional financial support. We were successful in the first round of Cultural Recovery Funding from Welsh Government and the Arts Council of Wales. The sector then lobbied for further financial support as it struggled to survive the impact of Covid restrictions and audience reluctance to return in person. We were a strong leader for the lobbying voice as we wanted to protect jobs and support creative production and presentation for the impacted artistic community.

We were successful in 2 bids for Cultural Recovery Funding of £624,709 and £397,000 respectively, and these enabled us to trade at a loss but retain all staff posts and cover our overheads.

Alongside reopening our auditoria, we continued to support R&D for artists, performers and creative companies. In 21.22 this equated to 416 days of free space at a value of £62,400. We also commissioned new artworks in the public realm and delivered an active programme of events online. This enabled the creative community of South Wales to continue to produce world-class, contemporary work and to plan for the future. Alongside space we also offered mentoring, curatorial support, technical expertise and marketing capacity – a much-needed investment in the sector at a time when many had lost their livelihoods.

SIGNIFICANT ACTIVITIES

Programme
Despite challenges – audience reluctance to return, rising costs in all areas of programme delivery, and staff shortages in marketing and programming, our programme was rich and varied and we worked collegiately to align our output closely to our Artistic Strategy.

We focused on supporting Welsh talent to raise our voices on a national and international stage across all artforms.

We worked cohesively to amplify the voices of diverse artists and audiences to ensure that our programme and venue better reflects the world in which we live and is more accessible to everyone regardless of background or circumstance.

We developed our collaborative work across Wales and the UK, utilising new and existing partnerships so that we could share skills, resources, audiences and ideas.

Film
Once we re-opened our cinema screens, we mostly sold out in the early months, but with reduced capacity due to social distancing: Cinema 1 (usually 188 capacity) sold out at 35, Cinema 2 (usually 57) at 15.

Delivering an engaging cultural programme was challenging given the global impact of Covid and uncertainty in the film industry, with many factors beyond our control. Even UK-based product such as the Bond franchise and the Downton Abbey films which traditionally give a substantial financial contribution were held back. Without the global marketing backing of large international releases it was much more difficult to get the message out to audiences.

With this backdrop, we concentrated on Welsh stories and encouraged the audience to think of themselves as a community rather than customers. Our first event celebrated a film that could not have been smaller: the self-released short film The Welshman by Lindsay Walker. This was a good indication of how we worked closely to support new talent and see it grow. We encouraged other venues in Wales to take a chance on the film and it was a huge success on its first run. This gave a structure to how we could work more significantly with Welsh talent.

We went on to use the same format with Kandace Walker and Durre Shahwar's short Gathering: Women of Colour (and Nature) and National Theatre Wales' short Frank. We continued to work with festivals such as Cardiff Animation Festival and Kotatsu Japanese Animation Festival, who work closely on audience building, and began to work with the very popular BFI London Film Festival. We also thought carefully about what was being missed, and we presented a Summer of Music programme, continuing it through the autumn with the Doc n Roll Film Festival, so those who were missing live concert-going could find some solace in a different medium.

The important work of Film Hub Wales (FHW) continued and a one-year extension to the programme was granted early in 2021 ensuring the projects continuation to March 2023. Early in 2021 Film Hub Wales was able to appoint its first Made in Wales Officer with the remit to promote the exhibition of Wales-made films. Radha Patel joined us with support from Welsh Government's Creative Wales unit.

During global uncertainty, FHW welcomed audiences back to share the communal magic of cinema through engaging screenings and events. We celebrated Welsh culture through homegrown releases, gave lesser-known stories a platform through curated programmes and raised awareness through courses and discussions.

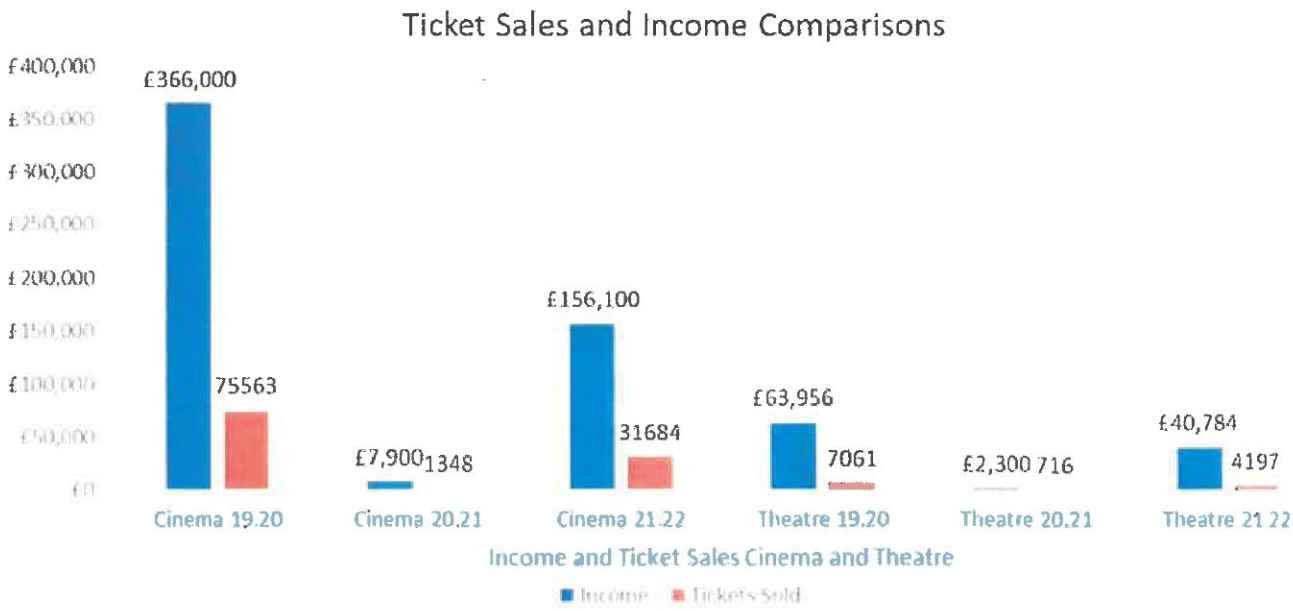
FHW worked with 308 Welsh exhibitors and 188 members with 12 new members this year, including Hijinx and Venue Cymru. Over the year they received £95k worth of grants over 28 projects across Wales.
515 films were shown of which 65% were specialised screenings and 22% were accessible screenings, resulting in 43,152 physical admissions (17,369 in 20.21) and 7,670 online admissions.

Performance

Our two Seligman Theatre spaces reopened in April 21 for audience access.

We were able to deliver our annual Experimentica Festival in hybrid form. Experimentica is a live art festival that champions risk, collaboration and exchange. It presents bold, experimental work from Wales, the UK and internationally, and this year featured Elaine Mitchener, Luis Amalia, Anushiye Yarnell, Rufus Mafasa and Sadia Pineda Hameed & Beau Beakhouse, amongst many others. All tickets to the festival were Pay What You Can to reduce barriers to attendance.
Collaboration was at the heart of our programme this year as we joined with other organisations to support the sector and audiences wishing to return safely to creative events. We worked with Theatr Iolo to bring their production of HOOF! to audiences in our rear car park, collaborated with National Dance Company Wales to present two of their shows outdoors, with Robin Morgan we presented a range of comedy events online for those audiences that were reluctant to return in venue, and we partnered with Printhaus to present Snapped Up Market showcasing the work of local printmakers, illustrators and creatives. For the first time we were also a key partner venue for the UK-wide NT Connections Youth Theatre Festival supporting Everyman Youth Theatre and Congress Youth Theatre to produce and present performances digitally.

Following lockdown, we continued to provide space, mentoring and resources to a range of companies and artists working on R&D and rehearsals. The spaces were offered free of charge to support freelance practitioners and the wider theatre sector to rebuild after the devastation of Covid. We supported Symphonia Cymru, Groundwork Pro, Steven Elliot, Holly Davey and Lewys Holt amongst many others.



Visual Arts

One of our major programmes was the Children's Lightbox competition in which we engaged with all schools in the South-Central Consortium and asked them to contribute designs from their pupils. The competition generated more than 1200 entries and the 9 shortlisted works were exhibited in our café bar with the winning large-scale design in-situ on the front of our building for 10 months. All entries were exhibited in a digital exhibition.

Our Gallery re-opened with Artes Mundi, a biennial exhibition across the city. We benefited from working with Artes Mundi, G39 and the National Museum Cardiff in promoting the work of the 7 shortlisted artists, including exhibitions and commissions at Chapter by Carrie Mae Weems and Dineo Seshee Bopape. We also hosted the 'At the Table' talks with artists, curators and academics to international audiences.

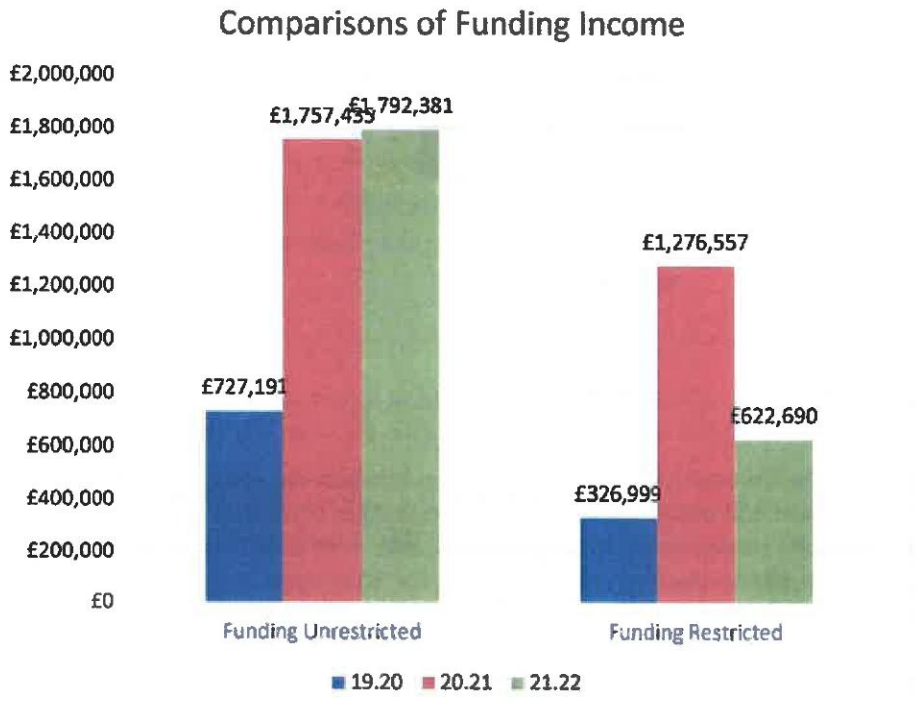
Further artists commissions were undertaken throughout the financial year in recognition of the support so desperately needed for the artistic community. In partnership with Creu Cymru we commissioned Owain Train McGilvary to develop a new digital piece inspired by the female wrestler Sensational Sheree, we worked with Cardiff Council to deliver Cardiff's first artist-commissioned Road Crossing for Canton by Steffan Dafydd, we commissioned Gold Maria Akanbi to make a new film in response to Artes Mundi which was screened online and in our cinema, and we supported artist Holly Davey to develop a new performance piece for an exhibition in our Stiwdio Seligman.

Creative Community

We actively supported our resident artists and companies to ensure they could continue to work and trade. Where possible we developed our studio spaces to incorporate more creative business into our community. Discussions are ongoing with Cardiff Council to explore a capital expansion to develop fit-for-purposes spaces to serve even more of the community and showcase better the local talent based out of our building.

Fundraising

Staff returned to reopen the venue and fundraising continued in earnest to cover the gap in earned income. Alongside our successful applications for Cultural Recovery Funds, we also raised over £600,000 in restricted funds to finish capital works in the café bar aimed at making us more accessible and sustainable, fund projects such as Film Hub Wales, Connect and Flourish, Venue Education, Film Activity and website redevelopment.



Lobbying

We played an important role in lobbying and relaying detailed information to Arts Council Wales, Welsh Government and BFI on the challenges facing the sector in Wales, particularly for venues and freelance artists. We were also keen to amplify an understanding of the benefits of the arts to people's mental health and wellbeing during the lockdown months and beyond.

Equity, Diversity and Inclusion

Our ambitions and commitments to equity, diversity and inclusion are articulated in the following values:

- We are totally committed to promoting equality in all aspects of the organisation. It is our intention that all people should be treated with respect, dignity and integrity whilst involved in activities concerned with our work.
- We endeavour to actively improve the quality of our services and facilities to serve the differing needs of our staff, audiences and community.
- We aim to avoid or remove any unfair and or discriminatory practices within our operations and to actively oppose all forms of discrimination.

Through the work of Film Hub Wales, we were able to provide support to the members of the network. Members include large venues such as the Torch Milford Haven to Cell B, a community run cinema in Blaenau Ffestiniog.

Made in Wales supported 157 films, 102 cinemas, 66 Film-makers and 39 distribution companies. It developed 4 curated film packages, 26 assets including podcasts and video blogs, and has over 800 films on its catalogue.

As lead Hub for BFI FAN's Inclusive Cinema, we delivered several national access projects including Sidecard: a Film Access Materials Database for distributors, exhibitors, filmmakers and audiences and T.L.C. (Tender Loving Care for Trans-Led/Trans-Loved Cinema) ¬a project aiming to help programmers and venues increase audiences for trans-led cinema releases, and to increase safety and welcome for trans audiences and staff in-venue.

We strategically considered and developed accessibility across the programme with an increase in commissions, presentations and events that included live captions, BSL interpretation / translation and audio description. Our work with access consultants continues as we strive to be more inclusive, including a two-year project with Deaf artist/consultant Jonny Cotsen that is a Wales-wide programme of consultation, collaboration and presentation with Deaf communities, Deaf hubs and arts venues supported by Arts Council of Wales Connect + Flourish.

The new digital world enabled us to consider access to our events and we moved a selection online. This included developing virtual tours of our gallery exhibitions so that people unable or reluctant to return were still able to view works, engage with reading and join in events to support thinking and learning around the programme.

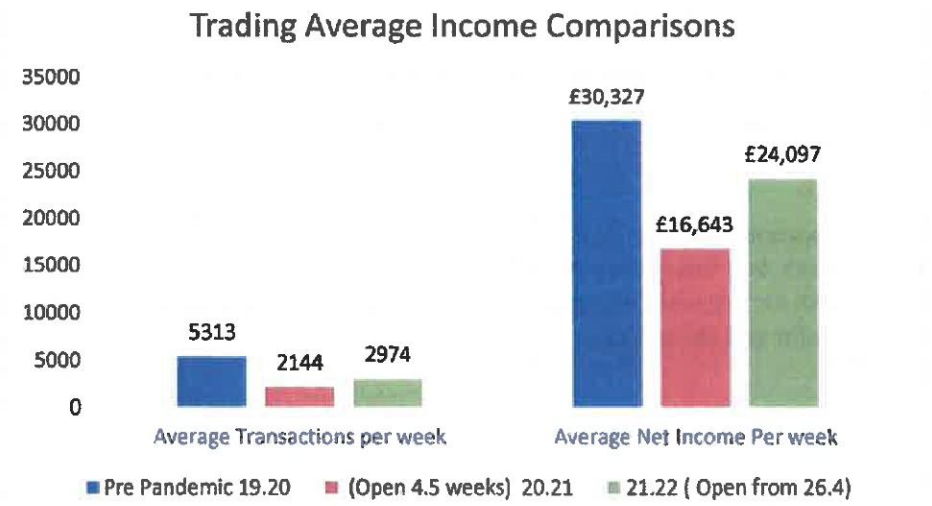
Volunteers
Our volunteers are an incredibly important resource that we can call upon for stewarding of cinema and theatre performances and other events. Our volunteers started to return to duty in autumn 2021 and we were delighted to have them back with us. We were also delighted to join the Time Bank Credits scheme to welcome volunteers from all over Cardiff and South Wales to our programme, free of charge, in recognition of the work they do across the region.
Community Garden

The efforts of our group of volunteer community gardeners continued during the year and is credited with improving the mental health of many of those engaging with its activities.

Café Bar Trading Subsidiary

Our café bar was able to open to the public (outdoors) from 26 April and indoors on 17 May, a new format of service was established that included table service and the use of an ordering app to minimise personal contact. Whilst we were open the service was well supported and well received, however hospitality as an industry faced numerous challenges during the financial year and these have continued into 2022.23. These include customer reluctance to return, cost increases, shortages of staff and the desire of many to leave the industry entirely. We have had to reduce kitchen opening hours to respond to staff shortages, our kitchen remains closed on a Sunday evening and all day Monday and closes at 7 on Tuesday through Thursday. We invite a different pop up caterer to join us on Sunday evenings and Monday so we can retain a level of service. We hope to be able to strengthen the kitchen team and the ambition is to reopen 7 days a week.

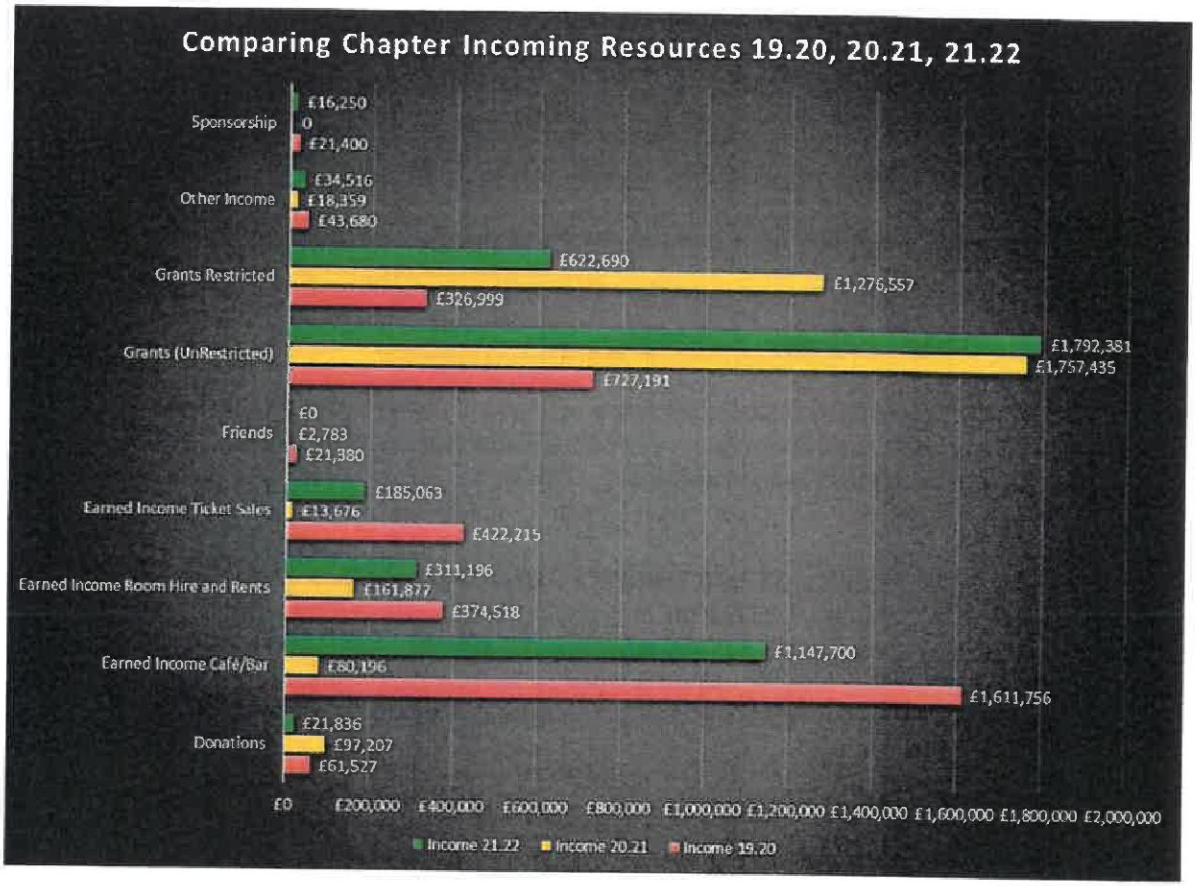
The trading arm of our business was not able to contribute to the charity during 2020.21 and 2021.22. Pre-Pandemic it was contributing between £250,000-£300,000 a year, and we believe it will take several years for us to return to this level of contribution not only due to the pandemic but also because of inflation and the cost-of-living crisis. The Trading company has been asked to generate an £80k contribution in 22.23.
A challenge for SMT and the Board is to find a way for the trading arm to offer this level of support once again to the charity or to rethink what the trading subsidiary can comfortably offer.



Challenges

Going into 2022.23 the challenges facing Chapter are significant. The charity was exceptionally successful in raising emergency support funds in 20.21 and 21.22, but the reality is these funds from the public purse will not keep coming.

