THE TORCH THEATRE COMPANY LIMITED

England & Wales · Charity number 508985

Details

Other names	THE TORCH
Status	Registered
Legal form	Charitable company
Company number	01327289
Registered	1979-07-25
Register	View on the Charity Commission register

Contact

Address	Torch Theatre St. Peters Road Milford Haven SA73 2BU
Phone	01646694192
Email	Guy@torchtheatre.co.uk
Website	www.torchtheatre.co.uk

Activities

Objects: TO PROMOTE, MAINTAIN, IMPROVE, AND ADVANCE PUBLIC EDUCATION, PARTICULARLY BY THE PRODUCATION OF EDUCATIONAL PLAYS AND THE ENCOURAGEMENT OF THE ARTS, INCLUDING THE ARTS OF DRAMA, TELEVISION, CINEMA, MIME, IMPROVISATION, DANCE, SINGING AND MUSIC, AND TO FORMULATE, PREPARE AND ESTABLISH SCHEMES THEREFORE PROVIDED THAT ALL OBJECTS SHALL BE OF A CHARITABLE NATURE.

Activities: Production of plays and musical theatre, touring of theatre productions to Wales and beyond, educational projects and buying in a range of performances to provide an extensive programme

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

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Geography

- Carmarthenshire
- Ceredigion
- Pembrokeshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,889,682	£1,962,289	£3,299,157	26
2024-03-31	£1,651,087	£1,978,742	£3,371,764	25
2023-03-31	£1,465,217	£1,823,001	£3,699,419	33
2022-03-31	£1,289,989	£1,390,405	£4,057,203	27
2021-03-31	£1,207,336	£1,012,289	£4,157,619	31

Trustees

Name	Role	Appointed
Ann Owston		2020-06-16
Dr CAROL ANN MACKINTOSH		
Katrina Marsh		2019-09-11
Max Mackintosh		2021-12-08
Megan Victoria Childs		2025-06-18
RHYS SINNETT		
Sian-Elin Davies		2025-06-18
YVONNE GRACE SOUTHWELL		2013-01-17

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THE TORCH THEATRE COMPANY LIMITED

England & Wales - Charity number 508985

Accounts

REGISTERED COMPANY NUMBER: 01327289 (England and Wales)
REGISTERED CHARITY NUMBER: 508985

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2025

for

Torch Theatre Company Limited(The)

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Ashmole & Co.

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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 for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

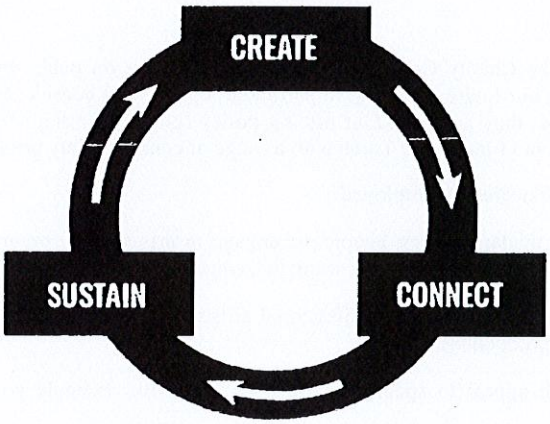
OBJECTIVES AND ACTIVITIES

The vision, mission and values of the Torch Theatre Company Ltd (the Torch) are embedded in and articulated through our Strategic Plan, Business Plan and delivered through our programme and engagement activities with our communities. This has led to a re-evaluated and refocused vision and mission for the Torch, to better represent our position in the current artistic, political and social landscape. Alongside this we have investigated, established and articulated the values that underpin everything we do.

Vision

To be a beacon of creativity for the performing arts in West Wales, inspiring artists, entertaining audiences and connecting communities.

MISSION



To create high quality experiences connecting across communities in a sustainable manner

Create - We create and curate high quality theatre productions, participation experiences and events to inspire, entertain, delight and challenge.

Connect - We connect arts organisations, communities, educational establishments and businesses for the benefit of all.

Sustain - Everything we do will be underpinned by our pursuit of financial and environmental sustainability, safeguarding for the future of Pembrokeshire, Wales and the wider world.

Values

West is Best - Our home in Milford Haven is the start of the line, we are proud of where we are based, and we honour the languages, cultures and people of West Wales.

Croeso/Welcome - we strive to make our activities and buildings accessible and welcoming to all who wish to participate. We celebrate the unique perspectives and skills each person brings with them.

Chwarae Teg/Fair play - We aim to be fair in all we do including anti-racist, anti-ableist and inclusive practices alongside fair pay and working conditions, with transparent decision making.

The charity embraces the general aim of contributing to the quality of life for people living in the county of Pembrokeshire and for visitors to the county. It aims to present a diverse artistic programme which is challenging, entertaining, and accessible. The charity maintains a popular programme which is designed to underpin its financial objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Our pricing policy reflects our aim of enabling all within our community to attend live performances and films at the Torch with a range of concessionary prices offered.

To achieve the charity's objectives the following strategies are employed:

- creating opportunities for local residents, particularly young people, to engage in arts activity organised by the charity including youth theatre, summer school, work experience placements, education projects;
- provision of facilities and professional support for amateur and professional artists to develop. Amateur groups are given professional advice on producing stage productions;
- programming performances and films which appeal to specific market segments, for example young people, families and older people;
- offering a range of ticket price discounts to provide access to organised groups, young people, disabled people, families, unemployed and older people;
- provision of attractive, accessible and informative promotional material by way of leaflets, brochures, e-flyers and a bilingual website;
- providing facilities to improve access for disabled customers and visitors, including induction loop and infra-red hearing systems, subtitled screenings for films and BSL performances; and
- the use of e-marketing for a range of services through the theatre website

Activities

The major areas of activity managed by the charity are the production of plays and musical theatre, touring of theatre productions to venues in Wales and beyond, screening mainstream and independent films, display of artworks in the gallery, café, bar and kiosk, youth theatre, education and community projects, and buying in a range of professional performances to provide a wide-ranging programme.

Key components of the charity's programme and as a platform for community activity are as follows:

- production of professional plays, musical theatre and a Christmas production by the Torch Theatre Production Company Ltd to play at the Torch, and tour to venues in Wales as appropriate and financially viable;
- a bought-in programme of events including popular music, music, light entertainment, opera, contemporary dance, ballet, plays, musical theatre, non-Western art forms, and comedy;
- presentation of films throughout the year;
- amateur productions by groups including Milford Haven Amateur Operatic Society and Artistic Licence;
- hire of the theatre for events, dance classes, concerts and conferences;
- educational projects involving local primary and secondary schools, colleges and universities in Pembrokeshire, Carmarthenshire and Cardiff. Projects are devised in conjunction with education professionals and designed to support curriculum activities, as well as developing careers awareness and the life skills of individual participants;
- participatory arts activity for young people including one-off drama workshops, weekly youth theatre and junior youth sessions and annual Summer Schools;
- provision of a gallery to display professional work by visual arts practitioners and non-professional local artists;
- provision of a community choir (Torch Voices) until September 2024 when the Musical Director stepped down;
- providing volunteer opportunities for more than 60 local people who welcome visitors to the theatre, provide information and sell programmes. This saves the theatre a considerable amount of money each year estimated in 2024/25 at £40,000pa. It importantly, also allows volunteers to engage in the life of the theatre and to gain a better understanding of its activities. [Due to the inherent uncertainty of estimates, these figures have not been incorporated into the Financial Statements.]

ACHIEVEMENTS AND PERFORMANCE

A full programme of shows (films, bought in productions and Torch own productions) took place throughout the year, with the café, bar and kiosk aligned to the programme with the café offering pre-show supper meals prior to all live shows and broadcasts.

The year commenced with Lucie Lovatt's new work Kill Thy Neighbour, which was directed by Torch Artistic Director, Chelsey Gillard and was also a successful co-production between the Torch and Theatr Clwyd. The show had widespread media coverage with fantastic audience responses with many feeling the show reflected 'real Pembrokeshire' and asking for similar shows in the future.

This was followed in late spring with J. M. Barrie's production, The Admirable Crichton, performed by University Wales Trinity St David third year Acting and Set Design & Production students, again directed by Chelsey Gillard and performed at Yr Egin in Carmarthen and the Torch.

In the summer, the Senior Manager - Youth & Community directed our first full mainstage Youth Theatre production, Wind in the Willows, which was a resounding success.

Summer Schools also took place with Creative Writing workshops being held in the autumn.

During the period, Sunset Cinema focused on a reduced number of events, allowing us to maximise resources and avoid an overwhelming offer for audiences. Six public screenings took place alongside private hires.

Due to on-going financial pressures throughout the period, the decision was taken to change the autumn programme of produced work and not produce our usual mainstage autumn production in an effort to mitigate financial risk and cashflow pressures. Instead, we produced a limited run of Owen Thomas' Grav, including a special gala night for the 200th performance. The run was a real success with audiences enjoying performances.

Three fundraising events were also held - an evening with Charles Dale and two nights of Alan Bennett's Talking Heads by Artistic License.

The autumn programme was then completed with a selection of guaranteed seat filling bought in productions.

Alongside this we also supported a company of emerging Welsh creatives to debut a new play, Tachwedd, that then went on to have a run at Theatre503 in London.

The Christmas Show this year was the pantomime, Jack and the Beanstalk and proved to be another great success with families over the festive season.

After an incredibly successful production of Titus Halder's REPLICA in 2024, the Torch's older youth theatre group staged their second year of National Theatre Connections in March 2025 with Ricky Beadle Blair's new show RAVERS, which also transferred to the Aberystwyth Arts Centre and was another great success with a highly positive response from audiences and participants alike.

Ticket sales remained a challenge throughout the year, especially for cinema, with much work being undertaken to understand the micro and macro reasons for this ongoing trend with work undertaken on the ongoing impact of the cost of living crisis, improved data analysis and consideration given to new pricing strategies.

Introduction in the autumn of the One More Time marketing campaign had a positive impact on those who would usually only attend once in a 12-month period with an increased number of repeat bookings made to attend additional further events. Data research has also identified an opportunity to attract more first-time attendees. Further focus will be given to both these areas in 2025/26.

Unfortunately, average attendance levels at shows and screenings continued to be relatively low, in particular for cinema, with a noticeable change of reducing attendances taking place at the Torch and across the cinema industry as a whole, making it a struggle to return to pre-pandemic attendance levels.

Throughout the period the Torch has been fully engaged with Craidd, a collaboration between five Welsh organisations; Theatr Clwyd, Sherman Theatre, Pontio Arts, Royal Welsh College of Music & Drama and Torch. Its mission is to improve mainstream representation for and with Deaf, disabled and neurodivergent artists across Wales. It also aims to drive positive change in the partner organisations involved as well as within the wider theatre sector.

A permanent part-time Craidd Agent for Change is based at the Torch supporting delivery of accessibility action plans, reviewing policies and procedures (including supporting the delivery of these), training, community engagement and is involved in the delivery of the Torch's own produced work.

As part of continuous Board improvement, a trial period commenced in September 2024 of monthly, rather than quarterly, Board meetings. Discussion at Board and Senior Management Team (SMT) meetings during the 6-month trial period of monthly Board meetings were positive with support for continuation of the approach.

At the March 2025 Board meeting, it was agreed that monthly Board meetings were a positive improvement but that the process should be refined with consideration to be given to streamlining the Board meeting agendas. Support was also given to the inclusion of a forward work programme in order to outline key items in different months. It was also recognised as important to ensure full finance reports were presented to the Board after each quarter had concluded with a short finance update (including cashflow) provided each month. It was also recognised as important to make sure that the presentation of reports by SMT did not clash with business-critical activity as this had been experienced on occasion during the initial 6-month trial period. This approach was agreed by the Board at their April 2025 meeting with the Board approving:

i. Continuation of the current monthly Board meeting arrangements with agreed changes and to review this amended approach in 6-months time (Board report in November 2025);

ii. The revised monthly Board meetings to continue at 6pm on the third Thursday of the month;

iii. The monthly Board meeting main area of business be as outlined in the Board agreed timetable along with the provision of monthly short finance reports with it noted that in addition to the timetable, any urgent matter can be brought to any Board meeting regardless of business area focus;

iv. The Personnel Standing Committee to be renamed the Finance & Personnel Standing Committee (terms of reference to be agreed) that will meet as and when required to do so during the period;

v. The Board to continue with Working Groups and/or advisory panels for matters of urgency or complexity; and

vi. Consideration to be given at a later date to establishing an Audit Standing Committee.

Five elected Board Members and one nominated Board Member (Pembrokeshire County Council) stood down during the period. The Torch expresses thanks to Nigel Sinnett, Jo Hendy, Gemma Hicks, Phillippa Davies, Adrian Williams and Cllr David Bryan for their years of service and dedication to the Torch. A Board Member recruitment campaign was undertaken in early 2025 with two new elected Board Members appointed in June. Further Board Member recruitment will be considered later in 2025.

At the end of September 2024, Benjamin Lloyd stepped down as Executive Director. While consideration is given to the senior structure of the Torch, Chelsey Gillard has agreed to assume the role of Interim Chief Executive, alongside her permanent role of Artistic Director until 31 March 2026, for which the Board are extremely grateful.

In January 2025, stability was brought to the role of Senior Manager - Finance with the appointment of Victoria Goddard. Until this point, there had during the period been two permanent and one interim Senior Manager - Finance appointments which had all proved, unfortunately, to be short-term. Victoria brings with her extensive financial experience and knowledge of the cultural sector which has already proved invaluable in moving the organisation forward with an improved and enhanced approach to financial management.

The Board thanks all staff, volunteers, patrons and our key funders for all their support and understanding during the period of this report. In particular, thanks must once again go to the SMT who continue to work so tirelessly with their teams to ensure the Torch delivers the best possible experience for our valued patrons.

FINANCIAL REVIEW

Total income for the year was £1,889,682 which was circa 14% up on 2023/24 (£1,651,088) and was principally due to the additional grant funding received from Arts Council Wales (ACW) in April 2024, following the Torch's successful application for continued funding as part of the ACW 2023 Investment Review.

Total income from grants and donations was £827,124 circa 41% up on 2023/24 (£585,940) mainly due to the increase in ACW annual grant funding, increased Film Hub Wales grant funding, ACW Job Protection & Resilience grant, an ACW Capital grant, Pembrokeshire County Council (PCC) Enhancing Pembrokeshire grant, Theatres Trust grant, Ingles Trust grant and donations from South Hook LNG and Dragon LNG although off-set in part by the loss of 2023/24 ACW Cost of Living grant, Port of Milford Haven sponsorship, National Lottery Warm Spaces grant, Garrick Charitable grant, significantly reduced ACW Create grant and overall reduction in 2024/25 gifts and donations (£12,730 down 41% on 2023/24).

Expenditure for the period decreased by circa 1% to £1,962,289, (2023/24 £1,978,743) with increases in charitable activities and other trading activities off-set by savings in administration and publicity salaries, recruitment and training and office stationery and IT costs.

Overall, while the Detailed Statement of Financial Activities indicates a deficit for the year ending 31 March 2025 this is a 77% improvement on the 2023/24 deficit (£327,655) and once depreciation (2024/25 - £131,813) is removed this shows a 2024/25 year-end position of a £59,206 surplus (a 130% increase when compared with the 2023/24 net loss less depreciation (£133,415) of £194,240.

During the period, the Torch continued a successful relationship with ACW meeting, where possible, agreed targets and benefitting from the first year of ACW enhanced annual grant funding following the 2023 ACW Investment Review. Support was also provided during the period by ACW commissioning Anna Dinnen from People Make it Work to conduct a rapid report on the Torch's finances.

The Torch welcomed this report and collaborated with Anna, with meetings taking place with SMT and the Board. The report confirmed much already known by the Torch and collated these findings together in a useful and actionable way which the Board accepted in February 2025 along with approving an action plan arising from the report to be delivered during 2025/26.

This report, along with work undertaken during the period on producing the Torch's first Strategic Plan, increased financial scrutiny by the Board (following the move to monthly meetings) and an improved and enhanced approach by SMT to financial management led to a significantly improved year-end financial position, both in terms of the 2024/25 Q4 forecasted/re-forecasted and actual year-end budget and cashflow. This also positively addressed concern that had begun in 2023/24 and been on-going during the period over the Torch remaining a 'going-concern'. While funding pressures and cashflow will continue, at least in the short-term to require careful management, going forward, a more stable financial footing has already been established and will now be maintained and built upon during 2025/26 and onwards.

ACW remains the charity's principal funding partner with an annual revenue grant in 2024/25 of £633,750 a 40% increase on the 2023/24 grant (£454,258) and we remain committed to our relationship with both ACW and the partnership approach we take in ensuring their continued support.

A positive relationship also continued with PCC although as part of the 2024/25 Service Level Agreement the annual grant remained reduced as in 2023/24 at £10,000 a reduction of 50% on 2021/22.

Milford Haven Town Council also provided a grant of £5,000 in 2024/25, a reduction of 33% compared with 2023/24.

The organisation has, since October 2014, taken advantage of the opportunity provided by the Theatre Tax Relief Scheme. As a result of four Torch Theatre Productions taking place during the period: Grav; Jack and the Beanstalk; Wind in the Willows; and RAVERS, there will be a claim made this year of £63,249.

The trustees aim to keep general reserves at a level that meets the operational needs of the organisation. The financial challenges over the last few years, which continued in this period, do however, mean that unrestricted free reserves have as at 31 March 2025, been completely depleted. While the Board was able in March 2025 to approve a 2025/26 year-end surplus Budget, the forecasted surplus was only £1,458 and action is therefore required to be taken during 2025/26 to maximise income and reduce expenditure to allow for a more positive year-end surplus to support the rebuilding of reserves. The trustees are committed to this course of action in order to provide the Torch with sufficient safeguarding against potential future adverse financial occurrences.

The Torch's reserves policy remains in line with guidance issued by the Charity Commission, and the policy will be reviewed on an annual basis following publication of the audited annual accounts. The policy is founded on the following general principles:

- as a precaution against adverse economic conditions and any subsequent decline in earned income;
- to provide assurance to funding partners and creditors regarding the economic viability and the stability of the company;
- to provide assurance for members of the Board who make decisions on the operation of the theatre; and
- to provide assurance for members of staff and to those individuals and companies with whom we make commitments for artistic projects, demonstrating the Torch's reliability as an employer

Focus for the coming years therefore remains to build our reserves, widen earned income, maximising the use of the venue and the diversity of what we can offer, as well as applying for additional funding through trusts and foundations.

Safeguarding our artistic production resources and capacity is vital - we remain one of three venue-based producing theatres in Wales and this can only be achieved if we continue to receive significant grant funding support.

Grants received for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the assets concerned. This depreciation charge was £102,011 in 2024/25 and £103,634 in 2023/24. In addition, depreciation of tangible fixed assets during the period of unrestricted funds was £29,802 giving a total 2024/25 depreciation figure of £131,813.

Going forward our focus will be growing attendance levels through enhanced marketing and funding initiatives. It is hoped the situation at the Torch and across the broader industry will improve, as we continue to offer our audiences an accessible, in person, artistic experience and meet our obligations as an ACW funded organisation, though myriad challenges remain in the industry.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
The Torch Theatre Company Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26 August 1977 and amended to allow for current governance arrangements by a special resolution passed on 18 August 2011. It is registered as a charity with the Charity Commission. Anyone over the age of 16 may become a member of the trust and there are currently 9 members, each of whom agrees to contribute up to £10.00 in the event of the charity winding up.

Appointment of Trustees
As set out in the Articles of Association, the Chair of the trustees is nominated by the Torch Theatre Company trustees for a period of three years. Pembrokeshire County Council nominates up to 3 trustees, Milford Haven Town Council nominates 1 trustee and the charity known as Milford Youth Matters (formerly known as Milford Haven Social Service Centre) nominates 1 trustee but has chosen not to exercise this entitlement.

Nominees appointed by Pembrokeshire County Council and Milford Haven Town Council are subject to the appointment processes of those bodies and the guidelines laid down for appointment to public office as they apply to local government nominees.

Trustee Induction and Training
New trustees undertake an orientation day to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, business plans, development plans and details of financial performance of the charity. Trustees are encouraged to attend appropriate external training events as well as in-house training events organised by the charity.

Organisational Structure
The Board of trustees administers the charity. Following a review of governance in 2006, this has been reduced from the original maximum of 24 members to a target of around 15 members, with 9 currently in place. Consideration will be given to Board Member recruitment later in 2025. The Board previously met on a quarterly basis but now meets more regularly, currently on the third Thursday of each month except in May and December when no Board meeting takes place. The Chief Executive Officer is appointed by the Board to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority within terms approved by the trustees (contained in the Governance Manual) for day-to-day operational matters including finance, employment and artistic matters.

Related Parties
The Arts Council of Wales (ACW), Pembrokeshire County Council and Milford Haven Town Council provide core funding for the charity, in support of its artistic programme, as an amenity for local residents and as a visitor attraction to Wales.

Risk Management
The trustees have a risk management strategy which covers operational and financial risks:

- an annual review of the risks the charity may face;
- establishment of systems and procedures to mitigate those risks identified in the plan; and
- implementation of procedures designed to minimise any potential impact on the charity should those risks materialise, including establishing a reserves policy.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	508985
Company Number:	01327289
Principal Office:	St Peter's Road, Milford Haven, Pembrokeshire SA73 2BU
Auditors:	Ashmole & Co, Chartered Certified Accountants and Registered Auditors, Williamston House, 7 Goat Street, Haverfordwest SA61 1PX
Bankers:	National Westminster Bank Plc, Pembrokeshire Business Centre, 18 High Street, Haverfordwest SA61 2DA
Solicitors:	Price & Kelway, 17 Hamilton Terrace, Milford Haven SA73 2JA

Directors & Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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

Chair:	Katrina Marsh
Vice-Chair:	Carol Mackintosh (formerly Dr Carol Garrett)
Pembrokeshire County Council nominees:	Councillor Rhys Sinnett Councillor David Bryan (resigned 10th March 2025) Councillor Alan Dennison
Milford Haven Town Council nominee:	Councillor Yvonne Southwell
Milford Haven Youth Matters (formerly known as Milford Haven Social Service Centre) nominee:	Vacant
Elected trustees:	Carol Mackintosh (formerly Dr Carol Garrett) Phillipa Davies (resigned 19th December 2024) Katrina Marsh Nigel Sinnett (resigned 24th April 2024) Ann Owston Joanne Hendy (resigned 24th April 2024) Adrian Williams (resigned 27th February 2025) Max Mackintosh Gemma Hicks (resigned 18th October 2024) Sian-Elin Davies (appointed 18th June 2025) Megan Childs (appointed 18th June 2025)

Other officials:

Company Secretary	Mr Guy Woodham
Executive Director:	Mr Benjamin Lloyd (resigned 30th September 2024)
Artistic Director:	Miss Chelsey Gillard (interim Chief Executive officer from 1st October 2024)
Senior Manager - Business:	Mr Guy Woodham
Senior Manager - Finance:	Mr Gary Wilson (resigned 30th April 2024) Mr Gareth Williams (appointed 7th March 2024, resigned 17th July 2024) Mrs Maureen Rapley (interim appointment from 12th July 2024 to 20th December 2024) Mrs Victoria Goddard (appointed 6th January 2025)
Arts Council of Wales Observer:	Mr Henry Rees

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Torch Theatre Company Limited(The) 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;
- 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

A resolution will be proposed at the Annual General Meeting on Thursday 18th September 2025 to propose that auditors, Ashmole and Co., be re-appointed as auditors to the charity for the ensuing year.

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

Approved by order of the board of trustees on 19/09/25 and signed on its behalf by:

.....
Katrina Marsh
Chair – Torch Theatre Company Board of Management

Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Opinion

We have audited the financial statements of Torch Theatre Company Limited(The) (the 'parent charitable company') for the year ended 31 March 2025 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the parent charitable company's affairs as at 31 March 2025 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 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 the provisions available for small entities, in the circumstances set out in note 25 to the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- nature of the charity and the sector in which it operates.
- the legal and regulatory framework in which the charity operates, and in particular those laws and regulations. that directly affect the financial statements or have a fundamental effect on operations eg Charities Act 2011, health and safety legislation.
- results of enquiries of management and those charged with governance.
- any matters identified relating to:
- the charity's policies and procedures for identifying, evaluating and complying with laws and regulations, and whether there were any known instances of non compliance.
- detecting and responding to the risks of fraud and whether there is any knowledge of actual, suspected or alleged fraud.
- the internal controls established to mitigate risks of fraud or non compliance with laws and regulations.

As a result of performing the above, we did not identify any key audit matters related to potential risk of fraud or non compliance with laws and regulations.

In addition to the above, our procedures included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations.
- enquires of management and those charged with governance concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- review of minutes of committee meetings.
- written representations.

