

REGISTERED COMPANY NUMBER: 2446965 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER: 1005327

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
THEATR BRYCHEINIOG CYF**

THEATR BRYCHEINIOG CYF

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for the year ended 31 March 2023**

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THEATR BRYCHEINIOG CYF

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors and 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:

G S Blackledge
J R Bond (appointed 28 September 2022)
A K R Collinson
H F Davis
J Gold (resigned 31 July 2023)
N B A Groombridge
E L Jeffreys
E J Jenkins
S J Jones
T D Mellerick-Wheeler
E A Owen
R A E Paton

Chair

Vice-Chair

Theatre Director:

D R Wilson (to 23 June 2023)

Registered office:

Theatr Brycheiniog
Canal Wharf
Brecon
Powys

Auditors:

W J James and Co
Chartered Accountants and
Statutory Auditors
Bishop House
10 Wheat Street
Brecon
Powys

Bankers:

The Co-operative Bank
PO Box 250
Skelmersdale
Lancashire

Registered number:

2446965

Registered charity number:

1005327

Solicitors:

Capital Law Limited
Capital Building
Tyndall Street
Cardiff
CF10 4AZ

and

Refreshing Law Limited
Mornington
Drope Road
St Georges-Super-Ely
Cardiff

THEATR BRYCHEINIOG CYF

REPORT OF THE DIRECTORS/TRUSTEES for the year ended 31 March 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Theatr Brycheiniog (TB) is a community-based presentation and co-producing arts centre situated in the Brecon Beacons and serving South Powys, Mid and South Wales and beyond. **Its charitable objects are “to promote, maintain, improve and advance education, particularly by the presentation and producing of plays and other material, and the encouragement of the arts, including the arts of drama, mime, dance and music”.**

Theatr Brycheiniog works collaboratively with its many partners and stakeholders to provide a warm and welcoming theatre which delivers a professional and high-quality programme, across a wide range of artistic genres, to inspire and engage its audiences.

During early 2023, Theatr Brycheiniog Cyf developed a new Business Plan including an evolution of our aims, objectives and core values to better align with the priorities of our main funding partner the Arts Council of Wales (ACW). The aims and objectives are:

1. Deliver creativity
2. Involve Everyone
3. Celebrate Wales
4. Lead responsibly
5. Develop people
6. Challenge ourselves

The Business Plan is headlined: *We are for Everyone, Every day – I Bawb, Bob Amser.*

ORGANISATIONAL REVIEW

Theatr Brycheiniog Cyf began the financial year in the middle of a substantial internal refurbishment funded by the European Social Fund through Wales Council for Voluntary Action (WCVA) and a capital grant from ACW. This saw the renewal of the bar, café and foyer / box office with the development of a shop selling local arts and crafts. Design agency Creo, commissioned by the Theatr to deliver the refurbishment, also carried out a rebranding to update the Theatr's look, feel and communications.

These improvements will be followed by up to £2.4 million of the UK Government's Levelling Up Funding given to Powys County Council to upgrade the physical infrastructure of the building. Tender documents were issued in the summer of 2023 with work due to be completed by the end of 2024.

Negotiations with Powys County Council over the LUF project have taken place in parallel with discussions about a new lease agreement between the council as owners of the theatre building and Theatr Brycheiniog Cyf as the secure tenant. The negotiations are designed to facilitate the envisaged building work with a new lease agreed on the completion of the works.

The recruitment and training of new staff remained challenging throughout the financial year and sales were further hit by reduced spending as the cost-of-living crisis affected our audiences. A two-week closure for the completion of the internal refurbishment during the summer of 2022 followed by delays in recruiting experienced catering staff further affected income streams. Indeed, the full positive impact of our investment in improved cafe facilities was only seen in the final quarter of these figures - with further significant improvements in income noted during the summer of 2023.

From Summer 2022 through to March 2023, the Board, the Director and the Senior Management Team have engaged with the Arts Council of Wales in their Investment Review 2023 process. An 'in principle' decision on funding is due in September 2023 with the new funding period beginning in April 2024.