Our business model has been very reliant on trading activity both within the charity, such as ticket sales and room hire, and within hospitality to generate income for the business. With this slow to return to profitability we must be proactive in our approach to a renewed business model.



The principal sources of Chapter's funding are shown in Note 3 to the Financial Statements.

Policy on reserves

The Trustees have reviewed and discussed Chapter's reserves position and have agreed a reserves policy. This policy focuses on the building of unrestricted reserves as a basis for aiming towards a positive free reserves figure.

Going forward, the plan is to build unrestricted reserves over time and to work towards a free reserves position. The trustees suggest that the charity should strive for free reserves, equivalent to 3 months overheads, so that should we be in an emergency, such as the COVID Pandemic again, then we have some funds to support its initial impact.

2017/18	Unrestricted funds	(£119k)
2018/19	Unrestricted funds	(£19k)
2019/20	Unrestricted funds	63k
2020/21	Unrestricted Funds	£759k
2021/22	Unrestricted Funds	£1833k

Chapter's unrestricted reserves are mainly represented by fixed assets as can be seen in Note 24. Taking this into account, the 2022 free reserves position excluding long- term liabilities is £298,786.

Unrestricted funds as of 31 March 2022:	£1,833,540
Less unrestricted fixed assets:	(£1,534,751)
Free reserves as of 31 March 2022:	£298,786

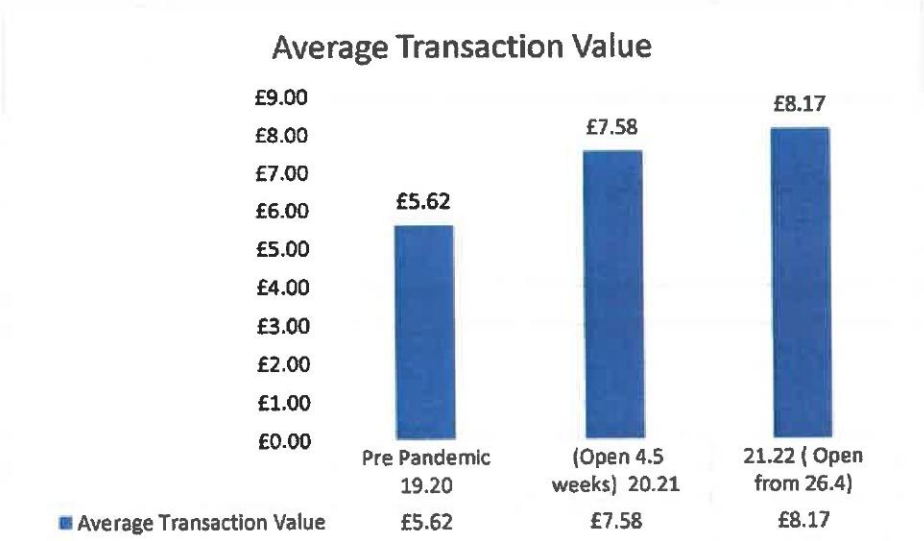
These unrestricted fixed assets are those assets the organisation needs to carry out its activities, such as land and buildings and are therefore not liquid and not available to us with ease.

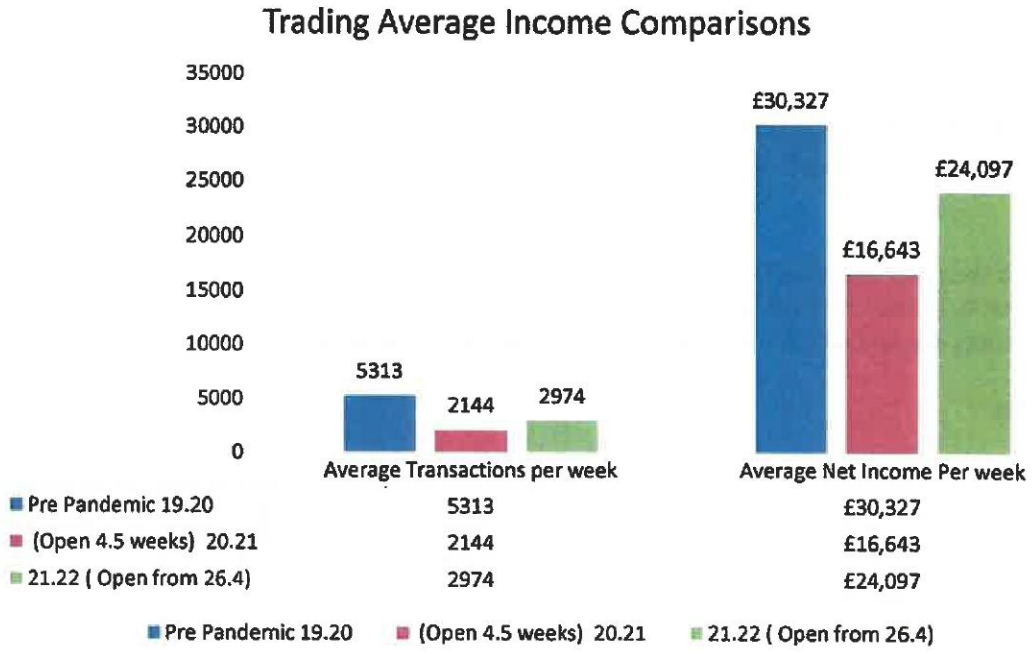
The trustees agreed to designate some of the funds as per the table below

Designated funds:
To Support 22.23 **Budget £140,000**

The Trustees consider that the charity's current funding and finance arrangements are now sufficient to ensure that late receipt of grant income can be accommodated and that any material adverse change in circumstances can be accommodated due to the impact of COVID.

Chapter (Trading) Ltd
The trading subsidiary, which reopened on April 26th 2021 made a surplus of £59k after a loss of £80k during the year 20/21. Since the café bar reopened trading has been steady and we are currently trading at about 80% of pre pandemic levels. Although this surplus was aided by VAT reduction to 5% (12.5% from October 2021) on about 50% of our income, we are buoyed by the number of people using Chapter, although not yet at pre-pandemic levels and the average transaction value.





Principal risks & uncertainties

Chapter's risk register is regularly reviewed via its subcommittee and Board. At the last review the following were the most pressing risks and thus flagged as 'red' in the risk register:

- Non-Equalities Act compliant lift

The lift has been rebuilt; one small adaptation is still outstanding – announcements in the Welsh language.

- Income risk

The ongoing impact of COVID clearly creates a significant risk to income going forward. Audiences are returning although fewer than pre pandemic closure. We hope that confidence will grow, but COVID has not gone away and both staff and audiences are still being impacted. The growth of audiences in 21.22 was reassuring but we believe it will take several years for us to be trading at the levels we saw prior to lockdown.

- Cash flow risk

This relates to the income risk above and is included due to the importance of cash flow to the organisation.

- Government policy/actions

This is to recognise the uncontrollable forces that can affect our operations and strategy.

- Non completion of the Chapter Capital Development
- Sustainability of the breadth of the Chapter arts programme.

The principal risks that the charity faces relate to the uncertain nature of grant funding and the increased uncertainty of funding in the current economic and political climate. Alongside the potential difficulty in the ability to earn our own income as COVID restrictions are lifted. Diversification of income streams is constantly under review and being developed to mitigate this.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Chapter Cardiff Limited is a registered charity and a limited company. It is governed by its Memorandum and Articles of Association.

Trustees are recruited by an open application process and interviewed and selected following a review of skills needed. Following appointment, trustees are invited to an introductory seminar to familiarise them with the organisation and with their responsibilities as trustees. A system of self-review triggers any further training needs.

Trustees serve on the main board and on at least one of the sub-committees. They delegate the day to day running of the charity to the Chief Executive Officers (CEOs) and the strategic management team. Decisions of policy and strategy are taken by the trustees in consultation with the CEOs.

Board of Trustees

Our Board were extremely supportive of the emergency decisions that management made to sustain the charity – such as the furlough of staff, the creation of a reduced critical operations team, and significant fundraising.

After an intense recruitment process, Kami Lamakan, a social entrepreneur was appointed and formally took over the Chair position after the 21 September Board meeting. We look forward to working with him.

The Trustees have determined that the key management personnel of the charity are the members of the Strategic Management Team. This team comprises:

Director of Programme and Interim Co-Director
Director of Finance and Resources and Interim Co-Director

In August 2022, after 11 years at Chapter, the CEO Andy Eagle left to join Aberdeen Performing Arts as CEO

The charity is being managed on an interim basis by Hannah Firth and Sharon Stone, as joint CEOs. The charity will be reviewing its mission and purpose and as part of that its staff structure with a view to recruitment across the team.

Remuneration is set in accordance with Chapter's established pay structure which is kept under review by the Human Resources Sub-Committee. CEO remuneration is determined by a Remuneration Committee, comprising members of the Human Resources Sub-Committee and approved by the Board.

Co-operation with other organisations is an essential part of enabling Chapter to meet its charitable objectives. These include other arts organisations, voluntary sector groups, local authorities, public agencies, broadcasters and many professional associations.

CHAPTER (CARDIFF) LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Chapter (Cardiff) Limited
Company Registration Number	01005570
Charity Registration Number	500813
Registered Office	Chapter Arts Centre Market Road Canton Cardiff CF5 1QE
Trustees	Catrin Daniel Ewan Hilton Stephen Meade Romy Johnson – resigned 22/9/21 Elin Wyn – resigned 22/9/21 Alun Jones Villida Catryn Ramasut Robert Andrews – resigned 22/9/21 Benedict Borthwick Laurence Khan Kami Lamakan – appointed 22/9/21 Sarah Lee-Ling Chan – appointed 7/4/22
Company Secretary	Sharon Stone
Key Management Personnel	S Stone – Interim Co-Director/Director, Finance and Resources H Firth – Interim Co-Director/Director of Programme and Deputy Director E Johnson – Director, External Relations Resigned November 2021 K Parsons – Chapter Trading Limited Resigned April 2022
Principal Bankers	Lloyds Bank 514 Cowbridge Road East Cardiff CF5 1BL
Auditors	Azets Audit Services Chartered Accountants & Statutory Auditors Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB

Trustees responsibilities in relation to the financial statements

The trustees (who are also directors of Chapter (Cardiff) Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 maintaining proper accounting records which 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 the group 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on behalf of the Board 30.11.2022

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Kami Lamakan
Chair

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED
FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Chapter (Cardiff) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2022, and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent 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 other information comprises the information included in the trustees annual report , other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 groups and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 an auditor's report 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA

Senior Statutory Auditor

For and on behalf of Azets Audit Services

Chartered Accountants & Statutory Auditors

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date 19-12-2022

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHAPTER (CARDIFF) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	3	**806,625**	**3,000**	**809,625**	1,197,455
Charitable activities	4	**1,208,726**	**637,395**	**1,846,121**	1,959,104
Other trading activities	5	**1,512,883**	**-**	**1,512,883**	254,459
Other	6	**12,672**	**779**	**13,451**	9,459
Total income and endowments		**3,540,906**	**641,174**	**4,182,080**	3,420,477
Expenditure on:					
Charitable activities	7	**2,609,162**	**504,428**	**3,113,590**	2,384,626
Total expenditure		**2,609,162**	**504,428**	**3,113,590**	2,384,626
Net income/(expenditure)	10	**931,744**	**136,746**	**1,068,490**	1,035,851
Transfers between funds	22,23	**142,011**	**(142,011)**	**-**	-
Net movement in funds		**1,073,755**	**(5,265)**	**1,068,490**	1,035,851
Reconciliation of Funds					
Total funds brought forward	22,23	**759,786**	**3,098,118**	**3,857,904**	2,822,053
Total funds carried forward	23,24	**1,833,541**	**3,092,853**	**4,926,394**	3,857,904

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

The notes on pages 23 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	3	**806,625**	**3,000**	**809,625**	1,104,455
Charitable activities	4	**1,208,726**	**637,395**	**1,846,121**	1,611,615
Other trading activities	5	**312,702**	**-**	**312,702**	161,877
Other	6	**12,672**	**779**	**13,451**	9,459
Total income and endowments		**2,340,725**	**641,174**	**2,981,899**	2,887,406
Expenditure on:					
Charitable activities	7	**1,462,319**	**504,428**	**1,966,747**	1,771,297
Total expenditure		**1,462,319**	**504,428**	**1,966,747**	1,771,297
Net income/(expenditure)	10	**878,406**	**136,746**	**1,015,152**	1,116,109
Transfers between funds	22,23	**142,011**	**(142,011)**	**-**	-
Net movement in funds		**1,020,417**	**(5,265)**	**1,015,152**	1,116,109
Reconciliation of Funds					
Total funds brought forward	22,23	**839,245**	**3,098,118**	**3,937,363**	2,821,254
Total funds carried forward	23,24	**1,859,662**	**3,092,853**	**4,952,515**	3,937,363

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

The notes on pages 23 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	13		**4,112,566**		4,101,483
Current assets:					
Stocks	16	**23,910**		12,254	
Debtors	17	**284,687**		157,225	
Bank and cash balances		**1,517,809**		535,764	
		1,826,406		705,243	
Liabilities:					
Creditors: Amounts falling due within one year	18	**(349,822)**		(228,406)	
Net current assets/(liabilities)			**1,476,584**		476,837
Total assets less current liabilities			**5,589,150**		4,578,320
Creditors: Amounts falling due after more than one year	19		**(662,756)**		(720,416)
Net assets			**4,926,394**		3,857,904
The funds of the charity:					
Restricted income funds	22		**3,092,853**		3,098,118
Unrestricted income funds	24	**1,693,541**		759,786	759,786
Designated funds	23	**140,000**		-	
			1,833,541		759,786
Total charity funds	25		**4,926,394**		3,857,904

These financial statements were approved by the Board of Directors/Trustees on 30.11.22

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Kami Lamakan - Chair
Company number 01005570

The notes on pages 23 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
BALANCE SHEET – CHARITY ONLY
AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	13		**4,112,566**		4,101,483
Investment in subsidiary	14		**2**		2
			4,112,568		4,101,485
Current assets:					
Stocks	16	**-**		1,872	
Debtors	17	**286,244**		84,554	
Bank and cash balances		**1,290,690**		510,636	
		1,576,934		597,062	
Liabilities:					
Creditors: Amounts falling due within one year	18	**(201,878)**		(204,100)	
Net current assets/(liabilities)			**1,375,056**		392,961
Total assets less current liabilities			**5,487,624**		4,494,446
Creditors: Amounts falling due after more than one year	19		**(536,109)**		(557,083)
Net assets			**4,952,515**		3,937,363
The funds of the charity:					
Restricted income funds	22		**3,092,853**		3,098,118
Unrestricted income funds	24	**1,719,662**		839,245	
Designated funds	23	**140,000**		-	
			1,859,662		839,245
Total charity funds	25		**4,952,515**		3,937,363

These financial statements were approved by the Board of Directors/Trustees on 30.11.22

Kami Lamakan - Chair
Company Number 01005570

The notes on pages 23 to 55 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
CASH FLOW STATEMENT - CONSOLIDATED
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		£	£
Net cash used in operating activities	28	876,474	447,442
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	312,702	161,877
Purchase of property plant and equipment	13	(157,635)	(203,857)
Net cash provided by investing activities		155,067	(41,980)
Cash flows from financing activities:			
Repayments of borrowing		(49,500)	-
New borrowing received		-	220,000
Net cash used in financing activities		(49,500)	220,000
Change in cash and cash equivalents in the reporting period		982,041	625,462
Cash and cash equivalents at the beginning of the reporting period		535,768	(89,698)
Cash and cash equivalents at the end of the reporting period	28	1,517,809	535,764

The notes on pages 23 to 55 form part of the financial statements

1. ACCOUNTING POLICIES

Legal form and address
Chapter (Cardiff) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE.

Basis of preparation
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Group financial statements
These consolidated financial statements include the financial statements of Chapter (Cardiff) Limited (the charitable company) and Chapter Trading Limited its wholly owned trading subsidiary, made up to 31 March 2022.

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line-by-line basis.

Going concern
The group reported a net unrestricted inflow of £1,073,755 for the year and had negative free reserves at the year end. The charity and the group and are monitoring results on a frequent basis and the trustees are of the view that on this basis the charity and the group is a going concern and there are no material uncertainties about the charity and the group's ability to continue as a going concern.

The charity relies heavily on funding from Arts Council of Wales for its income. Should this source of income cease, it would have significant implications for the scale of operations of the charity. The trustees have prepared the financial statements on the going concern basis on the basis that grants from Arts Council of Wales will continue to be forthcoming in the future.

The trustees are closely monitoring the charity's performance against forecasts and budgets and consider that the company will produce a surplus for the year to 31 March 2022. Future plans and forecasts for the charity aim to further increase the charity's unrestricted reserves.

1. **ACCOUNTING POLICIES (continued)**

Fund accounting
The charity has various types of funds for which it is responsible, and which require further disclosure. These are as follows:

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. In addition to expenditure on the principal activities of the charity these funds can be held in order to fund capital expenditure.

Restricted funds are earmarked by the donor for specific purposes. Grant income received to fund capital expenditure is held in restricted reserves. The balance is transferred to unrestricted reserves in future years at the same rates as to match the depreciation charges of the related assets.

Revenue funds restricted by the donor are matched against expenditure as appropriate.

Income recognition
All incoming resources are classified under activity headings that aggregate all income related to that category.

- Donations and legacies relate to income from general donations, unrestricted grants, membership and sponsorship income.
- Incoming resources from charitable activities are those derived from the art forms as well as project and grant funding.
- Other trading activities relate to facilities, property and gallery shop income.
- Other income relates to sundry items and the management charge to its trading subsidiaries.

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Grants received to fund capital expenditure are recognised in the Statement of Financial Activities in the year of receipt and held in restricted reserves. The balance in restricted reserves is released in future years at the same rate so as to match the depreciation of the related asset. Once the restriction has been met the funds are transferred to unrestricted reserves.

Membership and subscriptions income is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

1. ACCOUNTING POLICIES (continued)

Income earned from the arts and art forms is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Facilities and property income consists of the invoiced value (excluding VAT) of goods sold/supplied to third parties and members. This is recognised in the period in which the service was provided. The management fees in other income are invoiced quarterly and recognised in the period to which the service was provided.

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

Trading subsidiary income is recognised when the service or goods are provided.

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

- Charitable activities include expenditure associated with all of the arts and other activities to further the objects of the charity.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.
- Support costs are those costs that have not been directly allocated to an activity of the charity but nevertheless support those activities. These costs have been allocated between the cost categories on a basis consistent with the use of resources.

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

Grants payable are payments made to third parties in furtherance of the charitable objects of the company. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attached to the grant is outside the control of the company.

Netting off of income against expenditure
It is not the policy of the charitable company to show incoming resources net of expenditure.

Taxation
As a registered charity Chapter (Cardiff) Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Fixed assets and depreciation
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses or in cases where fixed assets have been donated to the charity, at valuation at time of acquisition.

1. **ACCOUNTING POLICIES (continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	0% straight line
Freehold buildings	2% straight line and 20% straight line
Leasehold buildings	Over 125 years
Fixtures and fittings	10% straight line and 20% straight line
Improvements to leasehold buildings	1% straight line & 10% straight line

Assets are capitalised at cost.

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

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost less provision for impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving. Stocks relate to café and bar items and are independently valued by an external stock taker.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

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

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

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

1. ACCOUNTING POLICIES (continued)

Operating leases
The charity classifies the lease of a photocopier and lease of Market House as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

Company status
The charity is a company limited by guarantee. The members of the company are the Board of Trustees named in the trustees report.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. INCOME FROM DONATIONS AND LEGACIES

Group	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations*	**48,836**	**3,000**	**51,836**	97,207
Grants	**739,622**	**-**	**739,622**	1,097,465
Membership	**1,917**	**-**	**1,917**	2,783
Sponsorship	**16,250**	**-**	**16,250**	-
	806,625	**3,000**	**809,625**	1,197,455
Grants were received from the following:				
Arts Council of Wales – Core Grant Funding	**664,622**	**-**	**664,622**	664,620
Arts Council of Wales – Stabilisation	**-**	**-**	**-**	175,000
BFI Organisation awards	**75,000**	**-**	**75,000**	45,000
Cardiff Council	**-**	**-**	**-**	35,000
Welsh Government Resilience	**-**	**-**	**-**	177,845
	739,622	**-**	**739,622**	1,097,465

3. INCOME FROM DONATIONS AND LEGACIES (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations*	**48,836**	**3,000**	**51,836**	97,207
Grants	**739,622**	-	**739,622**	1,004,465
Membership	**1,917**	-	**1,917**	2,783
Sponsorship	**16,250**	-	**16,250**	-
	806,625	**3,000**	**809,625**	1,104,455
Grants were received from the following:				
Arts Council of Wales – Core Grant Funding	**664,622**	-	**664,622**	664,620
Arts Council of Wales – Stabilisation	-	-	-	175,000
BFI Organisation awards	**75,000**	-	**75,000**	45,000
Cardiff Council	-	-	-	20,000
Welsh Government Resilience	-	-	-	99,845
	739,622	-	**739,622**	1,004,465

* Included in donations is £30,000 from the Moondance Foundation (2021: £30,000).