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

Report of the Independent Auditors to the Trustees of
Torch Theatre Company Limited(The)

Use of our report

This report is made solely 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashmole & Co

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Date: 08.10.25

Torch Theatre Company Limited(The)

Statement of Financial Activities - Consolidated
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2025

	Notes	Unrestricted fund £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	755,498	71,626	827,124	585,940
Charitable activities	5				
Theatre		749,455	-	749,455	753,350
Other trading activities	3	249,675	-	249,675	241,965
Investment income	4	179	-	179	1,451
Other income	6	63,249	-	63,249	68,382
Total		1,818,056	71,626	1,889,682	1,651,088
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	7	1,500	-	1,500	1,500
Other trading activities	8	162,491	750	163,241	158,169
		163,991	750	164,741	159,669
Charitable activities	9				
Theatre		1,651,166	146,382	1,797,548	1,819,074
Total		1,815,157	147,132	1,962,289	1,978,743
NET INCOME/(EXPENDITURE)		2,899	(75,506)	(72,607)	(327,655)
RECONCILIATION OF FUNDS					
Total funds brought forward		98,525	3,273,239	3,371,764	3,699,419
TOTAL FUNDS CARRIED FORWARD		101,424	3,197,733	3,299,157	3,371,764

The notes form part of these financial statements

Torch Theatre Company Limited(The)

Balance Sheet – Parent Company
31 March 2025

	Notes	Unrestricted fund £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
FIXED ASSETS					
Tangible assets	16	235,127	3,182,130	3,417,257	3,533,112
Investments	26	10	-	10	10
		235,137	3,182,130	3,417,267	3,533,122
CURRENT ASSETS					
Stocks	17	6,530	-	6,530	7,472
Debtors	18	170,240	-	170,240	291,678
Cash at bank and in hand		11,916	15,603	27,519	52,556
		188,686	15,603	204,289	351,706
CREDITORS					
Amounts falling due within one year	19	(315,567)	-	(315,567)	(501,109)
NET CURRENT ASSETS		(126,881)	15,603	(111,278)	(149,403)
TOTAL ASSETS LESS CURRENT LIABILITIES		108,256	3,197,733	3,305,989	3,383,719
CREDITORS					
Amounts falling due after more than one year		(6,832)	-	(6,832)	(11,955)
NET ASSETS		101,424	3,197,733	3,299,157	
FUNDS	22				
Unrestricted funds				101,424	98,525
Restricted funds				3,197,733	3,273,239
TOTAL FUNDS				3,299,157	3,371,764

The notes form part of these financial statements

Balance Sheet - Consolidated
31 March 2025

	Notes	Unrestricted fund £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
FIXED ASSETS					
Tangible assets	16	235,127	3,182,130	3,417,257	3,533,112
CURRENT ASSETS					
Stocks	17	6,530	-	6,530	7,472
Debtors	18	104,348	-	104,348	104,526
Cash at bank and in hand		11,916	15,603	27,519	52,556
		122,794	15,603	138,397	164,554
CREDITORS					
Amounts falling due within one year	19	(249,665)	-	(249,665)	(313,947)
NET CURRENT ASSETS		(126,871)	15,603	(111,268)	(149,393)
TOTAL ASSETS LESS CURRENT LIABILITIES		108,256	3,197,733	3,305,989	3,383,719
CREDITORS					
Amounts falling due after more than one year	20	(6,832)	-	(6,832)	(11,955)
NET ASSETS		101,424	3,197,733	3,299,157	3,371,764
FUNDS	23				
Unrestricted funds				101,424	98,525
Restricted funds				3,197,733	3,273,239
TOTAL FUNDS				3,299,157	3,371,764

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2025.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.
These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 18/09/2025 and were signed on its behalf by:

K. Marsh

Katrina Marsh, Chair – Torch Theatre Company Board of Management

The notes form part of these financial statements

Torch Theatre Company Limited(The)

Cash Flow Statement
for the Year Ended 31 March 2025

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	(17,301)	(175,895)
Net cash used in operating activities		(17,301)	(175,895)
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,958)	(27,977)
Interest received		179	1,451
Net cash used in investing activities		(15,779)	(26,526)
Cash flows from financing activities			
Capital repayments in year		(5,123)	17,079
Net cash (used in)/provided by financing activities		(5,123)	17,079
Change in cash and cash equivalents in the reporting period		(38,203)	(185,342)
Cash and cash equivalents at the beginning of the reporting period	2	52,556	237,898
Cash and cash equivalents at the end of the reporting period	2	14,353	52,556

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 March 2025

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

	31.3.25 £	31.3.24 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(72,607)	(327,655)
Adjustments for:		
Depreciation charges	131,815	133,418
Interest received	(179)	(1,451)
Decrease/(increase) in stocks	942	(121)
Decrease in debtors	178	8,327
(Decrease)/increase in creditors	(77,450)	11,587
Net cash used in operations	(17,301)	(175,895)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.25 £	31.3.24 £
Cash in hand	11,820	20,447
Notice deposits (less than 3 months)	15,699	32,109
Overdrafts included in bank loans and overdrafts falling due within one year	(13,166)	-
Total cash and cash equivalents	14,353	52,556

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	52,556	(25,037)	27,519
Bank overdraft	-	(13,166)	(13,166)
	52,556	(38,203)	14,353
Debt			
Finance leases	(17,079)	5,123	(11,956)
	(17,079)	5,123	(11,956)
Total	35,477	(33,080)	2,397

The notes form part of these financial statements

1. 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.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the assets concerned.

Income from charitable activities is deferred when admission fees are received in advance of the performances or event to which they relate.

Donated services, facilities and assets are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Tax credits attributable to the subsidiary company under the Theatre Tax Credit are recorded as Other Incoming Resources in the Consolidated Statement of Financial Activities.

Investment income is included when receivable.

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.

Allocation and apportionment of costs
Costs have been allocated as far as possible between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others have been apportioned based on the estimated usage of the resource. Costs allocated to generating voluntary income, being an element of administration salaries, postage and stationery, and theatre renewals have been estimated using best judgement.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Theatre refurbishment (1996 - 2000)	- 10% on cost
Theatre redevelopment	- 2% on cost
Fixtures and fittings	- 25% on cost and 10% on cost

continued...

1. ACCOUNTING POLICIES - continued

Stocks
Stocks consist of cafe, bar and shop stocks and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Reserves
The financial statements distinguish between restricted and unrestricted funds. The former are received from donors and are subject to restrictions on the purpose for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions. These include those freely available to the charity for expenditure or appropriation to reserves for internally designated purposes.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

2. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Arts Council of Wales	633,750	454,258
Pembrokeshire County Council	10,000	10,000
Milford Haven Town Council	5,000	7,500
Gifts and donations	12,730	21,530
Sponsorship	4,167	20,000
ACW Resilience Grant	65,000	-
Film Hub Wales	9,354	2,000
ACW - Cost of Living Award	-	11,952
Theatres Trust	4,988	-
TNL Warm Spaces	-	10,000
Garrick Charitable Grant	-	2,500
ACW Explore Grant	-	1,200
ACW Create Grant	4,499	45,000
Dragon LNG	5,000	-
Ingles Trust	6,000	-
ACW - Studio repairs	40,000	-
PCC - Enhancing Pembrokeshire	12,636	-
South Hook LNG	9,000	-
Theatre Clwyd	5,000	-
	827,124	585,940

continued...

3. OTHER TRADING ACTIVITIES

	31.3.25	31.3.24
	£	£
Cafe sales	64,266	56,664
Bar sales	68,862	68,108
Kiosk sales	104,142	103,850
Merchandise sales	1,054	1,865
Telephone mast rental	11,351	11,478
	249,675	241,965

4. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Deposit account interest	179	1,451

The charity's investment income arises wholly from interest bearing cash deposits.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.25	31.3.24
		£	£
Theatre	Theatre	453,901	438,616
Films	Theatre	167,368	185,674
Youth theatre and education	Theatre	31,782	23,466
Hire of theatre	Theatre	35,336	39,059
Sales of programmes etc.	Theatre	6,752	7,967
Technical hire	Theatre	11,841	10,468
Set construction	Theatre	2,335	10,507
Sundry theatre income	Theatre	17,260	13,416
Booking fee	Theatre	22,880	24,177
		749,455	753,350

6. OTHER INCOME

Entitlement to Theatre Tax Credits £63,248 (2024- £68,382).

7. RAISING DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Administration expenses	1,500	1,500

continued...

8. OTHER TRADING ACTIVITIES

	31.3.25	31.3.24
	£	£
Opening stock	22,756	18,816
Purchases	76,367	80,285
Staff costs	55,059	50,080
Equipment repairs and renewals	1,237	1,955
Other direct costs	6,291	5,266
Depreciation	1,531	1,767
	163,241	158,169

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 10)	Totals
	£	£	£
Theatre	1,488,557	308,991	1,797,548

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Theatre	298,530	10,461	308,991

11. NET INCOME/(EXPENDITURE)

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

	31.3.25	31.3.24
	£	£
Auditors' remuneration	2,950	2,900
Auditors' remuneration for non audit work	3,831	3,969
Depreciation - owned assets	126,565	128,166
Depreciation - assets on hire purchase contracts and finance leases	5,248	5,249

12. TRUSTEES' REMUNERATION AND BENEFITS

Trustees are not remunerated. No trustees received any remuneration during the year (2024 - nil).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

continued...

13. STAFF COSTS

	31.3.25	31.3.24
	£	£
Wages and salaries	866,121	864,520
Social security costs	53,958	53,392
Other pension costs	12,069	11,549
	932,148	929,461

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

	31.3.25	31.3.24
Theatre and facilities	36	29
Publicity	4	3
Administration	5	5
	45	37

No employees received emoluments in excess of £60,000.

Staff costs above include performers and theatre personnel engaged on a contract basis as well as permanent staff.
Employee numbers reflect the average monthly head count of casual and permanent staff which equates to an estimated 25.7 full-time equivalent staff.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	585,940	-	585,940
Charitable activities			
Theatre	753,350	-	753,350
Other trading activities	241,965	-	241,965
Investment income	1,451	-	1,451
Other income	68,382	-	68,382
Total	1,651,088	-	1,651,088
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	1,500	-	1,500
Other trading activities	158,169	-	158,169
	159,669	-	159,669
Charitable activities			
Theatre	1,715,439	103,635	1,819,074
Total	1,875,108	103,635	1,978,743
NET INCOME/(EXPENDITURE)	(224,020)	(103,635)	(327,655)

continued...

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	322,545	3,376,874	3,699,419
TOTAL FUNDS CARRIED FORWARD	98,525	3,273,239	3,371,764

15. TAXATION

As a registered charity, Torch Theatre Company Ltd is exempt from tax on income and gains. No tax charges have arisen on the charity. The Trading Subsidiary is entitled to Theatre Tax Credits which is reflected as Other Incoming Resources in the Consolidated Statement of Financial Activities in the sum of £63,249 (2024 - £68,382).

16. TANGIBLE FIXED ASSETS

	Freehold property £	Theatre refurbishment (1996 - 2000) £	Theatre redevelopment £
COST			
At 1 April 2024	407,808	28,270	4,638,069
Additions	-	-	-
At 31 March 2025	407,808	28,270	4,638,069
DEPRECIATION			
At 1 April 2024	172,363	28,270	1,459,498
Charge for year	8,157	-	92,761
At 31 March 2025	180,520	28,270	1,552,259
NET BOOK VALUE			
At 31 March 2025	227,288	-	3,085,810
At 31 March 2024	235,445	-	3,178,571

continued...

16. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2024	1,467,031	20,995	6,562,173
Additions	15,958	-	15,958
At 31 March 2025	1,482,989	20,995	6,578,131
DEPRECIATION			
At 1 April 2024	1,363,681	5,249	3,029,061
Charge for year	25,647	5,248	131,813
At 31 March 2025	1,389,328	10,497	3,160,874
NET BOOK VALUE			
At 31 March 2025	93,661	10,498	3,417,257
At 31 March 2024	103,350	15,746	3,533,112

All fixed assets are used in direct furtherance of the charities objects.

Details of the restricted fund relating to the theatre building and re-development are given in note 26.

Legal charges have been registered over the theatre building by the Arts Council of Wales.

All Group Fixed Assets belong to the parent company. The subsidiary company has no Fixed Assets.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 April 2024 and 31 March 2025	20,995
DEPRECIATION	
At 1 April 2024	5,249
Charge for year	5,248
At 31 March 2025	10,497
NET BOOK VALUE	
At 31 March 2025	10,498
At 31 March 2024	15,746

continued...

17. STOCKS

	31.3.25	31.3.24
	£	£
Stocks	6,530	7,472

All stocks belong to the parent company.

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
	Group	Group	Charity	Charity
Other debtors	78,345	76,305	144,237	263,457
Prepayments and accrued income	19,850	28,221	19,850	28,221
VAT	6,153	-	6,153	-
	104,348	104,526	170,240	291,678

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24	31.3.25	31.3.24
	£	£	£	£
	Group	Group	Charity	Charity
VAT	-	20,911	-	20,911
Bank loans and overdrafts	13,166	-	13,166	-
Advance receipts	46,949	95,659	46,949	95,659
Deferred income	-	10,861	-	10,861
Hire purchase	5,124	5,124	5,124	5,124
Sundry creditors and accruals	184,426	181,392	250,328	368,554
	249,665	313,947	315,567	501,109

Included in sundry creditors and accruals are amounts owing for social security and other taxes of £11,692 (2024 - £15,779).

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

	31.3.25	31.3.24
	£	£
Hire purchase (see note 22)	6,832	11,955

21. LOANS

An analysis of the maturity of loans is given below:

	31.3.25	31.3.24
	£	£
Amounts falling due within one year on demand:		
Bank loans and overdrafts	13,166	-

Amounts shown as bank loans and overdrafts (see note 19) in 2024/25 represented a timing difference between when the restricted expenditure had been incurred and the receipt of the restricted funding in the Charity's bank account. This was not an actual bank loan, merely a timing difference.

continued...

22. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.3.25	31.3.24
	£	£
Gross obligations repayable:		
Within one year	5,124	5,124
Finance charges repayable:		
Between one and five years	(6,832)	(11,955)
Net obligations repayable:		
Within one year	5,124	5,124
Between one and five years	6,832	11,955
	11,956	17,079

23. MOVEMENT IN FUNDS

	At 1.4.24	Net movement in funds	At 31.3.25
	£	£	£
Unrestricted funds			
General fund	98,525	2,899	101,424
Restricted funds			
Restricted funds	3,273,239	(75,506)	3,197,733
TOTAL FUNDS	3,371,764	(72,607)	3,299,157

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,818,056	(1,815,157)	2,899
Restricted funds			
Restricted funds	71,626	(147,132)	(75,506)
TOTAL FUNDS	1,889,682	(1,962,289)	(72,607)

continued...

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	322,545	(224,020)	98,525
Restricted funds			
Restricted funds	3,376,874	(103,635)	3,273,239
TOTAL FUNDS	3,699,419	(327,655)	3,371,764

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,651,088	(1,875,108)	(224,020)
Restricted funds			
Restricted funds	-	(103,635)	(103,635)
TOTAL FUNDS	1,651,088	(1,978,743)	(327,655)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.23 £	Net movement in funds £	At 31.3.25 £
Unrestricted funds			
General fund	322,545	(221,121)	101,424
Restricted funds			
Restricted funds	3,376,874	(179,141)	3,197,733
TOTAL FUNDS	3,699,419	(400,262)	3,299,157

continued...

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,469,144	(3,690,265)	(221,121)
Restricted funds			
Restricted funds	71,626	(250,767)	(179,141)
TOTAL FUNDS	3,540,770	(3,941,032)	(400,262)

Full details of restricted funds are provided at note 26.

24. RELATED PARTY DISCLOSURES

Torch Theatre Production Company Limited

During the year, the Charity made sales of £65,892 (2024 - £187,156) and purchases of £129,140 (2024 - £255,538) to/from its 100% wholly owned subsidiary. At the year-end date, the trading subsidiary owed the Charity the sum of £63,248 (2024 - £68,382).

25. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

26. RESTRICTED FUNDS

	Balance as at 01.04.24	Movement in Year	Balance as at 31.03.25
	£	£	£
Capital Reserve (Main Theatre)	86,075	(3,757)	82,318
Capital Re-development Fund	3,136,290	(77,767)	3,058,523
Capital Reserve (Studio Theatre)	50,875	(1,500)	49,375
ACW Studio Repairs Grant (revenue)	-	7,517	7,517
	3,273,240	(75,507)	3,197,733

continued...

Capital Reserve (Main Theatre)
The freehold of the Torch Theatre was conveyed to the company by Preseli Pembrokeshire District Council on 23rd January 1991 for the consideration of £1. The property was valued by Messrs Glyn Davies & Co. at £180,000 in January 1991 and has been incorporated into the financial statements at that figure, the surplus being credited to a capital reserve.

Following the introduction of FRS15 the trustees decided to depreciate the freehold over a period of 50 years on a straight line basis. This results in a depreciation charge of £3,757 per annum. The balance remaining on this fund is £82,318 (2024 - £86,075).

Capital Re-development Fund
During the three years to March 2009, the theatre was completely re-developed. Further capital improvements have been made in subsequent years. This capital expenditure is being depreciated over a period of 10 years (fixtures and equipment) or 50 years (buildings). The grants and donations received for the restricted purpose of the theatre's re-development have been treated as a restricted fund in accordance with the Statement of Recommended Practice and are reduced by the depreciation charge in respect of the re-development costs. The balance remaining on this fund is £3,058,523 (2024 - £3,136,290). This includes restricted capital grants recognised as income in the year but not spent in full by year end. The balances on these particular grants are £2,228 Theatre Trust grant, £2,989 LNG grant and £5,000 Theatre Clwyd grant, all of which are to be spent on capital items.

Capital Reserve (Studio Theatre)
As part of the re-development, the charity acquired the freehold of an adjoining property which houses the new studio theatre. Part of the value of the property (valued at £75,000) was donated by Pembrokeshire County council creating a further capital reserve. The property is being depreciated over 50 years on a straight line basis resulting in a depreciation charge relating to the gift of £1,500 per annum. The balance remaining on this fund is £49,375 (2024 - £50,875).

ACW Studio Repairs Grant
During the year a grant of £40,000 was received from ACW for studio repairs. As at year end expenses of £32,483 had been incurred leaving a balance of £7,517 to be spent on the repairs.

27. SUBSIDIARY UNDERTAKINGS

The Charity holds the entire issued share capital of 10 Ordinary shares of £1 each in Torch Theatre production Company limited, a company incorporated in England and Wales, Company number 09287683. The Charity acquired the Trading subsidiary on 30th October 2014. The Torch Theatre Production Company undertakes the commercial production of theatrical performances. A summary of the trading results are shown below.

Summary profit and loss account:	Year Ended 31.3.25	Year Ended 31.3.24
	£	£
Income	65,892	187,156
Cost of sales	(129,140)	(255,538)
Profit or (Loss) on ordinary activities before taxation	(63,248)	(68,382)
Tax credit	63,248	68,382
Profit for the financial period	-	-
The assets and liabilities of the subsidiary were:		
Current assets	158,129	255,548
Creditors	(158,119)	(255,538)
Aggregate share capital and reserves	10	10

THE TORCH THEATRE COMPANY LIMITED

England & Wales - Charity number 508985

Accounts

REGISTERED COMPANY NUMBER: 01327289 (England and Wales)
REGISTERED CHARITY NUMBER: 508985

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2024

for

Torch Theatre Company Limited(The)

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Ashmole & Co.

Contents of the Financial Statements for the Year Ended 31 March 2024

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Report of the Trustees
for the Year Ended 31 March 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 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).

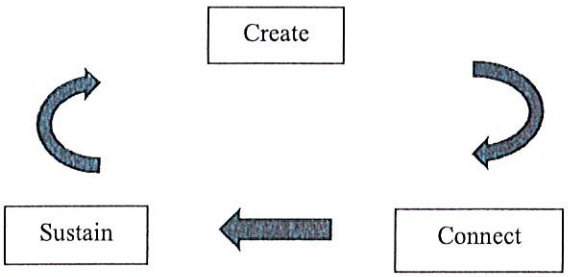
OBJECTIVES AND ACTIVITIES

The vision, mission and values of the Torch Theatre Company Ltd (the Torch) are embedded in and articulated through our programme and engagement with our communities. This has led to a re-evaluated and refocused vision and mission for the Torch, to better represent our position in the current artistic, political and social landscape. Alongside this we have investigated, established and articulated the values that underpin everything we do.

Vision

To be the centre for the arts in Pembrokeshire - connecting artists, audiences and communities in our county of creativity and beyond.

Mission



Create - We create and curate high quality productions, participation experiences and events to inspire, entertain, delight and challenge our audiences and participants in Pembrokeshire and beyond.

Connect - We are a creative centre for Pembrokeshire connecting arts organisations, communities, educational establishments and businesses for the benefit of all in the county and act as a bridge to the wider arts ecology.

Sustain - Everything we do will be underpinned by our pursuit of financial and environmental sustainability, safeguarding the future for Pembrokeshire, Wales and the wider world.

Values

Artistic Excellence - creating work by, with and for our communities to the highest standard.

Fair, Ethical and Accessible practices - including anti-racist, anti-ableist and inclusive practices across the organisation.

Diversity as a strength - we recognise the unique perspectives and skills each staff member, volunteer, artist, organisation, audience member and participant brings with them and celebrate their contributions towards creating a vibrant and connected Pembrokeshire.

Collaboration and partnership working - working with a range of organisations across the arts and business to develop best practice, share resources and reach further.

Celebration of our Welsh language and heritage - across our produced work and organisational ethos we honour our language and culture weaving it into the fabric of the Torch.

Transparency - our decision making will be as transparent as possible, including publishing our Business Plan and Policies online.

Stewardship - Ensuring the future of the Torch for the benefit of future generations in Pembrokeshire and across Wales.

Social responsibility and civic duty - as a publicly funded organisation we strive to make our activities and building accessible to all who wish to participate and working to the benefit of our community.

Innovation - we will constantly reflect on and improve our work, our practices and our policies to ensure we deliver against our vision and mission.

The charity embraces the general aim of contributing to the quality of life for people living in the county of Pembrokeshire and for visitors to the county. It aims to present a diverse artistic programme which is challenging, entertaining, and accessible. The charity maintains a popular programme which is designed to underpin its financial objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Our pricing policy reflects our aim of enabling all within our community to attend live performances and films at the Torch, and a wide range of concessionary prices are offered.

To achieve the charity's objectives the following strategies are employed:

- creating opportunities for local residents, particularly young people, to engage in arts activity organised by the charity including youth theatre, summer school, work experience placements, education projects;
- provision of facilities and professional support for amateur and professional artists to develop. Amateur groups are given professional advice on producing stage productions;
- programming performances and films which appeal to specific market segments, for example young people, families and older people;
- offering a range of ticket price discounts to provide access to organised groups, young people, disabled people, families, unemployed and older people;

- provision of attractive, accessible and informative promotional material by way of leaflets, brochures, e-flyers and a bilingual website;
- providing facilities to improve access for disabled customers, including induction loop and infra-red hearing systems, subtitled screenings for films and BSL performances; and
- the use of e-marketing for a range of services through the theatre website

Activities

The major areas of activity managed by the charity are the production of plays and musical theatre, touring of theatre productions to venues in Wales and beyond, screening mainstream and independent films, display of artworks in the gallery, bar and catering services, education projects, and buying in a range of professional performances to provide a wide-ranging programme.

Key components of the charity's programme and as a platform for community activity are as follows:

- production of professional plays, musical theatre and a Christmas production by the Torch Theatre Production Company to play at the Torch Theatre, and tour to venues in Wales as appropriate and financially viable;
- a bought-in programme of events including popular music, music, light entertainment, opera, contemporary dance, ballet, plays, musical theatre, non-Western art forms, and comedy;
- presentation of films throughout the year;
- amateur productions by groups including Milford Haven Amateur Operatic Society and Artistic Licence;
- hire of the theatre for events, dance classes, concerts and conferences;
- educational projects involving local primary and secondary schools, colleges and universities in Pembrokeshire, Carmarthenshire and Cardiff. Projects are devised in conjunction with education professionals and designed to support curriculum activities, as well as developing careers awareness and the life skills of individual participants;
- participatory arts activity for young people including one-off drama workshops, weekly youth theatre and junior youth sessions and an annual Summer Schools;
- provision of a gallery to display professional work by visual arts practitioners;
- provision of a community choir (Torch Voices); and
- providing volunteer opportunities for more than 40 local people who welcome visitors to the theatre, provide information, sell programmes and support the marketing team's activity. This saves the theatre a considerable amount of money each year estimated in 2023/24 at £40,000pa (2022/23 80 volunteers at £70,000pa). Just as importantly it allows volunteers to engage in the life of the theatre and to gain a better understanding of its activities. Due to the inherent uncertainty of estimates, these figures have not been incorporated into the Financial Statements.

ACHIEVEMENT AND PERFORMANCE

The year ending March 2024 was only the second full year of operating post COVID-19 pandemic.

A full programme of shows (films, bought in productions and Torch Theatre own productions) took place throughout the year, with the café, bar and kiosk fully re-opening and aligned to attendance levels, with pre-supper meal offerings being re-introduced prior to all live shows and broadcasts.

Whilst attendance levels for live programming was generally good, attendances for other areas of programming continued to be relatively low, in particular films and live broadcasts, with a noticeable change of reducing attendances taking place at the Torch and across the cinema industry as a whole, making it a struggle to return to pre-pandemic attendance levels.

During the year, the Torch Theatre performed three in house productions, an Autumn production, Private Lives, Beauty and the Beast as the Christmas pantomime and REPLICA, as our first Youth Theatre show in the Studio.

The period was dominated with concern over budgetary and cashflow pressures with the Board, for the second time, having to approve a deficit Budget (2023/24 forecasted year-end deficit, including depreciation of £115,270). At the end of the period, despite a meaningful increase in income from donations, trading and charitable activities, with the exception of earned ticket income from Cinema (down circa £35k), expenditure exceeded income by £327,655 meaning, that unrestricted free reserves not committed to fixed assets were depleted.

Further information on the 2023/24 financials is contained in the Report of the Trustees and Financial Statements for the Year Ended 31 March 2024. However, it should be noted that these continue to be extremely challenging financial times and that the Board will throughout 2024/25 take a very proactive approach to working with the Senior Management Team (SMT) to find a way to address these challenges and secure a more sustainable future financial footing.

As negative trends in cinema attendance continued at the end of 2023/24 and into 2024/25, urgent review of budget and cashflow has taken place with a cost reduction plan actioned by SMT in August 2024, aimed at securing the Torch's cash position, achieving a modest year end surplus in 2024/25, and beginning the process of rebuilding reserves as a priority. Coming out of this process a revised budget has been developed in consultation with the Board and will be monitored monthly to identify and address any slippage. The Torch SMT has been in regular contact with our principal funders, Arts Council Wales (ACW), who have been actively engaged in review of and remedial action to address the challenging cash position, and in support of the development of a long-term strategic plan to address the sustained increases to expenditure and the challenging funding outlook.

To improve the effectiveness of the Board, consideration is being given to moving from quarterly to monthly Board meetings from September 2024 and a Strategic Planning Day has been agreed to allow the Board and SMT to develop a strategic plan to address these on-going financial challenges - while retaining its core purpose of being a theatre based producing company at the heart of its community and able to efficiently and effectively deliver ACW targets and aspirations. Potential significant strategic changes may need to be made to the structure of the organisation to deliver sustainable improvements to achieve delivery of the confirmed strategic aims and in turn appropriately address the current financial challenges.

2023/24 saw the first full year in post of Chelsey Gillard, Artistic Director, the first Welsh woman to take the reins at a major Welsh producing house. Chelsey brought fresh impetus and a clarity of vision to the role and has been instrumental in the articulation of our renewed Vision, Mission and Values that we established in March 2023.