THEATR BRYCHEINIOG CYF

REPORT OF THE DIRECTORS/TRUSTEES (Continued) for the year ended 31 March 2023

ORGANISATIONAL REVIEW (Continued)

Director David Wilson announced his resignation in February 2023 and left Theatr Brycheiniog in June. The Board thanked David for his success in leading the Theatr Brycheiniog family over the last four years. His successor was named as Emma Flatley, Director of Programmes and Engagement at Welsh National Opera who is due to begin work with the Theatr in October 2023. Trustees were particularly impressed by Emma's proven experience in accessing grant funding for a wide range of professional and community arts projects.

Arts Council of Wales (ACW), Powys County Council (PCC), the Welsh Government (WG) and Brecon Town Council (BTC) have all continued to provide invaluable financial support to Theatr Brycheiniog as we seek to rebuild audiences, some of which have been slow to return following the Covid pandemic.

PUBLIC BENEFIT

In preparing this report, the Trustees have had regard to Charity Commission guidance on public benefit.

Theatr Brycheiniog is a major employer in the town and significant contributor to the local economy.

We strive, in both the building and the performing arts programme we present, to be accessible to all sections of the community, and to encourage diversity of use and of users, and we publicise the Theatr's activities widely.

We continually update our policies and action plans covering diversity throughout the organisation and diversity of access, visitor and user safety and also promotion of the Welsh language. Theatr Brycheiniog is committed to offering bilingual access to audiences and visitors wherever possible and to put in place the practical training and infrastructure to support users with diverse needs.

We are proud to have worked with Powys County Council to act as a Warm Hub during the winter - offering a programme of free film screenings to support our local community.

Theatr Brycheiniog is home to, or used by, numerous arts and performance-based community groups including Brecon Festival Ballet, Brecon Baroque Festival, the Westenders, Mid Wales Dance Academy, Brecon Little Theatre, the Federation of Young Farmers' Clubs, University of the Third Age, Theatr Wildcats, Taiko Drumming, the Uplift and Alive and Kicking Community Choirs, The Brecknock Society and Brecon Town Concert Band. We also encourage local schools to use our facilities and attend performances on a regular basis, and we provide an outlet for visual artists by exhibiting their works in the top floor gallery.

ACHIEVEMENTS AND PERFORMANCE

Audiences continued to show a mixed level of return following the re-opening of the Theatr, after the Covid lockdown in February 2022. There was also a high level of no shows - up to 20 per cent on some performances, on a par with other venues across the UK. Some genres, such as tribute shows resumed their pre-covid attendance levels during the year. Others, such as drama and live and encore screenings remained slower selling. Other initiatives, such as our Baby B! events for our youngest audiences and our Young Music Promoters project for 12-18 year old have proved a resounding success.

We have continued to host visits from a wide range of Welsh arts organisations, ensuring that their work reaches audiences across Mid Wales. These include Welsh National Opera, Mid Wales Opera, Opra Cymru, Ballet Cymru, National Dance Company Wales, Theatr Genedlaethol Cymru, BBC National Orchestra of Wales

A notable highlight of the summer season was the innovative musical Operation Julie, which told the story of Wales biggest ever drugs bust - in 1977. The Theatr na nÓg and Aberystwyth Arts Centre production brought us packed audiences over three nights and wide ranging and very positive publicity. The Mid Wales Dance Academy's 'Summer Spectacular' also proved very popular, celebrating the year-round work being done in the Theatr with young dancers. The Brecon Festival Ballet, Nutcracker, a unique blend of professional dancers and musicians supported by a wide range of community participants was a highlight of the Christmas period. Other highlights were provided by Brecon Little Theatre, The Westenders, Brecknock YFC, Brecon Baroque Festival and a wide range of community groups who help us ensure that Theatr Brycheiniog remains: 'For Everyone, Everyday - I Bawb, Bob Amser.'