4. INCOME FROM CHARITABLE ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
BFI	-	**13,167**	**13,167**	8,900
Cinema	**157,180**	**1,538**	**158,718**	9,306
Film education	**2,483**	-	**2,483**	2,083
Grants	**1,023,209**	**622,690**	**1,645,899**	1,936,527
Events	**2,154**	-	**2,154**	-
Theatre	**23,700**	-	**23,700**	2,288
	1,208,726	**637,395**	**1,846,121**	1,959,104

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Group

Grants were received from the following:

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Project funding:				
Art fund	-	-	-	36,000
Arts Council of Wales – Connect and Flourish	-	96,198	96,198	-
Arts Council of Wales – Cultural Recovery Fund	1,021,709	-	1,021,709	558,993
Arts Council of Wales – Experimentica	-	-	-	15,727
Arts Council of Wales – Resilience	-	4,800	4,800	1,208
Ashley foundation	-	-	-	5,000
British Film Industry Hub	-	230,000	230,000	248,443
British Film Industry Hub – Clwster	-	-	-	2,000
British Film Industry Hub – Diversity	-	55,000	55,000	45,000
British Film Industry Hub – Education Feasibility	-	600	600	-
British Film Industry Hub – Japan	-	3,906	3,906	-
British Film Industry Hub - Midlands	-	-	-	1,500
British Film Industry Hub – Sharing Together	-	-	-	200
British Film Industry Hub – VEF	-	55,000	55,000	-
Cardiff Council – Road Crossing	-	-	-	1,500
Creu Cymru	-	-	-	1,000
Ffilm Cymru	-	4,400	4,400	14,800
Foyle Foundation	-	-	-	30,000
Garfield Weston	-	-	-	75,000
Henry Moore Foundation	-	-	-	4,000
HMRC Job Retention Scheme	-	7,754	7,754	604,954
HMRC Kickstart	1,500	-	1,500	-
Moondance Foundation	-	-	-	90,977
Simon Gibson Trust	-	-	-	10,000
Theatre's Trust	-	-	-	5,000
WCA	-	1,410	1,410	-
WCVA – Third Sector Resilience Fund	-	15,000	15,000	60,000
Welsh Government Made in Wales	-	27,611	27,611	-
Capital:				
Arts Council Wales – Café Bar	-	114,800	114,800	104,197
Arts Council of Wales – Cultural Recovery Fund	-	6,211	6,211	21,028
	1,023,209	622,690	1,645,899	1,936,527

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
BFI	-	13,167	13,167	8,900
Cinema	157,180	1,538	158,718	9,306
Film education	2,483	-	2,483	2,083
Grants	1,023,209	622,690	1,645,899	1,589,038
Events	2,154	-	2,154	-
Theatre	23,700	-	23,700	2,288
	1,208,726	637,395	1,846,121	1,611,615

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Grants were received from the following:

Charity

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Project funding:				
Art fund	-	-	-	36,000
Arts Council Wales – Connect and Flourish	-	**96,198**	**96,198**	-
Arts Council of Wales – Cultural Recovery Fund	**1,021,709**	-	**1,021,709**	558,993
Arts Council of Wales – Experimentica	-	-	-	15,727
Arts Council of Wales – Resilience	-	**4,800**	**4,800**	1,208
Ashley foundation	-	-	-	5,000
British Film Industry Hub	-	**230,000**	**230,000**	248,443
British Film Industry Hub – Clwster	-	-	-	2,000
British Film Industry Hub – Diversity	-	**55,000**	**55,000**	45,000
British Film Industry – Film Education Feasibility Grant	-	**600**	**600**	1,500
British Film Industry – Japan	-	**3,906**	**3,906**	-
British Film Industry Hub – Sharing Together	-	-	-	200
British Film Industry – VEF	-	**55,000**	**55,000**	-
Cardiff Council – Road Crossing	-	-	-	1,500
Creu Cymru	-	-	-	1,000
Ffilm Cymru	-	**4,400**	**4,400**	14,800
Foyle Foundation	-	-	-	30,000
Garfield Weston	-	-	-	75,000
Henry Moore Foundation	-	-	-	4,000
HMRC Job Retention Scheme	-	**7,754**	**7,754**	257,465
HMRC Kickstart	**1,500**	-	**1,500**	-
Moondance Foundation	-	-	-	90,977
Simon Gibson Trust	-	-	-	10,000
Theatre's Trust	-	-	-	5,000
WCA	-	**1,410**	**1,410**	-
WCVA – Third Sector Resilience Fund	-	**15,000**	**15,000**	60,000
Welsh Government Made in Wales	-	**27,611**	**27,611**	-
Capital:				
Arts Council Wales – Café Bar	-	**114,800**	**114,800**	104,197
Arts Council of Wales – Cultural Recovery Fund	-	**6,211**	**6,211**	21,028
	1,023,209	**622,690**	**1,645,899**	1,589,038

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
Group	£	£	£	£
Facilities and property income	**312,702**	-	**312,702**	161,877
Trading subsidiaries	**1,200,181**	-	**1,200,181**	92,582
	1,512,883	-	**1,512,883**	254,459
Charity				
Facilities and property income	**312,702**	-	**312,702**	161,877
	312,702	-	**312,702**	161,877

6. INCOME FROM OTHER SOURCES

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
Group	£	£	£	£
Other income	**5,743**	**779**	**6,522**	2,470
Insurance	**6,929**	-	**6,929**	6,989
	12,672	**779**	**13,451**	9,459
Charity				
Other income	**5,743**	**779**	**6,522**	2,470
Insurance	**6,929**	-	**6,929**	6,989
	12,672	**779**	**13,451**	9,459

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Direct £	Grants payable £	Support £	Governance	Total 2022 £	Total 2021 £
Audit fees	-	-	-	5,740	5,740	7,050
Bad debts	(268)	-	-	-	(268)	4,529
BFI project costs	7,728	88,889	-	-	96,617	177,277
Cinema distributors payments	83,545	-	-	-	83,545	5,520
Cleaning	62,545	-	-	-	62,545	12,512
Credit card charges	240	-	-	-	240	80
Depreciation	146,552	-	-	-	146,552	126,990
Electricity	67,888	-	-	-	67,888	31,189
Equipment repairs	14,625	-	-	-	14,625	9,750
Event costs	818	-	-	-	818	-
Gallery production costs	13,448	-	-	-	13,448	16,791
Gas	22,546	-	-	-	22,546	14,903
Health & safety, security	6,404	-	-	-	6,404	6,463
Insurances	31,014	-	-	-	31,014	26,619
Interest & charges	31,893	-	-	-	31,893	25,233
Irrecoverable VAT	739	-	-	-	739	1,144
IT support costs	1,381	-	1,381	-	2,762	11,804
Professional & Legal fees	10,248	-	-	-	10,248	54,038
Licences	27,728	-	-	-	27,728	27,755
Maintenance	37,717	-	-	-	37,717	56,579
Marketing, press, PR	38,098	-	-	-	38,098	4,159
Other direct costs	160,069	-	-	-	160,069	14,488
Photocopying	2,642	-	2,642	-	5,284	5,574
Postage	199	-	-	-	199	980
Rates	6,380	-	-	-	6,380	5,810
Refuse collection	7,191	-	-	-	7,191	2,069
Rent	1,550	-	-	-	1,550	1,222
Stationery	1,099	-	-	-	1,099	995
Subscriptions	5,131	-	-	-	5,131	4,085
Sundries	-	-	1,227	-	1,227	1,041
Telephone/fax	11,125	-	-	-	11,125	9,156
Theatre productions and producer's payments	19,807	-	-	-	19,807	3,144
Training	2,195	-	2,195	-	4,389	4,840
Travel	2,853	-	-	-	2,853	363
Wages and salaries	1,027,100	-	-	-	1,027,100	1,090,949
Water charges	12,444	-	-	-	12,444	6,195
	1,864,674	88,889	7,445	5,740	1,966,747	1,771,296
Trading subsidiaries	1,146,842	-	-	-	1,146,842	613,330
	3,011,516	88,889	7,445	5,740	3,113,590	2,384,626

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Charity	Direct £	Grants payable £	Support £	Governance	Total 2022 £	Total 2021 £
Audit fees	-	-	-	5,740	5,740	7,050
Bad debts	(268)	-	-	-	(268)	4,529
BFI project costs	7,728	88,889	-	-	96,617	177,277
Cinema distributors payments	83,545	-	-	-	83,545	5,520
Cleaning	62,545	-	-	-	62,545	12,512
Credit card charges	240	-	-	-	240	80
Depreciation	146,552	-	-	-	146,552	126,990
Electricity	67,888	-	-	-	67,888	31,189
Event costs	14,625	-	-	-	14,625	9,750
Equipment repairs	818	-	-	-	818	-
Gallery production costs	13,448	-	-	-	13,448	16,791
Gas	22,546	-	-	-	22,546	14,903
Health & safety, security	6,404	-	-	-	6,404	6,463
Insurances	31,014	-	-	-	31,014	26,619
Interest & charges	31,893	-	-	-	31,893	25,233
Irrecoverable VAT	739	-	-	-	739	1,144
IT support costs	1,381	-	1,381	-	2,762	11,804
Professional fees	10,248	-	-	-	10,248	54,038
Licences	27,728	-	-	-	27,728	27,755
Maintenance	37,717	-	-	-	37,717	56,579
Marketing, press, PR	38,098	-	-	-	38,098	4,159
Other direct costs	160,069	-	-	-	160,069	14,489
Photocopying	2,642	-	2,642	-	5,284	5,574
Postage	199	-	-	-	199	980
Rates	6,380	-	-	-	6,380	5,810
Refuse collection	7,191	-	-	-	7,191	2,069
Rent	1,550	-	-	-	1,550	1,222
Stationery	1,099	-	-	-	1,099	995
Subscriptions	5,131	-	-	-	5,131	4,085
Sundries	-	-	1,226	-	1,226	1,041
Telephone/fax	11,125	-	-	-	11,125	9,156
Theatre productions and producers payments	19,807	-	-	-	19,807	3,144
Training	2,195	-	2,195	-	4,389	4,841
Travel	2,853	-	-	-	2,853	363
Wages and salaries	1,027,100	-	-	-	1,027,100	1090,949
Water charges	12,444	-	-	-	12,444	6,195
	1,864,674	88,889	7,444	5,740	1,966,747	1,771,297

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Contained in the above is grants payable by the charity totalling £88,889. These can be split into the following categories:

	Total 2022 £	Total 2021 £
COVID-19 Resilience	**-**	97,141
Strategic Network Award	**-**	11,500
Film Exhibition Fund	**-**	51,952
Wales Youth Festival Network	**9,390**	-
Deaf Project	**18,000**	-
Off Y Grid	**10,000**	-
FEF Open Call	**26,250**	-
Animation Festivals	**8,000**	-
Film Clubs	**8,560**	-
Iris on the Move	**3,000**	-
Indie Cinema	**1,400**	-
Slate & Slavery	**1,840**	-
Pitch Plot	**2,449**	-
	88,889	160,593

During the year the charity provided 27 institutions with grants ranging from £276 to £10,000. Details of grants payable can be found in the trustees report and on the group's website.

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	Total 2022 £	Total 2021 £
Group		
Wages and salaries	**1,466,550**	1,452,607
Social security costs	**100,390**	99,491
Employers pension	**53,623**	27,442
Redundancy costs	**-**	32,966
	1,620,563	1,612,506
Charity		
Wages and salaries	**905,583**	964,286
Social security costs	**75,935**	73,959
Employers pension	**45,582**	19,738
Redundancy costs	**-**	32,966
	1,027,100	1,090,949

During 2021/22 there was 1 (2021: 1) employee who received employee benefits over £60,000. The employee received employee benefits ranging between £60,000-£70,000. Pension contributions for the individual totalled £5,422 (2021: £2,503).

The total amount of employee benefits received by key management personnel for their services to the group during the year totalled £281,599 (2021: £279,033).

The total amount of employee benefits received by key management personnel for their services to the charity during the year totalled £235,094 (2021: £237,388).

Included in the group wages and salaries above were termination and redundancy payments totalling £nil (2021: £32,966). There were no amounts outstanding at the current and prior year end.

No trustee received remuneration during the year (2021: £nil). No trustee was reimbursed for expenses (2021: No trustee was reimbursed for travel expenses).

9. STAFF NUMBERS

	2022 No	2021 No
Group		
Average number of people employed by the group	**94**	80
Charity		
Average number of people employed by the charity	**43**	49

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Rentals under operating leases	**14,754**	14,754	**14,754**	14,754
Depreciation	**146,552**	126,991	**146,552**	126,991
Auditor's remuneration:				
Audit fees	**9,140**	8,450	**4,990**	5,050
Accountancy services	**750**	750	**750**	750

11. TAXATION – GROUP AND CHARITY

As a registered charity, Chapter (Cardiff) Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

The subsidiary, Chapter Trading Limited, had no corporation tax charges for the period.

12. INTEREST PAYABLE – GROUP AND CHARITY

Interest payable and similar charges relates to interest on bank loans and overdraft facilities.

	Total	Total
	2022	2021
	£	£
Bank loan interest	**24,786**	18,410

13. TANGIBLE FIXED ASSETS

Group & Charity	Freehold land and buildings £	Improve-ments to leasehold buildings £	Leasehold buildings £	Fixtures & fittings £	Total £
Cost					
At 1 April 2021	**562,000**	**4,284,657**	**879,000**	**1,042,992**	**6,768,649**
Additions in year	**-**	**69,639**	**-**	**87,996**	**157,635**
At 31 March 2022	**562,000**	**4,354,296**	**879,000**	**1,130,988**	**6,926,284**
Depreciation					
At 1 April 2021	**287,348**	**678,435**	**661,409**	**1,039,974**	**2,667,166**
Charge for year	**11,120**	**98,948**	**1,831**	**34,653**	**146,552**
At 31 March 2022	**298,468**	**777,383**	**663,240**	**1,074,627**	**2,813,718**
Net book value					
At 31 March 2022	**263,532**	**3,576,913**	**215,760**	**56,361**	**4,112,566**
At 31 March 2021	274,652	3,606,222	217,591	3,018	4,101,483

A recent valuation of the freehold land and buildings for the purpose of the bank security arrangement has satisfied the trustees that the market value is well in excess of the carrying book value. The trustees exercise their right to continue valuation of the property under cost less accumulated depreciation.

The Arts Council of Wales holds a legal charge over the leasehold property as a condition of their grant funding, the carrying value of the assets as at 31 March 2022 totalled £215,760 (2021: £218,173).

The bank loan is secured on the freehold land and buildings, the carrying value of the assets as at 31 March 2022 totalled £263,532 (2021: £274,652). The bank overdraft is secured against a second legal charge over the freehold land and buildings, the carrying value of the assets as at 31 March 2022 totalled £263,532 (2021: £274,652).

The leasehold building above is being depreciated over the term of the lease of 125 years. The carrying value of building as at 31 March 2022 totalled £215,760 (2021: £218,173).

14. INVESTMENTS

Charity	Investments in group undertakings £
Cost as at 31 March 2021	**2**
Cost as at 31 March 2022	**2**

15. TRADING SUBSIDIARY

Chapter Trading Limited:

The company owns 100% of the issued ordinary share capital of Chapter Trading Limited, a company incorporated on the 1 March 2007 in England and Wales, company number 06133709. The registered office of the company is the same as the charity. The principal activity of the company is the operation of the caffi bar at Chapter. The results of the company have been consolidated into the group accounts.

The results of the company for the year ended 31 March 2022 can be found below:

	Total 2022 £	Total 2021 £
Turnover	**1,140,994**	80,200
Cost of sales and administration costs	**(1,146,843)**	(615,691)
Operating profit	**(5,849)**	(535,491)
Other income	**59,187**	455,232
(Loss)/profit for the year	**53,338**	(80,259)
Assets and liabilities:		
Total assets	**258,009**	140,284
Total liabilities	**(284,125)**	(219,738)
Aggregate share capital and reserves	**(26,116)**	(79,454)

Statement of changes in equity

	Share capital £	**Profit and loss reserve £**	**2022 Total £**
Balance at 1 April 2021	**2**	**(79,456)**	**(79,454)**
Year ended 31 March 2022			
(Loss) and total comprehensive income for the year	**-**	**53,338**	**53,338**
Balance at 31 March 2022	**2**	**(26,118)**	**(26,116)**

16. STOCKS

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Caffi bar	**23,910**	10,382	**-**	-
Shop	**-**	1,872	**-**	1,872
	23,910	12,254	**-**	1,872

17. DEBTORS

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade debtors	**36,170**	37,381	**36,195**	9,147
Prepayments and accrued income	**248,157**	102,256	**242,089**	63,256
Other debtors	**-**	17,588	**-**	12,151
Due from subsidiary undertakings	**-**	-	**7,960**	-
	284,687	157,225	**286,244**	84,554

18. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Bank loan and overdraft	**67,406**	59,246	**28,386**	22,579
Trade creditors	**129,649**	54,998	**83,730**	49,566
Amounts due to subsidiary company undertakings	**-**	-	**-**	32,099
Taxation and social security	**51,935**	25,748	**15,646**	19,061
Other creditors	**9,373**	15,676	**6,476**	12,207
Accruals and deferred income	**91,459**	72,738	**67,640**	68,588
	349,822	228,406	**201,878**	204,100

Included within accruals and deferred income above is the following deferred income:

	2022	2021
	£	£
Ticket sales	**3,046**	3,062
	3,046	3,062

The deferred income relates to invoices raised in advance of service delivery and performances.

The movement in deferred income can be seen below:

	2022	2021
	£	£
Balance brought forward	**3,062**	144,864
Income received	**2,169,140**	1,715,624
Income released	**(2,169,156)**	(1,857,426)
Balance carried forward	**3,046**	3,062

19. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Charity Bank loan	**511,109**	537,083	**511,109**	537,083
CBILS	**126,647**	163,333	**-**	-
WCVA	**25,000**	20,000	**25,000**	20,000
	662,756	720,416	**536,109**	557,083

The bank loan provides additional working capital and will be fully repaid over 15 years at a rate of interest of 4.35% per annum for the first three years, followed by a revised rate communicated by the bank at the end of the fixed term.

CBILS loan obtained by Chapter Trading during the year to provide additional working capital. No repayments are due within the first 7 months of the loan being issued and the first repayment date will be made 7 months after the date of drawdown (May 2021). The term of the loan is 5 years with interest charged at 3.49%.

A loan amount of £20,000 was received in March 2021 from WCVA with interest payable after 24 months at a rate of 3%. A payment plan is yet to be arranged; this will be set at the end of the first 24 months. The total loan amount is £25000, an additional £5000 was received in May 21 as part of the overall offer of funding

20. BORROWING

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Bank loan	**538,495**	559,662	**538,495**	559,662
CBILS loan	**166,667**	200,000	**-**	-
WCVA	**25,000**	20,000	**25,000**	20,000
	730,162	779,662	**563,495**	579,662
Less amounts falling due within one year	**(67,406)**	(59,246)	**(28,386)**	(22,579)
	662,756	720,416	**535,109**	557,083

20. BORROWING (CONTINUED)

Repayable by instalments

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Within one year	**67,873**	59,246	**27,873**	22,579
Between 2 and 5 years	**142,667**	142,667	**106,000**	106,000
After 5 years	**519,622**	577,749	**429,622**	451,083

The bank loan is secured on the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE. The bank overdraft is secured against a second legal charge over the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE and an unlimited debenture incorporating a fixed and floating charge. The property has a carrying value of £263,532 (2021: £274,652).