In October 2023, Chelsey produced her first Torch Theatre Production, Private Lives which was very well received by audiences and critics alike. All reviews were incredibly positive. While audience numbers were not as high as we would have liked at 35%, it was recognised as an ambitious production. A holistic wrap-around was achieved, with visits from local colleges combining watching the show with workshops and talks. The new model introduced by Chelsey for the post-show talk was also very well received.

Beauty and the Beast was Chelsey's first pantomime and reached 95% attendance for public shows (against a target of 96%) and 60% for schools shows. The use of the Gallery for the 'Design a Dress' competition was very well received. It was pleasing to see that four local schools utilised the ACW Go and See fund to attend the show and also an Assistant Director, David McSparron, working on this show thanks to funding from the Garrick Trust. This placement was very successful with David being an invaluable member of the team.

Learning from both shows was captured covering what went well and areas for improvement across producing, production, marketing and budgeting. This learning is being taken forward in the planning for the upcoming year. One major change is to employ a freelance Production Manager to work on shows in the future as this was a major area of concern across both shows, given the already stretched in-house staffing resource.

In the Spring of 2024, the Torch will be co-producing a piece of new writing by a Welsh female writer with Theatr Clwyd (with Chelsey to direct). The play is a dark comedy/thriller set in a Pembrokeshire town that only has two permanent residents left - as all the other houses have become holiday homes. It explores what it means to be Welsh and includes the use of Welsh language.

The appointment of Tim Howe to the role of Senior Manager - Youth & Community led to the growth of our Youth Theatre provisions during the period, alongside an increased engagement from families.

The Youth offer continues to develop and works flexibly with the young people ensuring that they get the best from their experience. The July 2023 term finished with a whole youth theatre sharing in our main house space - beginning to ensure that the youth theatre's work is present within our programme.

The Youth Theatre was accepted into the National Theatre Connections programme and partnered with Aberystwyth Arts Centre for a festival event. REPLICA was seen by almost 200 people and beat the 50% capacity Box Office target. This was an excellent start on the journey of full Youth Theatre productions with the young people involved in this project choosing the poster image and making other production-based decisions.

In addition to the establishment of regular end of term sharing within the youth theatre structure, planning is in place for a larger production, Wind In The Willows, as the culmination of the Summer term of 2024.

Our enhanced Youth Theatre and education work led to the Safeguarding Policy being successfully rewritten. A checklist is now provided for incoming companies and policies are proactively enforced. Staff and volunteer training was delivered in late July and August 2023 respectively, with a 'Quick Sheet' being made available to everyone. The team have continued to see development in this area and are offering support to several local non-professional groups in updating their policies - some of whom hire the Torch and some of whom are aware of our institutional knowledge and wish to adopt better practices. An annual safeguarding review will now take place each September.

As a Board, we continued to hold all Board and sub-committee meetings as hybrid meetings. Two Board Members stood down just before the period and two just after, therefore there are currently up to four Board Member vacancies. The Torch expresses thanks to Cllr Dr Simon Hancock, Sarah McKay, Jo Hendy and Nigel Sinnett for their years of service and dedicated support of the Torch. During 2024/25 we will review the skill sets needed by the Board and currently plan to run a Board Member open recruitment exercise in early 2025.

The Board thanks all staff, volunteers, patrons, Board Members and our key funders for all their support and understanding during these continuing times of challenge. In particular, thanks to the SMT who work so tirelessly with their teams to ensure the Torch delivers the best possible experience for our valued patrons.

FINANCIAL REVIEW

Total income for the year at £1,651,087 which was 12.7% up on 2022/23.This increase is due to the increase of trading activities from £191,801 to £241,965 and charitable activities increase of £696,232 to £753,349.

Total income from grants and donations was £585,940, 9.4% up on 2022/23 due primarily to the increase of the Arts Council of Wales Total Grants (2023/24 - £512,410, 2022/23 - £473,549), comprising the decrease in the Main Grant of £5,052, an additional Explore Grant of £1,200 and Create Grant of £45,000 (which exceeds the reduction in the Cost of Living award which was reduced by £2,287). Plus there is the additional grant income including Warm Spaces Grant of £10,000 from the National Lottery.

Expenditure overall for the period increased by 8.5% to £1,978,742, with increases in Other Trading Activities up by 33.3%, predominately driven by Stock & Purchases up £20,901 and Staff Costs up £17,592, Charitable Activities increased by 3.6% to £1,471,663 (2022/23 - £1,420,903).

During the period, the Torch continued a successful relationship with ACW meeting, where possible, agreed targets and committing to the Cultural Contract for the funded Arts which builds on the Welsh Government's existing economic contract of fair work and pay and sustainability and addresses areas such as:

- Increased diversity and representation (including diversity of the SMT)
- Greater involvement in and support for wider community initiatives (including social prescribing)
- Prioritising health and wellbeing in arts initiatives
- Environmental, cultural and economic sustainability

ACW remains the charity's principal funding partner with an annual revenue grant of £454,258 a 1.1% decrease on the 2022/23 grant.

A positive relationship also continued with Pembrokeshire County Council although as part of the 2023/24 Service Level Agreement the annual grant remained reduced as in 2022/23 to £10,000 a reduction of 50% on 2021/22.

Milford Haven Town Council also provided a grant of £7,500 in 2023/24.

The organisation has, since October 2014, taken advantage of the opportunity provided by the Theatre Tax Relief Scheme. As a result of three Torch Theatre Productions taking place during the period, Private Lives, Beauty & the Beast and REPLICA there will be a claim made this year of £68,382.

The Trustees aim to keep general reserves at a level that meets the operational needs of the organisation. The consequences of the pandemic, coupled with an unpredictable economic climate, have posed significant financial difficulties, leading to a reduction in general reserves to £98,525 as at 31 March 2024. The Trustees are dedicated to a recovery strategy to rebuild an adequate level of general reserves, providing the Torch with sufficient safeguarding against potential adverse occurrences in the future.

We remain committed to our relationship with both Arts Council Wales and Pembrokeshire County Council and the partnership approach we take in ensuring their continued support.

In September 2023, the outcome of the ACW Investment Review was announced with a conditional offer to the Torch of a £650,000 per annum grant applicable from April 2024 and for the following three years - a 43% annual increase (with a further three years of grant support conditional on review). Unfortunately, Welsh Government imposed funding cuts, as part of their final settlement to ACW, meaning that the final grant award to the Torch was £633,750 per annum. Despite this disappointing reduction, it should be recognised that the Torch had done exceptionally well (with cuts across the other regularly supported theatres in Wales) with a significant uplift from the current annual grant of £454,258 to £633,750 (an increase of £179,492 per annum) although less than the requested £945,564 contained in the Torch's Investment Review application and unfortunately not sufficient to avoid the current funding pressures that the organisation is experiencing.

Despite the very positive news of the Investment Review outcome, as the award was less than the grant amount requested it did mean that work has had to be undertaken to revise our aspirations and re-evaluate the 2023/27 Business Plan and associated budgets. This work has been shaped by conversations with ACW and has continued into 2024/25 as we review all aspects of the business and work towards the revised strategic plan referenced above.

Safeguarding our artistic production resources and capacity is vital - we remain one of only three venue-based producing theatres in Wales and this can only be achieved if we continue to receive significant grant funding support.

The Torch's reserves policy acknowledges the guidance issued by the Charity Commission, and the policy will be reviewed on an annual basis following publication of the audited annual accounts. The policy is founded on the following general principles:

- as a precaution against adverse economic conditions and any subsequent decline in earned income
- to provide assurance to funding partners and creditors regarding the economic viability and the stability of the company
- to provide assurance for members of the Board who make decisions on the operation of the theatre
- to provide assurance for members of staff and to those individuals and companies with whom we make commitments for artistic projects, demonstrating the Torch Theatre Company's reliability as an employer

At the year-end there was an excess of expenditure over income of £224,020 charged to general reserve (2023: excess of expenditure over income of £254,150).

Grants received for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the assets concerned. This depreciation charge was £103,634 in 2023/24 and £103,634 in 2022/23.

Going forward our focus remains on The Torch's recovery and re-building of attendance levels post pandemic, through enhanced marketing and funding initiatives. It is hoped the situation at the Torch and across the broader industry will greatly improve, as we are once again able to offer our audiences an accessible, in person, artistic experience and meet our obligations as an organisation in receipt of regular funding from ACW, though myriad challenges remain in the industry.

The Board, in collaboration with the Senior Management Team, will address the ongoing financial challenges in the coming months with the aim of securing financial stability for the Torch. The focus will remain on managing cash flow and improving budgetary control to restore the general reserve and maintain business solvency. A comprehensive long-term strategic plan is to be developed, alongside a revised method for Board oversight. The Board is dedicated to maintaining the trust and backing of the Torch's main funder, Arts Council Wales, who are constantly updated on the financial challenges facing the Torch.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Torch Theatre Company Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26 August 1977 and amended to allow for current governance arrangements by a special resolution passed on 18 August 2011. It is registered as a charity with the Charity Commission. Anyone over the age of 16 may become a member of the trust and there are currently 12 members, each of whom agrees to contribute up to £10.00 in the event of the charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the Chair of the trustees is nominated by the Torch Theatre Company trustees for a period of three years. Pembrokeshire County Council nominates up to 3 trustees, Milford Haven Town Council nominates 1 trustee and the charity known as Milford Youth Matters (formerly known as Milford Haven Social Service Centre) nominates 1 trustee.

Nominees appointed by Pembrokeshire County Council and Milford Haven Town Council are subject to the appointment processes of those bodies and the guidelines laid down for appointment to public office as they apply to local government nominees.

Trustee Induction and Training

New trustees undertake an orientation day to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision making processes, business plans, development plans and details of financial performance of the charity. Trustees are encouraged to attend appropriate external training events as well as in-house training events organised by the charity.

Organisational Structure

The board of trustees administers the charity. Following a review of governance in 2006, this has been reduced from the original maximum of 24 members to a target of around 15 members, with 12 currently in place. The board meets regularly, approximately every quarter. The Executive Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority within terms approved by the trustees for day-to-day operational matters including finance, employment and artistic matters.

Related Parties

The Arts Council of Wales (ACW), Pembrokeshire County Council and Milford Haven Town Council provide core funding for the charity, in support of its artistic programme, as an amenity for local residents and as a visitor attraction to Wales

Risk Management

The trustees have identified the need for a refreshed risk management strategy which covers operational and financial risks. Training for the SMT has already taken place, with Board training to follow. The trustees and SMT and have committed to the following for the 2024/25 period and beyond:

- an annual review of the risks the charity may face;
- establishment of systems and procedures to mitigate those risks identified in the plan; and
- implementation of procedures designed to minimise any potential impact on the charity should those risks materialise, including establishing a reserves policy

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	508985
Company Number:	1327289
Principal Office:	St Peter's Road, Milford Haven, Pembrokeshire SA73 2BU
Auditors:	Ashmole & Co, Chartered Certified Accountants and Registered Auditors, Williamston House, 7 Goat Street, Haverfordwest SA61 1PX
Bankers:	National Westminster Bank Plc, Pembrokeshire Business Centre, 18 High Street, Haverfordwest SA61 2DA
Solicitors:	Price & Kelway, 17 Hamilton Terrace, Milford Haven SA73 2JA

Directors & Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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

Chair:	Katrina Marsh
Vice-Chair:	Nigel Sinnett (to 24th April 2024) Carol Mackintosh (from 24th April 2024)
Pembrokeshire County Council nominees:	Councillor Rhys Sinnett Councillor David Bryan Councillor Alan Dennison
Milford Haven Town Council nominee:	Councillor Yvonne Southwell
Milford Haven Youth Matters (formerly known as Milford Haven Social Service Centre) nominee:	Vacant
Elected trustees:	Carol Mackintosh Phillipa Davies Katrina Marsh Nigel Sinnett (resigned 24th April 2024) Ann Owston Joanne Hendy (resigned 24th April 2024) Sara McKay (resigned 25th May 2023) Adrian Williams Max Mackintosh Gemma Hicks

Other officials:

Company Secretary	Mr Guy Woodham

Report of the Trustees
for the Year Ended 31 March 2024

Executive Director:	Mr Benjamin Lloyd (until September 2024)
Artistic Director:	Ms Chelsey Gillard
Senior Manager - Business:	Mr Guy Woodham
Senior Manager - Finance:	Miss Rhian Hayes (until July 2023)
	Mr Gary Wilson (from July 2023 to April 2024)
	Mr Gareth Williams (from March 2024 to July 2024)
	Ms Maureen Rapley (from July 2024)
Arts Council of Wales Observer:	Mr Henry Rees

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Torch Theatre Company Limited(The) 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;
- 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

A resolution will be proposed at the Annual General Meeting to propose that auditors, Ashmole and Co., be re-appointed as auditors to the charity for the ensuing year.

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

Approved by order of the board of trustees on ....17th October 24.... and signed on its behalf by:

.....
Katrina Marsh
Chair – Torch Theatre Company Board of Management

Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Opinion

We have audited the financial statements of Torch Theatre Company Limited(The) (the 'parent charitable company') for the year ended 31 March 2024 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the parent charitable company's affairs as at 31 March 2024 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 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 the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ashmole & Co.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- nature of the charity and the sector in which it operates.
- the legal and regulatory framework in which the charity operates, and in particular those laws and regulations.
- that directly affect the financial statements or have a fundamental effect on operations eg Charities Act 2011, health and safety legislation.
- results of enquiries of management and those charged with governance.
- any matters identified relating to:
  - the charity's policies and procedures for identifying, evaluating and complying with laws and regulations, and whether there were any known instances of non compliance.
  - detecting and responding to the risks of fraud and whether there is any knowledge of actual, suspected or alleged fraud.
  - the internal controls established to mitigate risks of fraud or non compliance with laws and regulations.

As a result of performing the above, we did not identify any key audit matters related to potential risk of fraud or non compliance with laws and regulations.

In addition to the above, our procedures included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations.
- enquires of management and those charged with governance concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- review of minutes of committee meetings.
- written representations.

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

Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Use of our report

This report is made solely 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashmole and Co.
Chartered Certified Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Date: .....

Torch Theatre Company Limited(The)

Statement of Financial Activities Consolidated (Incorporating an Income and Expenditure Account) for the Year Ended 31 March 2024

	Notes	Unrestricted fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	585,940	-	585,940	535,409
Charitable activities	5				
Theatre		753,349	-	753,349	696,232
Other trading activities	3	241,965	-	241,965	191,801
Investment income	4	1,451	-	1,451	775
Other income	6	68,382	-	68,382	41,000
Total		1,651,087	-	1,651,087	1,465,217
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	7	1,500	-	1,500	1,500
Other trading activities	8	158,169	-	158,169	118,632
		159,669	-	159,669	120,132
Charitable activities	9				
Theatre		1,715,438	103,635	1,819,073	1,702,869
Total		1,875,107	103,635	1,978,742	1,823,001
NET INCOME/(EXPENDITURE)		(224,020)	(103,635)	(327,655)	(357,784)
RECONCILIATION OF FUNDS					
Total funds brought forward		322,545	3,376,874	3,699,419	4,057,203
TOTAL FUNDS CARRIED FORWARD		98,525	3,273,239	3,371,764	3,699,419

The notes form part of these financial statements

Torch Theatre Company Limited(The)

Balance Sheet - Consolidated
31 March 2024

	Notes	Unrestricted fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	16	259,873	3,273,239	3,533,112	3,638,550
CURRENT ASSETS					
Stocks	17	7,472	-	7,472	7,351
Debtors	18	104,526	-	104,526	112,853
Cash at bank and in hand		47,568	4,988	52,556	237,898
		159,566	4,988	164,554	358,102
CREDITORS					
Amounts falling due within one year	19	(308,959)	(4,988)	(313,947)	(297,233)
NET CURRENT ASSETS		(149,393)	-	(149,393)	60,869
TOTAL ASSETS LESS CURRENT LIABILITIES		110,480	3,273,239	3,383,719	3,699,419
CREDITORS					
Amounts falling due after more than one year	20	(11,955)	-	(11,955)	-
NET ASSETS		98,525	3,273,239	3,371,764	3,699,419
FUNDS	22				
Unrestricted funds				98,525	322,545
Restricted funds				3,273,239	3,376,874
TOTAL FUNDS				3,371,764	3,699,419

The notes form part of these financial statements

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime. The financial statements were approved by the Board of Trustees and authorised for issue on 17/10/2024 and were signed on its behalf by:



Katrina Marsh, Chair – Torch Theatre Company Board of Management

Torch Theatre Company Limited(The)

Balance Sheet – Parent Company
31 March 2024

	Notes	Unrestricted fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	16	259,873	3,273,239	3,533,112	3,638,550
Investments	26	10	-	10	10
		259,883	3,273,239	3,533,122	3,638,560
CURRENT ASSETS					
Stocks	17	7,472	-	7,472	7,351
Debtors	18	291,678	-	291,678	292,395
Cash at bank and in hand		47,568	4,988	52,556	237,898
		346,718	4,988	351,706	537,644
CREDITORS					
Amounts falling due within one year	19	(496,124)	(4,988)	(501,109)	(476,785)
NET CURRENT ASSETS		(149,403)	-	(149,403)	60,859
TOTAL ASSETS LESS CURRENT LIABILITIES		110,480	3,273,239	3,383,719	3,699,419
CREDITORS					
Amounts falling due after more than one year		(11,955)	-	(11,955)	-
NET ASSETS		98,525	3,273,239	3,371,764	3,699,419
FUNDS	22				
Unrestricted funds				98,525	322,545
Restricted funds				3,273,239	3,376,874
TOTAL FUNDS				3,371,764	3,699,419

The notes form part of these financial statements

Torch Theatre Company Limited(The)

Cash Flow Statement - Consolidated
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	(175,895)	(186,214)
Net cash used in operating activities		(175,895)	(186,214)
Cash flows from investing activities			
Purchase of tangible fixed assets		(27,977)	(28,923)
Interest received		1,451	775
Net cash used in investing activities		(26,526)	(28,148)
Cash flows from financing activities			
Amount due under hire purchase agreement		17,079	-
Net cash provided by financing activities		17,079	-
Change in cash and cash equivalents in the reporting period		(185,342)	(214,362)
Cash and cash equivalents at the beginning of the reporting period		237,898	452,260
Cash and cash equivalents at the end of the reporting period		52,556	237,898

The notes form part of these financial statements

Ashmole & Co.

Notes to the Cash Flow Statement for the Year Ended 31 March 2024

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

	31.3.24 £	31.3.23 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(327,655)	(357,784)
Adjustments for:		
Depreciation charges	133,418	127,822
Interest received	(1,451)	(775)
Increase in stocks	(121)	(4,669)
Decrease/(increase) in debtors	8,327	(6,479)
Increase in creditors	11,587	55,671
Net cash used in operations	(175,895)	(186,214)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	237,898	(185,342)	52,556
	237,898	(185,342)	52,556
Debt			
Amount due under hire purchase agreement	-	(17,079)	(17,079)
	-	(17,079)	(17,079)
Total	237,898	(202,421)	35,477

The notes form part of these financial statements

Ashmole & Co.

1. 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.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the the assets concerned.

Income from charitable activities is deferred when admission fees are received in advance of the performances or event to which they relate.

Income is shown net of VAT where relevant.

Donated services, facilities and assets are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts. Tax credits attributable to the subsidiary company under the Theatre Tax Credit are recorded as Other Incoming Resources in the Consolidated Statement of Financial Activities.

Investment income is included when receivable.

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.

Allocation and apportionment of costs
Costs have been allocated as far as possible between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others have been apportioned based on the estimated usage of the resource. Costs allocated to generating voluntary income, being an element of administration salaries, postage and stationery, and theatre renewals have been estimated using best judgement.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Theatre refurbishment (1996 - 2000)	- 10% on cost
Theatre redevelopment	- 2% on cost
Fixtures and fittings	- 25% on cost and 10% on cost

continued...

1. ACCOUNTING POLICIES - continued

Stocks
Stocks consist of cafe, bar and shop stocks and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Reserves
The financial statements distinguish between restricted and unrestricted funds. The former are received from donors and are subject to restrictions on the purpose for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions. These include those freely available to the charity for expenditure or appropriation to reserves for internally designated purposes.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

2. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Arts Council of Wales	454,258	459,310
Pembrokeshire County Council	10,000	10,000
Milford Haven Town Council	7,500	7,000
Gifts and donations	21,530	16,577
Sponsorship	20,000	21,483
Chapter Cardiff	2,000	6,800
ACW - Cost of Living Award	11,952	14,239
TNL Warm Spaces	10,000	-
Garrick Charitable Grant	2,500	-
ACW Explore Grant	1,200	-
ACW Create Grant	45,000	-
	585,940	535,409

continued...

3. OTHER TRADING ACTIVITIES

	31.3.24	31.3.23
	£	£
Cafe sales	56,664	31,474
Bar sales	68,108	47,282
Kiosk sales	103,850	91,439
Merchandise sales	1,865	3,399
Telephone mast rental	11,478	18,207
	241,965	191,801

4. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Deposit account interest	1,451	775

The charity's investment income arises wholly from interest bearing cash deposits.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.24	31.3.23
		£	£
Theatre	Theatre	462,793	412,030
Films	Theatre	185,674	220,470
Youth theatre and education	Theatre	11,182	12,571
Hire of theatre	Theatre	39,059	15,790
Sales of programmes etc.	Theatre	7,967	2,400
Technical hire	Theatre	10,468	7,445
Set construction	Theatre	22,790	13,273
Sundry theatre income	Theatre	13,416	12,253
		753,349	696,232

6. OTHER INCOME

Entitlement to Theatre Tax Credits £68,382 (2023 - £40,997).

7. RAISING DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Administration expenses	1,500	1,500

continued...

8. OTHER TRADING ACTIVITIES

	31.3.24	31.3.23
	£	£
Purchases	99,101	78,200
Staff costs	50,080	32,488
Equipment repairs and renewals	1,955	1,606
Other direct costs	5,266	4,807
Depreciation	1,767	1,531
	158,169	118,632

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 10)	Totals
	£	£	£
Theatre	1,471,663	347,410	1,819,073

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Theatre	336,968	10,442	347,410

11. NET INCOME/(EXPENDITURE)

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

	31.3.24	31.3.23
	£	£
Auditors' remuneration	2,900	2,700
Auditors' remuneration for non audit work	3,969	3,123
Depreciation - owned assets	128,166	127,821
Depreciation - assets on hire purchase contracts and finance leases	5,249	-

continued...

12. TRUSTEES' REMUNERATION AND BENEFITS

Trustees are not remunerated. No trustees received any remuneration during the year (2023 - nil).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

13. STAFF COSTS

	31.3.24	31.3.23
	£	£
Wages and salaries	864,520	819,866
Social security costs	53,392	49,090
Other pension costs	11,549	10,447
	929,461	879,403

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

	31.3.24	31.3.23
Theatre and facilities	29	26
Publicity	3	2
Administration	5	5
	37	33

No employees received emoluments in excess of £60,000.

Staff costs above include performers and theatre personnel engaged on a contract basis as well as permanent staff. Employee numbers reflect the average monthly head count of casual and permanent staff which equates to an estimated 25 full-time equivalent staff.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	535,409	-	535,409
Charitable activities			
Theatre	696,232	-	696,232
Other trading activities	191,801	-	191,801
Investment income	775	-	775
Other income	41,000	-	41,000
Total	1,465,217	-	1,465,217
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	1,500	-	1,500

continued...

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Other trading activities	118,632	-	118,632
	120,132	-	120,132
Charitable activities			
Theatre	1,599,234	103,634	1,702,869
Total	1,719,366	103,634	1,823,001
NET INCOME/(EXPENDITURE)	(254,150)	(103,634)	(357,784)
RECONCILIATION OF FUNDS			
Total funds brought forward	576,695	3,480,508	4,057,203
TOTAL FUNDS CARRIED FORWARD	322,545	3,376,874	3,699,419

15. TAXATION

As a registered charity, Torch Theatre Company Ltd is exempt from tax on income and gains. No tax charges have arisen on the charity. The Trading Subsidiary is entitled to Theatre Tax Credits which is reflected as Other Incoming Resources in the Consolidated Statement of financial activities in the sum of £68,382 (2023 - £40,977).

16. TANGIBLE FIXED ASSETS

	Freehold property £	Theatre refurbishment (1996 - 2000) £	Theatre redevelopment £
COST			
At 1 April 2023	407,808	28,270	4,638,069
Additions	-	-	-
At 31 March 2024	407,808	28,270	4,638,069
DEPRECIATION			
At 1 April 2023	164,207	28,270	1,366,736
Charge for year	8,156	-	92,762
At 31 March 2024	172,363	28,270	1,459,498
NET BOOK VALUE			
At 31 March 2024	235,445	-	3,178,571
At 31 March 2023	243,601	-	3,271,333

continued...

16. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2023	1,460,049	-	6,534,196
Additions	6,982	20,995	27,977
At 31 March 2024	1,467,031	20,995	6,562,173
DEPRECIATION			
At 1 April 2023	1,336,433	-	2,895,646
Charge for year	27,248	5,249	133,415
At 31 March 2024	1,363,681	5,249	3,029,061
NET BOOK VALUE			
At 31 March 2024	103,350	15,746	3,533,112
At 31 March 2023	123,616	-	3,638,550

All fixed assets are used in direct furtherance of the charities objects.

Details of the restricted fund relating to the theatre building and re-development are given in note 20.

Legal charges have been registered over the theatre building by the Arts Council of Wales.

All Group Fixed Assets belong to the parent company. The subsidiary company has no Fixed Assets.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
Additions	20,995
DEPRECIATION	
Charge for year	5,249
NET BOOK VALUE	
At 31 March 2024	15,746
At 31 March 2023	-

continued...

17. STOCKS

	31.3.24	31.3.23
	£	£
Stocks	7,472	7,351

All stocks belong to the parent company.

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
	Group	Group	Charity	Charity
Other debtors	76,305	81,999	263,457	261,541
Prepayments and accrued incomeVAT	28,221	30,854	28,221	30,854
	104,526	112,853	291,678	292,395

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
	Group	Group	Charity	Charity
VAT	20,911	17,725	20,911	17,725
Advance receipts	95,659	116,678	95,659	116,678
Deferred income	10,861	3,377	10,861	3,377
Hire Purchase	5,124	-	5,124	-
Sundry creditors and accruals	181,392	159,453	368,554	339,005
	313,947	297,233	501,109	476,785

Included in sundry creditors and accruals are amounts owing for social security and other taxes of £15,779 (2023 - £15,222).

continued...