THEATR BRYCHEINIOG CYF

REPORT OF THE DIRECTORS/TRUSTEES (Continued) for the year ended 31 March 2023

ACHIEVEMENTS AND PERFORMANCE (Continued)

Theatr Brycheiniog continues to look for cost effective ways of highlighting the visual arts while celebrating the diversity of creative life in our community. One highlight was 'Brecon in Bits: Inspired by the Street'. Drawing ideas from the buildings of Brecon and street art from across Wales, year ten pupils at Brecon High School experimented with stencilling and spray-painting processes to create a series of new artworks which were exhibited in the Theatr from September 2022. The artwork was then adapted for use on street banners which welcomed visitors to the town from the spring of 2023.

FUNDRAISING

Theatr Brycheiniog has been delighted and encouraged that it has continued to receive its core funding from the Arts Council of Wales and Powys County Council. Brecon Town Council has also maintained its support in this most difficult of times. Details of this funding, and that of Wales Council for Voluntary Action and others are shown in the financial statements later in this report.

Friends and Patrons continued their generous support throughout the year and our corps of stewards returned to welcome audiences on show nights.

BUILDING

The Buildings & Health and Safety sub-committee ensures that a regular programme of maintenance and safety checks is carried out and the building is fully insured for all risks.

During the period work was completed on the long-anticipated front of house refurbishment, starting with the first floor and bar and moving on to the foyer, box office and café with the gallery floor following that. Plans continue with Powys County Council to use Levelling Up Funding for much needed structural renovations and mechanical and electrical enhancements.

FINANCIAL REVIEW

As can be seen in the Statement of Financial Activities for year ending 31 March 2023 and the Balance Sheet as at 31 March 2023 (pages 11 -12 and related notes) Theatr Brycheiniog Cyf has faced a challenging financial period. While total income rose from £853,709 to £991,869, total expenditure rose more quickly, climbing from £799,943 to £1,144,692. This has resulted in a negative net movement in funds of £152,823. It should be noted, however that £106,380 of this deficit can be accounted for by depreciation - reflecting the considerable capital expenditure in particular the leasehold property improvements of recent years. This has to be depreciated over the remaining three-year term of the current lease - leading to a hefty depreciation charge (see page 23).

Furthermore, in previous periods the Theatr received significant Covid recovery grants which generated significant surpluses in those earlier years. Those surpluses have now been used to support the activities of the Theatr in the year ended 31 March 2023.

Other financial pressures include the impact of rapidly rising inflation on many areas of expenditure and the slowdown in some areas of income because of the impact of the cost of living crisis on audiences - and the greater challenge in raising grant income in such difficult financial circumstances. It should also be noted that the positive benefits of the Covid Recovery Grants are reflected in the 2021/22 financial year with that source of support being exhausted during 2022/23.

Other points to note:

- **Income has increased to £991,869 (£853,709 in 2021/22).** This has been achieved despite a near halving of donation and grant income, post-Covid and reflects an increase in income from both our charitable activities, operating the theatre and other related activities as well as an increase in income from our other trading activities.
- **Expenditure increased to £1,144,692 (£799,943 in 2021/22)** reflecting the substantial increase in nearly all of our costs during the year

THEATR BRYCHEINIOG CYF

REPORT OF THE DIRECTORS/TRUSTEES (Continued) for the year ended 31 March 2023

FINANCIAL REVIEW (Continued)

- **Fund balances to carry forward reduced to £65,424 (£218,247 in 2021/22)**, a reflection of the strong financial challenges faced during the year and also the impact of depreciation and other factors including how capital grants are treated in charity accounts - as explained above and in the notes to the accounts below.

Reserves policy

The Trustees had designated reserves from the general fund to address the needs and risk profile of the organisation going forward. In approving these accounts, Trustees have agreed to remove that designation so that reserves can be used as appropriate to address the challenging financial requirements of Theatr Brycheiniog during the year in question. Details can be found on page 20 under note 15.