21. OPERATING LEASES – GROUP AND CHARITY

	Land & Buildings		Other	
	2022	2021	**2022**	2021
	£	£	**£**	£
Falling due:				
1-2 years	**1**	1	**5,495**	14,753
2-5 years	**4**	4	**7,896**	2,336
>5 years	**114**	115	**-**	-
	119	120	**13,391**	17,089

22. RESTRICTED FUNDS

Group and Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Capital Grants:					
Arts Council of Wales – Cultural Recovery Fund	-	6,211	-	(6,211)	-
ACW Capital Café Bar	-	114,800	-	(114,800)	-
Chapter Building	2,695,052	-	(117,241)	-	2,577,811
	2,695,052	121,011	(117,241)	(121,011)	2,577,811
Revenue and Project Grants:					
Art fund	36,000	504	(39,213)	2,709	-
Art Fund - Save Our Sculpture	482	-	-	-	482
Arts Council of Wales – Connect and Flourish	-	96,198	(16,118)	-	80,080
Arts Council of Wales – Experimentica	15,727	1,034	(23,540)	-	(6,779)
Arts Council of Wales – Resilience	-	4,800	(510)	-	4,290
Ashley Foundation	5,000	-	(2,300)	-	2,700
BFI Film Education Feasibility Grant	2,171	600	-	-	2,771
British Film Industry - Film Hub Wales	55,681	231,667	(154,382)	(11,718)	121,248
British Film Industry Hub – Anim18	1,204	-	-	-	1,204
British Film Industry Hub – Clwster	178	-	-	-	178
British Film Industry Hub – Diversity	21,586	66,500	(41,449)	(7,282)	39,355
British Film Industry– Film Fees	825	-	-	-	825
British Film Industry– Japan	-	3,906	(49)	-	3,857
British Film Industry Hub – Sharing Together	727	-	-	-	727
British Film Industry – VEF	-	55,778	(15,859)	-	39,919
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Darkley Trust	1,765	-	-	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	9,800	-	-	-	9,800
Ffilm Cymru – Young Programmers	16,793	4,200	-	-	20,993
Film Cymru – Connector Fund	265	200	(465)	-	-
Foyle Foundation	30,000	-	-	-	30,000
Garfield Weston Foundation	75,000	-	-	-	75,000
Henry Moore Foundation	7,000	-	(1,291)	(2,709)	3,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	7,755	(7,755)	-	-
Lightbox	4,000	3,000	(7,000)	-	-
PRSF	6,500	-	(8,050)	-	(1,550)
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	5,000	-	-	-	5,000
WCA	-	1,410	(896)	-	514
WCVA – Third Sector Resilience Fund	60,000	15,000	(44,794)	-	30,206
Welsh Government Made in Wales	(5,778)	27,611	(23,516)	(2,000)	(3,683)
	403,066	520,163	(387,187)	(21,000)	515,042
	3,098,118	641,174	(504,428)	(142,011)	3,092,853

22. RESTRICTED FUNDS (continued)

Transfers above relate to contributions from restricted funds to the charity's overheads and to transfer funds in relation to capital expenditure when the restriction has been satisfied.

Capital Grants:
Relates to funding received to purchase and refurbish the Chapter building and various equipment.

Revenue Grant:
Art Fund
To support gallery events in 2021/22.

Art Fund - Save Our Sculpture
Fundraising campaign with the Art Fund and Chapter donors to restore a Garth Evans sculpture, returning it to Cardiff to exhibit in the city centre and ultimately find it a new home in Wales.

Arts Council of Wales – Connect and Flourish – a programme of Activity called Hear we Are working with D/deaf artists and lead by Deaf actor and performer Johnny Cotsen
Arts Council of Wales - Experimentica
Relates to funding received to support the 2021 Experimentica event.

Arts Council of Wales - Resilience
Relates to funding received to support the feasibility study.

Ashley Foundation
To support film education activity 2021.

BFI Film Education Feasibility Grant
To facilitate the research for a larger grant to support the education and outreach programme of activity.

British Film Industry - Film Hub Wales
For film hub core programme of activity.

British Film Industry Hub - Anim18
Grant to support a UK wide season celebrating British Animation.

British Film Industry Hub - Clwster
To research and develop the potential of promoting Welsh Stories to audiences across Wales.

British Film Industry Hub - Diversity
BFI Grant to support Film Hub Wales and the Film Audience Network partners to deliver a UK wide inclusive cinema strategy for audiences with additional needs, including training, resource development and central coordination.

British Film Industry Hub- Film Feels
To invest in online actvity , Chapter programme.

British Film Industry Hub - Sharing Together
To complete BFI Sharing Together Project.

22. RESTRICTED FUNDS (continued)

Cardiff Council - Road Crossing
Competition to design road crossing, Cowbridge Road East as part of regeneration work.

Cardiff University
To support Chapter's Dementia work.

Contemporary Art
Contemporary Art Contribution to Chapter at the Wales In Venice Biennale.

Creu Cymru
To support artist involvement in gallery exhibition.

Darkley Trust
To support Chapter's education and outreach work.

Dunhill Medical Foundation
To support the work of Chapter's Dementia film programme.

Ewart Parkinson Award
Ewart Parkinson award to support film education programme.

Ffilm Cymru - Reopening
Funding received to support the cinema.

Ffilm Cymru - Young Programmers
Funding for Young Programmers.

Ffilm Cymru - Connector Fund
Film Agency Wales Project to promote new audiences.

Foyle Foundation
To support core programme.

Garfield Weston Foundation
To support activity.

Henry Moore Foundation
To support James Richards Exhibition.

Henry Moore Foundation - Garth Evans
To support the exhibition at Chapter.

HMRC Coronavirus Job Retention Scheme
Income received in relation to furlough scheme.

Lightbox
To fund a competition amongst school children to design the Lightbox.

22. RESTRICTED FUNDS (continued)

PRSF
To support a tour to Ireland by a group of musicians led by Emma Coulthard.

Rayne Foundation
Grant to support Chapter's Dementia film programme.

Theatre Trust
To support reopening costs.

WCVA - Third Sector Resilience Fund
To support redevelopment of Chapter website.

Welsh Government Made in Wales
To promote Welsh film, managed by Film Hub Wales.

22. RESTRICTED FUNDS – GROUP AND CHARITY (continued)

Previous year

Group	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Capital Grants:					
Arts Council of Wales – Cultural Recovery Fund	-	21,028	(21,028)	-	-
Chapter Building	2,583,457	104,197	111,595	(104,197)	2,695,052
Cardiff County Council	3,251	-	-	(3,251)	-
SEWTA	1,009	-	-	(1,009)	-
Scottish Power	4,925	-	-	(4,925)	-
Waterloo Foundation	4,378	-	-	(4,378)	-
	2,597,020	125,225	90,567	(117,760)	2,695,052
Revenue and Project Grants:					
Art fund	-	36,000	-	-	36,000
Art Fund - Save Our Sculpture	3,767	-	(3,285)	-	482
Arts Council of Wales – Experimentica	-	15,727	-	-	15,727
Arts Council of Wales – Resilience	-	1,208	(1,208)	-	-
Ashley Foundation	-	5,000	-	-	5,000
BFI Film Education Feasibility Grant	2,171	-	-	-	2,171
British Film Industry - Film Hub Wales	63,367	257,343	(249,029)	(16,000)	55,681
British Film Industry Hub – Anim18	1,348	-	(144)	-	1,204
British Film Industry Hub – Clwster	3,086	2,000	(4,908)	-	178
British Film Industry Hub – Diversity	10,196	45,000	(30,610)	(3,000)	21,586
British Film Industry Hub – Film Fees	-	1,500	(675)	-	825
British Film Industry Hub – Sharing Together	462	200	-	65	727
Cardiff Council – Road Crossing	-	1,500	(1,500)	-	-
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Creu Cymru	-	1,000	(1,000)	-	-
Darkley Trust	2,165	-	(400)	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	-	9,800	-	-	9,800
Ffilm Cymru – Young Programmers	11,793	5,000	-	-	16,793
Film Cymru – Connector Fund	1,100	-	(835)	-	265
Foyle Foundation	-	30,000	-	-	30,000
Garfield Weston Foundation	-	75,000	-	-	75,000
Henry Moore Foundation	3,000	4,000	-	-	7,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	604,954	(604,954)	-	-
Lightbox	-	4,000	-	-	4,000
PRSF	6,500	-	-	-	6,500
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	-	5,000	-	-	5,000
WCVA – Third Sector Resilience Fund	-	60,000	-	-	60,000
Welsh government Made in Wales	-	-	(5,778)	-	5,778
	162,095	1,164,232	(904,326)	(18,935)	403,066
	2,759,115	1,289,457	(813,759)	(136,695)	3,098,118

22. RESTRICTED FUNDS (continued)

Previous year

Charity	Balance at 1 April 2020	Income	Expenditure	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Capital Grants:					
Arts Council of Wales – Cultural Recovery Fund	-	21,028	(21,028)	-	-
Chapter Building	2,583,457	104,197	111,595	(104,197)	2,695,052
Cardiff County Council	3,251	-	-	(3,251)	-
SEWTA	1,009	-	-	(1,009)	-
Scottish Power	4,925	-	-	(4,925)	-
Waterloo Foundation	4,378	-	-	(4,378)	-
	2,597,020	125,225	90,567	(117,760)	2,695,052
Revenue and Project Grants:					
Art fund	-	36,000	-	-	36,000
Art Fund - Save Our Sculpture	3,767	-	(3,285)	-	482
Arts Council of Wales – Experimentica	-	15,727	-	-	15,727
Arts Council of Wales – Resilience	-	1,208	(1,208)	-	-
Ashley Foundation	-	5,000	-	-	5,000
BFI Film Education Feasibility Grant	2171	-	-	-	2,171
British Film Industry - Film Hub Wales	63,367	257,343	(249,029)	(16,000)	55,681
British Film Industry Hub – Anim18	1,348	-	(144)	-	1,204
British Film Industry Hub – Clwster	3,086	2,000	(4,908)	-	178
British Film Industry Hub – Diversity	10,196	45,000	(30,610)	(3,000)	21,586
British Film Industry Hub – Film Fees	-	1,500	(675)	-	825
British Film Industry Hub – Sharing Together	462	200	-	65	727
Cardiff Council – Road Crossing	-	1,500	(1,500)	-	-
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Creu Cymru	-	1,000	(1,000)	-	-
Darkley Trust	2,165	-	(400)	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	-	9,800	-	-	9,800
Ffilm Cymru – Young Programmers	11,793	5,000	-	-	16,793
Film Cymru – Connector Fund	1,100	-	(835)	-	265
Foyle Foundation	-	30,000	-	-	30,000
Garfield Weston Foundation	-	75,000	-	-	75,000
Henry Moore Foundation	3,000	4,000	-	-	7,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	257,465	(257,465)	-	-
Lightbox	-	4,000	-	-	4,000
PRSF	6,500	-	-	-	6,500
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	-	5,000	-	-	5,000
WCVA – Third Sector Resilience Fund	-	60,000	-	-	60,000
Welsh government Made in Wales	-	-	(5,778)	-	5,778
	162,095	816,743	(556,837)	(18,935)	403,066
	2,759,115	941,968	(466,270)	(136,695)	3,098,118

23. DESIGNATED FUNDS

Group and Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Emergency fund	-	-	-	140,000	140,000
	-	-	-	140,000	140,000

24. UNRESTRICTED FUNDS

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Group					
General funds	759,786	3,540,906	(2,609,162)	(137,989)	1,553,541
	759,786	3,549,906	(2,609,162)	(137,989)	1,553,541
Charity					
General funds	839,245	2,340,725	(1,462,319)	(137,989)	1,579,662
	839,245	2,340,725	(1,462,319)	(137,989)	1,579,662

Previous year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Group					
General funds	62,938	2,131,020	(1,570,867)	136,695	759,786
	62,938	2,131,020	(1,570,867)	136,695	759,786
Charity					
General funds	62,139	1,945,438	(1,305,027)	136,695	839,245
	62,139	1,945,438	(1,305,027)	136,695	839,245

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated Funds £	Restricted funds £	Total 2022 £
Group				
Fixed assets	**1,534,755**	**-**	**2,577,811**	**4,112,566**
Net current assets/(liabilities)	**821,075**	**140,000**	**515,042**	**1,476,117**
Long term liabilities	**(662,289)**	**-**	**-**	**(662,289)**
	1,693,541	**140,000**	**3,092,853**	**4,926,394**
Charity				
Investments	**2**	**-**	**-**	**2**
Fixed assets	**1,534,755**	**-**	**2,577,811**	**4,112,566**
Net current assets/(liabilities)	**720,527**	**140,000**	**515,042**	**1,375,569**
Long term liabilities	**(535,622)**	**-**	**-**	**(535,622)**
	1,719,662	**140,000**	**3,092,853**	**4,952,515**

Previous year

	Unrestricted funds £	Restricted funds £	Total 2021 £
Group			
Fixed assets	1,406,431	2,695,052	4,101,483
Net current assets/(liabilities)	73,771	403,066	476,837
Long term liabilities	(720,416)	-	(720,416)
	759,786	3,098,118	3,857,904
Charity			
Investments	2	-	2
Fixed assets	1,406,431	2,695,052	4,101,483
Net current assets/(liabilities)	(10,105)	403,066	392,961
Long term liabilities	(557,083)	-	(557,083)
	839,245	3,098,118	3,937,363

26. RELATED PARTIES

The charity was under the control of the trustees during the current and previous year.

Chapter (Cardiff) Limited received £nil in management fees from its wholly owned subsidiary, Chapter Trading Limited, during the year (2021: £ nil).

During the year Chapter (Cardiff) Limited invoiced Chapter Trading Limited for £2,500 (2021: £ nil) of recharges for wages, cost of sales, finance and marketing expenses. Chapter Trading Limited invoiced Chapter (Cardiff) Limited for similar recharges of £2,227 (2021: £ nil).

At the year end Chapter (Cardiff) Limited owed £nil to Chapter Trading Limited (2021: £32,099).

At the year end Chapter Trading Limited owed £7,960 to Chapter (Cardiff) Limited (2021: £nil).

27. SHARE CAPITAL

The charity is limited by guarantee and has no share capital. The liability of each member under the guarantee is limited to £1.

28. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

The charity and group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity and group in an independently administered fund. Costs are allocated between unrestricted and restricted funds based on funding agreements.

The charge to profit or loss in respect of defined contribution schemes for the group was £53,623 (2021: £27,442). Amounts outstanding at the year end totalled £8,233 (2021: £8,600).

The charge to profit or loss in respect of defined contribution schemes for the charity was £45,582 (2021: £19,738). Amounts outstanding at the year end totalled £5,336 (2021: £5,131).

29. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net expenditure for the reporting period	**1,068,490**	1,035,851
Adjustments for:		
Depreciation charges and impairment	**146,554**	126,991
Dividends, interest and rents from investments	**(312,702)**	(161,877)
(Increase)/decrease in stocks	**(11,656)**	11,221
(Increase)/decrease in debtors	**(127,463)**	(72,446)
Increase/(decrease) in creditors	**113,256**	(492,298)
Net cash provided by/(used in) operating activities	**876,477**	447,442

Analysis of Cash and Cash Equivalents

Cash in hand	**1,517,809**	535,764
Total Cash and Cash Equivalents	**1,507,809**	535,764

	At 1 April 2021	Cash-flows	As at 31 March 2022
	£	£	£
Cash	535,764	**1,453,001**	**1,517,809**
Bank loans falling due within one year	(59,246)	**(8,627)**	**(67,873)**
Bank loans falling due after more than one year	(720,416)	**58,127**	**(662,289)**
	(243,894)	**1,502,501**	**787,647**

30. POST BALANCE SHEET EVENTS

Market House
The charity is currently in negotiations regarding the terms and conditions of the sale of Market House. The property sale is likely to be completed during the 2021/22 financial year.

31. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and endowments from:			
Donations and legacies	1,193,455	4,000	1,197,455
Charitable activities	673,647	1,285,457	1,959,104
Other trading activities	254,459	-	254,459
Other	9,459	-	9,459
Total income and endowments	2,131,020	1,289,457	3,420,477
Expenditure on:			
Charitable activities	1,570,867	813,759	2,384,626
Total expenditure	1,570,867	813,759	2,384,626
Net income/(expenditure)	560,153	475,698	1,035,851
Transfers between funds	136,695	(136,695)	-
Net movement in funds	696,848	339,003	1,035,851
Reconciliation of Funds			
Total funds brought forward	62,938	2,759,115	2,822,053
Total funds carried forward	759,786	3,098,118	3,857,904

Charity			
Income and endowments from:			
Donations and legacies	1,100,455	4,000	1,104,455
Charitable activities	673,647	937,968	1,611,615
Other trading activities	161,877	-	161,877
Other	9,459	-	9,459
Total income and endowments	1,945,438	941,968	2,887,406
Expenditure on:			
Charitable activities	1,305,027	466,270	1,771,297
Total expenditure	1,305,027	466,270	1,771,297
Net income/(expenditure)	640,411	475,698	1,116,109
Transfers between funds	136,695	(136,695)	-
Net movement in funds	777,106	339,003	1,116,109
Reconciliation of Funds			
Total funds brought forward	62,139	2,759,115	2,821,254
Total funds carried forward	839,245	3,098,118	3,937,363

CHAPTER (CARDIFF) LIMITED

England & Wales - Charity number 500813

Accounts

Company registration number: 01005570
Charity registration number: 500813

CHAPTER (CARDIFF) LIMITED
(A company limited by guarantee
and not having share capital)

REPORT OF THE TRUSTEES &
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

CHAPTER (CARDIFF) LIMITED
YEAR ENDED 31 MARCH 2021

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CHAPTER (CARDIFF) LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2021

The trustees present their report and accounts for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

SIGNIFICANT EVENT – COVID 19

At the end of the 2019/20 financial year and in line with government directive Chapter, like all venues across the UK, was required to close on 17 March. Overnight, Chapter's income earning streams that brought in 82% of its revenues, equivalent to around £250,000 a month, were switched off. Whilst appreciating the significance of this decision and the immediate impact on the organisation, it is fair to say that neither executive management nor trustees envisaged the scale of the challenges we would encounter nor the length of time that the COVID pandemic would be with us.

Chapter was only able to open for a few weeks during the whole of the 2020/21 financial year. This has taken a serious toll on the charity's financial position, its staff and ability to deliver its programme of creative activities, education and community engagement. This situation is not unique to Chapter, but the way that staff and trustees have worked tirelessly through these challenges has been inspiring and as a charity we are proud of where we finished the financial year; still financially solvent and preparing to re-open to customers and audiences.

Closure on 17 March 2020, and the removal of our ability to trade, was profoundly worrying. Chapter had the cash to be able to pay staff in March but no idea how April salaries would be covered. With close to 100 staff, and respective families and dependents requiring those salaries, this caused immediate stress. Management took the decision to be open and transparent with staff as to the best course of communication.

Closure also had a significant impact on the 38 creative communities of artists and companies based within our building. With the venue closed, they were unable to trade or undertake their daily work, and so their welfare and respective businesses also sat central in our immediate thoughts. We must also remember the impact closure had on the many groups that meet at Chapter, such as Hijinx that work with vulnerable adults, and the loyal audience base who see Chapter as an integral part of their weekly cultural and social lives, and a focal point of their community.

Staffing
The decision was taken to create a core team of just nine staff to oversee what was then considered to be the critical actions and decisions. All other staff in both the charity and trading were sent home on full pay. The initial critical operations team consisted of the following: CEO, Director of Finance and Resources, Director of Programme, Director of Operations and Fundraising, Communications Officer, IT Manager, Buildings and Compliance Manager, Finance Manager and HR Advisor.

Initially, Senior Management took pay cuts ranging from 20-30% to support the charity. All other members of the critical operations team remained on 100% of their respective salaries.

Additionally, the Film Hub Wales team all remained in post on 100% of their respective salaries, as they were paid from designated BFI project funds. They continued to work after the closure of Chapter to support the network of venues and film exhibition groups established by the project. As the weeks of the pandemic rolled by this was to include overseeing the distribution of BFI emergency funds designed to specifically support the film exhibition sector in Wales.

As the details of the UK Government's Job Retention Scheme (furlough) became apparent, we took immediate steps to ensure all remaining staff from both the Charity and Trading subsidiary were registered onto this scheme. Our actions ensured that these staff were paid at the end of April, albeit at the reduced 80% rate of the scheme.

As the year progressed it became clear that we would have to make a reduction in staff numbers in readiness for re-opening, whenever that time came. We are pleased to report that this was kept to an absolute minimum and was targeted in certain areas as opposed to across the whole charity.

Throughout the financial year, staff wellbeing was at the forefront of thinking for both board and management. Regular newsletters were created and staff groups were encouraged to keep in touch and look after each other. Staff have been encouraged to make use of the welfare service provided by our counselling agency Impact.

Cash flow

Chapter is a small independent charity and one of the immediate and pressing dangers was cash flow. There was the very real danger that one of our creditors would call in the debt effectively rendering the Charity insolvent. The stress in those early days for ourselves and indeed our suppliers was significant, and recognition must be given to the retained Finance team who managed these relationships, often challenging ones, in the early weeks of the pandemic.

Public Body Stakeholders

The major public bodies that Chapter has a relationship with are Arts Council Wales, British Film Institute (BFI) and Cardiff County Council. There is also a strong relationship with Welsh Government, with their funding support channeled through Arts Council of Wales.

It quickly became very apparent that emergency funds would be required to support Chapter and indeed the wider arts sector. Management was heavily involved in conveying the challenges of an arts organisation like Chapter, reliant on earning 82% of its own income - along with the wider challenges of small arts companies and freelancers - to policy makers within these respective stakeholders. As a result, both the BFI and Arts Council Wales moved to a position where they would advance annual grant funding. This had the effect of easing cash flow to creditors and supporting the payment of salaries whilst the process for claiming furlough payments was established.