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

	31.3.24	31.3.23
	£	£
Hire purchase (see note 21)	11,955	-

21. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.3.24	31.3.23
	£	£
Gross obligations repayable:		
Within one year	5,124	-
Finance charges repayable:		
Between one and five years	(11,955)	-
Net obligations repayable:		
Within one year	5,124	-
Between one and five years	11,955	-
	17,079	-

22. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	At 31.3.24
	£	£	£
Unrestricted funds			
General fund	322,545	(224,020)	98,525
Restricted funds			
Restricted funds	3,376,874	(103,635)	3,273,239
TOTAL FUNDS	3,699,419	(327,655)	3,371,764

continued...

22. 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	1,651,087	(1,875,107)	(224,020)
Restricted funds			
Restricted funds	-	(103,635)	(103,635)
TOTAL FUNDS	1,651,087	(1,978,742)	(327,655)

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	576,695	(254,150)	322,545
Restricted funds			
Restricted funds	3,480,508	(103,634)	3,376,874
TOTAL FUNDS	4,057,203	(357,784)	3,699,419

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,465,217	(1,719,367)	(254,150)
Restricted funds			
Restricted funds	-	(103,634)	(103,634)
TOTAL FUNDS	1,465,217	(1,823,001)	(357,784)

continued...

22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.22 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	576,695	(478,170)	98,525
Restricted funds			
Restricted funds	3,480,508	(207,269)	3,273,239
TOTAL FUNDS	4,057,203	(685,439)	3,371,764

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,116,304	(3,594,474)	(478,170)
Restricted funds			
Restricted funds		(207,269)	(207,269)
TOTAL FUNDS	3,116,304	(3,801,743)	(685,439)

Full details of restricted funds are provided at note 25.

23. RELATED PARTY DISCLOSURES

Torch Theatre Production Company Limited

During the year, the Charity made sales of £187,156 (2023 - £179,545) and purchases of £255,538 (2023 - £220,542) to/from its 100% wholly owned subsidiary. At the year-end date, the trading subsidiary owed the Charity the sum of £68,382 (2023 - £40,997).

continued...

24. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

25. RESTRICTED FUNDS

	Balance as at 01.04.23	Movement in Year	Balance as at 31.03.24
	£	£	£
Capital Reserve (Main Theatre)	89,832	(3,757)	86,075
Capital Re-development Fund	3,234,667	(98,378)	3,136,289
Capital Reserve (Studio Theatre)	52,375	(1,500)	50,875
	3,376,874	(103,635)	3,273,239

Capital Reserve (Main Theatre)
The freehold of the Torch Theatre was conveyed to the company by Preseli Pembrokeshire District Council on 23rd January 1991 for the consideration of £1. The property was valued by Messrs Glyn Davies & Co. at £180,000 in January 1991 and has been incorporated into the financial statements at that figure, the surplus being credited to a capital reserve.

Following the introduction of FRS15 the trustees decided to depreciate the freehold over a period of 50 years on a straight line basis. This results in a depreciation charge of £3,757 per annum. The balance remaining on this fund is £86,075 (2023 - £89,832).

Capital Re-development Fund
During the three years to March 2009, the theatre was completely re-developed. Further capital improvements have been made in subsequent years. This capital expenditure is being depreciated over a period of 10 years (fixtures and equipment) or 50 years (buildings). The grants and donations received for the restricted purpose of the theatre's re-development have been treated as a restricted fund in accordance with the Statement of Recommended Practice and are reduced by the depreciation charge in respect of the re-development costs. The balance remaining on this fund is £3,136,289 (2023 - £3,234,667).

Capital Reserve (Studio Theatre)
As part of the re-development, the charity acquired the freehold of an adjoining property which houses the new studio theatre. Part of the value of the property (valued at £75,000) was donated by Pembrokeshire County council creating a further capital reserve. The property is being depreciated over 50 years on a straight line basis resulting in a depreciation charge relating to the gift of £1,500 per annum. The balance remaining on this fund is £50,875 (2023 - £52,375).

continued...

26. SUBSIDIARY UNDERTAKINGS

The Charity holds the entire issued share capital of 10 Ordinary shares of £1 each in Torch Theatre Production Company Limited, a company incorporated in England and Wales, company number 09287683. The Charity acquired the Trading subsidiary on 30th October 2014. The Torch Theatre Production Company undertakes the commercial production of theatrical performances. A summary of the trading results are shown below.

Summary profit and loss account:	Year Ended 31.3.24	Year Ended 31.3.23
	£	£
Income	187,156	179,545
Cost of sales	(255,538)	(220,542)
Profit or (Loss) on ordinary activities before taxation	(68,382)	(40,997)
Tax credit	68,382	40,997
Profit for the financial period	-	-
The assets and liabilities of the subsidiary were:		
Current assets	255,548	220,552
Creditors	(255,538)	(220,542)
Aggregate share capital and reserves	10	10

Detailed Statement of Financial Activities for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Arts Council of Wales	454,258	459,310
Pembrokeshire County Council	10,000	10,000
Milford Haven Town Council	7,500	7,000
Gifts and donations	21,530	16,577
Sponsorship	20,000	21,483
Chapter Cardiff	2,000	6,800
ACW - Cost of Living Award	11,952	14,239
TNL Warm Spaces	10,000	-
Garrick Charitable Grant	2,500	-
ACW Explore Grant	1,200	-
ACW Create Grant	45,000	-
	585,940	535,409
Other trading activities		
Cafe sales	56,664	31,474
Bar sales	68,108	47,282
Kiosk sales	103,850	91,439
Merchandise sales	1,865	3,399
Telephone mast rental	11,478	18,207
	241,965	191,801
Investment income		
Deposit account interest	1,451	775
Charitable activities		
Theatre	462,793	412,030
Films	185,674	220,470
Youth theatre and education	11,182	12,571
Hire of theatre	39,059	15,790
Sales of programmes etc.	7,967	2,400
Technical hire	10,468	7,445
Set construction	22,790	13,273
Sundry theatre income	13,416	12,253
	753,349	696,232
Other income		
Theatre Tax Credit	68,382	41,000
Total incoming resources	1,651,087	1,465,217

Torch Theatre Company Limited(The)

Detailed Statement of Financial Activities for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
EXPENDITURE		
Raising donations and legacies		
Administration expenses	1,500	1,500
Other trading activities		
Cafe purchases	18,816	12,010
Bar purchases	28,991	25,755
Shop purchases	51,294	40,435
Wages	45,594	29,363
Social security	4,486	3,125
Equipment repairs and renewals	1,955	1,606
Other direct costs	5,266	4,807
Depreciation - fixtures and fittings	1,767	1,531
	158,169	118,632
Charitable activities		
Theatre salaries and fees	548,688	574,742
Employers national insurance	31,415	28,435
Employer pension contributions	11,549	10,447
Rates and water	9,383	5,602
Insurance	62,632	47,688
Light and heat	52,083	45,630
Theatre renewals	25,439	22,947
Youth theatre and education	8,331	8,963
Bought in productions and artists fees	207,990	160,591
Printing and promotion of programmes and publicity	76,459	106,790
Direct production costs	72,383	12,227
Royalties and commissions	12,185	23,944
Travelling	20,912	33,781
Sundry expenses	4,838	3,564
Film hire and carriage	100,087	104,984
Laundry and cleaning	14,678	15,415
Memberships and licences	23,082	26,640
Workshop expenses	11,700	12,425
Motor expenses	7,546	12,740
Box office tickets and charts	28,609	26,212
Credit card charges	10,026	10,848
Depreciation - freehold property	8,156	8,157
Depreciation - redevelopment	92,762	92,762
Depreciation - fixtures and fittings	25,481	25,372
Depreciation - motor vehicles	5,249	-
	1,471,663	1,420,906

Ashmole & Co.

Detailed Statement of Financial Activities for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
Support costs		
Management		
Administration and publicity salaries	266,665	212,281
Social security	17,491	17,530
Telephone	9,687	9,217
Postage	372	467
Office stationery and IT costs	8,546	6,824
Recruitment and training	15,251	8,166
Professional fees	14,054	13,322
Entertainment	819	2,490
Bank charges	3,174	2,363
Hire purchase interest	909	-
	336,968	272,660
Governance costs		
Admin salaries	3,573	3,480
Auditors' remuneration	2,900	2,700
Auditors' remuneration for non audit work	3,969	3,123
	10,442	9,303
Total resources expended	1,978,742	1,823,001
Net expenditure	(327,655)	(357,784)

Ashmole & Co.

Torch Theatre Company Limited
Detailed Statement of Financial Activities
for the Year Ended 31st March 2024

	31.03.2024							31.03.2023						
	Revenue £	Unrestricted Capital £	Total	Revenue £	Restricted Capital £	Total	Total Funds	Revenue £	Unrestricted Capital £	Total	Revenue £	Restricted Capital £	Total	Total Funds
INCOME AND ENDOWMENTS														
Donations														
Arts Council of Wales (ACW)	454,258	-	454,258	-	-	-	454,258	459,310	-	459,310	-	-	-	459,310
Pembrokeshire County Council	10,000	-	10,000	-	-	-	10,000	10,000	-	10,000	-	-	-	10,000
Milford Haven Town Council	7,500	-	7,500	-	-	-	7,500	7,000	-	7,000	-	-	-	7,000
Gifts and donations	21,530	-	21,530	-	-	-	21,530	16,574	-	16,574	-	-	-	16,574
ACW cost of living grant	11,952	-	11,952	-	-	-	11,952	14,239	-	14,239	-	-	-	14,239
Chapter Cardiff Film Hub Wales	2,000	-	2,000	-	-	-	2,000	6,800	-	6,800	-	-	-	6,800
Sponsorship	20,000	-	20,000	-	-	-	20,000	21,483	-	21,483	-	-	-	21,483
TNL Warm Spaces	10,000	-	10,000	-	-	-	10,000	-	-	-	-	-	-	-
Garrick Charitable Grant	2,500	-	2,500	-	-	-	2,500	-	-	-	-	-	-	-
ACW Explore	1,200	-	1,200	-	-	-	1,200	-	-	-	-	-	-	-
ACW Create	45,000	-	45,000	-	-	-	45,000	-	-	-	-	-	-	-
	585,940	-	585,940	-	-	-	585,940	535,407	-	535,407	-	-	-	535,407
Other trading activities														
Bar sales	68,108	-	68,108	-	-	-	68,108	47,282	-	47,282	-	-	-	47,282
café sales	56,664	-	56,664	-	-	-	56,664	31,474	-	31,474	-	-	-	31,474
Kiosk sales	103,850	-	103,850	-	-	-	103,850	91,439	-	91,439	-	-	-	91,439
Merch/prog sales	1,865	-	1,865	-	-	-	1,865	3,399	-	3,399	-	-	-	3,399
Telephone mast rental	11,478	-	11,478	-	-	-	11,478	18,207	-	18,207	-	-	-	18,207
	241,965	-	241,965	-	-	-	241,965	191,800	-	191,800	-	-	-	191,800
Charitable activities														
Box Office - Theatre	462,793	-	462,793	-	-	-	462,793	412,030	-	412,030	-	-	-	412,030
Box Office - Films	185,674	-	185,674	-	-	-	185,674	220,470	-	220,470	-	-	-	220,470
Youth theatre and education	11,182	-	11,182	-	-	-	11,182	12,571	-	12,571	-	-	-	12,571
Hire of theatre	39,059	-	39,059	-	-	-	39,059	15,790	-	15,790	-	-	-	15,790
Commission & Sales of programmes etc.	7,967	-	7,967	-	-	-	7,967	2,400	-	2,400	-	-	-	2,400
Technical Hire	10,468	-	10,468	-	-	-	10,468	7,445	-	7,445	-	-	-	7,445
Set construction	22,790	-	22,790	-	-	-	22,790	13,273	-	13,273	-	-	-	13,273
Sundry theatre income	13,416	-	13,416	-	-	-	13,416	12,253	-	12,253	-	-	-	12,253
	753,349	-	753,349	-	-	-	753,349	696,232	-	696,232	-	-	-	696,232
Investment income														
Deposit account interest	1,451		1,451	-	-	-	1,451	775	-	775	-	-	-	775
Other income														
Theatre tax credit	68,382	-	68,382	-	-	-	68,382	41,000	-	41,000	-	-	-	41,000
Total incoming resources	1,651,087	-	1,651,087	-	-	-	1,651,087	1,465,214	-	1,465,214	-	-	-	1,465,214

Torch Theatre Company Limited
Detailed Statement of Financial Activities
for the Year Ended 31st March 2024

	31.03.2024							31.03.2023						
	Unrestricted			Restricted				Unrestricted			Restricted			
	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds
EXPENDITURE														
Raising donations														
Administration expenses	1,500	-	1,500	-	-	-	1,500	1,500	-	1,500	-	-	-	1,500
Other trading activities														
Café purchases	18,816		18,816	-	-	-	18,816	12,010	-	12,010	-	-	-	12,010
Bar purchases	28,991		28,991	-	-	-	28,991	25,755	-	25,755	-	-	-	25,755
Kiosk purchases	51,294		51,294	-	-	-	51,294	40,435	-	40,435	-	-	-	40,435
Bar and café wages	45,594		45,594	-	-	-	45,594	29,363	-	29,363	-	-	-	29,363
Social security	4,486		4,486	-	-	-	4,486	3,125	-	3,125	-	-	-	3,125
Equipment repairs and renewals	1,955		1,955	-	-	-	1,955	1,606	-	1,606	-	-	-	1,606
Equipment depreciation	1,767		1,767	-	-	-	1,767	1,531	-	1,531	-	-	-	1,531
Other direct costs	5,266		5,266	-	-	-	5,266	4,807	-	4,807	-	-	-	4,807
	158,169	-	158,169	-	-	-	158,169	118,632	-	118,632	-	-	-	118,632
Charitable activities														
Theatre salaries and fees	548,688		548,688	-	-	-	548,688	574,742	-	574,742	-	-	-	574,742
Employers national insurance	31,415		31,415	-	-	-	31,415	28,435	-	28,435	-	-	-	28,435
Pensions	11,549		11,549	-	-	-	11,549	10,447	-	10,447	-	-	-	10,447
Rates and water	9,383		9,383	-	-	-	9,383	5,602	-	5,602	-	-	-	5,602
Insurance	62,632		62,632	-	-	-	62,632	47,688	-	47,688	-	-	-	47,688
Light and heat	52,083		52,083	-	-	-	52,083	45,630	-	45,630	-	-	-	45,630
Theatre renewals	25,439		25,439	-	-	-	25,439	22,947	-	22,947	-	-	-	22,947
Youth theatre and education	8,331		8,331	-	-	-	8,331	8,963	-	8,963	-	-	-	8,963
Bought in productions and artists fees	207,990		207,990	-	-	-	207,990	160,591	-	160,591	-	-	-	160,591
Printing & promotion of programmes & publicity	76,459		76,459	-	-	-	76,459	106,790	-	106,790	-	-	-	106,790
Direct production costs	72,383		72,383	-	-	-	72,383	12,227	-	12,227	-	-	-	12,227
Royalties and commissions	12,185		12,185	-	-	-	12,185	23,944	-	23,944	-	-	-	23,944
Travelling	20,912		20,912	-	-	-	20,912	33,781	-	33,781	-	-	-	33,781
Sundry expenses	4,838		4,838	-	-	-	4,838	3,564	-	3,564	-	-	-	3,564
Film hire and carriage	100,087		100,087	-	-	-	100,087	104,984	-	104,984	-	-	-	104,984
Laundry and cleaning	14,678		14,678	-	-	-	14,678	15,415	-	15,415	-	-	-	15,415
Memberships and licences	23,082		23,082	-	-	-	23,082	26,640	-	26,640	-	-	-	26,640
Workshop expenses	11,700		11,700	-	-	-	11,700	12,425	-	12,425	-	-	-	12,425
Motor expenses	7,546		7,546	-	-	-	7,546	12,740	-	12,740	-	-	-	12,740
Box office tickets and charts	28,609		28,609	-	-	-	28,609	26,212	-	26,212	-	-	-	26,212
Credit card charges	10,026		10,026	-	-	-	10,026	10,848	-	10,848	-	-	-	10,848
Depreciation of tangible fixed assets	28,013		28,013	-	103,635	103,635	131,648	22,655	-	22,655	-	103,634	103,634	126,289
	1,368,028	-	1,368,028	-	103,635	103,635	1,471,663	1,317,269	-	1,317,269	-	103,634	103,634	1,420,903

Torch Theatre Company Limited
Detailed Statement of Financial Activities
for the Year Ended 31st March 2024

	31.03.2024							31.03.2023						
	Unrestricted			Restricted				Unrestricted			Restricted			
	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds
Support costs Theatre														
Administration and publicity salaries	266,665	-	266,665	-	-	-	266,665	212,281	-	212,281	-	-	-	212,281
Social security	17,491	-	17,491	-	-	-	17,491	17,530	-	17,530	-	-	-	17,530
Telephone	9,687	-	9,687	-	-	-	9,687	9,217	-	9,217	-	-	-	9,217
Postage	372	-	372	-	-	-	372	467	-	467	-	-	-	467
Office stationery and IT costs	8,546	-	8,546	-	-	-	8,546	6,824	-	6,824	-	-	-	6,824
Recruitment and training	15,251	-	15,251	-	-	-	15,251	8,166	-	8,166	-	-	-	8,166
Professional fees	14,054	-	14,054	-	-	-	14,054	13,322	-	13,322	-	-	-	13,322
Bank charges	3,174	-	3,174	-	-	-	3,174	2,363	-	2,363	-	-	-	2,363
Entertainment	819	-	819	-	-	-	819	2,490	-	2,490	-	-	-	2,490
HP interest	909	-	909	-	-	-	909	-	-	-	-	-	-	-
	336,968	-	336,968	-	-	-	336,968	272,660	-	272,660	-	-	-	272,660
Governance costs														
Auditors' remuneration	2,900	-	2,900	-	-	-	2,900	2,700	-	2,700	-	-	-	2,700
Auditors' remuneration for non-audit work	3,969	-	3,969	-	-	-	3,969	3,123	-	3,123	-	-	-	3,123
Administration and publicity salaries	3,573	-	3,573	-	-	-	3,573	3,480	-	3,480	-	-	-	3,480
	10,442	-	10,442	-	-	-	10,442	9,303	-	9,303	-	-	-	9,303
Total resources expended	1,875,107	-	1,875,107	-	103,635	103,635	1,978,742	1,719,364	-	1,719,364	-	103,634	103,634	1,822,998
Net income/(expenditure)	(224,020)	-	(224,020)	-	(103,635)	(103,635)	(327,655)	(254,150)	-	(254,150)	-	(103,634)	(103,634)	(357,784)

THE TORCH THEATRE COMPANY LIMITED

England & Wales - Charity number 508985

Accounts

REGISTERED COMPANY NUMBER: 01327289 (England and Wales)
REGISTERED CHARITY NUMBER: 508985

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2023

for

Torch Theatre Company Limited(The)

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Ashmole & Co.

Torch Theatre Company Limited(The)

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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 for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

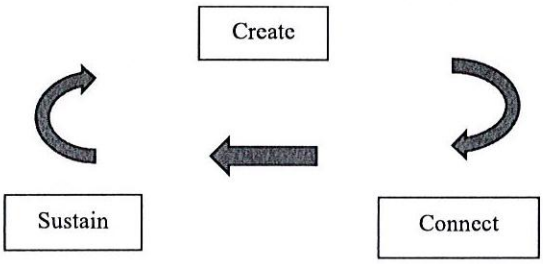
OBJECTIVES AND ACTIVITIES

The arrival of our new Artistic Director in October 2022 has provided fresh impetus and rigour in how the vision, mission and values of the Torch Theatre Company Ltd (the Torch) are embedded in and articulated through our programme and engagement with our communities. This has led to a re-evaluated and refocused vision and mission for the Torch, to better represent our position in the current artistic, political and social landscape. Alongside this we have investigated, established and articulated the values that underpin everything we do.

Vision

To be the centre for the arts in Pembrokeshire - connecting artists, audiences and communities in our county of creativity and beyond.

Mission



Create - We create and curate high quality productions, participation experiences and events to inspire, entertain, delight and challenge our audiences and participants in Pembrokeshire and beyond.

Connect - We are a creative centre for Pembrokeshire connecting arts organisations, communities, educational establishments and businesses for the benefit of all in the county and act as a bridge to the wider arts ecology.

Sustain - Everything we do will be underpinned by our pursuit of financial and environmental sustainability, safeguarding the future for Pembrokeshire, Wales and the wider world.

Values

Artistic Excellence - creating work by, with and for our communities to the highest standard.

Fair, Ethical and Accessible practices - including anti-racist, anti-ableist and inclusive practices across the organisation.

Diversity as a strength - we recognise the unique perspectives and skills each staff member, volunteer, artist, organisation, audience member and participant brings with them and celebrate their contributions towards creating a vibrant and connected Pembrokeshire.

Collaboration and partnership working - working with a range of organisations across the arts and business to develop best practice, share resources and reach further.

Celebration of our Welsh language and heritage - across our produced work and organisational ethos we honour our language and culture weaving it into the fabric of the Torch.

Transparency - our decision making will be as transparent as possible, including publishing our Business Plan and Policies online.

Stewardship - Ensuring the future of the Torch for the benefit of future generations in Pembrokeshire and across Wales.

Social responsibility and civic duty - as a publicly funded organisation we strive to make our activities and building accessible to all who wish to participate and working to the benefit of our community.

Innovation - we will constantly reflect on and improve our work, our practices and our policies to ensure we deliver against our vision and mission.

The charity embraces the general aim of contributing to the quality of life for people living in the county of Pembrokeshire and for visitors to the county. It aims to present a diverse artistic programme which is challenging, entertaining, and accessible. The charity maintains a popular programme which is designed to underpin its financial objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Our pricing policy reflects our aim of enabling all within our community to attend live performances and films at the Theatre, and a wide range of concessionary prices are offered

To achieve the charity's objectives the following strategies are employed

- creating opportunities for local residents, particularly young people, to engage in arts activity organised by the charity including youth theatre, summer school, work experience placements, education projects;
- provision of facilities and professional support for amateur and professional artists to develop. Amateur groups are given professional advice on producing stage productions;
- programming performances and films which appeal to specific market segments, for example young people, families and older people;
- offering a range of ticket price discounts to provide access to organised groups, young people, disabled people, families, unemployed and older people;
- provision of attractive, accessible and informative promotional material by way of leaflets, brochures, e-flyers and a bilingual website;
- providing facilities to improve access for disabled customers, including induction loop and infra-red hearing systems, subtitled screenings for films and BSL performances; and
- the use of e-marketing for a range of services through the theatre website

Activities

The major areas of activity managed by the charity are the production of plays and musical theatre, touring of theatre productions to venues in Wales and beyond, screening mainstream and independent films, display of artworks in the gallery, bar services, education projects, and buying in a range of professional performances to provide a wide-ranging programme.

Key components of the charity's programme and as a platform for community activity are as follows:

- production of professional plays, musical theatre and a Christmas production by the Torch Theatre Company to play at the Torch Theatre, and tour to venues in Wales as appropriate and financially viable;
- a bought-in programme of events including popular music, music, light entertainment, opera, contemporary dance, ballet, plays, musical theatre, non-Western art forms, and comedy;
- presentation of films throughout the year;
- amateur productions by groups including Milford Haven Amateur Operatic Society and Artistic Licence;
- hire of the theatre for events, dance classes, concerts and conferences;
- educational projects involving local primary and secondary schools, colleges and universities in Pembrokeshire, Carmarthenshire and Cardiff. Projects are devised in conjunction with education professionals and designed to support curriculum activities, as well as developing careers awareness and the life skills of individual participants;
- participatory arts activity for young people including one-off drama workshops, weekly youth theatre and junior youth sessions and an annual Summer Schools;

- provision of a gallery to display professional work by visual arts practitioners;
- provision of a community choir (Torch Voices); and
- providing volunteer opportunities for more than 80 local people who welcome visitors to the theatre, provide information sell programmes and support the marketing team's activity. This saves the theatre a considerable amount of money each year estimated in 2022/23 at £70,000pa (2021/22 £70,000pa). Just as importantly it allows volunteers to engage in the life of the theatre and to gain a better understanding of its activities. Due to the inherent uncertainty of estimates, these figures have not been incorporated into the Financial Statements.

ACHIEVEMENT AND PERFORMANCE

Following the re-opening of the Torch Theatre to the public in September 2021 after the COVID-19 pandemic, all social distance measures were fully removed in February 2022, therefore year ending March 2023 being the first full year of operating post-pandemic.

Despite a full program of shows (films, bought in productions and Torch Theatre own productions) throughout the year, the café, bar and kiosk had a staggered re-opening aligned to attendance levels, with pre-supper meal offerings being re-introduced from October 2022, following the recruitment of a permanent chef.

In general, attendance levels at shows were relatively low, in particular films, with a noticeable hesitancy from the general public to once again enter relatively confined areas. It was evident at the Torch, and across the cinema industry as a whole, that there was a struggle to return to pre pandemic attendance levels.

During the year, the Torch Theatre performed two in house productions, Of Mice and Men, and Sleeping Beauty as the Christmas pantomime.

FINANCIAL REVIEW

Total income for the year at £1,465,217 which was 14% up on 2021/22, principally due to it being the first full year of operating since the post-pandemic re-opening of the Theatre, albeit with trading and charitable activities being below expectation during the period. This increase is primarily due to the expansion of trading activities of £133,320 to £191,801 and charitable activities increase of £398,248 to £696,232.

Total income from grants and donations was £535,409, 42% down on 2021/22 mainly due to the cessation of the Arts Council of Wales Cultural Recovery Fund Grant (2021/22 - £393,368). Expenditure for the period increased 31% to £1,823,001, with increases in all areas due mainly to the first full year of operating activities post pandemic.

During the period, the Torch continued a successful relationship with ACW meeting, where possible, agreed targets and committing to the Cultural Contract for the funded Arts which builds on the Welsh Government's existing economic contract of fair work and pay and sustainability and addresses areas such as:

- Increased diversity and representation (including diversity of the SMT)
- Greater involvement in and support for wider community initiatives (including social prescribing)
- Prioritising health and wellbeing in arts initiatives
- Environmental, cultural and economic sustainability

ACW remains the charity's principal funding partner with an annual revenue grant of £459,310 a 1.5% increase on the 2021/22 grant.