Both Arts Council Wales and BFI were able to establish emergency support funds, over and above their respective grant funding, provided for out of reserves and the re-allocation of lottery income. By the end of June 2020 Chapter had received £175K from ACW and £60,000 from BFI to distribute through Film Hub Wales to those organisations in desperate need of support.

Welsh Government was able to establish economic support funds for the hospitality sector and Chapter was fortunate to take advantage of these schemes, both revenue and capital, through applications from our subsidiary trading company.

Slowly the scale of the challenges facing the sector became apparent to the public bodies. Particularly, the risks to venues that over the years had predominantly adapted their business models to earn significant amounts of retained income. The key moment came in July when the UK Government announced the Cultural Recovery Fund, a £1.57 billion package of support for the arts. This was to be administered by the respective Arts Councils of the four nations, and through the Barnett Formula a fund of £54 million was established for Wales to support the arts, creative industries and cultural freelancers. Chapter successfully bid into this scheme and received £561K to support the charity's costs between September 2020 and March 2021.

This intervention by UK Government and then Welsh Government has been critical in supporting us through the pandemic. A second round of Cultural Recovery Funding (CRF2) was established towards the end of the 2020/21 financial year that would allow arts organisations, companies and freelancers to remain solvent for the first half of the 2021/22 financial year. Again, Chapter was successfully awarded funding totaling £642K that secured the future of the charity through the first months of the new financial year.

Private Sector Fundraising and Donations

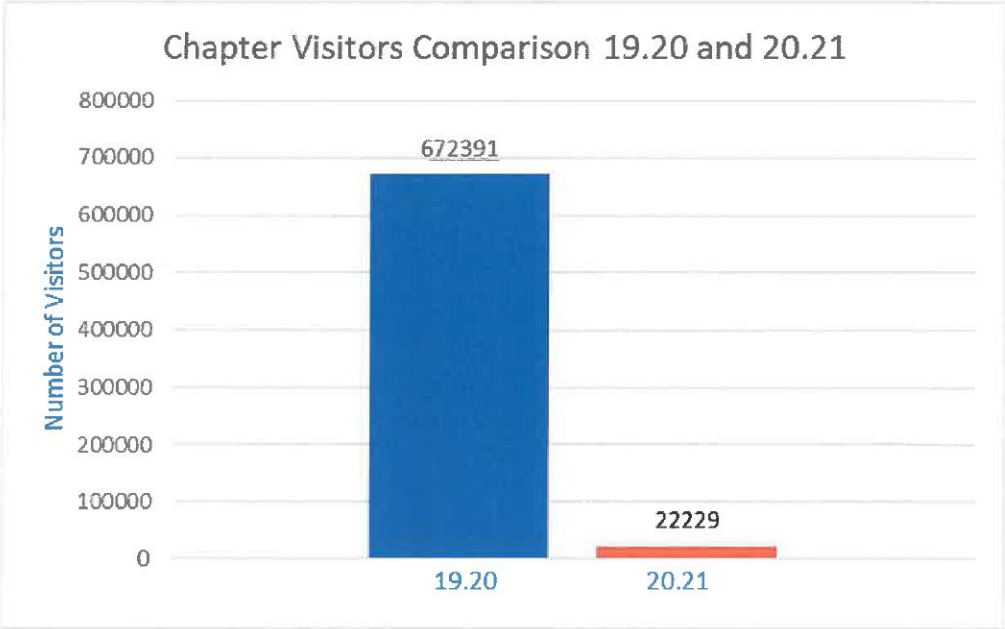
The private sector, including trusts and foundations, also recognised the challenges faced by the sector and were adept in quickly establishing their own emergency rescue support funds. Chapter was delighted to receive substantial funds from the Moondance Foundation, Garfield Weston and Foyle Foundation.

Perhaps the most pleasing element of our fundraising was the support shown by our customers and audiences. This not only demonstrated the value placed on us by our supporters, but was also a very powerful support voice for our lobbying to government and public bodies. By July, Chapter had raised in excess of £50K through individual donations made via our website and text giving schemes. Chapter is extraordinarily grateful and humbled by the financial support provided to it by its customers and audiences.

Maximising Re-Opening

For many venues the lockdown meant straightforward closure of their respective buildings, public spaces and auditoria. At Chapter such a simple step was not possible. With 38 companies and artists based with us it was important that we remained open to them. From the beginning of June, we ensured this happened, and to offer further support we reduced rents by 50% until the end of the calendar year. We did not need to do this, but it sat squarely within our values as a charity and creative hub in the capital city.

As you would expect of a charity that relies on earned income, we were keen to re-open as soon as we could and became the first professional venue in Wales to re-open when permission was given by Welsh Government in October 2020. Sadly, this period of opening only lasted a few weeks as the pandemic lockdown returned and the instruction to close again was given.



Building Improvements

Chapter is normally open seven days a week, 363 days a year. It is therefore very difficult to undertake substantial improvements to the building. We took the opportunity of closure to bring forward enhancements to our café bar social space and public bathrooms with funds already committed pre-pandemic from ACW Capital Lottery. We were also able, with agreement of ACW, to repurpose some of this spend to areas considered essential to support the sustainability and ability of Chapter to trade once we could re-open to the public. Substantial improvements were therefore made to the roof of Chapter along with the installation of a new cinema projector and upgrades to the technical equipment within the Seligman Theatre.

Significant steps were also taken to ensure COVID safety throughout our buildings for those still accessing the building, such as the creative community, and in readiness for re-opening to the public. Cleaning was increased and we purchased sanitiser, masks and PPE. Significant steps were also made to ensure touch and contact points for staff and customers would be reduced. We moved to an online ticket sales platform, ceased production of the monthly programme brochure and installed an ordering App within the café bar allowing the public to order from their respective tables instead of queueing at the till.

Chapter also made sure it would be ready to maximise the opportunities given by outside trading, once the weather improved, by purchasing a marquee and heaters for the front of the building.

OBJECTIVES AND ACTIVITIES

Objects

The charity's objects are the promotion, maintenance, improvement and advancement of education, particularly by the improvement of public tastes in the arts, including the arts of drama, mime, dancing, singing and music, painting, sculpture and film.

Aims

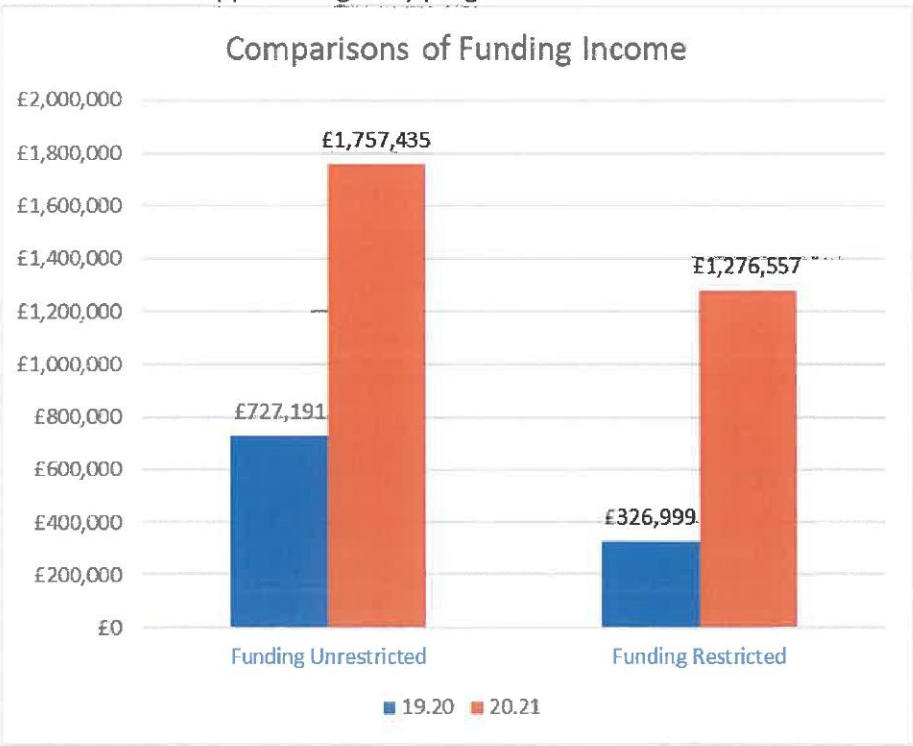
Chapter aims to provide support for cultural organisations and artists in parallel with the provision of public programmes of contemporary arts, principally in film, theatre and visual arts, as a means of achieving its objects.

Objectives
Chapter's main objectives at the start of this unprecedented year were:

- Prioritise the retention of staff through the UK Government Coronavirus Job Retention Scheme (Furlough).
- Find innovative ways to sustain the charity during the pandemic.
- Bring forward grant support from ACW, BFI to assist cash flow.
- Find ways to pay creditors.
- Retain the capital development programme.
- Create a 'mothball budget' that would reduce operational costs to a minimum.
- Fundraise and establish a programme of supporter donations.
- Create a digital online programme for our audiences.
- Support the wider creative sector through effective lobbying.
- Communicate the value of Chapter to audiences, stakeholders and government at both local and national level.
- Lobby ACW to postpone the Investment Review of Arts Portfolio Wales, the companies that receive annual revenue grant support.

Significant Activities
The commitment to Chapter illustrated by the nine staff who formed the critical operations team cannot be underestimated. Without their collective efforts this report would likely be dominated by the heading of closure. It is therefore appropriate to consider this as a significant activity for the year in itself, as without this dedication all other activities would not have materialised.

Raising emergency funding to sustain the charity was a significant undertaking. In total we raised £2.4million in rescue and support funds from trusts, foundations, government bodies and donations. But we also continued to raise funds for our programme of activities. One of the most significant awards was £40K from the Art Fund to support our gallery programme.



The protection of employment at Chapter was extremely important to the values of the charity. We were very quick to place staff, outside of the core critical operations team of nine, onto Furlough and 'topped up' furlough payments when rescue funding support allowed.

The refurbishment of our café bar social space, repairs to the fabric of the building and installation of new equipment into the main theatre and cinema, were major undertakings with such a small core staff.

Our commitment to the creative companies based at Chapter was significant. Without our decision to re-open our buildings and provide access to their studios in June we would certainly have seen some cease trading. In addition, we supported our creative community by assisting them with rate relief applications to the council, notified them of the availability of recovery funds, both for individual freelancers and companies.

Chapter played an important role in lobbying and relaying detailed information to Arts Council Wales, Welsh Government and BFI on the challenges facing the sector, particularly venues and freelance artists. We were also keen to stress the benefits of the arts to people's mental health and wellbeing during the lockdown months. Meetings included with First Minister Mark Drakeford, Kevin Brennan MP, Jo Stevens MP, Shadow Minister for Culture and the Arts and national media coverage through Radio 5, Sky TV News, BBC TV News and sector lobbying arranged through the Creative Industries Federation.

Regular email communication to our audiences and customers updating them on the situation at Chapter and offering them various online programme and education activities. These were particularly appreciated during the lockdown months by families and individuals.

Arguably the most significant event for the arts sector has been the outpouring of emotion prompted by the death of George Floyd and the Black Lives Matter movement. The whole sector and that includes Chapter has had to take a step back and carefully consider the audiences and communities it engages with. The simple and uncomfortable truth is that Chapter does not engage with the depth and diversity of the communities and ethnicities that are present in Cardiff. We are arguably better than many of our peer arts organisations, but we can do better and should.

Arts Council Wales current strategy is "For the Benefit of All" as it recognises many communities feel excluded from participation in the arts. Going forward Chapter will play its part in looking at its unconscious biases. During the year we started the process by internally recognising our shortcomings and commitment to resolving them. Our Anti-Racism Action Plan and Code of Conduct, and revised Strategic Equalities Action Plan, demonstrate our commitment to move forward with inclusion and engagement at the forefront of our activity.

Public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit in planning and carrying out the charity's programme.

The section below 'Achievements, Performance and Plans for future periods' reflects the public benefit afforded by Chapter's activities during the year to 31 March 2021.

How the community of Canton and the artistic communities of Cardiff value Chapter is perhaps best demonstrated by the significant outpouring of support we received when we had to close in March 2020. This support was both emotional through messages of support and financial with literally thousands recognising the public benefit Chapter creates for the city.

We have a long-standing commitment to inclusiveness through a wide ranging and diverse programme of events and activities supported by a pricing policy that reduces the financial barrier to attendance. Entrance into Chapter is free, as is the exhibition programme in our gallery, but this clearly does not go far enough in encouraging some communities, particularly those from lower socio-economic backgrounds, into Chapter. Our future planning needs to consider further the barriers to engagement in the arts at Chapter.

Many local organisations hold events and classes in Chapter's hire spaces at reasonable cost. These include the Frankie Rae School of Dance, Ribbons Ballet, Hijinx Theatre, who work with adults with learning difficulties and Actors Workshop. Chapter also undertakes an extensive learning programme that is managed by Chapter's programme team. However, as you would expect this had to be curtailed whilst schools were closed or open and not engaging in externally provided activities.

Our Learning and Participation Manager was furloughed for a period of time but once back in situ was able to support schools with online digital workshops and focused his attention to raising funds. £55K was secured from the BFI's Venue Education Fund and this project will be carried out over the next two years.

The public benefit of Chapter was also extended across Wales through the work of Film Hub Wales. Throughout the year they were able to provide support to the 200 plus members of the network they have established since beginning in 2013. Members include large venues such as the Torch Milford Haven to Cell B, a community run cinema in Blaenau Ffestiniog.

The move to digital programme during lockdown also stimulated our thinking regarding access and the barriers to access for disabled, D/deaf and blind/partially sighted visitors. Accessible modes of presentation and production are high on our list of investment, with our programme exploring best practice across the artforms.

Volunteers
Our volunteers are an incredibly important resource that we can call upon for stewarding of cinema and theatre performances and other events. We had to stand them down from duties as we closed, and they did not return during the financial year. We look forward to their return in 2021/22.

Community Garden
The efforts of our group of volunteer community gardeners continued during the year and is credited with improving the mental health of many of those engaging with its activities.

ACHIEVEMENTS AND PERFORMANCE AND PLANS FOR FUTURE PERIODS

Cinema
During closure we adapted our film offer and, with grant support funds from the BFI, established the Chapter Player where audiences could watch a curated programme of films and festivals for a nominal fee/often free.

During the summer of 2020 we worked with an outdoor events company Orchard to establish whether we could offer an outdoor drive-in cinema movie experience. After extensive discussions with Cardiff Airport, it was decided that the venture was financially too risky to undertake and so was shelved.

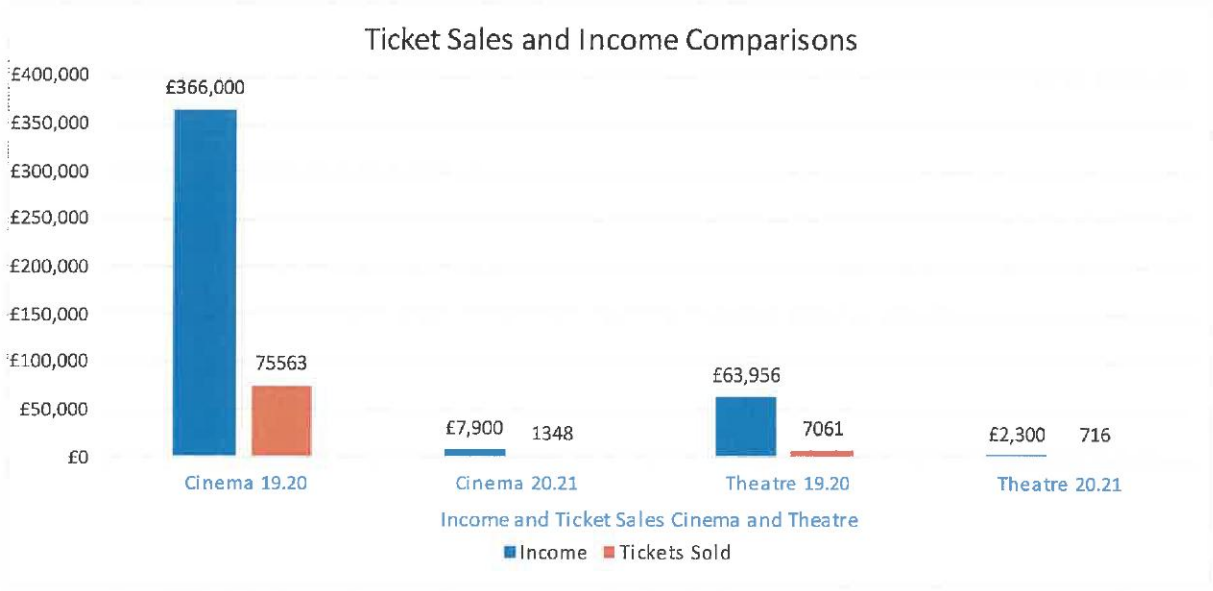
The important work of Film Hub Wales was recognised and a one-year extension to the programme was granted early in 2021 ensuring the projects continuation to March 2023. Early in 2021 Film Hub Wales was able to appoint its first Made in Wales Officer with the remit to promote film productions made in Wales to audiences across the nation. Radha Patel joined us on a one-year contract with support from Welsh Government's Creative Wales unit. We hope this role will be extended further.

Throughout the year our Cinema Programme Manager was in contact with distributors, agencies and film makers keeping up to date with product that was being prepared and lobbying for the industry to ensure its survival beyond the end of lockdown.

Performance

Our two Seligman Theatre spaces remained closed to the public for the whole of the year. However, they have been actively used by companies and artists working on R&D and rehearsals. The creation of work has therefore effectively continued. Groups that have used our spaces include Gwyn Emberton Dance, Hijinx, Music Theatre Wales and Dirty Protest.

During 2020 we were able to present some outdoor theatre performances for children in partnership with our resident company Theatr Iolo. Baby Bird and Bee and Hoof were both presented to sell-out performance runs.



Visual Arts

With our gallery closed Chapter has actively sought to engage in outreach work across the city. One example is the establishment of partnership between Chapter and Cardiff County Council to commission an artist to design a Pedestrian Crossing on Cowbridge Road close to Chapter. After an open call, a design submitted by Steffan Dafydd was awarded the commission, and this now sits with Cardiff County Council to undertake the required road improvement works.

Further artists commissions were undertaken throughout the financial year in recognition of the support so desperately needed for the artistic community.

The team continued to work with Artes Mundi in readiness for when the Biennale would be able to take place in person and virtually.

Throughout the year we kept abreast of relative developments in all the genres we work with to ensure that when we were able to open we could quickly resume a programme of exciting events and activities for our customers and audiences to engage with back in the building.

Creative Community

As we went into lockdown we had 38 companies and artists based in studios and office across our buildings. We actively supported these companies and individuals to ensure they could continue to work and trade. Our support has been recognised across the city and as a result we have had numerous requests from artists and companies to move into Chapter. At a time when many felt isolated and alone, Chapter extended its creative community and at the end of March 2021, 53 companies and artists were based at Chapter as we took the decision to convert space for hires and classes into working studios.

This has been a great achievement for Chapter and is enormously positive for the city as it recognises the importance of Chapter in supporting the creative industries but also the vibrancy of the sector itself.

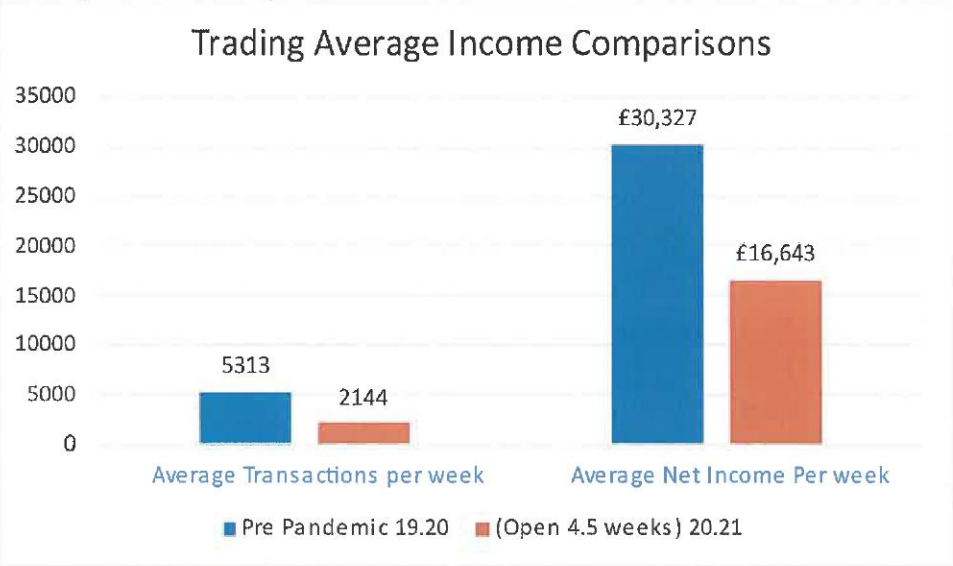
Our aim is to continue with our capital development plans that will see an increase in the provision of quality studios for the current creative community and those who wish to join us in the future.