A positive relationship also continued with PCC although as part of the 2022/23 Service Level Agreement the annual grant was reduced further in 2022/23 to £10,000 a reduction of 50% on 2021/22.

Milford Haven Town Council also provided a grant of £7,000, in line with 2021/22.

The organisation has, since October 2014, taken advantage of the opportunity provided by the Theatre Tax Relief Scheme. As a result of two Torch Theatre Productions taking place during the period; Of Mice and Men and Sleeping Beauty, there will be a claim made this year of £41,000.

The aspiration of the trustees has been to maintain Reserves at the highest level possible. The current objective remains, as recommended by the Charities Commission, to build up Reserves to meet three months' operating costs, circa £400,000 in non-covid years. Although in the present uncertain economic environment retaining Reserves will continue to be challenging, through careful budget management, as at 31st March 2023, the charity's free Reserves (unrestricted, undesignated reserves not committed to fixed assets) stood at a surplus of £60,869 (2022 surplus of £319,755).

Focus for the coming years remains to build our Reserves, widen earned income, maximising the use of the venue and the diversity of what we can offer, as well as applying for additional funding through trusts and foundations.

We remain committed to our relationship with both Arts Council Wales and Pembrokeshire County Council and the partnership approach we take in ensuring their continued support.

Safeguarding our artistic production resources and capacity is vital - we remain one of three venue-based producing theatres in Wales and this can only be achieved if we continue to receive significant grant funding support.

The Torch's reserves policy remains in line with guidance issued by the Charity Commission, and the policy will be reviewed on an annual basis following publication of the audited annual accounts. The policy is founded on the following general principles:

- as a precaution against adverse economic conditions and any subsequent decline in earned income
- to provide assurance to funding partners and creditors regarding the economic viability and the stability of the company

- to provide assurance for members of the Committee of Management who make decisions on the operation of the theatre

- to provide assurance for members of staff and to those individuals and companies with whom we make commitments for artistic projects, demonstrating the Torch Theatre Company's reliability as an employer

Due to the trading result there was an excess of expenditure over income of £254,150 in Unrestricted Funds in 2022/23 (2021/22 excess of income over expenditure £12,011.

Grants received for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the assets concerned. This depreciation charge was £103,634 in 2022/23 and £109,226 in 2021/22.

Going forward our focus remains on The Torch's recovery and re-building of attendance levels post pandemic, through enhanced marketing and funding initiatives. It is hoped the situation at the Torch and across the broader industry will greatly improve, as we are once again able to offer our audiences an accessible, in person, artistic experience and meet our obligations as an ACW portfolio member, though myriad challenges remain in the industry.

At the end of March 2023, we submitted our Arts Council Wales (ACW) Investment Review application for continued grant funding from April 2024. This application was supported by a new and ambitious business plan for 2023-2027. We were successful in being awarded an indicative annual grant offer of £650,000. This represented an increase of 43% on 2023/24 (£454,258). The Torch was one of only ten currently funded Arts Portfolio Wales (APW) grant recipients to receive an increase in grant funding out of fifty-seven currently funded APW organisations who were successful in securing continued funding from April 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Torch Theatre Company Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26 August 1977 and amended to allow for current governance arrangements by a special resolution passed on 18 August 2011. It is registered as a charity with the Charity Commission. Anyone over the age of 16 may become a member of the trust and there are currently 10 members, each of whom agrees to contribute £1.00 in the event of the charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the Chair of the trustees is nominated by the Torch Theatre Company trustees for a period of three years. Pembrokeshire County Council nominates up to 3 trustees, Milford Haven Town Council nominates 1 trustee and the charity known as Milford Youth Matters (formerly known as Milford Haven Social Service Centre) nominates 1 trustee.

Nominees appointed by Pembrokeshire County Council and Milford Haven Town Council are subject to the appointment processes of those bodies and the guidelines laid down for appointment to public office as they apply to local government nominees.

Trustee Induction and Training

New trustees undertake an orientation day to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision making processes, business plans, development plans and details of financial performance of the charity. Trustees are encouraged to attend appropriate external training events as well as in-house training events organised by the charity.

Organisational Structure

The board of trustees administers the charity. Following a review of governance in 2006, this has been reduced from the original maximum of 24 members to a target of around 15 members, with 13 currently in place. The board meets regularly, approximately every quarter. The Executive Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority within terms approved by the trustees for day-to-day operational matters including finance, employment and artistic matters

Related Parties

The Arts Council of Wales (ACW), Pembrokeshire County Council and Milford Haven Town Council provide core funding for the charity, in support of its artistic programme, as an amenity for local residents and as a visitor attraction to Wales

Risk Management

The trustees have a risk management strategy which covers operational and financial risks:

- an annual review of the risks the charity may face

- establishment of systems and procedures to mitigate those risks identified in the plan

- implementation of procedures designed to minimise any potential impact on the charity should those risks materialise, including establishing a reserves policy

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	508985
Company Number:	1327289
Principal Office:	St Peter's Road, Milford Haven, Pembrokeshire SA73 2BU
Auditors:	Ashmole & Co, Chartered Certified Accountants and Registered Auditors, Williamston House, 7 Goat Street, Haverfordwest SA61 1PX
Bankers:	National Westminster Bank Plc, Pembrokeshire Business Centre, 18 High Street, Haverfordwest SA61 2DA
Solicitors:	Price & Kelway, 17 Hamilton Terrace, Milford Haven SA73 2JA

Directors & Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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

Chair:	Katrina Marsh
Vice-Chair:	Nigel Sinnett
Pembrokeshire County Council nominees:	Councillor Rhys Sinnett Councillor Dr Simon Hancock (resigned 21.09.22) Councillor David Bryan Councillor Alan Dennison (appointed 01.11.22)
Milford Haven Town Council nominee:	Councillor Yvonne Southwell
Milford Haven Youth Matters (formerly known as Milford Haven Social Service Centre) nominee:	Vacant
Elected trustees:	Carol Mackintosh (formerly Dr Carol Garrett) Phillipa Davies Katrina Marsh Sarah Hoss (resigned 6th January 2023) Nigel Sinnett Ann Owston Joanne Hendy Sara McKay (resigned 25th May 2023) Adrian Williams Max Mackintosh Gemma Hicks
Other officials:	
Company Secretary	Mr Guy Woodham
Executive Director:	Mr Benjamin Lloyd
Artistic Director:	Mr Peter Doran (until December 2022) Ms Chelsey Gillard (from October 2022)
Senior Manager - Business:	Mr Guy Woodham
Senior Manager - Finance:	Miss Rhian Hayes (until July 2023) Mr Gary Wilson (from July 2023)
Arts Council of Wales Observer:	Mr Henry Rees

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Torch Theatre Company Limited(The) 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;
- 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:

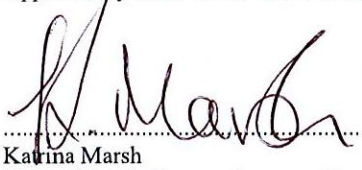
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution was made at the Annual General Meeting on Wednesday 27th September 2023 that auditors, Ashmole and Co., be re-appointed as auditors to the charity for the ensuing year.

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

Approved by order of the board of trustees on 24th November 2023 and signed on its behalf by:



.....

Katrina Marsh
Chair – Torch Theatre Company Limited Board of Management

Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Opinion

We have audited the financial statements of Torch Theatre Company Limited(The) (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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 the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

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

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- nature of the charity and the sector in which it operates.
- the legal and regulatory framework in which the charity operates, and in particular those laws and regulations that directly affect the financial statements or have a fundamental effect on operations eg Charities Act 2011, health and safety legislation.
- results of enquiries of management and those charged with governance
- any matters identified relating to
    - the charity's policies and procedures for identifying, evaluating and complying with laws and regulations, and whether there were any known instances of non compliance.
    - detecting and responding to the risks of fraud and whether there is any knowledge of actual, suspected or alleged fraud.
    - the internal controls established to mitigate risks of fraud or non compliance with laws and regulations.

As a result of performing the above, we did not identify any key audit matters related to potential risk of fraud or non compliance with laws and regulations.

In addition to the above, our procedures included:
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquires of management and those charged with governance concerning actual and potential litigation and claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- review of minutes of committee meetings
- written representations

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

Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Use of our report

This report is made solely 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashmole and Co.
Chartered Certified Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Date: .....

Torch Theatre Company Limited(The)

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	535,409	-	535,409	915,508
Charitable activities	5				
Theatre		696,232	-	696,232	297,984
Other trading activities	3	191,801	-	191,801	58,481
Investment income	4	775	-	775	39
Other income	6	41,000	-	41,000	17,977
Total		1,465,217	-	1,465,217	1,289,989
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	7	1,500	-	1,500	1,500
Other trading activities	8	118,632	-	118,632	59,084
		120,132	-	120,132	60,584
Charitable activities	9				
Theatre		1,599,234	103,634	1,702,869	1,329,821
Total		1,719,366	103,634	1,823,001	1,390,405
NET INCOME/(EXPENDITURE)		(254,150)	(103,634)	(357,784)	(100,416)
RECONCILIATION OF FUNDS					
Total funds brought forward		576,695	3,480,508	4,057,203	4,157,619
TOTAL FUNDS CARRIED FORWARD		322,545	3,376,874	3,699,419	4,057,203

The notes form part of these financial statements

Balance Sheet – Parent Company
31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	16	261,676	3,376,874	3,638,550	3,737,448
Investments	26	10	-	10	10
		261,686	3,376,874	3,638,560	3,737,458
CURRENT ASSETS					
Stocks	17	7,351	-	7,351	2,682
Debtors	18	292,395	-	292,395	276,059
Cash at bank and in hand		237,898	-	237,898	452,260
		537,644	-	537,644	731,001
CREDITORS					
Amounts falling due within one year	19	(476,785)	-	(476,785)	(411,256)
NET CURRENT ASSETS		60,859	-	60,859	319,745
TOTAL ASSETS LESS CURRENT LIABILITIES		322,545	3,376,874	3,699,419	4,057,203
NET ASSETS		322,545	3,376,874	3,699,419	4,057,203
FUNDS	21				
Unrestricted funds				322,545	576,695
Restricted funds				3,376,874	3,480,508
TOTAL FUNDS				3,699,419	4,057,203

The notes form part of these financial statements

continued...

Torch Theatre Company Limited(The)

Balance Sheet - Consolidated
31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	16	261,676	3,376,874	3,638,550	3,737,448
CURRENT ASSETS					
Stocks	17	7,351	-	7,351	2,682
Debtors	18	112,853	-	112,853	106,374
Cash at bank and in hand		237,898	-	237,898	452,260
		358,102	-	358,102	561,316
CREDITORS					
Amounts falling due within one year	19	(297,233)	-	(297,233)	(241,561)
NET CURRENT ASSETS		60,869	-	60,869	319,755
TOTAL ASSETS LESS CURRENT LIABILITIES		322,545	3,376,874	3,699,419	4,057,203
NET ASSETS		322,545	3,376,874	3,699,419	4,057,203
FUNDS	21				
Unrestricted funds				322,545	576,695
Restricted funds				3,376,874	3,480,508
TOTAL FUNDS				3,699,419	4,057,203

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.
The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.
The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 24th November 2023 and were signed on its behalf by:

.....
Katrina Marsh
Chair – Torch Theatre Company Limited Board of Management

Torch Theatre Company Limited(The)

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	(186,214)	90,615
Net cash (used in)/provided by operating activities		(186,214)	90,615
Cash flows from investing activities			
Purchase of tangible fixed assets		(28,923)	(16,198)
Interest received		775	39
Net cash used in investing activities		(28,148)	(16,159)
Change in cash and cash equivalents in the reporting period		(214,362)	74,456
Cash and cash equivalents at the beginning of the reporting period		452,260	377,804
Cash and cash equivalents at the end of the reporting period		237,898	452,260

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 March 2023

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

	31.3.23 £	31.3.22 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(357,784)	(100,416)
Adjustments for:		
Depreciation charges	127,822	137,727
Interest received	(775)	(39)
Increase in stocks	(4,669)	-
Increase in debtors	(6,479)	(6,957)
Increase in creditors	55,671	60,300
Net cash (used in)/provided by operations	(186,214)	90,615

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	452,260	(214,362)	237,898
	452,260	(214,362)	237,898
Total	452,260	(214,362)	237,898

The notes form part of these financial statements

1. 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.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the the assets concerned.

Income from charitable activities is deferred when admission fees are received in advance of the performances or event to which they relate.

Donated services, facilities and assets are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Tax credits attributable to the subsidiary company under the Theatre Tax Credit are recorded as Other Incoming Resources in the Consolidated Statement of Financial Activities.

Investment income is included when receivable.

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.

Allocation and apportionment of costs
Costs have been allocated as far as possible between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others have been apportioned based on the estimated usage of the resource. Costs allocated to generating voluntary income, being an element of administration salaries, postage and stationery, and theatre renewals have been estimated using best judgement.

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

Freehold property	- 2% on cost
Theatre refurbishment (1996 - 2000)	- 10% on cost
Theatre redevelopment	- 2% on cost
Fixtures and fittings	- 25% on cost and 10% on cost

continued...

1. ACCOUNTING POLICIES - continued

Stocks
Stocks consist of cafe, bar and shop stocks and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Reserves
The financial statements distinguish between restricted and unrestricted funds. The former are received from donors and are subject to restrictions on the purpose for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions. These include those freely available to the charity for expenditure or appropriation to reserves for internally designated purposes.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Arts Council of Wales	459,310	452,522
Pembrokeshire County Council	10,000	20,000
Milford Haven Town Council	7,000	7,000
Gifts and donations	16,577	15,503
Sponsorship	21,483	-
Covid 19 JRS grant	-	25,615
PCC rates relief grant	-	1,500
ACW cultural recovery fund	-	393,368
Chapter Cardiff	6,800	-
ACW - cost of living award	14,239	-
	535,409	915,508

3. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Cafe sales	31,474	-
Bar sales	47,282	-
Kiosk sales	91,439	43,016
Merchandise sales	3,399	-
Telephone mast rental	18,207	15,465
	191,801	58,481

continued...

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	775	39

The charity's investment income arises wholly from interest bearing cash deposits.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.23	31.3.22
		£	£
Theatre	Theatre	412,030	171,041
Films	Theatre	220,470	91,487
Youth theatre and education	Theatre	12,571	9,557
Hire of theatre	Theatre	15,790	3,202
Sales of programmes etc.	Theatre	2,400	779
Technical hire	Theatre	7,445	4,881
Set construction	Theatre	13,273	7,117
Sundry theatre income	Theatre	12,253	9,920
		696,232	297,984

6. OTHER INCOME

Entitlement to Theatre Tax Credits £41,000 (2022 - £17,977).

7. RAISING DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Administration expenses	1,500	1,500

8. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Purchases	78,200	26,929
Staff costs	32,488	11,644
Equipment repairs and renewals	1,606	15,352
Other direct costs	4,807	3,847
Depreciation	1,531	1,312
	118,632	59,084

continued...

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 10)	Totals
	£	£	£
Theatre	1,420,906	281,963	1,702,869

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Theatre	272,660	9,303	281,963

11. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Auditors' remuneration	2,700	2,600
Auditors' remuneration for non audit work	3,123	2,924
Depreciation - owned assets	127,821	137,726

12. TRUSTEES' REMUNERATION AND BENEFITS

Trustees are not remunerated. No trustees received any remuneration during the year (2022 - nil).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

13. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	819,866	632,334
Social security costs	49,090	37,593
Other pension costs	10,447	8,593
	879,403	678,520

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

	31.3.23	31.3.22
Theatre and facilities	26	19
Publicity	2	2
Administration	5	6
	33	27

No employees received emoluments in excess of £60,000.

Staff costs above include performers and theatre personnel engaged on a contract basis as well as permanent staff.

continued...

13. STAFF COSTS - continued

Employee numbers reflect the average monthly head count of casual and permanent staff which equates to an estimated 26 full-time equivalent staff.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	915,508	-	915,508
Charitable activities			
Theatre	297,984	-	297,984
Other trading activities	58,481	-	58,481
Investment income	39	-	39
Other income	17,977	-	17,977
Total	1,289,989	-	1,289,989
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	1,500	-	1,500
Other trading activities	59,084	-	59,084
	60,584	-	60,584
Charitable activities			
Theatre	1,217,395	112,426	1,329,821
Total	1,277,979	112,426	1,390,405
NET INCOME/(EXPENDITURE)	12,010	(112,426)	(100,416)
RECONCILIATION OF FUNDS			
Total funds brought forward	564,685	3,592,934	4,157,619
TOTAL FUNDS CARRIED FORWARD	576,695	3,480,508	4,057,203

continued...

15. TAXATION

As a registered charity, Torch Theatre Company Ltd is exempt from tax on income and gains. No tax charges have arisen on the charity. The Trading Subsidiary is entitled to Theatre Tax Credits which is reflected as Other Incoming Resources in the Consolidated Statement of financial activities in the sum of £41,000 (2022 - £17,977).

16. TANGIBLE FIXED ASSETS

	Freehold property £	Theatre refurbishment (1996 - 2000) £	Theatre redevelopment £	Fixtures and fittings £	Totals £
COST					
At 1 April 2022	407,808	28,270	4,638,069	1,431,126	6,505,273
Additions	-	-	-	28,923	28,923
At 31 March 2023	407,808	28,270	4,638,069	1,460,049	6,534,196
DEPRECIATION					
At 1 April 2022	156,050	28,270	1,273,975	1,309,530	2,767,825
Charge for year	8,157	-	92,761	26,903	127,821
At 31 March 2023	164,207	28,270	1,366,736	1,336,433	2,895,646
NET BOOK VALUE					
At 31 March 2023	243,601	-	3,271,333	123,616	3,638,550
At 31 March 2022	251,758	-	3,364,094	121,596	3,737,448

All fixed assets are used in direct furtherance of the charities objects.

Details of the restricted fund relating to the theatre building and re-development are given in note 25.

Legal charges have been registered over the theatre building by the Arts Council of Wales.

All Group Fixed Assets belong to the parent company. The subsidiary company has no Fixed Assets.

17. STOCKS

	31.3.23 £	31.3.22 £
Stocks	7,351	2,682

All stocks belong to the parent company.

continued...

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £ Group	31.3.22 £ Group	31.3.23 £ Charity	31.3.22 £ Charity
Other debtors	81,999	65,562	261,541	235,247
Prepayments and accrued income	30,854	24,139	30,854	24,139
VAT	-	16,673	-	16 ,673
	112,853	106,374	292,395	276,059

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £ Group	31.3.22 £ Group	31.3.23 £ Charity	31.3.22 £ Charity
VAT	17,725	-	17,725	-
Advance receipts	116,678	72,352	116,678	72,352
Deferred income	3,377	1,673	3,377	1,673
Sundry creditors and accruals	159,453	167,536	339,005	337,231
	297,233	241,561	476,785	411,256

Included in sundry creditors and accruals are amounts owing for social security and other taxes of £15,222 (2022 - £16,836).

20. LEASING AGREEMENTS

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

	31.3.23 £	31.3.22 £
Within one year	-	5,271

21. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	576,695	(254,150)	322,545
Restricted funds			
Restricted funds	3,480,508	(103,634)	3,376,874
TOTAL FUNDS	4,057,203	(357,784)	3,699,419

continued...

21. 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	1,465,217	(1,719,366)	(254,149)
Restricted funds			
Restricted funds	-	(103,635)	(103,635)
TOTAL FUNDS	1,465,217	(1,823,001)	(357,784)

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	564,685	12,010	576,695
Restricted funds			
Restricted funds	3,592,934	(112,426)	3,480,508
TOTAL FUNDS	4,157,619	(100,416)	4,057,203

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,289,989	(1,277,979)	12,010
Restricted funds			
Restricted funds	-	(112,426)	(112,426)
TOTAL FUNDS	1,289,989	(1,390,405)	(100,416)

continued...

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	564,685	(242,140)	322,545
Restricted funds			
Restricted funds	3,592,934	(216,060)	3,376,874
TOTAL FUNDS	4,157,619	(458,200)	3,699,419

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,755,206	(2,997,345)	(242,139)
Restricted funds			
Restricted funds	-	(216,061)	(216,061)
TOTAL FUNDS	2,755,206	(3,213,406)	(458,200)

Full details of restricted funds are provided at note 25.

22. RELATED PARTY DISCLOSURES

Torch Theatre Production Company Limited

During the year, the Charity made sales of £179,545 (2022 - £169,685) and purchases of £220,542 (2022 - £187,661) to/from its 100% wholly owned subsidiary. At the year-end date, the trading subsidiary owed the Charity the sum of £40,997 (2022 - £17,977).

23. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

continued...

24. POST BALANCE SHEET EVENTS

At the end of March 2023, the Torch Theatre submitted an Arts Council Wales (ACW) Investment Review application for continued grant funding from April 2024 and were informed in September 2023 that the theatre had been successful in being awarded an indicative annual grant offer of £650,000 for the three years from April 2024.

25. RESTRICTED FUNDS

	Balance as at 01.04.22	Movement in Year	Balance as at 31.03.23
	£	£	£
Capital Reserve (Main Theatre)	93,589	(3,757)	89,832
Capital Re-development Fund	3,333,044	(98,377)	3,234,667
Capital Reserve (Studio Theatre)	53,875	(1,500)	52,375
	3,480,508	(103,634)	3,376,874

Capital Reserve (Main Theatre)
The freehold of the Torch Theatre was conveyed to the company by Preseli Pembrokeshire District Council on 23rd January 1991 for the consideration of £1. The property was valued by Messrs Glyn Davies & Co. at £180,000 in January 1991 and has been incorporated into the financial statements at that figure, the surplus being credited to a capital reserve.

Following the introduction of FRS15 the trustees decided to depreciate the freehold over a period of 50 years on a straight line basis. This results in a depreciation charge of £3,757 per annum. The balance remaining on this fund is £89,832 (2022 - £93,589).

Capital Re-development Fund
During the three years to March 2009, the theatre was completely re-developed. Further capital improvements have been made in subsequent years. This capital expenditure is being depreciated over a period of 10 years (fixtures and equipment) or 50 years (buildings). The grants and donations received for the restricted purpose of the theatre's re-development have been treated as a restricted fund in accordance with the Statement of Recommended Practice and are reduced by the depreciation charge in respect of the re-development costs. The balance remaining on this fund is £3,234,667 (2022 - £3,333,044).

Capital Reserve (Studio Theatre)
As part of the re-development, the charity acquired the freehold of an adjoining property which houses the new studio theatre. Part of the value of the property (valued at £75,000) was donated by Pembrokeshire County council creating a further capital reserve. The property is being depreciated over 50 years on a straight line basis resulting in a depreciation charge relating to the gift of £1,500 per annum. The balance remaining on this fund is £52,375 (2022 - £53,875).

continued...

26. SUBSIDIARY UNDERTAKINGS

The Charity holds the entire issued share capital of 10 Ordinary shares of £1 each in Torch Theatre Production Company limited, a company incorporated in England and Wales, Company number 09287683. The Charity acquired the Trading subsidiary on 30th October 2014. The Torch Theatre Production Company undertakes the commercial production of theatrical performances. A summary of the trading results are shown below.