Café Bar Trading Subsidiary

Chapter's Café Bar was able to trade for just a few weeks. During this a new format of service was established that introduced table service and the use of an ordering app to minimise personal contact. Whilst we were open the service was well supported and well received, however hospitality as an industry faced numerous challenges during the financial year and these have continued into 2021/22. These include customer hesitancy to return, cost increases, shortages of staff and the desire of many to leave the industry entirely.

As is to be expected the trading arm was not able to contribute to the charity during 2020/21 and returning the service to profitability will be a significant challenge for 2021/22 and beyond. Pre-Pandemic the trading arm was contributing between £250,000 – £300,000 a year.

In readiness for outdoor re-opening in April 2021, trading was able to buy a marquee for the front of the building to increase capacity outdoors.



Challenges

Going into 2021/22 the challenges facing Chapter are significant. The charity has been exceptionally successful in raising emergency support funds, but the reality is these funds from the public purse will not keep coming.

Chapter needs to trade once again in all its areas during 2021/22, but the big question mark will be "what is the appetite of customers and audiences to return?". The Chapter business model is very reliant on its trading activity as it receives just 18% of its annual turnover from ACW. There is no plan as such for this to change and the Investment Review, already postponed until 2023, may well need to be postponed further due to the challenges faced by the whole sector in Wales. Can a meaningful review be undertaken when doubt regarding sustainability is hanging over so many?

We took the decision to re-open as close to the pre-pandemic model as possible. We had to, as customers and audiences may well have roared back, we simply did not know. We will monitor the return of audiences. If the return is slow, it may be necessary for management and board to review its business model and adapt accordingly to whatever the new business realities are. As mentioned, one area of impact may well be the reduction in café bar trading profitability on the activities of the charity.



FINANCIAL REVIEW

The consolidated Statement of Financial Activities shows a net surplus in unrestricted funds after transfers of £696,848. This surplus has increased our unrestricted reserves from £62,938 at 31 March 2020 to £759,786 at 31 March 2021. This remains a significant achievement despite the effect of COVID.

This year we had little opportunity to earn income, so in comparison to previous years, we secured core grants representing, 35% of income, restricted grants (including Coronavirus Job Retention Scheme) representing 55% of income and earned income (ticket sales, rents and donations) equating to 10% of turnover.

The principal sources of Chapter's funding are shown in Note 3 and 4 to the Financial Statements.

Policy on reserves

The Trustees have reviewed and discussed Chapter's reserves position extensively in the recent past and have now agreed a reserves policy. This policy focuses on the building of unrestricted reserves as a basis for aiming towards a positive free reserves figure.

Going forward, the plan is to build unrestricted reserves over time and to work towards a free reserves position. The trustees suggest that the Charity should strive for free reserves, equivalent to 3 months overheads, so that should we be in an emergency, such as the COVID Pandemic again, then we have some funds to support its initial impact.

2017/18	Unrestricted funds	(£119k)
2018/19	Unrestricted funds	(£19k)
2019/20	Unrestricted funds	63k
2020/21	Unrestricted Funds	£759k

As we enter 2021/22 with COVID restrictions, it's unlikely that a growth in reserves will come from operational surpluses and we will still rely on emergency funding to support operational costs. Chapter's unrestricted reserves are mainly represented by fixed assets as can be seen in Note 24. Taking this into account, the 2021 free reserves position excluding long term liabilities is a negative £646,644.

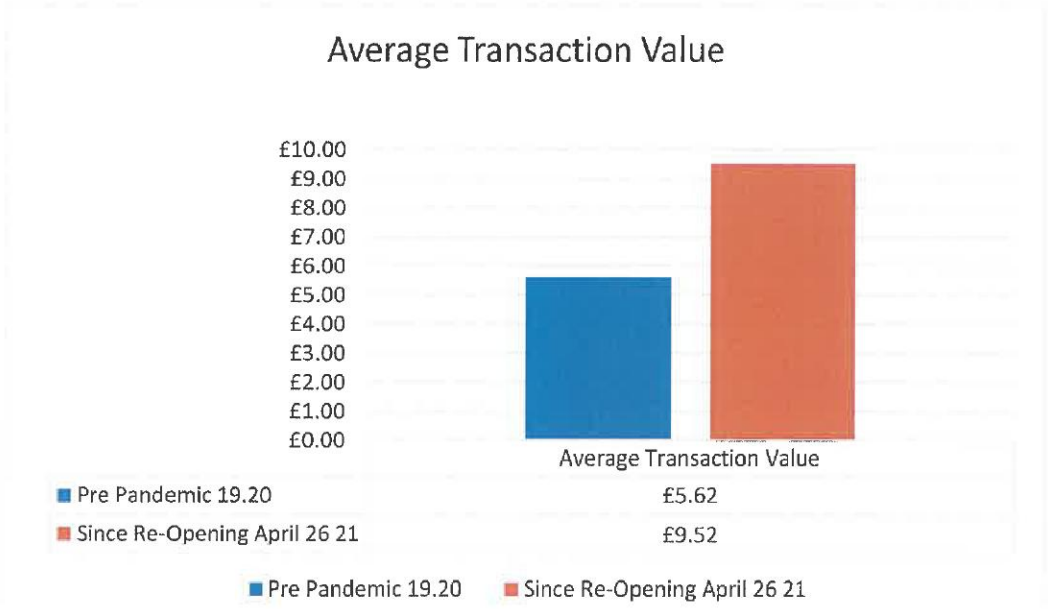
Unrestricted funds as of 31st March 2021:	£759,786
Less unrestricted fixed assets:	(£1,406,431)
Free reserves as at 31st March 2021:	**(£646,646)**

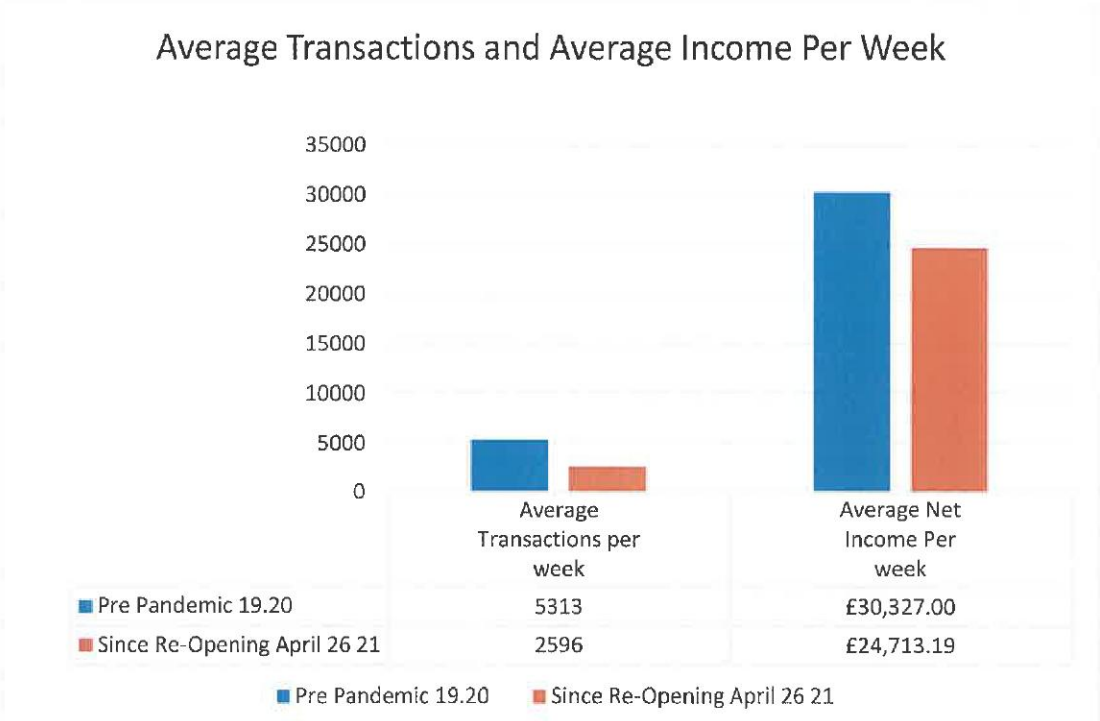
These unrestricted fixed assets are those assets the organisation needs to carry out its activities, such as land and buildings and are therefore not liquid and not available to us with ease.

The Trustees consider that the charity's current funding and finance arrangements are now sufficient to ensure that late receipt of grant income can be accommodated and that any material adverse change in circumstances can be accommodated due to the impact of COVID.

Chapter (Trading) Ltd

The trading subsidiary, which remained closed for most of the year due to the COVID pandemic made a loss of £80k. Since the café bar has been able to reopen (26 April 2021) trading has been steady and we are currently trading at about 80% of pre pandemic levels. Although this is aided somewhat, by VAT reduction to 5% (12.5% from October 2021) on about 50% of our income, we are buoyed by the number of people using Chapter and the average transaction value, as at mid-September 2021.


Average Transaction Value
£10.00
£9.00
£8.00
£7.00
£6.00
£5.00
£4.00
£3.00
£2.00
£1.00
£0.00
Average Transaction Value
Pre Pandemic 19.20
£5.62
Since Re-Opening April 26 21
£9.52
Pre Pandemic 19.20
Since Re-Opening April 26 21


Average Transactions and Average Income Per Week
35000
30000
25000
20000
15000
10000
5000
0
Average Transactions per week
Average Net Income Per week
Pre Pandemic 19.20
5313
£30,327.00
Since Re-Opening April 26 21
2596
£24,713.19
Pre Pandemic 19.20
Since Re-Opening April 26 21

Principal risks & uncertainties
Chapter's risk register is regularly reviewed via its subcommittee and Board. At the last review the following were the most pressing risks and thus flagged as 'red' in the risk register:

- Non-Equalities Act compliant lift
  The lift has been rebuilt, one small adaptation is still outstanding – announcements in the Welsh language.
- Income risk
  The ongoing impact of COVID clearly creates a significant risk to income going forward. It is impossible to gauge the appetite for audiences to return to see performances and screenings despite all the safety measures that are being implemented. Chapter's main sources of income (ticketing, café bar hospitality sales, conferences and meetings) have been largely decimated by COVID and will need to be rebuilt during 2021/22 and beyond.
- Cash flow risk
  This relates to the income risk above and is included due to the importance of cash flow to the organisation.
- Government policy/actions
  This is to recognise the uncontrollable forces that can affect our operations and strategy.
- *Non completion of the Chapter Capital Development*
- *Sustainability of the breadth of the Chapter arts programme.*

The principal risks that the charity faces relate to the uncertain nature of grant funding and the increased uncertainty of funding in the current economic and political climate, alongside the potential difficulty in the ability to earn our own income as COVID restrictions are lifted. Diversification of income streams is constantly under review and being developed to mitigate this.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Chapter Cardiff Limited is a registered charity and a limited company. It is governed by its Memorandum and Articles of Association.

Trustees are recruited by an open application process and interviewed and selected following a review of skills needed. Following appointment, trustees are invited to an introductory seminar to familiarise them with the organisation and with their responsibilities as trustees. A system of self-review triggers any further training.

Trustees serve on the main board and also on at least one of the sub-committees. They delegate the day to day running of the charity to the Chief Executive Officer (CEO) and the strategic management team. Decisions of policy and strategy are taken by the trustees in consultation with the CEO.

Board of Trustees
Our board were extremely supportive of the emergency decisions that management made to sustain the charity - such as the furlough of staff, the creation of a critical operations team of nine, and significant fundraising.

During the year two trustees, Emma del Torto and Cerys Furlong resigned due to needing to commit heavily to their respective businesses. At Christmas our Chair Elin Wyn, made it clear she would be stepping down in the autumn of 2021. At the start of 2021/22 two other trustees indicated they would be leaving in the autumn, Romy Johnson and Robert Andrews.

The decision was taken not to rush into recruitment but establish what the new needs of the charity would be post pandemic and grow from there. A task and finish Governance Committee chaired by trustee Ewan Hilton was established to oversee the recruitment of trustees and a new Chair. The work of this committee started in February 2021 with the commissioning of an external governance review by consultant Tamsin Stirling.

Tamsin's review encouraged the charity to broaden the diversity of the board as a way of reaching out to new communities and appoint a new Chair first. This advice was accepted and recruitment agency Acorn, who have been specialising in diversifying board memberships, were engaged to recruit a new Chair. After an intense recruitment process, Kami Lamakan, an Iranian-born, Bristol-based businessperson was appointed and formally took over the Chair position after the September 2021 Board meeting. We look forward to working with him.

The Trustees have determined that the key management personnel of the charity are the members of the Strategic Management Team. This team comprises:

Chief Executive Officer
Director of Programme and Deputy Director
Director of Fundraising and Operations
Director of Finance and Resources

In Autumn 2021, after 14 years with Chapter, Elaina Johnson took the decision to move onto a new opportunity with a Bristol-based children's charity. The charity is reviewing the staff structure and will be recruiting shortly.

Remuneration is set in accordance with Chapter's established pay structure which is kept under review by the Human Resources Sub-Committee. CEO remuneration is determined by a Remuneration Committee, comprising members of the Human Resources Sub-Committee and approved by the Board.

Co-operation with other organisations is an essential part of enabling Chapter to meet its charitable objectives. These include other arts organisations, voluntary sector groups, local authorities, public agencies, broadcasters and many professional associations.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Chapter (Cardiff) Limited
Company Registration Number	01005570
Charity Registration Number	500813
Registered Office	Chapter Arts Centre Market Road Canton Cardiff CF5 1QE
Trustees	Catrin Daniel Ewan Hilton Stephen Meade Romy Johnson – resigned 22/9/21 Elin Wyn – resigned 22/9/21 Alun Jones Villida Ramasut Robert Andrews – resigned 22/9/21 Benedict Borthwick Emma Del Torto – resigned 8/2/21 Cerys Furlong – resigned 23/9/20 Laurence Khan Kami Lamakan – appointed 22/9/21
Company Secretary	Sharon Stone
Key Management Personnel	A Eagle – Chief Executive E Johnson – Director, External Relations S Stone – Director, Finance and Resources H Firth – Director of Programme and Deputy Director K Parsons – Chapter Trading Limited
Principal Bankers	Lloyds Bank 514 Cowbridge Road East Cardiff CF5 1BL
Auditors	Azets Audit Services Chartered Accountants & Statutory Auditors Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB

Trustees responsibilities in relation to the financial statements

The trustees (who are also directors of Chapter (Cardiff) Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 maintaining proper accounting records which 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 the group 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on behalf of the Board

17-11-2021

Kami Lamakan
Chair

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Chapter (Cardiff) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2021, and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent 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 other information comprises the information included in the trustees annual report , other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 groups and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 an auditor's report 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA

Senior Statutory Auditor

For and on behalf of Azets Audit Services

Chartered Accountants & Statutory Auditors

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date 30-11-2021

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHAPTER (CARDIFF) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	3	**1,193,455**	**4,000**	**1,197,455**	767,748
Charitable activities	4	**673,647**	**1,285,457**	**1,959,104**	812,714
Other trading activities	5	**254,459**	**-**	**254,459**	1,986,524
Other	6	**9,459**	**-**	**9,459**	43,680
Total income and endowments		**2,131,020**	**1,289,457**	**3,420,477**	3,610,666
Expenditure on:					
Charitable activities	7	**1,570,867**	**813,759**	**2,384,626**	3,665,398
Total expenditure		**1,570,867**	**813,759**	**2,384,626**	3,665,398
Net income/(expenditure)	10	**560,153**	**475,698**	**1,035,851**	(54,732)
Transfers between funds	22,23	**136,695**	**(136,695)**	-	-
Net movement in funds		**696,848**	**339,003**	**1,035,851**	(54,732)
Reconciliation of Funds					
Total funds brought forward	22,23	**62,938**	**2,759,115**	**2,822,053**	2,876,785
Total funds carried forward	23,24	**759,786**	**3,098,118**	**3,857,904**	2,822,053

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

The notes on pages 25 to 57 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	3	**1,100,455**	**4,000**	**1,104,455**	767,748
Charitable activities	4	**673,647**	**937,968**	**1,611,615**	812,714
Other trading activities	5	**161,877**	-	**161,877**	374,768
Other	6	**9,459**	-	**9,459**	289,080
Total income and endowments		**1,945,438**	**941,968**	**2,887,406**	2,244,310
Expenditure on:					
Charitable activities	7	**1,305,027**	**466,270**	**1,771,297**	2,301,171
Total expenditure		**1,305,027**	**466,270**	**1,771,297**	2,301,171
Net income/(expenditure)	10	**640,411**	**475,698**	**1,116,109**	(56,861)
Transfers between funds	22,23	**136,695**	**(136,695)**	-	-
Net movement in funds		**777,106**	**339,003**	**1,116,109**	(56,861)
Reconciliation of Funds					
Total funds brought forward	22,23	**62,139**	**2,759,115**	**2,821,254**	2,878,115
Total funds carried forward	23,24	**839,245**	**3,098,118**	**3,937,363**	2,821,254

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

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

CHAPTER (CARDIFF) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	13		**4,101,483**		4,024,617
Current assets:					
Stocks	16	**12,254**		23,475	
Debtors	17	**157,225**		84,779	
Bank and cash balances		**535,764**		64,808	
		705,243		173,062	
Liabilities:					
Creditors: Amounts falling due within one year	18	**(228,406)**		(838,543)	
Net current assets/(liabilities)			**476,837**		(665,481)
Total assets less current liabilities			**4,578,320**		3,359,136
Creditors: Amounts falling due after more than one year	19		**(720,416)**		(537,083)
Net assets			**3,857,904**		2,822,053
The funds of the charity:					
Restricted income funds	22		**3,098,118**		2,759,115
Unrestricted income funds	23		**759,786**		62,938
Total charity funds	24		**3,857,904**		2,822,053

These financial statements were approved by the Board of Directors/Trustees on 17.11.2021

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Kami Lamakan - **Chair**
Company number 01005570

The notes on pages 25 to 57 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
BALANCE SHEET – CHARITY ONLY
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	13		**4,101,483**		4,024,617
Investment in subsidiary	14		**2**		2
			4,101,485		4,024,619
Current assets:					
Stocks	16	**1,872**		1,872	
Debtors	17	**84,554**		71,720	
Bank and cash balances		**510,636**		64,812	
		597,062		138,404	
Liabilities:					
Creditors: Amounts falling due within one year	18	**(204,100)**		(804,686)	
Net current assets/(liabilities)			**392,961**		(666,282)
Total assets less current liabilities			**4,494,446**		3,358,337
Creditors: Amounts falling due after more than one year	19		**(557,083)**		(537,083)
Net assets			**3,937,363**		2,821,254
The funds of the charity:					
Restricted income funds	22		**3,098,118**		2,759,115
Unrestricted income funds	23		**839,245**		62,139
Total charity funds	24		**3,937,363**		2,821,254

These financial statements were approved by the Board of Directors/Trustees on 17.11.2021

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Kami Lamakan - **Chair**
Company number 01005570

The notes on pages 25 to 57 form part of the financial statements

CHAPTER (CARDIFF) LIMITED
CASH FLOW STATEMENT - CONSOLIDATED
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		£	£
Net cash used in operating activities	28	**447,442**	(241,323)
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	**161,877**	357,326
Purchase of property plant and equipment	13	**(203,857)**	(54,805)
Net cash provided by investing activities		**(41,980)**	302,521
Cash flows from financing activities:			
Repayments of borrowing		**-**	(22,578)
New borrowing received		**220,000**	-
Net cash used in financing activities		**220,000**	(22,578)
Change in cash and cash equivalents in the reporting period		**625,462**	38,620
Cash and cash equivalents at the beginning of the reporting period		**(89,698)**	(128,318)
Cash and cash equivalents at the end of the reporting period	28	**535,764**	(89,698)

The notes on pages 25 to 57 form part of the financial statements

1. ACCOUNTING POLICIES

Legal form and address

Chapter (Cardiff) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Chapter Arts Centre, Market Road, Canton, Cardiff, CF5 1QE.

Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Group financial statements

These consolidated financial statements include the financial statements of Chapter (Cardiff) Limited (the charitable company) and Chapter Trading Limited its wholly owned trading subsidiary, made up to 31 March 2021.

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line-by-line basis.

Going concern

The group reported a net unrestricted inflow of £696,848 for the year and had negative free reserves at the year end. The charity and the group and are monitoring results on a frequent basis and the trustees are of the view that on this basis the charity and the group is a going concern and there are no material uncertainties about the charity and the group's ability to continue as a going concern.

The charity relies heavily on funding from Arts Council of Wales for its income. Should this source of income cease, it would have significant implications for the scale of operations of the charity. The trustees have prepared the financial statements on the going concern basis on the basis that grants from Arts Council of Wales will continue to be forthcoming in the future.