Summary profit and loss account:	Year Ended 31.3.23	Year Ended 31.3.22
	£	£
Income	179,545	169,685
Cost of sales	(220,542)	(187,661)
Profit or (Loss) on ordinary activities before taxation	(40,997)	(17,976)
Tax credit	40,997	17,976
Profit for the financial period	-	-
The assets and liabilities of the subsidiary were:		
Current assets	220,552	187,671
Creditors	(220,542)	(187,661)
Aggregate share capital and reserves	10	10

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Arts Council of Wales	459,310	452,522
Pembrokeshire County Council	10,000	20,000
Milford Haven Town Council	7,000	7,000
Gifts and donations	16,577	15,503
Sponsorship	21,483	-
Covid 19 JRS grant	-	25,615
PCC rates relief grant	-	1,500
ACW cultural recovery fund	-	393,368
Chapter Cardiff	6,800	-
ACW - cost of living award	14,239	-
	535,409	915,508
Other trading activities		
Cafe sales	31,474	-
Bar sales	47,282	-
Kiosk sales	91,439	43,016
Merchandise sales	3,399	-
Telephone mast rental	18,207	15,465
	191,801	58,481
Investment income		
Deposit account interest	775	39
Charitable activities		
Theatre	412,030	171,041
Films	220,470	91,487
Youth theatre and education	12,571	9,557
Hire of theatre	15,790	3,202
Sales of programmes etc.	2,400	779
Technical hire	7,445	4,881
Set construction	13,273	7,117
Sundry theatre income	12,253	9,920
	696,232	297,984
Other income		
Theatre Tax Credit	41,000	17,977
Total incoming resources	1,465,217	1,289,989
EXPENDITURE		
Raising donations and legacies		
Administration expenses	1,500	1,500

Torch Theatre Company Limited(The)

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
Raising donations and legacies		
Other trading activities		
Cafe purchases	12,010	-
Bar purchases	25,755	-
Shop purchases	40,435	26,929
Wages	29,363	10,896
Social security	3,125	748
Equipment repairs and renewals	1,606	15,352
Other direct costs	4,807	3,847
Fixtures and fittings	1,531	1,312
	118,632	59,084
Charitable activities		
Theatre salaries and fees	574,742	421,049
Employers national insurance	28,435	21,640
Employer pension contributions	10,447	8,593
Rates and water	5,602	6,150
Insurance	47,688	27,718
Light and heat	45,630	44,358
Theatre renewals	22,947	45,082
Youth theatre and education	8,963	8,097
Bought in productions and artists fees	160,591	59,763
Printing and promotion of programmes and publicity	106,790	94,302
Direct production costs	12,227	30,593
Royalties and commissions	23,944	13,458
Travelling	33,781	26,909
Sundry expenses	3,564	3,077
Film hire and carriage	104,984	54,730
Laundry and cleaning	15,415	10,525
Memberships and licences	26,640	23,723
Workshop expenses	12,425	7,686
Motor expenses	12,740	10,464
Box office tickets and charts	26,212	1,252
Credit card charges	10,848	6,877
Depreciation - freehold	8,157	8,157
Depreciation - redevelopment	92,762	92,762
Depreciation - fixtures and fittings	25,372	35,496
	1,420,906	1,062,461
Support costs		
Management		
Administration and publicity salaries	212,281	196,987
Social security	17,530	15,205
Telephone	9,217	8,641
Postage	467	1,364
Office stationery and IT costs	6,824	10,065
Recruitment and training	8,166	17,721
Professional fees	13,322	7,231
Carried forward	267,807	257,214

Torch Theatre Company Limited(The)

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
Management		
Brought forward	267,807	257,214
Entertainment	2,490	-
Bank charges	2,363	1,220
	272,660	258,434
Governance costs		
Admin salaries	3,480	3,402
Auditors' remuneration	2,700	2,600
Auditors' remuneration for non audit work	3,123	2,924
	9,303	8,926
Total resources expended	1,823,001	1,390,405
Net expenditure	(357,784)	(100,416)

Torch Theatre Company Limited
Detailed Statement of Financial Activities
for the Year Ended 31st March 2023

	31.03.2023							31.03.2022						
	Unrestricted			Restricted				Unrestricted			Restricted			
	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds
INCOME AND ENDOWMENTS														
Donations														
Arts Council of Wales (ACW)	459,310		459,310			-	459,310	452,522	-	452,522	-	-	-	452,522
Pembrokeshire County Council	10,000		10,000	-		-	10,000	20,000	-	20,000	-	-	-	20,000
Milford Haven Town Council	7,000		7,000			-	7,000	7,000	-	7,000	-	-	-	7,000
Gifts and donations	16,574		16,574			-	16,574	15,502	-	15,502	-	-	-	15,502
Covid 19 JRS Grant	-		-			-	-	25,615	-	25,615	-	-	-	25,615
ACW Cultural Recovery Fund Grant			-			-	-	393,368	-	393,368		-	-	393,368
Welsh Government Covid NDR Grants			-			-	-	1,500	-	1,500			-	1,500
ACW cost of living grant	14,239		14,239			-	14,239		-	-			-	-
Chapter Cardiff Film Hub Wales	6,800		6,800	-	-	-	6,800			-	-	-	-	-
Sponsorship	21,483		21,483				21,483							
	535,407	-	535,407	-	-	-	535,407	915,506	-	915,506	-	-	-	915,506
Other trading activities														
Bar sales	47,282		47,282			-	47,282	-	-	-	-	-	-	-
café sales	31,474		31,474				31,474							
Kiosk sales	91,439		91,439			-	91,439	43,016	-	43,016	-	-	-	43,016
Merch/prog Sales	3,399		3,399				3,399							
Telephone mast rental	18,207		18,207			-	18,207	15,465	-	15,465	-	-	-	15,465
	191,800	-	191,800	-	-	-	191,800	58,482	-	58,482	-	-	-	58,482
Charitable activities														
Box Office - Theatre	412,030	-	412,030			-	412,030	171,041	-	171,041	-	-	-	171,041
Box Office - Films	220,470	-	220,470			-	220,470	91,487	-	91,487	-	-	-	91,487
Youth theatre and education	12,571	-	12,571			-	12,571	9,557	-	9,557	-	-	-	9,557
Hire of theatre	15,790	-	15,790			-	15,790	3,202	-	3,202	-	-	-	3,202
Commission & Sales of programmes etc.	2,400	-	2,400			-	2,400	779	-	779	-	-	-	779
Technical Hire	7,445	-	7,445			-	7,445	4,881	-	4,881	-	-	-	4,881
Set construction	13,273	-	13,273			-	13,273	7,117	-	7,117	-	-	-	7,117
Sundry theatre income	12,253	-	12,253			-	12,253	9,920	-	9,920	-	-	-	9,920
	696,232	-	696,232	-	-	-	696,232	297,983	-	297,983	-	-	-	297,983
Investment income														
Deposit account interest	775		775			-	775	39	-	39	-	-	-	39
Other income														
Theatre tax credit	41,000	-	41,000	-	-	-	41,000	17,977	-	17,977	-	-	-	17,977
Total incoming resources	1,465,214	-	1,465,214	-	-	-	1,465,214	1,289,987	-	1,289,987	-	-	-	1,289,987

Torch Theatre Company Limited
Detailed Statement of Financial Activities
for the Year Ended 31st March 2023

	31.03.2023							31.03.2022						
	Unrestricted			Restricted				Unrestricted			Restricted			
	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds	Revenue £	Capital £	Total	Revenue £	Capital £	Total	Total Funds
EXPENDITURE														
Raising donations														
Administration expenses	1,500	-	1,500	-	-	-	1,500	1,500	-	1,500	-	-	-	1,500
Other trading activities														
Café purchases	12,010		12,010			-	12,010	-	-	-	-	-	-	-
Bar purchases	25,755		25,755			-	25,755	-	-	-	-	-	-	-
Kiosk purchases	40,435		40,435			-	40,435	26,929	-	26,929	-	-	-	26,929
Bar and café wages	29,363		29,363			-	29,363	10,896	-	10,896	-	-	-	10,896
Social security	3,125		3,125			-	3,125	748	-	748	-	-	-	748
Equipment repairs and renewals	1,606		1,606			-	1,606	15,352	-	15,352	-	-	-	15,352
Equipment depreciation	1,531		1,531			-	1,531	1,312		1,312	-	-	-	1,312
Other direct costs	4,807		4,807			-	4,807	3,847	-	3,847	-	-	-	3,847
	118,632	-	118,632	-	-	-	118,632	59,084	-	59,084	-	-	-	59,084
Charitable activities														
Theatre salaries and fees	574,742		574,742			-	574,742	421,049	-	421,049	-	-	-	421,049
Employers national insurance	28,435		28,435			-	28,435	21,640	-	21,640	-	-	-	21,640
Pensions	10,447		10,447			-	10,447	8,593	-	8,593	-	-	-	8,593
Rates and water	5,602		5,602			-	5,602	6,150	-	6,150	-	-	-	6,150
Insurance	47,688		47,688			-	47,688	27,718	-	27,718	-	-	-	27,718
Light and heat	45,630		45,630			-	45,630	44,358	-	44,358	-	-	-	44,358
Theatre renewals	22,947		22,947	-	-	-	22,947	45,082	-	45,082	-	-	-	45,082
Youth theatre and education	8,963		8,963			-	8,963	8,097	-	8,097	-	-	-	8,097
Bought in productions and artists fees	160,591		160,591			-	160,591	59,763	-	59,763	-	-	-	59,763
Printing & promotion of programmes & publicity	106,790		106,790	-		-	106,790	91,102	-	91,102	3,200	-	3,200	94,302
Direct production costs	12,227		12,227			-	12,227	30,593	-	30,593	-	-	-	30,593
Royalties and commissions	23,944		23,944			-	23,944	13,458	-	13,458	-	-	-	13,458
Travelling	33,781		33,781			-	33,781	26,909	-	26,909	-	-	-	26,909
Sundry expenses	3,564		3,564			-	3,564	3,077	-	3,077	-	-	-	3,077
Film hire and carriage	104,984		104,984			-	104,984	54,730	-	54,730	-	-	-	54,730
Laundry and cleaning	15,415		15,415			-	15,415	10,525	-	10,525	-	-	-	10,525
Memberships and licences	26,640		26,640			-	26,640	23,723	-	23,723	-	-	-	23,723
Workshop expenses	12,425		12,425			-	12,425	7,686	-	7,686	-	-	-	7,686
Motor expenses	12,740		12,740			-	12,740	10,464	-	10,464	-	-	-	10,464
Box office tickets and charts	26,212		26,212			-	26,212	1,252	-	1,252	-	-	-	1,252
Credit card charges	10,848		10,848			-	10,848	6,877	-	6,877	-	-	-	6,877
Depreciation of tangible fixed assets	22,655		22,655		103,634	103,634	126,289	27,189	-	27,189	-	109,226	109,226	136,415
Loss on disposals	-		-			-	-	-		-	-	-	-	-
	1,317,269	-	1,317,269	-	103,634	103,634	1,420,903	950,032	-	950,032	3,200	109,226	112,426	1,062,458

Torch Theatre Company Limited
Detailed Statement of Financial Activities
for the Year Ended 31st March 2023

	31.03.2023							31.03.2022						
	Revenue £	Unrestricted Capital £	Total	Revenue £	Restricted Capital £	Total	Total Funds	Revenue £	Unrestricted Capital £	Total	Revenue £	Restricted Capital £	Total	Total Funds
Support costs Theatre														
Administration and publicity salaries	212,281		212,281			-	212,281	196,987	-	196,987	-	-	-	196,987
Social security	17,530		17,530			-	17,530	15,205	-	15,205	-	-	-	15,205
Telephone	9,217		9,217			-	9,217	8,641	-	8,641	-	-	-	8,641
Postage	467		467			-	467	1,364	-	1,364	-	-	-	1,364
Office stationery and IT costs	6,824		6,824			-	6,824	10,065	-	10,065	-	-	-	10,065
Recruitment and training	8,166		8,166			-	8,166	17,721	-	17,721	-	-	-	17,721
Professional fees	13,322		13,322			-	13,322	7,231	-	7,231	-	-	-	7,231
Bank charges	2,363		2,363			-	2,363	1,220	-	1,220	-	-	-	1,220
Entertainment	2,490		2,490				2,490							
	272,660	-	272,660	-	-	-	272,660	258,434	-	258,434	-	-	-	258,434
Governance costs														
Auditors' remuneration	2,700		2,700			-	2,700	2,600	-	2,600	-	-	-	2,600
Auditors' remuneration for non-audit work	3,123		3,123			-	3,123	2,924	-	2,924	-	-	-	2,924
Administration and publicity salaries	3,480		3,480			-	3,480	3,402	-	3,402	-	-	-	3,402
	9,303	-	9,303	-	-	-	9,303	8,926	-	8,926	-	-	-	8,926
Total resources expended	1,719,364	-	1,719,364	-	103,634	103,634	1,822,998	1,277,977	-	1,277,977	3,200	109,226	112,426	1,390,403
Net income/(expenditure)	(254,150)	-	(254,150)	-	(103,634)	(103,634)	(357,784)	12,011	-	12,011	(3,200)	(109,226)	(112,426)	(100,415)

THE TORCH THEATRE COMPANY LIMITED

England & Wales - Charity number 508985

Accounts

REGISTERED COMPANY NUMBER: 01327289 (England and Wales)
REGISTERED CHARITY NUMBER:508985

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2022

for

Torch Theatre Company Limited(The)

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

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Report of the Trustees
for the Year Ended 31 March 2022

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

OBJECTIVES AND ACTIVITIES

The Torch Theatre exists to:

Create Engage Inspire Entertain

The Torch Theatre Company engages, inspires, entertains and challenges our audiences with a vibrant programme of work which celebrates the essential power of live performance to promote social and personal change.

Through our education work, community engagement and volunteer programme we actively participate in promoting arts and culture across Pembrokeshire, Wales and beyond.

Aim One - Create

We believe that creating a working environment that encourages collaboration and creativity enables artists and staff to be fully self-expressive. Creativity and innovation are valued in all aspects of our organisation.

We will continue to strengthen our leadership role in the arts community of Pembrokeshire and enhance our reputation as a county of creativity by forming partnerships and collaborations with other venues and arts disciplines.

We will uphold our covenant as a not-for-profit institution by being reliable stewards of the public trust and resources provided to us by our funding bodies. We will always act in a financially responsible manner whilst striving to increase self-generated income through creative and innovative ways.

Aim 2 - Engage

We seek to instill in all people a respect and appreciation of the performing arts by communicating at the highest level of excellence and drawing on the strength of the diversity and traditions of our community.

We seek to broaden our audiences through the programming choices we make, by keeping ticket prices as keen as possible and by making manifest our ambition to be bold, challenging and accessible.

We develop policies which will support the most vulnerable and disadvantaged sectors of society with their engagement, and benefit from, the Arts.

Aim 3 - Inspire

We believe in offering arts educational programmes that are inclusive and that promote lifelong learning to a diverse community, encompassing all ages and backgrounds. We are committed to the training and support of future arts professionals with an emphasis on enhancing our partnerships with training institutions.

We provide encouragement for all levels of volunteer involvement and recognise these contributions as crucial to the success of the Torch Theatre. We also aim to provide a supportive environment for amateur companies, where everyone is welcome regardless of skill, ability or background and to receive the appreciation their efforts deserve.

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Aim 4 - Entertain

We will programme to the highest standards by attracting the best productions, films and artists available to us.

The charity embraces the general aim of contributing to the quality of life for people living in the county of Pembrokeshire and for visitors to the county. It aims to present a diverse artistic programme which is challenging, entertaining, and accessible. The charity maintains a popular programme which is designed to underpin its financial objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Our pricing policy reflects our aim of enabling all within our community to attend live performances and films at the Theatre, and a wide range of concessionary prices are offered.

To achieve the charity's objectives the following strategies are employed

- creating opportunities for local residents, particularly young people, to engage in arts activity organised by the charity including youth theatre, summer school, work experience placements, education projects in schools and colleges;
- provision of facilities and professional support for amateur and professional artists to develop. Amateur groups are given professional advice on producing stage productions;
- programming performances and films which appeal to specific market segments, for example young people, families and older people;
- offering a range of ticket price discounts to provide access to organised groups, young people, disabled people, families, unemployed and older people;
- provision of attractive, accessible and informative promotional material by way of leaflets, brochures, e-flyers and a bilingual website;
- providing facilities to improve access for disabled customers, including induction loop and infra-red hearing systems, subtitled screenings for films and BSL performances; and
- the use of e-marketing for a range of services through the theatre website

Activities

The major areas of activity managed by the charity are the production of plays and musical theatre, touring of theatre productions to venues in Wales and beyond, screening mainstream and independent films, display of artworks in the gallery, bar services, education projects, and buying in a range of professional performances to provide a wide ranging programme.

Key components of the charity's programme and as a platform for community activity are as follows:

- production of professional plays, musical theatre and a Christmas production by the Torch Theatre Company to play at the Torch Theatre, and tour to venues in Wales as appropriate and financially viable;
- a bought-in programme of events including popular music, music, light entertainment, opera, contemporary dance, ballet, plays, musical theatre, non-Western art forms, and comedy;
- presentation of films throughout the year;
- amateur productions by groups including Haverfordwest Amateur Operatic Society and Milford Haven Amateur Operatic Society, Xenon Liberal Arts, Touch and Go and Artistic Licence;
- hire of the theatre for events, dance classes, concerts and conferences;

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- educational projects involving local primary and secondary schools, colleges and universities in Pembrokeshire, Carmarthenshire and Cardiff. Projects are devised in conjunction with education professionals and designed to support curriculum activities, as well as developing careers awareness and the life skills of individual participants;

- participatory arts activity for young people including one-off drama workshops, weekly youth theatre and junior youth sessions and an annual Summer School;

- provision of a gallery to display professional work by visual arts practitioners;

- provision of a community choir (Torch Voices); and

- providing volunteer opportunities for more than 80 local people who welcome visitors to the theatre, provide information sell programmes and support the marketing team's activity. This saves the theatre a considerable amount of money each year estimated in 2021/22 at £70,000pa (2020/21 £70,000pa). Just as importantly it allows volunteers to engage in the life of the theatre and to gain a better understanding of its activities. Due to the inherent uncertainty of estimates, these figures have not been incorporated into the Financial Statements.

All the above activities continued to be significantly impacted in 2021/22 by either the enforced closure of the theatre or the introduction of imposed restrictions on activity due to the COVID-19 pandemic.

ACHIEVEMENT AND PERFORMANCE

During 2021/22, the pandemic resulted in the Torch Theatre remaining closed to the public until September 2021. On opening the Senior Management Team (SMT) focused on working tirelessly to sustain the organisation during the period, continuing the exceptional approach adopted from the beginning of the COVID-19 pandemic in March 2020. Initially the charity's activities were severely impacted by restrictions imposed to manage the spread of COVID 19, with an initial programme of socially distanced film in September with live performances returning in October 2021. In another year of uncertainty and unprecedented difficulty the achievements and performance included:

- Successfully applying for a further two COVID-19 related grants (£388,278) to off-set loss of earned income during the year.

- Prior to reopening in September 2021, a new kiosk was built in the Box Office area, offering food and drink, this has proved to be very successful, and subsidised potential lost income from the main bar space and Café being closed for the majority of the period.

- During the closure period the Torch continued to support community groups, classes and Youth Theatre online and behind closed doors.

- The second half of the year saw the Torch Oriel Joanna Field Gallery exhibit various local artists work as well as hosting two extraordinary exhibitions: Penally Camp Artists and The Pembrokeshire Story. The latter of which coincided with the launch of a dedicated website for our artistic engagement project of the samename.

- Essential repair and maintenance work was undertaken during the period.

- The easing of COVID19 related measures in October 2021 enabled us to present our own production (TTP), of Henry Naylor's Angel, although this was in the Studio space and not the larger Main House - the usual venue for our Autumn production. As anticipated, ticket sales were low given the on-going concern around COVID-19 with associated costs being covered by our annual Arts Portfolio Wales grant.

- The introduction by Welsh Government of the mandatory COVID19 Pass in November 2021 had a detrimental effect on film and live show attendances.

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- The pandemic also decimated our Pantomime season with most schools cancelling, however public performances achieved above forecasted ticket sales. However, further COVID 19 measures introduced on the 26th December forced the theatre to close one week prior to the end of our pantomime season, resulting in the loss of both Live Theatre and film income.

- Throughout January 2021 COVID19 restriction remained in place and continued to negatively impact Torch operations, resulting in the cancellation of all Brought in Production (BIP) shows in the month.

- Social distancing measures were removed in February 2022, and we were able to once again return to live productions with our own production Carwyn, premiering that month followed by a subsequent Welsh venue tour.

FINANCIAL REVIEW

Total income for the year at £1,289,987 which was 7% up on 2020/21, principally due to the reopening of the Theatre in September 2021 and resumed, albeit reduced, trading and charitable activities during the period, arising from the continuation of COVID19 pandemic. This increase is due to the the successful COVID-19 related grant applications securing additional income during the period of £418,983, which included £25,615 claimed under the Coronavirus Job Retention Scheme.

Total income from grants and donations was £915,506, 22% down on 2020/21 mainly due to a reduction in COVID19 related funding which was £169,514 down on 2020/21. Trading and charitable activities increased by £330,285, compared with 2020/21 £26,180, due to the Torch's reopening in September 2021.

In 2020/21, funded by the ACW Resilience Programme, the new Café model and remodel layout was planned for implementation in 2021/22. However, due to continued closure of the Theatre until September 2021, only the completion of the Café and kitchen remodel layout has been implemented. The Cafe remained closed for the remainder of the year, providing small scale catering for private and corporate events only. The Café plans to be fully operational in 2022/23 under the recommended Tonic Café model.

During the period, the Torch continued a successful relationship with ACW meeting, where possible, agreed targets and committing to the Cultural Contract for the funded Arts which builds on the Welsh Government's existing economic contract of fair work and pay and sustainability and addresses areas such as:

- Increased diversity and representation (including diversity of the Board)

- Greater involvement in and support for wider community initiatives (including social prescribing)

- Prioritising health and wellbeing in arts initiatives

- Environmental, cultural and economic sustainability

ACW remains the charity's principal funding partner with an annual revenue grant of £452,522, in line with 2020/21.

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A positive relationship also continued with PCC although as part of the 2021/22 Service Level Agreement the annual grant was reduced further in 2021/22 to £20,000 a reduction of 68% on 2020/21 and due to decrease again in 2022/23 to £10,000.

Milford Haven Town Council also provided a grant of £7,000, in line with 2020/21.

The organisation has, since October 2014, taken advantage of the opportunity provided by the Theatre Tax Relief Scheme. As a result of three Torch Theatre Productions taking place during the period; Angel, Cinderella and Carwyn, there will be a claim made this year of £17,977.

The aspiration of the trustees has been to maintain Reserves at the highest level possible. The current objective remains, as recommended by the Charities Commission, to build up Reserves to meet three months' operating costs, circa £400,000 in non-covid years. Although in the present uncertain economic environment retaining Reserves will continue to be challenging, through careful budget management, as at 31st March 2022, the charity's free Reserves (unrestricted, undesignated reserves not committed to fixed assets) stood at a surplus of £319,755 (2021 surplus of £295,443).

Focus for the coming years remains to build our Reserves, widen earned income, maximising the use of the venue and the diversity of what we can offer, as well as applying for additional funding through trusts and foundations.

We remain committed to our relationship with both Arts Council Wales and Pembrokeshire County Council and the partnership approach we take in ensuring their continued support.

Safeguarding our artistic production resources and capacity is vital - we remain one of three venue-based producing theatres in Wales and this can only be achieved if we continue to receive significant grant funding support.

The Torch's reserves policy remains in line with guidance issued by the Charity Commission, and the policy will be reviewed on an annual basis following publication of the audited annual accounts. The policy is founded on the following general principles:

- as a precaution against adverse economic conditions and any subsequent decline in earned income
- to provide assurance to funding partners and creditors regarding the economic viability and the stability of thecompany
- to provide assurance for members of the Committee of Management who make decisions on the operation of the theatre
- to provide assurance for members of staff and to those individuals and companies with whom we make commitments for artistic projects, demonstrating the Torch Theatre Company's reliability as an employer

Due to the trading result there was an excess of income over expenditure of £12,011 in Unrestricted Funds in 2021/22 (2020/21 excess of income over expenditure £288,512).

Grants received for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the assets concerned. This depreciation charge was £109,226 in 2021/22 and £110,358 in 2020/21.

Going forward our focus remains on The Torch's recovery from COVID-19, the final quarter's trading result showed an increase in audience confidence as the programme starts to return to normal. Some areas of the Theatre have been impacted on an ongoing basis, such as the cafe which has not yet returned to full operation (a phased return to full operation is planned, with a full opening scheduled for September). Following the removal of all Covid restrictions at the year end, it is hoped the situation at the Torch and across the industry will greatly improve, as we are once again able to offer our audiences an accessible, in person, artistic experience and meet our obligations as an ACW portfolio member, though myriad challenges remain in the wake of the pandemic.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Torch Theatre Company Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26 August 1977 and amended to allow for current governance arrangements by a special resolution passed on 18 August 2011. It is registered as a charity with the Charity Commission. Anyone over the age of 16 may become a member of the trust and there are currently 10 members, each of whom agrees to contribute £1.00 in the event of the charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the Chair of the trustees is nominated by the Torch Theatre Company trustees for a period of three years. Pembrokeshire County Council nominates up to 3 trustees, Milford Haven Town Council nominates 1 trustee and the charity known as Milford Youth Matters (formerly known as Milford Haven Social Service Centre) nominates 1 trustee.

Nominees appointed by Pembrokeshire County Council and Milford Haven Town Council are subject to the appointment processes of those bodies and the guidelines laid down for appointment to public office as they apply to local government nominees.

Trustee Induction and Training

New trustees undertake an orientation day to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision making processes, business plans, development plans and details of financial performance of the charity. Trustees are encouraged to attend appropriate external training events as well as in-house training events organised by the charity.

Organisational Structure

The board of trustees administers the charity. Following a review of governance in 2006, this has been reduced from the original maximum of 24 members to a target of around 15 members, with 16 currently in place. The board meets regularly, approximately every quarter. The Executive Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority within terms approved by the trustees for day-to-day operational matters including finance, employment and artistic matters

Related Parties

The Arts Council of Wales (ACW), Pembrokeshire County Council and Milford Haven Town Council provide core funding for the charity, in support of its artistic programme, as an amenity for local residents and as a visitor attraction to Wales

Risk Management

The trustees have a risk management strategy which covers operational and financial risks:

- an annual review of the risks the charity may face
- establishment of systems and procedures to mitigate those risks identified in the plan
- implementation of procedures designed to minimise any potential impact on the charity should those risksmaterialise, including establishing a reserves policy

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	508985
Company Number:	1327289
Principal Office:	St Peter's Road, Milford Haven, Pembrokeshire SA73 2BU
Auditors:	Ashmole & Co, Chartered Certified Accountants and Registered Auditors, Williamston House, 7 Goat Street, Haverfordwest SA61 1PX
Bankers:	National Westminster Bank Plc, Pembrokeshire Business Centre, 18 High Street, Haverfordwest SA61 2DA
Solicitors:	Price & Kelway, 17 Hamilton Terrace, Milford Haven SA73 2JA

Directors & Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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

Chair:	Councillor Rhys Sinnett
Vice-Chair:	Katrina Marsh
Pembrokeshire County Council nominees:	Councillor Rhys Sinnett Councillor Dr Simon Hancock Councillor David Bryan
Milford Haven Town Council nominee:	Councillor Yvonne Southwell
Milford Haven Youth Matters (formerly known as Milford Haven Social Service Centre) nominee:	Vacant
Elected trustees:	Carol Mackintosh (formerly Dr Carol Garrett) Phillipa Davies Katrina Marsh Sarah Hoss Nigel Sinnett Ann Owston Annie Taylor (from 8th December 2021) Joanne Hendy (from 8th December 2021) Sara McKay (from 8th December 2021) Adrian Williams (from 8th December 2021) Max Mackintosh (from 8th December 2021) Gemma Hicks (from 8th December 2021)

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Other officials:

Company Secretary	Mr Guy Woodham
Executive Director:	Mr Benjamin Lloyd
Senior Manager - Business:	Mr Guy Woodham
Senior Manager - Finance:	Miss Rhian Hayes
Arts Council of Wales Observer:	Mr Henry Rees

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Torch Theatre Company Limited(The) 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;
- 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

A resolution will be proposed at the Annual General Meeting on Wednesday 21st September 2022 to propose that auditors, Ashmole and Co., be re-appointed as auditors to the charity for the ensuing year.

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

Approved by order of the board of trustees on 21st September 2022 and signed on its behalf by:

Rhys Sinnett

Cllr R Sinnett - Trustee

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Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- nature of the charity and the sector in which it operates.
- the legal and regulatory framework in which the charity operates, and in particular those laws and regulations that directly affect the financial statements or have a fundamental effect on operations eg Charities Act 2011, health and safety legislation.
- results of enquiries of management and those charged with governance
- any matters identified relating to
    - the charity's policies and procedures for identifying, evaluating and complying with laws and regulations, and whether there were any known instances of non compliance.
    - detecting and responding to the risks of fraud and whether there is any knowledge of actual, suspected or alleged fraud.
    - the internal controls established to mitigate risks of fraud or non compliance with laws and regulations.