The trustees are closely monitoring the charity's performance against forecasts and budgets and consider that the company will produce a surplus for the year to 31 March 2022. Future plans and forecasts for the charity aim to further increase the charity's unrestricted reserves.

1. **ACCOUNTING POLICIES (continued)**

Fund accounting
The charity has various types of funds for which it is responsible, and which require further disclosure. These are as follows:

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. In addition to expenditure on the principal activities of the charity these funds can be held in order to fund capital expenditure.

Restricted funds are earmarked by the donor for specific purposes. Grant income received to fund capital expenditure is held in restricted reserves. The balance is transferred to unrestricted reserves in future years at the same rates as to match the depreciation charges of the related assets.

Revenue funds restricted by the donor are matched against expenditure as appropriate.

Income recognition
All incoming resources are classified under activity headings that aggregate all income related to that category.

- Donations and legacies relate to income from general donations, unrestricted grants, membership and sponsorship income.
- Incoming resources from charitable activities are those derived from the art forms as well as project and grant funding.
- Other trading activities relate to facilities, property and gallery shop income.
- Other income relates to sundry items and the management charge to its trading subsidiaries.

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Grants received to fund capital expenditure are recognised in the Statement of Financial Activities in the year of receipt and held in restricted reserves. The balance in restricted reserves is released in future years at the same rate so as to match the depreciation of the related asset. Once the restriction has been met the funds are transferred to unrestricted reserves.

Membership and subscriptions income is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

1. **ACCOUNTING POLICIES (continued)**

Income earned from the arts and art forms is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Facilities and property income consists of the invoiced value (excluding VAT) of goods sold/supplied to third parties and members. This is recognised in the period in which the service was provided. The management fees in other income are invoiced quarterly and recognised in the period to which the service was provided.

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

Trading subsidiary income is recognised when the service or goods are provided.

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

- Charitable activities include expenditure associated with all of the arts and other activities to further the objects of the charity.
- Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements.
- Support costs are those costs that have not been directly allocated to an activity of the charity but nevertheless support those activities. These costs have been allocated between the cost categories on a basis consistent with the use of resources.

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

Grants payable are payments made to third parties in furtherance of the charitable objects of the company. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attached to the grant is outside the control of the company.

Netting off of income against expenditure
It is not the policy of the charitable company to show incoming resources net of expenditure.

Taxation
As a registered charity Chapter (Cardiff) Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Fixed assets and depreciation
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses or in cases where fixed assets have been donated to the charity, at valuation at time of acquisition.

1. ACCOUNTING POLICIES (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	0% straight line
Freehold buildings	2% straight line and 20% straight line
Leasehold buildings	Over 125 years
Fixtures and fittings	10% straight line and 20% straight line
Improvements to leasehold buildings	1% straight line & 10% straight line

Assets are capitalised at cost.

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

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost less provision for impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving. Stocks relate to café and bar items and are independently valued by an external stock taker.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

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

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

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

1. ACCOUNTING POLICIES (continued)

Operating leases
The charity classifies the lease of a photocopier and lease of Market House as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

Company status
The charity is a company limited by guarantee. The members of the company are the Board of Trustees named in the trustees report.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. INCOME FROM DONATIONS AND LEGACIES

Group	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations*	**93,207**	**4,000**	**97,207**	61,527
Grants	**1,097,465**	-	**1,097,465**	663,441
Membership	**2,783**	-	**2,783**	21,380
Sponsorship	-	-	-	21,400
	1,193,455	**4,000**	**1,197,455**	767,748
Grants were received from the following:				
Arts Council of Wales – Core Grant Funding	**664,620**	-	**664,620**	657,391
Arts Council of Wales – Stabilisation	**175,000**	-	**175,000**	-
BFI Midlands	-	-	-	550
BFI Midlands Cinema	-	-	-	2,500
BFI Organisation awards	**45,000**	-	**45,000**	-
Cardiff Council	**35,000**	-	**35,000**	-
Film Hub for Cinema	-	-	-	3,000
Welsh Government Resilience	**177,845**	-	**177,845**	-
	1,097,465	-	**1,097,465**	663,441

3. INCOME FROM DONATIONS AND LEGACIES (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations*	**93,207**	**4,000**	**97,207**	61,527
Grants	**1,004,465**	**-**	**1,004,465**	663,441
Membership	**2,783**	**-**	**2,783**	21,380
Sponsorship	**-**	**-**	**-**	21,400
	1,100,455	**4,000**	**1,104,455**	767,748
Grants were received from the following:				
Arts Council of Wales – Core Grant Funding	**664,620**	**-**	**664,620**	657,391
Arts Council of Wales – Stabilisation	**175,000**	**-**	**175,000**	-
BFI Midlands	**-**	**-**	**-**	550
BFI Midlands Cinema	**-**	**-**	**-**	2,500
BFI Organisation awards	**45,000**	**-**	**45,000**	-
Cardiff Council	**20,000**	**-**	**20,000**	-
Film Hub for Cinema	**-**	**-**	**-**	3,000
Welsh Government Resilience	**99,845**	**-**	**99,845**	-
	1,004,465	**-**	**1,004,465**	663,441

* Included in donations is £30,000 from the Moondance Foundation (2020: £30,000).

4. INCOME FROM CHARITABLE ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
BFI	**-**	**8,900**	**8,900**	950
Cinema	**9,306**	**-**	**9,306**	367,279
Film education	**2,083**	**-**	**2,083**	6,735
Grants	**659,970**	**1,276,557**	**1,936,527**	390,749
Events	**-**	**-**	**-**	2,794
Theatre	**2,288**	**-**	**2,288**	44,207
	673,647	**1,285,457**	**1,959,104**	812,714

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Group

Grants were received from the following:

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Project funding:				
Art fund	-	**36,000**	**36,000**	1,500
Arts & Business – Culture Step	-	-	-	750
Arts Council of Wales – Cultural Recovery Fund	**558,993**	-	**558,993**	-
Arts Council of Wales – Experimentica	-	**15,727**	**15,727**	-
Arts Council of Wales – Peilot	-	-	-	9,000
Arts Council of Wales – Resilience	-	**1,208**	**1,208**	-
Arts Council Wales – Karen Turner	-	-	-	15,302
Ashley foundation	-	**5,000**	**5,000**	-
BFI Organisation Award	-	-	-	60,000
British Council – Travel	-	-	-	1,900
British Council- Canada AE Travel	-	-	-	4,400
British Film Industry Hub	-	**248,443**	**248,443**	210,000
British Film Industry Hub – Clwster	-	**2,000**	**2,000**	8,000
British Film Industry Hub – Diversity	-	**45,000**	**45,000**	45,000
British Film Industry Hub – Education Feasibility	-	-	-	2,400
British Film Industry Hub - Midlands	-	**1,500**	**1,500**	-
British Film Industry Hub – Sharing Together	-	**200**	**200**	1,800
Cardiff Council – Road Crossing	-	**1,500**	**1,500**	-
Creu Cymru	-	**1,000**	**1,000**	-
Darkley Trust	-	-	-	4,080
Ffilm Cymru	-	**14,800**	**14,800**	5,000
Ffilm Cymru Connector Fund	-	-	-	1,100
Foyle Foundation	-	**30,000**	**30,000**	-
Garfield Weston	-	**75,000**	**75,000**	-
Henry Moore Foundation	-	**4,000**	**4,000**	2,000
HMRC Job Retention Scheme	-	**604,954**	**604,954**	-
Moondance Foundation	**90,977**	-	**90,977**	-
PRSF – Music Tour Ireland	-	-	-	6,500
Rayne	-	-	-	9,017
Simon Gibson Trust	**10,000**	-	**10,000**	3,000
Theatre's Trust	-	**5,000**	**5,000**	-
WCVA – Third Sector Resilience Fund	-	**60,000**	**60,000**	-
Capital:				-
Arts Council Wales – Café Bar	-	**104,197**	**104,197**	-
Arts Council of Wales – Cultural Recovery Fund	-	**21,028**	**21,028**	-
	659,970	**1,276,557**	**1,936,527**	390,749

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
BFI	-	8,900	8,900	950
Cinema	9,306	-	9,306	367,279
Film education	2,083	-	2,083	6,735
Grants	659,970	929,068	1,589,038	390,749
Events	-	-	-	2,794
Theatre	2,288	-	2,288	44,207
	673,647	937,968	1,611,615	812,714

Charity

Grants were received from the following:

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Project funding:				
Art fund	-	36,000	36,000	1,500
Arts & Business – Culture Step	-	-	-	750
Arts Council of Wales – Cultural Recovery Fund	558,993	-	558,993	-
Arts Council of Wales – Experimentica	-	15,727	15,727	-
Arts Council of Wales – Peilot	-	-	-	9,000
Arts Council of Wales – Resilience	-	1,208	1,208	-
Arts Council Wales – Karen Turner	-	-	-	15,302
Ashley foundation	-	5,000	5,000	-
BFI Organisation Award	-	-	-	60,000
British Council – Travel	-	-	-	1,900
British Council- Canada AE Travel	-	-	-	4,400
British Film Industry Hub	-	248,443	248,443	210,000
British Film Industry Hub – Clwster	-	2,000	2,000	8,000
British Film Industry Hub – Diversity	-	45,000	45,000	45,000
British Film Industry Hub – Education Feasibility	-	-	-	2,400
British Film Industry Hub - Midlands	-	1,500	1,500	-
British Film Industry Hub – Sharing Together	-	200	200	1,800
Cardiff Council – Road Crossing	-	1,500	1,500	-
Creu Cymru	-	1,000	1,000	-
Darkley Trust	-	-	-	4,080
Ffilm Cymru	-	14,800	14,800	5,000
Ffilm Cymru Connector Fund	-	-	-	1,100

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Grants were received from the following:

Charity (continued)	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Foyle Foundation	-	30,000	30,000	-
Garfield Weston	-	75,000	75,000	-
Henry Moore Foundation	-	4,000	4,000	2,000
HMRC Job Retention Scheme	-	257,465	257,465	-
Moondance Foundation	90,977	-	90,977	-
PRSF – Music Tour Ireland	-	-	-	6,500
Rayne	-	-	-	9,017
Simon Gibson Trust	10,000	-	10,000	3,000
Theatre's Trust	-	5,000	5,000	-
WCVA – Third Sector Resilience Fund	-	60,000	60,000	-
Capital:				-
Arts Council Wales – Café Bar	-	104,197	104,197	-
Arts Council of Wales – Cultural Recovery Fund	-	21,028	21,028	-
	659,970	929,068	1,589,038	390,749

5. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Facilities and property income	**161,877**		**161,877**	357,326
Gallery shop	**-**	**-**	**-**	17,442
Trading subsidiaries	**92,582**	**-**	**92,582**	1,611,756
	254,459	**-**	**254,459**	1,986,524
Charity				
Facilities and property income	**161,877**	**-**	**161,877**	357,326
Gallery shop	-	-	-	17,442
	161,877	**-**	**161,877**	374,768

6. INCOME FROM OTHER SOURCES

Group	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Other income	**2,470**	**-**	**2,470**	16,680
Insurance	**6,989**	**-**	**6,989**	27,000
	9,459	**-**	**9,459**	43,680
Charity				
Management charges	-	-	-	245,400
Other income	**2,470**	**-**	**2,470**	16,680
Insurance	**6,989**	**-**	**6,989**	27,000
	9,459	**-**	**9,459**	289,080

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Direct £	Grants payable £	Support £	Governance	Total 2021 £	Total 2020 £
Audit fees	-	-	-	7,050	7,050	6,859
Bad debts	4,529	-	-	-	4,529	1,000
BFI project costs	16,684	160,593	-	-	177,277	132,010
Cinema distributors payments	5,520	-	-	-	5,520	172,786
Cleaning	12,512	-	-	-	12,512	65,106
Credit card charges	80	-	-	-	80	710
Depreciation	126,990	-	-	-	126,990	127,997
Electricity	31,189	-	-	-	31,189	75,139
Equipment repairs	9,750	-	-	-	9,750	15,652
Event costs	-	-	-	-	-	177
Gallery production costs	16,791	-	-	-	16,791	61,257
Gas	14,903	-	-	-	14,903	24,862
Health & safety, security	6,463	-	-	-	6,463	4,976
Insurances	26,619	-	-	-	26,619	23,252
Interest & charges	25,233	-	-	-	25,233	47,904
Irrecoverable VAT	1,144	-	-	-	1,144	1,570
IT support costs	5,902	-	5,902	-	11,804	9,268
Professional & Legal fees	54,038	-	-	-	54,038	33,484
Licences	27,755	-	-	-	27,755	30,872
Maintenance	56,579	-	-	-	56,579	28,430
Marketing, press, PR	4,159	-	-	-	4,159	67,896
Other direct costs	14,488	-	-	-	14,488	76,279
Photocopying	2,787	-	2,787	-	5,574	7,324
Postage	980	-	-	-	980	1,810
Rates	5,810	-	-	-	5,810	15,833
Refuse collection	2,069	-	-	-	2,069	4,428
Rent	1,222	-	-	-	1,222	1,550
Stationery	995	-	-	-	995	1,712
Subscriptions	4,085	-	-	-	4,085	2,919
Sundries	-	-	1,041	-	1,041	3,538
Telephone/fax	9,156	-	-	-	9,156	11,350
Theatre productions and producer's payments	3,144	-	-	-	3,144	46,043
Training	2,420	-	2,420	-	4,840	1,971
Travel	363	-	-	-	363	7,917
Wages and salaries	1,090,949	-	-	-	1,090,949	1,173,256
Water charges	6,195	-	-	-	6,195	14,034
	1,591,503	160,593	12,150	7,050	1,771,296	2,301,171
Trading subsidiaries	613,330	-	-	-	613,330	1,364,227
	2,204,833	160,593	12,150	7,050	2,384,626	3,665,398

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Charity	Direct £	Grants payable £	Support £	Governance	Total 2021 £	Total 2020 £
Audit fees	-	-	-	7,050	7,050	6,859
Bad debts	4,529	-	-	-	4,529	1,000
BFI project costs	16,684	160,593	-	-	177,277	132,010
Cinema distributors payments	5,520	-	-	-	5,520	172,786
Cleaning	12,512	-	-	-	12,512	65,106
Credit card charges	80	-	-	-	80	710
Depreciation	126,990	-	-	-	126,990	127,997
Electricity	31,189	-	-	-	31,189	75,139
Event costs	9,750	-	-	-	9,750	15,652
Equipment repairs	-	-	-	-	-	177
Gallery production costs	16,791	-	-	-	16,791	61,257
Gas	14,903	-	-	-	14,903	24,862
Health & safety, security	6,463	-	-	-	6,463	4,976
Insurances	26,619	-	-	-	26,619	23,252
Interest & charges	25,233	-	-	-	25,233	47,904
Irrecoverable VAT	1,144	-	-	-	1,144	1,570
IT support costs	5,902	-	5,902	-	11,804	9,268
Professional fees	54,038	-	-	-	54,038	33,484
Licences	27,755	-	-	-	27,755	30,872
Maintenance	56,579	-	-	-	56,579	28,430
Marketing, press, PR	4,159	-	-	-	4,159	67,896
Other direct costs	14,489	-	-	-	14,489	76,279
Photocopying	2,787	-	2,787	-	5,574	7,324
Postage	980	-	-	-	980	1,810
Rates	5,810	-	-	-	5,810	15,833
Refuse collection	2,069	-	-	-	2,069	4,428
Rent	1,222	-	-	-	1,222	1,550
Stationery	995	-	-	-	995	1,712
Subscriptions	4,085	-	-	-	4,085	2,919
Sundries	-	-	1,041	-	1,041	3,538
Telephone/fax	9,156	-	-	-	9,156	11,350
Theatre productions and producers payments	3,144	-	-	-	3,144	46,043
Training	2,420	-	2,420	-	4,841	1,971
Travel	363	-	-	-	363	7,917
Wages and salaries	1,090,949	-	-	-	1090,949	1,173,256
Water charges	6,195	-	-	-	6,195	14,034
	1,591,504	160,593	12,150	7,050	1,771,297	2,301,171

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Contained in the above is grants payable by the charity totalling £160,593. These can be split into the following categories:

	Grants to Institutions £
COVID-19 Resilience	**97,141**
Strategic Network Award	**11,500**
Film Exhibition Fund	**51,952**
	160,593

During the year the charity provided 21 institutions with grants ranging from £600 to £10,050. Details of grants payable can be found in the trustees report and on the group's website.

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	Total 2021 £	Total 2020 £
Group		
Wages and salaries	**1,452,607**	1,656,739
Social security costs	**99,491**	99,278
Employers pension	**27,442**	32,534
Redundancy costs	**32,966**	393
	1,612,506	1,788,944
Charity		
Wages and salaries	**964,286**	1,069,603
Social security costs	**73,959**	80,490
Employers pension	**19,738**	22,770
Redundancy costs	**32,966**	393
	1,090,949	1,173,256

During 2020/21 there was 1 (2020: 1) employee who received employee benefits over £60,000. The employee received employee benefits ranging between £60,000-£70,000. Pension contributions for the individual totalled £2,503 (2020: £7,953).

The total amount of employee benefits received by key management personnel for their services to the group during the year totalled £279,033 (2020: £285,271).

The total amount of employee benefits received by key management personnel for their services to the charity during the year totalled £237,388 (2020: £225,258).

Included in the group wages and salaries above were termination and redundancy payments totalling £32,966 (2020: £393). There were no amounts outstanding at the current and prior year end.

No trustee received remuneration during the year (2020: £nil). No trustee was reimbursed for expenses (2020: one trustee was reimbursed totalling £1,017 for travel expenses).

9. STAFF NUMBERS

	2021 No	2020 No
Group		
Average number of people employed by the group	**80**	110
Charity		
Average number of people employed by the charity	**49**	58

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Rentals under operating leases	**14,754**	21,519	**14,754**	10,876
Depreciation	**126,991**	127,997	**126,991**	127,997
Auditors remuneration:				
Audit fees	**8,450**	7,100	**5,050**	4,500
Accountancy services	**1,500**	1,500	**750**	750

11. TAXATION – GROUP AND CHARITY

As a registered charity, Chapter (Cardiff) Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

The subsidiary, Chapter Trading Limited, had no corporation tax charges for the period.

12. INTEREST PAYABLE – GROUP AND CHARITY

Interest payable and similar charges relates to interest on bank loans and overdraft facilities.

	Total	Total
	2021	2020
	£	£
Bank loan interest	**18,410**	28,682

13. TANGIBLE FIXED ASSETS

Group & Charity	Freehold land and buildings £	Improve-ments to leasehold buildings £	Leasehold buildings £	Fixtures & fittings £	Total £
Cost					
At 1 April 2020	**562,000**	**4,095,551**	**879,000**	**1,028,241**	**6,564,792**
Additions in year	**-**	**189,106**	**-**	**14,751**	**203,857**
At 31 March 2021	**562,000**	**4,284,657**	**879,000**	**1,042,992**	**6,768,649**
Depreciation					
At 1 April 2020	**276,228**	**583,284**	**659,581**	**1,021,082**	**2,540,175**
Charge for year	**11,120**	**95,151**	**1,828**	**18,892**	**126,991**
At 31 March 2021	**287,348**	**678,435**	**661,409**	**1,039,974**	**2,667,166**
Net book value					
At 31 March 2021	**274,652**	**3,606,222**	**217,591**	**3,018**	**4,101,483**
At 31 March 2020	285,772	3,512,267	219,419	7,159	4,024,617

A recent valuation of the freehold land and buildings for the purpose of the bank security arrangement has satisfied the trustees that the market value is well in excess of the carrying book value. The trustees exercise their right to continue valuation of the property under cost less accumulated depreciation.

The Arts Council of Wales holds a legal charge over the leasehold property as a condition of their grant funding, the carrying value of the assets as at 31 March 2021 totalled £218,173 (2020: £220,001).

The bank loan is secured on the freehold land and buildings, the carrying value of the assets as at 31 March 2021 totalled £274,652 (2020: £285,772). The bank overdraft is secured against a second legal charge over the freehold land and buildings, the carrying value of the assets as at 31 March 2021 totalled £274,652 (2020: £285,772).

The leasehold building above is being depreciated over the term of the lease of 125 years. The carrying value of building as at 31 March 2021 totalled £218,173 (2020: £220,001).

14. INVESTMENTS

Charity	Investments in group undertakings £
Cost as at 31 March 2020	**2**
Cost as at 31 March 2021	**2**

15. TRADING SUBSIDIARY

Chapter Trading Limited:

The company owns 100% of the issued ordinary share capital of Chapter Trading Limited, a company incorporated on the 1 March 2007 in England and Wales, company number 06133709. The registered office of the company is the same as the charity. The principal activity of the company is the operation of the caffi bar at Chapter. The results of the company have been consolidated into the group accounts.

The results of the company for the year ended 31 March 2021 can be found below:

	Total 2021 £	Total 2020 £
Turnover	**80,200**	1,529,910
Cost of sales and administration costs	**(615,691)**	(1,366,326)
Operating profit	**(535,491)**	163,584
Management charge paid to Chapter (Cardiff) Limited	**-**	(245,400)
	(535,491)	(81,816)
Other income	**455,232**	81,845
(Loss)/profit for the year	**(80,259)**	29
Assets and liabilities:		
Total assets	**140,284**	174,466
Total liabilities	**(219,738)**	(173,661)
Aggregate share capital and reserves	**(79,454)**	805

Statement of changes in equity

	Share capital £	**Profit and loss reserve £**	**2020 Total £**
Balance at 1 April 2020	**2**	**803**	**805**
Year ended 31 March 2021			
(Loss) and total comprehensive income for the year	**-**	**(80,259)**	**(80,259)**
Balance at 31 March 2021	**2**	**(79,456)**	**(79,454)**

16. STOCKS

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Caffi bar	**10,382**	21,603	**-**	-
Shop	**1,872**	1,872	**1,872**	1,872
	12,254	23,475	**1,872**	1,872

17. DEBTORS

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade debtors	**37,381**	58,129	**9,147**	57,759
Prepayments and accrued income	**102,256**	13,961	**63,256**	13,961
Other debtors	**17,588**	12,689	**12,151**	-
	157,225	84,779	**84,554**	71,720

18. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loan and overdraft	**59,246**	177,085	**22,579**	157,226
Trade creditors	**54,998**	336,192	**49,566**	259,893
Amounts due to subsidiary company undertakings	**-**	-	**32,099**	139,804
Taxation and social security	**25,748**	54,456	**19,061**	40,183
Other creditors	**15,676**	92,383	**12,207**	40,487
Accruals and deferred income	**72,738**	178,427	**68,588**	167,093
	228,406	838,543	**204,100**	804,686

Included within accruals and deferred income above is the following deferred income:

	2021	2020
	£	£
Ticket sales	**3,062**	5,689
Sponsorship and events	**-**	3,050
Project income	**-**	131,752
Rent	**-**	4,373
	3,062	144,864

The deferred income relates to invoices raised in advance of service delivery and performances.

The movement in deferred income can be seen below:

	2021	2020
	£	£
Balance brought forward	**144,864**	231,281
Income received	**1,715,624**	999,507
Income released	**(1,857,426)**	(1,085,924)
Balance carried forward	**3,062**	144,864

19. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loan	**537,083**	537,083	**537,083**	537,083
CBILS	**163,333**	-	**-**	-
WCVA	**20,000**	-	**20,000**	-
	720,416	537,083	**557,083**	537,083

The bank loan provides additional working capital and will be fully repaid over 15 years at a rate of interest of 4.35% per annum for the first three years, followed by a revised rate communicated by the bank at the end of the fixed term.

CBILS loan obtained by Chapter Trading during the year to provide additional working capital. No repayments are due within the first 7 months of the loan being issued and the first repayment date will be made 7 months after the date of drawdown (May 2021). The term of the loan is 5 years with interest charged at 3.49%.

A loan amount of £20,000 was received in March 2021 from WCVA with interest payable after 24 months at a rate of 3%. A payment plan is yet to be arranged; this will be set at the end of the first 24 months.

20. BORROWING

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loan	**559,662**	560,627	**559,662**	560,627
CBILS loan	**200,000**	-	**-**	-
WCVA	**20,000**	-	**20,000**	
	779,662	560,627	**579,662**	560,627
Less amounts falling due within one year	**(59,246)**	(23,544)	**(22,579)**	(23,544)
	720,416	537,083	**557,083**	537,083

20. BORROWING (CONTINUED)

Repayable by instalments

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Within one year	**59,246**	2,259	**22,579**	22,579
Between 2 and 5 years	**142,667**	86,000	**106,000**	86,000
After 5 years	**577,749**	452,048	**451,083**	452,048

The bank loan is secured on the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE. The bank overdraft is secured against a second legal charge over the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE and an unlimited debenture incorporating a fixed and floating charge. The property has a carrying value of £274,652 (2020: £285,772).

21. OPERATING LEASES – GROUP AND CHARITY

	Land & Buildings		Other	
	2021	2020	**2021**	2020
	£	£	**£**	£
Falling due:				
1-2 years	**1**	1	**14,753**	10,875
2-5 years	**4**	4	**2,336**	11,513
>5 years	**115**	110	**-**	
	120	115	**17,089**	22,388

22. RESTRICTED FUNDS

Group	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Capital Grants:					
Arts Council of Wales – Cultural Recovery Fund	-	21,028	(21,028)	-	-
Chapter Building	2,583,457	104,197	111,595	(104,197)	2,695,052
Cardiff County Council	3,251	-	-	(3,251)	-
SEWTA	1,009	-	-	(1,009)	-
Scottish Power	4,925	-	-	(4,925)	-
Waterloo Foundation	4,378	-	-	(4,378)	-
	2,597,020	125,225	90,567	(117,760)	2,695,052
Revenue and Project Grants:					
Art fund	-	36,000	-	-	36,000
Art Fund - Save Our Sculpture	3,767	-	(3,285)	-	482
Arts Council of Wales – Experimentica	-	15,727	-	-	15,727
Arts Council of Wales – Resilience	-	1,208	(1,208)	-	-
Ashley Foundation	-	5,000	-	-	5,000
BFI Film Education Feasibility Grant	2,171	-	-	-	2,171
British Film Industry - Film Hub Wales	63,367	257,343	(249,029)	(16,000)	55,681
British Film Industry Hub – Anim18	1,348	-	(144)	-	1,204
British Film Industry Hub – Clwster	3,086	2,000	(4,908)	-	178
British Film Industry Hub – Diversity	10,196	45,000	(30,610)	(3,000)	21,586
British Film Industry Hub – Film Fees	-	1,500	(675)	-	825
British Film Industry Hub – Sharing Together	462	200	-	65	727
Cardiff Council – Road Crossing	-	1,500	(1,500)	-	-
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Creu Cymru	-	1,000	(1,000)	-	-
Darkley Trust	2,165	-	(400)	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	-	9,800	-	-	9,800
Ffilm Cymru – Young Programmers	11,793	5,000	-	-	16,793
Film Cymru – Connector Fund	1,100	-	(835)	-	265
Foyle Foundation	-	30,000	-	-	30,000
Garfield Weston Foundation	-	75,000	-	-	75,000
Henry Moore Foundation	3,000	4,000	-	-	7,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	604,954	(604,954)	-	-
Lightbox	-	4,000	-	-	4,000
PRSF	6,500	-	-	-	6,500
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	-	5,000	-	-	5,000
WCVA – Third Sector Resilience Fund	-	60,000	-	-	60,000
Welsh government Made in Wales	-	-	(5,778)	-	5,778
	162,095	1,164,232	(904,326)	(18,935)	403,066
	2,759,115	1,289,457	(813,759)	(136,695)	3,098,118

22. RESTRICTED FUNDS (continued)

Charity	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Capital Grants:					
Arts Council of Wales – Cultural Recovery Fund	-	21,028	(21,028)	-	-
Chapter Building	2,583,457	104,197	111,595	(104,197)	2,695,052
Cardiff County Council	3,251	-	-	(3,251)	-
SEWTA	1,009	-	-	(1,009)	-
Scottish Power	4,925	-	-	(4,925)	-
Waterloo Foundation	4,378	-	-	(4,378)	-
	2,597,020	125,225	90,567	(117,760)	2,695,052
Revenue and Project Grants:					
Art fund	-	36,000	-	-	36,000
Art Fund - Save Our Sculpture	3,767	-	(3,285)	-	482
Arts Council of Wales – Experimentica	-	15,727	-	-	15,727
Arts Council of Wales – Resilience	-	1,208	(1,208)	-	-
Ashley Foundation	-	5,000	-	-	5,000
BFI Film Education Feasibility Grant	2171	-	-	-	2,171
British Film Industry - Film Hub Wales	63,367	257,343	(249,029)	(16,000)	55,681
British Film Industry Hub – Anim18	1,348	-	(144)	-	1,204
British Film Industry Hub – Clwster	3,086	2,000	(4,908)	-	178
British Film Industry Hub – Diversity	10,196	45,000	(30,610)	(3,000)	21,586
British Film Industry Hub – Film Fees	-	1,500	(675)	-	825
British Film Industry Hub – Sharing Together	462	200	-	65	727
Cardiff Council – Road Crossing	-	1,500	(1,500)	-	-
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Creu Cymru	-	1,000	(1,000)	-	-
Darkley Trust	2,165	-	(400)	-	1,765
Dunhill Medical Foundation	13,431	-	-	-	13,431
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Reopening	-	9,800	-	-	9,800
Ffilm Cymru – Young Programmers	11,793	5,000	-	-	16,793
Film Cymru – Connector Fund	1,100	-	(835)	-	265
Foyle Foundation	-	30,000	-	-	30,000
Garfield Weston Foundation	-	75,000	-	-	75,000
Henry Moore Foundation	3,000	4,000	-	-	7,000
Henry Moore Foundation – Garth Evans	2,000	-	-	-	2,000
HMRC Coronavirus Job Retention Scheme	-	257,465	(257,465)	-	-
Lightbox	-	4,000	-	-	4,000
PRSF	6,500	-	-	-	6,500
Rayne Foundation	20,059	-	-	-	20,059
Theatre Trust	-	5,000	-	-	5,000
WCVA – Third Sector Resilience Fund	-	60,000	-	-	60,000
Welsh government Made in Wales	-	-	(5,778)	-	5,778
	162,095	816,743	(556,837)	(18,935)	403,066
	2,759,115	941,968	(466,270)	(136,695)	3,098,118

22. RESTRICTED FUNDS (continued)

Transfers above relate to contributions from restricted funds to the charity's overheads and to transfer funds in relation to capital expenditure when the restriction has been satisfied.

Capital Grants:
Relates to funding received to purchase and refurbish the Chapter building and various equipment.

Revenue Grant:

Art Fund
To support gallery events in 2021/22.

Art Fund - Save Our Sculpture
Fundraising campaign with the Art Fund and Chapter donors to restore a Garth Evans sculpture, returning it to Cardiff to exhibit in the city centre and ultimately find it a new home in Wales.

Arts Council of Wales - Experimenta
Relates to funding received to support the 2021 Experimentica event.

Arts Council of Wales - Resilience
Relates to funding received to support the feasibility study.

Ashley Foundation
To support film education activity 2021.

BFI Film Education Feasibility Grant
To facilitate the research for a larger grant to support the education and outreach programme of activity.

British Film Industry - Film Hub Wales
For film hub core programme of activity.

British Film Industry Hub - Anim18
Grant to support a UK wide season celebrating British Animation.

British Film Industry Hub - Clwster
To research and develop the potential of promoting Welsh Stories to audiences across Wales.

British Film Industry Hub - Diversity
BFI Grant to support Film Hub Wales and the Film Audience Network partners to deliver a UK wide inclusive cinema strategy for audiences with additional needs, including training, resource development and central coordination.

British Film Industry Hub- Film Feels
To invest in online actvity , Chapter programme.

British Film Industry Hub - Sharing Together
To complete BFI Sharing Together Project.

Cardiff Council - Road Crossing
Competition to design road crossing, Cowbridge Road East as part of regeneration work.

22. RESTRICTED FUNDS (continued)

Cardiff University
To support Chapter's Dementia work.

Contemporary Art
Contemporary Art Contribution to Chapter at the Wales In Venice Biennale.

Creu Cymru
To support artist involvement in gallery exhibition.

Darkley Trust
To support Chapter's education and outreach work.

Dunhill Medical Foundation
To support the work of Chapter's Dementia film programme.

Ewart Parkinson Award
Ewart Parkinson award to support film education programme.

Ffilm Cymru - Reopening
Funding received to support the cinema.

Ffilm Cymru - Young Programmers
Funding for Young Programmers.

Ffilm Cymru - Connector Fund
Film Agency Wales Project to promote new audiences.

Foyle Foundation
To suport core programme.

Garfield Weston Foundation
To support activity.

Henry Moore Foundation
To support James Richards Exhibition.

Henry Moore Foundation - Garth Evans
To support the exhibition at Chapter.

HMRC Coronavirus Job Retention Scheme
Income received in relation to furlough scheme.

Lightbox
To fund a competition amongst school children to design the Lightbox.

PRSF
To support a tour to Ireland by a group of musicians led by Emma Coulthard.

22. RESTRICTED FUNDS (continued)

Rayne Foundation
Grant to support Chapter's Dementia film programme.

Theatre Trust
To support reopening costs.

WCVA - Third Sector Resilience Fund
To support redevelopment of Chapter website.

Welsh Government Made in Wales
To promote Welsh film, managed by Film Hub Wales.

22. RESTRICTED FUNDS – GROUP AND CHARITY (continued)

Previous year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Capital Grants:					
Chapter Building	2,683,560	-	(100,103)	-	2,583,457
Cardiff County Council	3,282	-	(31)	-	3,251
SEWTA	1,866	-	(857)	-	1,009
Scottish Power	5,670	-	(745)	-	4,925
Waterloo Foundation	5,040	-	(662)	-	4,378
Revenue and Project Grants:					
Art fund	8,792	1,500	(10,292)	-	-
Art Fund - Save Our Sculpture	-	17,080	(13,313)	-	3,767
Arts Council of Wales – Karen Turner	-	15,302	(15,302)	-	-
Arts Council of Wales – Peilot	27,000	11,209	(21,006)	(17,203)	-
BFI Grants to Chapter Cinema	27,126	-	(750)	(26,376)	-
British Council – Canada	-	4,400	(3,663)	(737)	-
British Council – Travel AE	-	1,900	(1,094)	(806)	-
British Film Industry - Film Hub Wales	64,573	210,000	(193,921)	(17,285)	63,367
British Film Industry Hub – Anim18	2,892	-	(1,544)	-	1,348
British Film Industry Hub – Clwster	-	8,000	(4,914)	-	3,086
British Film Industry Hub – Diversity	9,302	45,950	(41,476)	(3,580)	10,196
British Film Industry Hub - Queer Film Network	788	-	(788)	-	-
British Film Industry Hub – Sharing Together	-	1,800	(1,178)	(160)	462
Cardiff University	9,500	-	-	-	9,500
Contemporary Art	3,000	-	-	-	3,000
Darkley Trust	-	4,080	(1,915)	-	2,165
Dunhill Medical Foundation	13,431	-	-	-	13,431
Esmee Fairbairn	1,174	-	-	(1,174)	-
Ewart Parkinson Award	5,150	-	-	-	5,150
Ffilm Cymru – Young Programmers	10,000	5,000	(3,207)	-	11,793
Film Cymru – Connector Fund	-	1,100	-	-	1,100
Film Education Grant (BFI)	-	2,400	(229)	-	2,171
Henry Moore Foundation	3,000	-	-	-	3,000
Henry Moore Foundation – Garth Evans	-	2,000	-	-	2,000
PRSF	-	6,500	-	-	6,500
Rayne Foundation	11,042	9,017	-	-	20,059
	2,896,188	347,238	(416,990)	(67,321)	2,759,115

23. UNRESTRICTED FUNDS

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Group					
General funds	62,938	**2,131,020**	**(1,570,867)**	**136,695**	**759,786**
	62,938	**2,131,020**	**(1,570,867)**	**136,695**	**759,786**
Charity					
General funds	62,139	**1,945,438**	**(1,305,027)**	**136,695**	**839,245**
	62,139	**1,945,438**	**(1,305,027)**	**136,695**	**839,245**

Previous year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Group					
General funds	(19,403)	3,263,428	(3,248,408)	67,321	62,938
	(19,403)	3,263,428	(3,248,408)	67,321	62,938
Charity					
General funds	(18,073)	1,897,072	(1,884,181)	67,321	62,139
	(18,073)	1,897,072	(1,884,181)	67,321	62,139

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2021 £
Group			
Fixed assets	**1,406,431**	**2,695,052**	**4,101,483**
Net current assets/(liabilities)	**73,771**	**403,066**	**476,837**
Long term liabilities	**(720,416)**	**-**	**(720,416)**
	759,786	**3,098,118**	**3,857,904**
Charity			
Investments	**2**	**-**	**2**
Fixed assets	**1,406,431**	**2,695,052**	**4,101,483**
Net current assets/(liabilities)	**(10,105)**	**403,066**	**392,961**
Long term liabilities	**(557,083)**	**-**	**(557,083)**
	839,245	**3,098,118**	**3,937,363**

Previous year

	Unrestricted funds £	Restricted funds £	Total 2020 £
Group			
Fixed assets	1,427,597	2,597,020	4,024,617
Net current (liabilities)/assets	(827,576)	162,095	(665,481)
Long term liabilities	(537,083)	-	(537,083)
	62,938	2,759,115	2,822,053
Charity			
Investments	2	-	2
Fixed assets	1,427,597	2,597,020	4,024,617
Net current (liabilities)/assets	(828,377)	162,095	(666,282)
Long term liabilities	(537,083)	-	(537,083)
	62,139	2,759,115	2,821,254

25. RELATED PARTIES

The charity was under the control of the trustees during the current and previous year.

Chapter (Cardiff) Limited received £nil in management fees from its wholly owned subsidiary, Chapter Trading Limited, during the year (2020: £245,400).

During the year Chapter (Cardiff) Limited invoiced Chapter Trading Limited for £nil (2020: £287,842) of recharges for wages, cost of sales, finance and marketing expenses. Chapter Trading Limited invoiced Chapter (Cardiff) Limited for similar recharges of £nil (2020: £1,199).

At the year end Chapter (Cardiff) Limited owed £32,099 to Chapter Trading Limited (2020: £139,804).

26. SHARE CAPITAL

The charity is limited by guarantee and has no share capital. The liability of each member under the guarantee is limited to £1.

27. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

The charity and group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity and group in an independently administered fund. Costs are allocated between unrestricted and restricted funds based on funding agreements.

The charge to profit or loss in respect of defined contribution schemes for the group was £27,442 (2020: £32,534). Amounts outstanding at the year end totalled £8,600 (2020: £22,205).

The charge to profit or loss in respect of defined contribution schemes for the charity was £19,738 (2020: £22,770). Amounts outstanding at the year end totalled £5,131 (2020: £14,620).

28. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net expenditure for the reporting period	**1,035,851**	(54,732)
Adjustments for:		
Depreciation charges and impairment	**126,991**	127,997
Dividends, interest and rents from investments	**(161,877)**	(357,326)
(Increase)/decrease in stocks	**11,221**	3,062
(Increase)/decrease in debtors	**(72,446)**	119,309
Increase/(decrease) in creditors	**(492,298)**	(79,633)
Net cash provided by/(used in) operating activities	**447,442**	(241,323)

Analysis of Cash and Cash Equivalents

Cash in hand	**535,764**	64,808
Overdraft facility repayable on demand	**-**	(154,506)
Total Cash and Cash Equivalents	**535,764**	89,698

	At 1 April 2020	Cash-flows	As at 31 March 2021
	£	£	£
Cash	64,808	**470,956**	**535,764**
Overdraft facility repayable on demand	(154,506)	**154,506**	-
Bank loans falling due within one year	(23,544)	**(35,702)**	**(59,246)**
Bank loans falling due after more than one year	(537,083)	**(183,333)**	**(720,416)**
	(650,325)	**406,431**	**(243,894)**

29. POST BALANCE SHEET EVENTS

Market House
The charity is currently in negotiations regarding the terms and conditions of the sale of Market House. The property sale is likely to be completed during the 2021/22 financial year.

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income and endowments from:			
Donations and legacies	750,668	17,080	767,748
Charitable activities	482,806	329,908	812,714
Other trading activities	1,986,274	250	1,986,524
Other	43,680	-	43,680
Total income and endowments	3,263,428	347,238	3,610,666
Expenditure on:			
Charitable activities	3,248,408	416,990	3,665,398
Total expenditure	3,248,408	416,990	3,665,398
Net income/(expenditure)	15,020	(69,752)	(54,732)
Transfers between funds	67,321	(67,321)	-
Net movement in funds	82,341	(137,073)	(54,732)
Reconciliation of Funds			
Total funds brought forward	(19,403)	2,896,188	2,876,785
Total funds carried forward	62,938	2,759,115	2,822,053
Charity			
Income and endowments from:			
Donations and legacies	750,668	17,080	767,748
Charitable activities	482,806	329,908	812,714
Other trading activities	374,518	250	374,768
Other	289,080	-	289,080
Total income and endowments	1,897,072	347,238	2,244,310
Expenditure on:			
Charitable activities	1,884,181	416,990	2,301,171
Total expenditure	1,884,181	416,990	2,301,171
Net income/(expenditure)	12,891	(69,752)	(56,861)
Transfers between funds	67,321	(67,321)	-
Net movement in funds	80,212	(137,073)	(56,861)
Reconciliation of Funds			
Total funds brought forward	(18,073)	2,896,188	2,878,115
Total funds carried forward	62,139	2,759,115	2,821,254