As a result of performing the above, we did not identify any key audit matters related to potential risk of fraud or non compliance with laws and regulations.

In addition to the above, our procedures included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquires of management and those charged with governance concerning actual and potential litigation and claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- review of minutes of committee meetings
- written representations

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.

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Use of our report

This report is made solely 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashmole & Co

Ashmole and Co.
Chartered Certified Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Date: 08/12/22

Ashmole & Co

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2022

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	915,508	-	915,508	1,181,090
Charitable activities	5				
Theatre		297,984	-	297,984	10,203
Other trading activities	3	58,481	-	58,481	15,977
Investment income	4	39	-	39	66
Other income	6	17,977	-	17,977	-
Total		1,289,989	-	1,289,989	1,207,336
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	7	1,500	-	1,500	1,500
Other trading activities	8	59,084	-	59,084	70,186
		60,584	-	60,584	71,686
Charitable activities	9				
Theatre		1,217,395	112,426	1,329,821	934,082
Other		-	-	-	6,521
Total		1,277,979	112,426	1,390,405	1,012,289
NET INCOME/(EXPENDITURE)		12,010	(112,426)	(100,416)	195,047
RECONCILIATION OF FUNDS					
Total funds brought forward		564,685	3,592,934	4,157,619	3,962,572
TOTAL FUNDS CARRIED FORWARD		576,695	3,480,508	4,057,203	4,157,619

The notes form part of these financial statements

Ashmole & Co

Balance Sheet – Parent Company
31 March 2022

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	16	256,940	3,480,508	3,737,448	3,858,976
Investments	26	10	-	10	10
		256,950	3,480,508	3,737,458	3,858,986
CURRENT ASSETS					
Stocks	17	2,682	-	2,682	2,682
Debtors	18	276,059	-	276,059	99,417
Cash at bank and in hand		452,260	-	452,260	377,804
		731,001	-	731,001	479,903
CREDITORS					
Amounts falling due within one year	19	(411,256)	-	(411,256)	(181,270)
NET CURRENT ASSETS		319,745	-	319,745	(298,633)
TOTAL ASSETS LESS CURRENT LIABILITIES		576,695	3,480,508	4,057,203	4,157,619
NET ASSETS		576,695	3,480,508	4,057,203	4,157,619
FUNDS	21				
Unrestricted funds				576,695	564,685
Restricted funds				3,480,508	3,592,934
TOTAL FUNDS				4,057,203	4,157,619

The notes form part of these financial statements

continued...

Ashmole & Co

Balance Sheet - Consolidated
31 March 2022

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	16	256,940	3,480,508	3,737,448	3,858,976
CURRENT ASSETS					
Stocks	17	2,682	-	2,682	2,682
Debtors	18	106,374	-	106,374	99,417
Cash at bank and in hand		452,260	-	452,260	377,804
		561,316	-	561,316	479,903
CREDITORS					
Amounts falling due within one year	19	(241,561)	-	(241,561)	(181,260)
NET CURRENT ASSETS		319,755	-	319,755	298,643
TOTAL ASSETS LESS CURRENT LIABILITIES		576,695	3,480,508	4,057,203	4,157,619
NET ASSETS		576,695	3,480,508	4,057,203	4,157,619
FUNDS	21				
Unrestricted funds				576,695	564,685
Restricted funds				3,480,508	3,592,934
TOTAL FUNDS				4,057,203	4,157,619

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

continued...

Ashmole & Co

Balance Sheet - continued
31 March 2022

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21st September 2022 and were signed on its behalf by:

Cllr R Sinnett - Trustee

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	90,615	293,550
Net cash provided by operating activities		90,615	293,550
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,198)	(33,499)
Interest received		39	66
Net cash used in investing activities		(16,159)	(33,433)
Change in cash and cash equivalents in the reporting period		74,456	260,117
Cash and cash equivalents at the beginning of the reporting period		377,804	117,687
Cash and cash equivalents at the end of the reporting period		452,260	377,804

The notes form part of these financial statements

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

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

	31.3.22 £	31.3.21 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(100,416)	195,047
Adjustments for:		
Depreciation charges	137,727	138,273
Loss on disposal of fixed assets	-	6,521
Interest received	(39)	(66)
Decrease in stocks	-	3,408
Increase in debtors	(6,957)	(45,052)
Increase/(decrease) in creditors	60,300	(4,581)
Net cash provided by operations	90,615	293,550

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	377,804	74,456	452,260
	377,804	74,456	452,260
Total	377,804	74,456	452,260

The notes form part of these financial statements

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1. 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.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the assetsconcerned.

Income from charitable activities is deferred when admission fees are received in advance of the performances or event to which they relate.

Donated services, facilities and assets are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Tax credits attributable to the subsidiary company under the Theatre Tax Credit are recorded as Other Incoming Resources in the Consolidated Statement of Financial Activities.

Investment income is included when receivable.

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.

Allocation and apportionment of costs
Costs have been allocated as far as possible between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others have been apportioned based on the estimated usage of the resource. Costs allocated to generating voluntary income, being an element of administration salaries, postage and stationery, and theatre renewals have been estimated using best judgement.

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

Freehold property	- 2% on cost
Theatre refurbishment (1996 - 2000)	- 10% on cost
Theatre redevelopment	- 2% on cost
Fixtures and fittings	- 25% on cost and 10% on cost

continued...

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1. ACCOUNTING POLICIES - continued

Stocks
Stocks consist of cafe, bar and shop stocks and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Reserves
The financial statements distinguish between restricted and unrestricted funds. The former are received from donors and are subject to restrictions on the purpose for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions. These include those freely available to the charity for expenditure or appropriation to reserves for internally designated purposes.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

2. DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Arts Council of Wales	452,522	452,522
Pembrokeshire County Council	20,000	63,340
Milford Haven Town Council	7,000	7,000
Gifts and donations	15,503	11,766
LED Installation Support (ACW)	-	4,245
Covid 19 JRS grant	25,615	175,087
PCC rates relief grant	1,500	35,000
ACW stabilisation grant	-	35,000
ACW cultural recovery fund	393,368	344,910
ACW Fly Tower project	-	23,970
Donated assets	-	15,000
Film Hub Wales/BFI Covid Grant	-	10,050
Film Hub Young Film Ambassador	-	3,200
	915,508	1,181,090

continued...

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3. OTHER TRADING ACTIVITIES

	31.3.22	31.3.21
	£	£
Kiosk sales	43,016	-
Telephone mast rental	15,465	15,977
	58,481	15,977

4. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Deposit account interest	39	66

The charity's investment income arises wholly from interest bearing cash deposits.

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.22	31.3.21
	Activity	£	£
Theatre	Theatre	171,041	3,755
Films	Theatre	91,487	-
Youth theatre and education	Theatre	9,557	4,999
Hire of theatre	Theatre	3,202	-
Sales of programmes etc.	Theatre	779	280
Technical hire	Theatre	4,881	1,119
Set construction	Theatre	7,117	50
Sundry theatre income	Theatre	9,920	-
		297,984	10,203

6. OTHER INCOME

Entitlement to Theatre Tax Credits £17,977 (2021 - nil).

7. RAISING DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Administration expenses	1,500	1,500

continued...

Ashmole & Co

8. OTHER TRADING ACTIVITIES

	31.3.22	31.3.21
	£	£
Purchases	26,929	3,598
Staff costs	11,644	54,060
Equipment repairs and renewals	15,352	7,219
Other direct costs	3,847	3,997
Depreciation	1,312	1,312
	59,084	70,186

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 10)	Totals
	£	£	£
Theatre	1,062,461	267,360	1,329,821

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Theatre	258,434	8,926	267,360

11. NET INCOME/(EXPENDITURE)

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

	31.3.22	31.3.21
	£	£
Auditors' remuneration	2,600	2,500
Auditors' remuneration for non audit work	2,924	2,860
Depreciation - owned assets	137,726	138,273
Deficit on disposal of fixed assets	-	6,521

continued...

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12. TRUSTEES' REMUNERATION AND BENEFITS

Trustees are not remunerated. No trustees received any remuneration during the year (2021 - nil).

Trustees' expenses

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

13. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	632,334	558,518
Social security costs	37,593	30,233
Other pension costs	8,593	8,253
	678,520	597,004

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

	31.3.22	31.3.21
Theatre and facilities	19	22
Publicity	2	3
Administration	6	6
	27	31

No employees received emoluments in excess of £60,000.

Staff costs above include performers and theatre personnel engaged on a contract basis as well as permanent staff. Employee numbers reflect the average monthly head count of casual and permanent staff which equates to an estimated 21 full-time equivalent staff.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,136,335	44,755	1,181,090
Charitable activities			
Theatre	10,203	-	10,203
Other trading activities	15,977	-	15,977
Investment income	66	-	66
Total	1,162,581	44,755	1,207,336
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	1,500	-	1,500
Other trading activities	70,186	-	70,186

continued...

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14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
	71,686	-	71,686
Charitable activities			
Theatre	795,863	138,219	934,082
Other	6,521	-	6,521
Total	874,070	138,219	1,012,289
NET INCOME/(EXPENDITURE)	288,511	(93,464)	195,047
RECONCILIATION OF FUNDS			
Total funds brought forward	276,174	3,686,398	3,962,572
TOTAL FUNDS CARRIED FORWARD	564,685	3,592,934	4,157,619

15. TAXATION

As a registered charity, Torch Theatre Company Ltd is exempt from tax on income and gains. No tax charges have arisen on the charity. The Trading Subsidiary is entitled to Theatre Tax Credits which is reflected as Other Incoming Resources in the Consolidated Statement of financial activities in the sum of £17,977 (2021 - nil).

continued...

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16. TANGIBLE FIXED ASSETS

	Freehold property £	Theatre refurbishment (1996 - 2000) £	Theatre redevelopment £	Fixtures and fittings £	Totals £
COST					
At 1 April 2021	407,808	28,270	4,638,069	1,414,928	6,489,075
Additions	-	-	-	16,198	16,198
At 31 March 2022	407,808	28,270	4,638,069	1,431,126	6,505,273
DEPRECIATION					
At 1 April 2021	147,893	28,270	1,181,214	1,272,722	2,630,099
Charge for year	8,157	-	92,761	36,808	137,726
At 31 March 2022	156,050	28,270	1,273,975	1,309,530	2,767,825
NET BOOK VALUE					
At 31 March 2022	251,758	-	3,364,094	121,596	3,737,448
At 31 March 2021	259,915	-	3,456,855	142,206	3,858,976

All fixed assets are used in direct furtherance of the charities objects.

Details of the restricted fund relating to the theatre building and re-development are given in note 24.

Legal charges have been registered over the theatre building by the Arts Council of Wales.

All Group Fixed Assets belong to the parent company. The subsidiary company has no Fixed Assets.

17. STOCKS

	31.3.22 £	31.3.21 £
Stocks	2,682	2,682

All stocks belong to the parent company.

continued...

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18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
	Group	Group	Charity	Charity
Other debtors	65,562	41,476	235,247	41,476
Prepayments and accrued income	24,139	22,672	24,139	22,672
VAT	16,673	35,269	16,673	35,269
	106,374	99,417	276,059	99,417

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
	Group	Group	Charity	Charity
Advance receipts	72,352	45,788	72,352	45,788
Deferred income	1,673	10,559	1,673	10,559
Sundry creditors and accruals	167,536	124,923	337,231	124,923
	241,561	181,270	411,256	181,270

Included in sundry creditors and accruals are amounts owing for social security and other taxes of £16,836 (2021 - £10,971).

20. LEASING AGREEMENTS

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

	31.3.22	31.3.21
	£	£
Within one year	5,271	5,271
Between one and five years	-	5,272
	5,271	10,543

continued...

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21. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	564,685	12,010	573,495
Restricted funds			
Restricted funds	3,592,934	(112,426)	3,483,708
TOTAL FUNDS	4,157,619	(100,416)	4,057,203

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,289,989	(1,277,979)	12,010
Restricted funds			
Restricted funds	-	(112,426)	(112,426)
TOTAL FUNDS	1,289,989	(1,390,405)	(100,416)

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	276,174	288,511	564,685
Restricted funds			
Restricted funds	3,686,398	(93,464)	3,592,934
TOTAL FUNDS	3,962,572	195,047	4,157,619

continued...

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21. 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	1,162,581	(874,070)	288,511
Restricted funds			
Restricted funds	44,755	(138,219)	(93,464)
TOTAL FUNDS	1,207,336	(1,012,289)	195,047

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	276,174	300,521	576,695
Restricted funds			
Restricted funds	3,686,398	(205,890)	3,480,508
TOTAL FUNDS	3,962,572	94,631	4,057,203

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,452,570	(2,152,049)	300,521
Restricted funds			
Restricted funds	44,755	(250,645)	(205,890)
TOTAL FUNDS	2,497,325	(2,402,694)	94,631

Full details of restricted funds are provided at note 24.

continued...

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22. RELATED PARTY DISCLOSURES

Torch Theatre Production Company Limited

During the year, the Charity made sales of £187,661 (2021 - £nil) and purchases of £169,685 (2021 - £nil) to/from its 100% wholly owned subsidiary. At the year-end date, the trading subsidiary owed the Charity the sum of £17,977 (2021 - £nil).

23. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

24. RESTRICTED FUNDS

	Balance as at 01.04.21	Movement in Year	Balance as at 31.03.22
	£	£	£
Capital Reserve (Main Theatre)	97,346	(3,757)	93,589
Capital Re-development Fund	3,437,013	(103,969)	3,333,044
Capital Reserve (Studio Theatre)	55,375	(1,500)	53,875
Film Hub Wales Young Film Ambassador Grant	3,200	(3,200)	-
	3,592,934	(112,426)	3,480,508

Capital Reserve (Main Theatre)
The freehold of the Torch Theatre was conveyed to the company by Preseli Pembrokeshire District Council on 23rd January 1991 for the consideration of £1. The property was valued by Messrs Glyn Davies & Co. at £180,000 in January 1991 and has been incorporated into the financial statements at that figure, the surplus being credited to a capital reserve.

Following the introduction of FRS15 the trustees decided to depreciate the freehold over a period of 50 years on a straight line basis. This results in a depreciation charge of £3,757 per annum. The balance remaining on this fund is £93,589 (2021 - £97,346).

continued...

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24. RESTRICTED FUNDS - continued

Capital Re-development Fund

During the three years to March 2009, the theatre was completely re-developed. Further capital improvements have been made in subsequent years. This capital expenditure is being depreciated over a period of 10 years (fixtures and equipment) or 50 years (buildings). The grants and donations received for the restricted purpose of the theatre's re-development have been treated as a restricted fund in accordance with the Statement of Recommended Practice and are reduced by the depreciation charge in respect of the re-development costs. The balance remaining on this fund is £3,333,044 (2021 - £3,437,013).

Capital Reserve (Studio Theatre)
As part of the re-development, the charity acquired the freehold of an adjoining property which houses the new studio theatre. Part of the value of the property (valued at £75,000) was donated by Pembrokeshire County Council creating a further capital reserve. The property is being depreciated over 50 years on a straight line basis resulting in a depreciation charge relating to the gift of £1,500 per annum. The balance remaining on this fund is £53,875 (2021 - £55,375).

Film Hub Wales Young Film Ambassador Grant
During the year to 31st March 2021, the charity received a Film Hub Wales Young Film Ambassador Grant of £3,200. Due to Covid restrictions this project could not be undertaken in that year and the funds are carried forward to 2021/22 when they were utilised for this purpose. The balance remaining on this fund is nil (2021 - £3,200).

25. SUBSIDIARY UNDERTAKINGS

The Charity holds the entire issued share capital of 10 Ordinary shares of £1 each in Torch Theatre Production Company Limited, a company incorporated in England and Wales, Company number 09287683. The Charity acquired the trading subsidiary on 30th October 2014. The Torch Theatre Production Company undertakes the commercial production of theatrical performances. A summary of the trading results are shown below.

Summary profit and loss account:	Year Ended 31.3.22	Year Ended 31.3.21
	£	£
Income	169,685	-
Cost of sales	(187,661)	-
Profit or (Loss) on ordinary activities before taxation	(17,796)	-
Tax credit	17,976	-
Profit for the financial period	-	-

The assets and liabilities of the subsidiary were:		
Current assets	187,671	10
Creditors	(187,661)	-
Aggregate share capital and reserves	10	10

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THE TORCH THEATRE COMPANY LIMITED

England & Wales - Charity number 508985

Accounts

REGISTERED COMPANY NUMBER: 01327289 (England and Wales)
REGISTERED CHARITY NUMBER: 508985

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2021

for

Torch Theatre Company Limited(The)

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

SATURDAY
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A13 11/12/2021 #122
COMPANIES HOUSE

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Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The Torch Theatre exists to:

Create .... Engage Inspire Entertain

The Torch Theatre Company engages, inspires, entertains and challenges our audiences with a vibrant programme of work which celebrates the essential power of live performance to promote social and personal change.

Through our education work, community engagement and volunteer programme we actively participate in promoting arts and culture across Pembrokeshire, Wales and beyond.

Aim One - Create

We believe that creating a working environment that encourages collaboration and creativity enables artists and staff to be fully self-expressive. Creativity and innovation are valued in all aspects of our organisation.

We will continue to strengthen our leadership role in the arts community of Pembrokeshire and enhance our reputation as a county of creativity by forming partnerships and collaborations with other venues and arts disciplines.

We will uphold our covenant as a not-for-profit institution by being reliable stewards of the public trust and resources provided to us by our funding bodies. We will always act in a financially responsible manner whilst striving to increase self- generated income through creative and innovative ways.

Aim 2 - Engage

We seek to instill in all people a respect and appreciation of the performing arts by communicating at the highest level of excellence and drawing on the strength of the diversity and traditions of our community.

We seek to broaden our audiences through the programming choices we make, by keeping ticket prices as keen as possible and by making manifest our ambition to be bold, challenging and accessible.

We develop policies which will support the most vulnerable and disadvantaged sectors of society with their engagement, and benefit from, the Arts.

Aim 3 - Inspire

We believe in offering arts educational programmes that are inclusive and that promote lifelong learning to a diverse community, encompassing all ages and backgrounds. We are committed to the training and support of future arts professionals with an emphasis on enhancing our partnerships with training institutions.

We provide encouragement for all levels of volunteer involvement and recognise these contributions as crucial to the success of the Torch Theatre. We also aim to provide a supportive environment for amateur companies, where everyone is welcome regardless of skill, ability or background and to receive the appreciation their efforts deserve.

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Aim 4 - Entertain

We will programme to the highest standards by attracting the best productions, films and artists available to us.

The charity embraces the general aim of contributing to the quality of life for people living in the county of Pembrokeshire and for visitors to the county. It aims to present a diverse artistic programme which is challenging, entertaining, and accessible. The charity maintains a popular programme which is designed to underpin its financial objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Our pricing policy reflects our aim of enabling all within our community to attend live performances and films at the Theatre, and a wide range of concessionary prices are offered.

To achieve the charity's objectives the following strategies are employed

- creating opportunities for local residents, particularly young people, to engage in arts activity organised by the charity including youth theatre, summer school, work experience placements, education projects in schools and colleges;
- provision of facilities and professional support for amateur and professional artists to develop. Amateur groups are given professional advice on producing stage productions;
- programming performances and films which appeal to specific market segments, for example young people, families and older people;
- offering a range of ticket price discounts to provide access to organised groups, young people, disabled people, families, unemployed and older people;
- provision of attractive, accessible and informative promotional material by way of leaflets, brochures, e-flyers and a bilingual website;
- providing facilities to improve access for disabled customers, including induction loop and infra-red hearing systems, subtitled screenings for films and BSL performances; and
- the use of e-marketing for a range of services through the theatre website

Activities
The major areas of activity managed by the charity are the production of plays and musical theatre, touring of theatre productions to venues in Wales and beyond, screening mainstream and independent films, display of artworks in the gallery, bar services, education projects, and buying in a range of professional performances to provide a wide ranging programme.

Key components of the charity's programme and as a platform for community activity are as follows:

- production of professional plays, musical theatre and a Christmas production by the Torch Theatre Company to play at the Torch Theatre, and tour to venues in Wales as appropriate and financially viable;
- a bought-in programme of events including popular music, music, light entertainment, opera, contemporary dance, ballet, plays, musical theatre, non-Western art forms, and comedy;
- presentation of films throughout the year;
- amateur productions by groups including Haverfordwest Amateur Operatic Society and Milford Haven Amateur Operatic Society, Xenon Liberal Arts, Touch and Go and Artistic Licence;
- hire of the theatre for events, dance classes, concerts and conferences;

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- educational projects involving local primary and secondary schools, colleges and universities in Pembrokeshire, Carmarthenshire and Cardiff. Projects are devised in conjunction with education professionals and designed to support curriculum activities, as well as developing careers awareness and the life skills of individual participants;

- participatory arts activity for young people including one-off drama workshops, weekly youth theatre and junior youth sessions and an annual Summer School;

- provision of a gallery to display professional work by visual arts practitioners;

- provision of a community choir (Torch Voices); and

- providing volunteer opportunities for more than 80 local people who welcome visitors to the theatre, provide information sell programmes and support the marketing team's activity. This saves the theatre a considerable amount of money each year estimated in 2019/20 at £70,000pa (2018/19 £70,000pa). Just as importantly it allows volunteers to engage in the life of the theatre and to gain a better understanding of its activities. Due to the inherent uncertainty of estimates, these figures have not been incorporated into the Financial Statements.

All the above activities were significantly impacted in 2020/21 by the enforced closure of the theatre due to the on-going COVID-19 pandemic.

ACHIEVEMENT AND PERFORMANCE

During 2020/21 the charity's achievements were very different to previous years, where the focus had been on ticketed attendances and the diverse programme of activity. In this unprecedented year, achievement and performance included:

- successfully applying for COVID-19 related grant funded income (£603,247) to off-set the almost complete loss of earned income during the year.

- successfully completing essential repair and maintenance work including repair of the fly tower, which included an extension to the west-side of the tower of the 2017 art light installation.

- During the early period of lockdown, our skeleton staff made admirable (and very successful) attempts to continue to engage with our audiences with a number of makeshift initiatives given that our venue was closed and all normal routes of engagement were not possible. For example, our Community Choir (Torch Voices) transitioned into a weekly virtual Online Choir, with a spin off 'singalong' reaching over 40,000 people on Facebook.

- Our Youth Theatre (over 150 members under the age of 19), transferred online, creating a film about their experiences of lockdown. Each week, they released the Lock Down Diaries, the personal experiences of living through those first unprecedented times as a young member of society. Our Summer School also went online in 2020 before a number of face-to-face sessions in the Autumn term prior to lockdown being re-introduced. These positive engagements provided invaluable outlets for all participants acknowledging however, that we were unable to fully replicate the communal experience that is essential to our objectives.

- Another significant and wide-reaching achievement has been our own production: *The Pembrokeshire Story*. Early in the first lockdown, an idea had been formed around a potential project with the initial concept being 'if our audience can't come to us, we will go to them;' and 'if we can't create as we'd like to, we'll get them to create something themselves'. We planned to ask people to simply tell their stories, however, with grant support we expanded the project. We employed twelve local freelance artists, along with groups of Pembrokeshire people, some with protected characteristics, to interpret over 70 stories in a variety of ways. The stories were filmed and have been projected onto iconic landmarks around the County and will conclude with the content created in lockdown being held online in a living archive and showcased in an exhibition in the theatre itself, both launching in October 2021. During the project we also engaged with the refugees housed in Penally Camp although the camp closed before we could really work in any detail with the refugees. We will

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however, be mounting an exhibition of their art work created in lockdown alongside *The Pembrokeshire Stories* exhibition. The project, from very simple beginnings has been extremely successful, engaging communities across the County in Welsh, English and BSL and supporting the local Arts ecology.

- Throughout lockdown, we also showcased the work of freelancers and Welsh creatives through our social media channels to support them and to encourage our audience to connect with the high level of work that was being produced. Artists and Projects supported included: Christian Patterson's *Isolation Nation*; Owen Thomas' *Isolationship*; Theatr Na Nog's *Nye and Jennie*; Chippy Lane Productions; National Theatre Wales; and Flying Bridge Theatre; Theatr Clwyd's co-production *The Picture of Dorian Gray* and the Theatr Genedlaethol Cymru production *Pryd Mae'r Haf?* We also worked with National Theatre Wales, presenting elements of *The Pembrokeshire Story* alongside their film production of *Go Tell The Bees*, and providing technical support for the outdoor showings in Manorbier Castle.

- We responded to the loss of our pantomime with the creation of a Grotto at the theatre and free Zoom calls with Santa for 100 families who had booked tickets for our 2020 pantomime.

- During lockdown, online streaming proved to be very popular with many theatre companies. We decided we would film the Torch Theatre Production of *The Wood* and in the process, train our technical staff, to use cameras, to edit the film, knowing that they would all benefit in the long term from these additional skills. Filming took place in February 2021 in an isolated production bubble, with the film being streamed for ten days from 22 June 2021 with tickets available from eight different Welsh venues and engaging with audiences across Wales.

- While we would not usually be in a position to commission significant new works, lockdown provided an opportunity for us to do so, commissioning a local emerging writer and undertaking the development of a new play Nest, about the life of Princess Nest. An R&D took place in May 2021 featuring an all-female ensemble working in Welsh and English. The concept had been to stage the play COVID-19 safe outdoors at local castles during the 2021 Summer, but venues were unable to confirm given the on-going uncertainty around COVID-19 restrictions. It is therefore intended to tour Nest in Summer 2022.

- We also undertook an R&D of a play called *Angel* by Henry Naylor. Due to the success of the development period, we will now be producing *Angel* as our first in-house production (October 2021) following the reopening of the theatre in September 2021.

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FINANCIAL REVIEW

Total income for the year at £1,207,335 was 20% down on 2019/20, principally due to the almost complete loss of trading and charitable activities during the period due to the enforced closure of the theatre arising from the COVID-19 pandemic. This deficit would have been far more significant had it not been for successful COVID-19 related grant applications securing additional income during the period of £603,247 which included £175,087 claimed under the Coronavirus Job Retention Scheme.

Total income from grants and donations was £1,181,089, a 98% increase compared with 2019/20. Income from trading and charitable activities was £26,180 down 97% compared with 2019/20.

In 2019/20, we reported that sales and associated expenditure from the café, bar and kiosk were comparable with 2018/19 and that the reputation the café had developed added to the offering of the Torch but remained a focus financially to ensure it can operate on a cost neutral basis. Following support being provided by a café consultant (funded by the ACW Resilience Programme) a new café model had been planned for implementation in 2020/21. Enforced closure during the period of the building meant that while the opportunity has been taken to remodel the layout of the café and kitchen area and implement the recommended physical alterations contained in the café consultant's report, it will not be until the café is fully operational, possibly not until early 2022, that the recommended café model may be fully implemented.

During the period, the Torch continued a successful relationship with ACW meeting, where possible, agreed targets and committing to the new Cultural Contract for the funded Arts which builds on the Welsh Government's existing economic contract of fair work and pay and sustainability and addresses areas such as:

- Increased diversity and representation (including diversity of the Board)
- Greater involvement in and support for wider community initiatives (including social prescribing)
- Prioritising health and wellbeing in arts initiatives
- Environmental, cultural and economic sustainability

ACW remains the charity's principal funding partner with an annual revenue grant of £452,522, an increase of 1% on 2019/20.

A positive relationship also continued with PCC although as part of the 2020/21 Service Level Agreement the annual grant was reduced to £50,000 a reduction of 37% on 2019/20 and due to decrease again in 2021/22 and 2022/23.

Both ACW and PCC also provided capital funding following damage to the fly tower in February 2020. While a successful insurance claim ultimately covered most of the cost of the repair work, this was not confirmed until after the closing date for applications to the ACW Capital Projects grant and the PCC Enhancing Pembrokeshire Grant Scheme, which were submitted to support the capital project costs of this essential repair. Applications were submitted and supported with an initial grant award from ACW of £77,731 and PCC of £80,760. Once confirmation of a successful insurance claim was received, the ACW grant award reduced to £14,524 and the PCC grant award reduced to £13,340. In addition, ACW agreed to fund the extension to the west-side of the fly tower of the 2017 art lighting installation with a grant award of £9,446.

Milford Haven Town Council also provided a grant of £7,000, a decrease of 30% on their 2019/20 grant.

The organisation has, since October 2014, taken advantage of the opportunity provided by the Theatre Tax Relief Scheme. As a result of no Torch Theatre Productions taking place during the period, there will be no claim made this year.

The aspiration of the trustees has been to maintain Reserves at the highest level possible. The current objective remains, as recommended by the Charities Commission, to build up Reserves to meet three months' operating costs, circa £400,000. Although in the present uncertain economic environment retaining Reserves will continue to be challenging, through careful budget management, as at 31st March 2021, the charity's free Reserves (unrestricted, undesignated reserves not committed to fixed assets) stood at a surplus of £295,443 (2020 deficit of £7,699).

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At the start of 2021/22, applications opened for a second Cultural Recovery Fund grant with a successful award made of £226,802 to cover the period April to September 2021 which was essential to support the organisation given the continued enforced closure and staggered re-opening that commenced of the theatre in September 2021.

Focus for the coming years remains to build our Reserves, widen earned income, maximising the use of the venue and the diversity of what we can offer, as well as applying for additional funding through trusts and foundations.

We remain committed to our relationship with both Arts Council Wales and Pembrokeshire County Council and the partnership approach we take in ensuring their continued support.

Safeguarding our artistic production resources and capacity is vital - we remain one of three venue-based producing theatres in Wales and this can only be achieved if we continue to receive significant grant funding support.

The Torch's reserves policy remains in line with guidance issued by the Charity Commission, and the policy will be reviewed on an annual basis following publication of the audited annual accounts. The policy is founded on the following general principles:

- as a precaution against adverse economic conditions and any subsequent decline in earned income
- to provide assurance to funding partners and creditors regarding the economic viability and the stability of the company
- to provide assurance for members of the Committee of Management who make decisions on the operation ofthe theatre
- to provide assurance for members of staff and to those individuals and companies with whom we makecommitments for artistic projects, demonstrating the Torch Theatre Company's reliability as an employer

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Torch Theatre Company Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26 August 1977 and amended to allow for current governance arrangements by a special resolution passed on 18 August 2011. It is registered as a charity with the Charity Commission. Anyone over the age of 16 may become a member of the trust and there are currently 10 members, each of whom agrees to contribute £1.00 in the event of the charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the Chair of the trustees is nominated by the Torch Theatre Company trustees for a period of three years. Pembrokeshire County Council nominates up to 3 trustees, Milford Haven Town Council nominates 1 trustee and the charity known as Milford Youth Matters (formerly known as Milford Haven Social Service Centre) nominates 1 trustee.

Nominees appointed by Pembrokeshire County Council and Milford Haven Town Council are subject to the appointment processes of those bodies and the guidelines laid down for appointment to public office as they apply to local government nominees.

Trustee Induction and Training

New trustees undertake an orientation day to brief them on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the committee and decision making processes, business plans, development plans and details of financial performance of the charity. Trustees are encouraged to attend appropriate external training events as well as in-house training events organised by the charity.

Organisational Structure

The board of trustees administers the charity. Following a review of governance in 2006, this has been reduced from the original maximum of 24 members to a target of around 15 members, with 10 currently in place. The board meets regularly, approximately every quarter. The Executive Director is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority within terms approved by the trustees for day-to-day operational matters including finance, employment and artistic matters.

Related Parties

The Arts Council of Wales (ACW), Pembrokeshire County Council and Milford Haven Town Council provide core funding for the charity, in support of its artistic programme, as an amenity for local residents and as a visitor attraction to Wales.

Risk Management

The trustees have a risk management strategy which covers operational and financial risks:

- an annual review of the risks the charity may face
- establishment of systems and procedures to mitigate those risks identified in the plan
- implementation of procedures designed to minimise any potential impact on the charity should those risksmaterialise, including establishing a reserves policy

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	508985
Company Number:	1327289
Principal Office:	St Peter's Road, Milford Haven, Pembrokeshire SA73 2BU
Auditors:	Ashmole & Co, Chartered Certified Accountants and Registered Auditors, Williamston House, 7 Goat Street, Haverfordwest SA61 1PX
Bankers:	National Westminster Bank Plc, Pembrokeshire Business Centre, 18 High Street, Haverfordwest SA61 2DA
Solicitors:	Price & Kelway, 17 Hamilton Terrace, Milford Haven SA73 2JA

Directors & Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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

Chair:	Carol Mackintosh (until 9th December 2020) (formerly Dr Carol Garrett) Cllr Rhys Sinnett (from 9th December 2020)
Vice-Chair:	Cllr Rhys Sinnett (until 9th December 2020) Katrina Marsh (from 9th December 2020)
Pembrokeshire County Council nominees:	Cllr Rhys Sinnett Cllr Dr Simon Hancock Cllr David Bryan
Milford Haven Town Council nominee:	Cllr Yvonne Southwell
Milford Haven Youth Matters (formerly known as Milford Haven Social Service Centre) nominee:	Vacant
Elected trustees:	Carol Mackintosh (formerly Dr Carol Garrett) Phillipa Davies Dr Geoff Elliott (until 9th December 2020) Amanda Cunningham (until 21st October 2020) Katrina Marsh Sarah Hoss Nigel Sinnett Ann Owston (from 16th June 2020)

Other officials:

Company Secretary:	Mr Guy Woodham
Executive Director:	Mr Benjamin Lloyd
Senior Manager - Business:	Mr Guy Woodham
Finance Officer:	Vacant
Arts Council of Wales Observer:	Mr Henry Rees

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Torch Theatre Company Limited(The) 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;
- 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

A resolution will be proposed at the Annual General Meeting on Wednesday 29th September 2021 to propose that auditors, Ashmole and Co., be re-appointed as auditors to the charity for the ensuing year.

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

Approved by order of the board of trustees on 29th September 2021 and signed on its behalf by:

.....

Cllr R Sinnett - Trustee

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Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Opinion

We have audited the financial statements of Torch Theatre Company Limited(The) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

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

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- nature of the charity and the sector in which it operates.
- the legal and regulatory framework in which the charity operates, and in particular those laws and regulations that directly affect the financial statements or have a fundamental effect on operations eg Charities Act 2011, health and safety legislation.
- results of enquiries of management and those charged with governance
- any matters identified relating to
    - the charity's policies and procedures for identifying, evaluating and complying with laws and regulations, and whether there were any known instances of non compliance.
    - detecting and responding to the risks of fraud and whether there is any knowledge of actual, suspected or alleged fraud.
    - the internal controls established to mitigate risks of fraud or non compliance with laws and regulations.

As a result of performing the above, we did not identify any key audit matters related to potential risk of fraud or non compliance with laws and regulations.

In addition to the above, our procedures included:
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquires of management and those charged with governance concerning actual and potential litigation and claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- review of minutes of committee meetings
- written representations

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

Report of the Independent Auditors to the Trustees of Torch Theatre Company Limited(The)

Use of our report

This report is made solely 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Date: 09/12/21

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Torch Theatre Company Limited(The)

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2021

	Notes	Unrestricted fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,136,335	44,755	1,181,090	596,705
Charitable activities	5				
Theatre		10,203	-	10,203	684,690
Other trading activities	3	15,977	-	15,977	227,945
Investment income	4	66	-	66	296
Other income	6	-	-	-	7,388
Total		1,162,581	44,755	1,207,336	1,517,024
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	7	1,500	-	1,500	11,646
Other trading activities	8	70,186	-	70,186	226,895
		71,686	-	71,686	238,541
Charitable activities	9				
Theatre		795,863	138,219	934,082	1,455,113
Other		6,521	-	6,521	-
Total		874,070	138,219	1,012,289	1,693,654
NET INCOME/(EXPENDITURE)		288,511	(93,464)	195,047	(176,630)
RECONCILIATION OF FUNDS					
Total funds brought forward		276,174	3,686,398	3,962,572	4,139,202
TOTAL FUNDS CARRIED FORWARD		564,685	3,592,934	4,157,619	3,962,572

The notes form part of these financial statements

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Balance Sheet – Parent Company
31 March 2021

	Notes	Unrestricted fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	16	269,242	3,589,734	3,858,976	3,970,271
Investments	26	10	-	10	10
		269,252	3,589,734	3,858,986	3,970,281
CURRENT ASSETS					
Stocks	17	2,682	-	2,682	6,090
Debtors	18	99,417	-	99,417	156,552
Cash at bank and in hand		374,604	3,200	377,804	117,687
		476,703	3,200	479,903	280,329
CREDITORS					
Amounts falling due within one year	19	(181,270)	-	(181,270)	(288,038)
NET CURRENT ASSETS		295,433	3,200-	298,633	(7,709)
TOTAL ASSETS LESS CURRENT LIABILITIES		564,685	3,592,934	4,157,619	3,962,572
NET ASSETS		564,685	3,592,934	4,157,619	3,962,572
FUNDS	21				
Unrestricted funds				564,685	276,174
Restricted funds				3,592,934	3,686,398
TOTAL FUNDS				4,157,619	3,962,572

The notes form part of these financial statements

continued...

Ashmole & Co

Balance Sheet – Consolidated
31 March 2021

	Notes	Unrestricted fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	16	269,242	3,589,734	3,858,976	3,970,271
CURRENT ASSETS					
Stocks	17	2,682	-	2,682	6,090
Debtors	18	99,417	-	99,417	54,365
Cash at bank and in hand		374,604	3,200	377,804	117,687
		476,703	3,200	479,903	178,142
CREDITORS					
Amounts falling due within one year	19	(181,260)	-	(181,260)	(185,841)
NET CURRENT ASSETS		295,443	3,200	298,643	(7,699)
TOTAL ASSETS LESS CURRENT LIABILITIES		564,685	3,592,934	4,157,619	3,962,572
NET ASSETS		564,685	3,592,934	4,157,619	3,962,572
FUNDS	21				
Unrestricted funds				564,685	276,174
Restricted funds				3,592,934	3,686,398
TOTAL FUNDS				4,157,619	3,962,572

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

continued...

Ashmole & Co

Balance Sheet - continued
31 March 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29th September 2021 and were signed on its behalf by:

.....
Cllr R Sinnett - Trustee

The notes form part of these financial statements

Ashmole & Co

Cash Flow Statement
for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	293,550	(14,709)
Net cash provided by/(used in) operating activities		293,550	(14,709)
Cash flows from investing activities			
Purchase of tangible fixed assets		(33,499)	(31,481)
Interest received		66	296
Net cash used in investing activities		(33,433)	(31,185)
Change in cash and cash equivalents in the reporting period		260,117	(45,894)
Cash and cash equivalents at the beginning of the reporting period		117,687	163,581
Cash and cash equivalents at the end of the reporting period		377,804	117,687

The notes form part of these financial statements

Ashmole & Co

Notes to the Cash Flow Statement for the Year Ended 31 March 2021

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

	31.3.21 £	31.3.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	195,047	(176,630)
Adjustments for:		
Depreciation charges	138,273	140,982
Loss on disposal of fixed assets	6,521	-
Interest received	(66)	(296)
Decrease in stocks	3,408	750
(Increase)/decrease in debtors	(45,052)	27,381
Decrease in creditors	(4,581)	(6,896)
Net cash provided by/(used in) operations	293,550	(14,709)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	117,687	260,117	377,804
	117,687	260,117	377,804
Total	117,687	260,117	377,804

The notes form part of these financial statements

Ashmole & Co

1. 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.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants for capital purposes are included as incoming resources of restricted funds when received. The balance of the restricted fund carried forward each year is reduced by the depreciation on the grant-funded element of the the assetsconcerned.

Income from charitable activities is deferred when admission fees are received in advance of the performances or event to which they relate.

Donated services, facilities and assets are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Tax credits attributable to the subsidiary company under the Theatre Tax Credit are recorded as Other Incoming Resources in the Consolidated Statement of Financial Activities.

Investment income is included when receivable.

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.

Allocation and apportionment of costs
Costs have been allocated as far as possible between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others have been apportioned based on the estimated usage of the resource. Costs allocated to generating voluntary income, being an element of administration salaries, postage and stationery, and theatre renewals have been estimated using best judgement.

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

Freehold property	- 2% on cost
Theatre refurbishment (1996 - 2000)	- 10% on cost
Theatre redevelopment	- 2% on cost
Fixtures and fittings	- 25% on cost and 10% on cost

continued...

Ashmole & Co

1. ACCOUNTING POLICIES - continued

Stocks
Stocks consist of cafe, bar and shop stocks and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

Reserves
The financial statements distinguish between restricted and unrestricted funds. The former are received from donors and are subject to restrictions on the purpose for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions. These include those freely available to the charity for expenditure or appropriation to reserves for internally designated purposes.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Arts Council of Wales	452,522	447,598
Pembrokeshire County Council	63,340	79,895
Milford Haven Town Council	7,000	10,000
Film Agency Wales / Ffilm Cymru Grants	-	4,975
Gifts and donations	11,766	13,091
Sponsorship	-	1,400
LED Installation Support (ACW)	4,245	16,543
ACW Resilience Grant	-	18,572
Covid 19 JRS Grant	175,087	4,631
Welsh Government Covid NDR Grants	35,000	-
ACW Stabilisation Grant	35,000	-
ACW Cultural Recovery Fund	344,910	-
ACW Fly Tower project	23,970	-
Donated assets	15,000	-
Film Hub Wales/BFI Covid Grant	10,050	-
Film Hub Young Film Ambassador Grant	3,200	-
	1,181,090	596,705

continued...

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3. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Cafe sales	-	110,528
Bar sales	-	42,669
Shop sales	-	58,651
Telephone mast rental	15,977	16,097
	15,977	227,945

4. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Deposit account interest	66	296

The charity's investment income arises wholly from interest bearing cash deposits.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.21	31.3.20
		£	£
Theatre	Theatre	3,755	314,978
Films	Theatre	-	281,075
Youth theatre and education	Theatre	4,999	20,667
Hire of theatre	Theatre	-	26,242
Sales of programmes etc.	Theatre	280	5,664
Technical hire	Theatre	1,119	11,193
Set construction	Theatre	50	13,706
Sundry theatre income	Theatre	-	11,165
		10,203	684,690

6. OTHER INCOME

Entitlement to Theatre Tax Credits £nil (2020 - £7,388).

7. RAISING DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Administration expenses	1,500	1,500
Support costs	15,362	10,146
	16,862	11,646

continued...

Ashmole & Co

8. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Purchases	3,598	108,567
Staff costs	54,060	103,704
Equipment repairs and renewals	7,219	4,153
Other direct costs	3,997	8,993
Depreciation	1,312	1,478
	70,186	226,895

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 10)	Totals
	£	£	£
Theatre	691,977	242,105	934,082

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Raising donations and legacies	15,362	-	15,362
Theatre	218,068	8,675	226,743
	233,430	8,675	242,105

11. NET INCOME/(EXPENDITURE)

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

	31.3.21	31.3.20
	£	£
Auditors' remuneration	2,500	2,400
Auditors' remuneration for non audit work	2,860	2,543
Depreciation - owned assets	138,273	140,981
Deficit on disposal of fixed assets	6,521	-

continued...

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12. TRUSTEES' REMUNERATION AND BENEFITS

Trustees are not remunerated. No trustees received any remuneration during the year (2020 - nil).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

13. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries	558,518	691,662
Social security costs	30,233	34,741
Other pension costs	8,253	9,341
	597,004	735,744

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

	31.3.21	31.3.20
Theatre and facilities	22	34
Publicity	3	3
Administration	6	6
	31	43

No employees received emoluments in excess of £60,000.

Staff costs above include performers and theatre personnel engaged on a contract basis as well as permanent staff. Employee numbers reflect the average monthly head count of casual and permanent staff which equates to an estimated 21 full-time equivalent staff.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	561,591	35,114	596,705
Charitable activities			
Theatre	684,690	-	684,690
Other trading activities	227,945	-	227,945
Investment income	296	-	296
Other income	7,388	-	7,388
Total	1,481,910	35,114	1,517,024
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	11,646	-	11,646

continued...

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14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
Other trading activities	226,895	-	226,895
	238,541	-	238,541
Charitable activities			
Theatre	1,327,120	127,993	1,455,113
Total	1,565,661	127,993	1,693,654
NET INCOME/(EXPENDITURE)	(83,751)	(92,879)	(176,630)
RECONCILIATION OF FUNDS			
Total funds brought forward	359,925	3,779,277	4,139,202
TOTAL FUNDS CARRIED FORWARD	276,174	3,686,398	3,962,572

15. TAXATION

As a registered charity, Torch Theatre Company Ltd is exempt from tax on income and gains. No tax charges have arisen on the charity. The Trading Subsidiary is entitled to Theatre Tax Credits which is reflected as Other Incoming Resources in the Consolidated Statement of financial activities in the sum of £nil (2020 - £7,388).

continued...

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16. TANGIBLE FIXED ASSETS

	Freehold property £	Theatre refurbishment (1996 - 2000) £	Theatre redevelopment £	Fixtures and fittings £	Totals £
COST					
At 1 April 2020	407,808	28,270	4,638,069	1,474,680	6,548,827
Additions	-	-	-	33,499	33,499
Disposals	-	-	-	(93,251)	(93,251)
At 31 March 2021	407,808	28,270	4,638,069	1,414,928	6,489,075
DEPRECIATION					
At 1 April 2020	139,737	28,270	1,088,452	1,322,097	2,578,556
Charge for year	8,156	-	92,762	37,355	138,273
Eliminated on disposal	-	-	-	(86,730)	(86,730)
At 31 March 2021	147,893	28,270	1,181,214	1,272,722	2,630,099
NET BOOK VALUE					
At 31 March 2021	259,915	-	3,456,855	142,206	3,858,976
At 31 March 2020	268,071	-	3,549,617	152,583	3,970,271

All fixed assets are used in direct furtherance of the charities objects.

Details of the restricted fund relating to the theatre building and re-development are given in note 25.

Legal charges have been registered over the theatre building by the Arts Council of Wales.

All Group Fixed Assets belong to the parent company. The subsidiary company has no Fixed Assets.

17. STOCKS

	31.3.21 £	31.3.20 £
Stocks	2,682	6,090

All stocks belong to the parent company.

continued...

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18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £ Group	31.3.20 £ Group	31.3.21 £ Charity	31.3.20 £ Charity
Other debtors	41,476	35,826	41,476	138,013
Prepayments and accrued income	22,672	18,539	22,672	18,539
VAT	35,269	-	35,269	-
	99,417	54,365	99,417	156,552

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £ Group	31.3.20 £ Group	31.3.21 £ Charity	31.3.20 £ Charity
VAT	-	7	-	7
Advance receipts	45,788	78,903	45,788	78,903
Deferred income	10,559	8,028	10,559	8,028
Sundry creditors and accruals	124,923	98,903	124,923	201,100
	181,270	185,841	181,270	288,038

Included in sundry creditors and accruals are amounts owing for social security and other taxes of £10,731 (2020 - £10,959).

20. LEASING AGREEMENTS

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

	31.3.21 £	31.3.20 £
Within one year	5,271	5,271
Between one and five years	5,272	10,543
	10,543	15,814

continued...

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21. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	276,174	288,511	564,685
Restricted funds			
Restricted funds	3,686,398	(93,464)	3,592,934
TOTAL FUNDS	3,962,572	195,047	4,157,619

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,162,581	(874,070)	288,511
Restricted funds			
Restricted funds	44,755	(138,219)	(93,464)
TOTAL FUNDS	1,207,336	(1,012,289)	195,047

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	359,925	(83,751)	276,174
Restricted funds			
Restricted funds	3,779,277	(92,879)	3,686,398
TOTAL FUNDS	4,139,202	(176,630)	3,962,572

continued...

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21. 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	1,481,910	(1,565,661)	(83,751)
Restricted funds			
Restricted funds	35,114	(127,993)	(92,879)
TOTAL FUNDS	1,517,024	(1,693,654)	(176,630)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	359,925	204,760	564,685
Restricted funds			
Restricted funds	3,779,277	(186,343)	3,592,934
TOTAL FUNDS	4,139,202	18,417	4,157,619

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,644,491	(2,439,731)	204,760
Restricted funds			
Restricted funds	79,869	(266,212)	(186,343)
TOTAL FUNDS	2,724,360	(2,705,943)	18,417

Full details of restricted funds are provided at note 25.

continued...

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22. RELATED PARTY DISCLOSURES

Torch Theatre Production Company Limited

During the year, the Charity made sales of £nil (2020 - £109,575) and purchases of £nil (2020 - £102,187) to/from its 100% wholly owned subsidiary. At the year-end date, the trading subsidiary owed the Charity the sum of £nil (2020 - £7,388).

23. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

24. POST BALANCE SHEET EVENTS

As a result of the Covid-19 pandemic, the closure of the Torch Theatre continued into the 2021/22 financial year in line with government requirements, with a staggered re-opening of the theatre in September 2021. During this time grant income has continued at the anticipated level and in addition the Torch Theatre has received further financial support from the Welsh Government, Arts Council of Wales, Film Hub Wales/BFI and also utilised the Coronavirus Job Retention Scheme.

These financial statements are prepared on a going concern basis. Despite Covid-19 the trustees have a reasonable expectation that the entity will continue in operational existence for the foreseeable future.

25. RESTRICTED FUNDS

	Balance as at 01.04.20	Movement in Year	Balance as at 31.03.21
	£	£	£
Capital Reserve (Main Theatre)	101,103	(3,757)	97,346
Capital Re-development Fund	3,528,420	(91,407)	3,437,013
Capital Reserve (Studio Theatre)	56,875	(1,500)	55,375
Film Hub Wales Young Film Ambassador Grant	-	3,200	3,200
	3,686,398	(93,464)	3,592,934

Capital Reserve (Main Theatre)
The freehold of the Torch Theatre was conveyed to the company by Preseli Pembrokeshire District Council on 23rd January 1991 for the consideration of £1. The property was valued by Messrs Glyn Davies & Co. at £180,000 in January 1991 and has been incorporated into the financial statements at that figure, the surplus being credited to a capital reserve.

Following the introduction of FRS15 the trustees decided to depreciate the freehold over a period of 50 years on a straight line basis. This results in a depreciation charge of £3,757 per annum. The balance remaining on this fund is £97,346 (2020 - £101,103).

continued...

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25. RESTRICTED FUNDS - continued

Capital Re-development Fund

During the three years to March 2009, the theatre was completely re-developed. Further capital improvements have been made in subsequent years. This capital expenditure is being depreciated over a period of 10 years (fixtures and equipment) or 50 years (buildings). The grants and donations received for the restricted purpose of the theatre's re-development have been treated as a restricted fund in accordance with the Statement of Recommended Practice and are reduced by the depreciation charge in respect of the re-development costs. The balance remaining on this fund is £3,437,013 (2020 - £3,528,420).

Capital Reserve (Studio Theatre)
As part of the re-development, the charity acquired the freehold of an adjoining property which houses the new studio theatre. Part of the value of the property (valued at £75,000) was donated by Pembrokeshire County council creating a further capital reserve. The property is being depreciated over 50 years on a straight line basis resulting in a depreciation charge relating to the gift of £1,500 per annum. The balance remaining on this fund is £55,375 (2020 - £56,875).

Film Hub Wales Young Film Ambassador Grant
During the year the charity received a Film Hub Wales Young Film Ambassador Grant of £3,200. Due to Covid restrictions this project could not be undertaken and these funds are carried forward to the next accounting period to be utilised for this purpose.The balance remaining on this fund is £3,200 (2020 - nil).

26. SUBSIDIARY UNDERTAKINGS

The Charity holds the entire issued share capital of 10 Ordinary shares of £1 each in Torch Theatre production Company limited, a company incorporated in England and Wales, Company number 09287683. The Charity acquired the Trading subsidiary on 30th October 2014. The Torch Theatre Production Company undertakes the commercial production of theatrical performances. A summary of the trading results are shown below.

Summary profit and loss account:	Year Ended 31.3.21 £	Year Ended 31.3.20 £
Income	-	102,187
Cost of sales	-	(109,575)
Profit or (Loss) on ordinary activities before taxation	-	(7,388)
Tax credit	-	7,388
Profit for the financial period	-	-

The assets and liabilities of the subsidiary were:		
Current assets	10	109,585
Creditors	-	(109,575)
Aggregate share capital and reserves	10	10

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