PLANS FOR FUTURE PERIODS

As we finished the 2022/23 financial year, the board agreed a new Business Plan and an application to the Arts Council of Wales for Investment Review funding for the three-year period beginning 1 April 2024. The Business Plan outlines our determination to bring the best possible professional creative activity to the Theatr while also supporting our vibrant network of community creators and taking a step forward to co-producing as well as receiving productions.

We also await a decision from Powys County Council on the start date for on-site work financed by the UK Government's Levelling Up Fund. This will see up to £2.4 million being spent on the structure of the Theatr Brycheiniog building. Work is due to include the replacement and upgrading of the building's mechanical and electrical functions including air handling and lighting, replacement doors and windows, new lifts, refurbishment of toilets and other much needed structural repairs.

Other work is currently under discussion to ensure Theatr Brycheiniog's building and its operations can become as environmentally sustainable as possible by 2030 in line with Arts Council of Wales policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Theatr Brycheiniog Cyf is a company limited by guarantee governed by its Memorandum and Articles of Association dated 17 December 2019. It was incorporated under the name of Brecon Guildhall Theatre Limited on 27 November 1989, and changed its name to Theatr Brycheiniog Cyf on 26 November 2008. It is registered as a charity with the Charity Commission.

Theatr Brycheiniog Cyf took on the management of Theatr Brycheiniog on a 28-year lease when it opened in April 1997. The building is owned by Powys County Council who are, at the time of writing, involved in ongoing discussions about agreeing a fresh lease.

THEATR BRYCHEINIOG CYF

REPORT OF THE DIRECTORS/TRUSTEES (Continued) for the year ended 31 March 2023

Appointment of trustees

The Board of Trustees is in place to oversee the artistic and financial management of the company, to ensure legal compliance and to ensure the Theatr is used by as many sections of the community and as wide a constituency in Mid Wales as is possible.

Trustees are selected through a process of open recruitment according to skill and experience needs identified through self-audit. New Trustees are appointed for a defined term of three years, may be re-elected for a second term and retire by rotation. Their appointments are confirmed at the AGM following their recruitment.

New trustees follow a process of induction to equip them for the role and are required to operate to a Board Code of Conduct.

Jodie Bond joined the board in September 2022 as a co-optee to fill a specific need for a fluent Welsh speaker. Andy Collinson, Jayne Gold and Tin Mellerick -Wheeler joined the board in February 2022 with their positions confirmed by election at the AGM in October 2022. Hilary Davies, Nic Groombridge and Elizabeth Jenkins were re-elected for a second term at the same meeting. Jayne Gold resigned on 31st July 2023. Elizabeth Jenkins has notified the board that she will stand down at the end of 2023.

Sally Jones stood down as Chair of the Board in March 2023 and Andy Collinson was elected as her successor. Sally Jones agreed to serve as Vice Chair for a maximum of twelve months to ensure continuity across a number of ongoing board priorities and was duly elected.

Organisation

The Board meets quarterly to scrutinise management reports and accounts and day to day management is conducted by the Theatre Director and staff team.

There are three sub-committees of the Board, being the Finance & Strategy Sub-committee, the Buildings and Health & Safety Sub-committee and the Policies & Procedures Sub-committee. These meet separately from the main Board. Each has defined Terms of Reference and membership which comprises selected Board members and co-opted advisers.

Ad hoc working groups of Board members also occasionally meet to deal with specific issues on a task and finish basis. For example, a trustee leads the group which deals with recruitment of new trustees as described above, other trustees have begun reviews of Youth Engagement policy and company membership.

REFERENCE AND ADMINISTRATIVE DETAILS

See page 1 for further information.

Related parties

Theatr Brycheiniog's relationship with its stakeholders is fundamental to its success and sustainability and also to its position and perception within the community. Its principal financial stakeholders have been identified elsewhere in this report as Arts Council of Wales (ACW) and Powys County Council (PCC), which is also its landlord. Other organisational stakeholders include Brecon Town Council (BTC), the Bannau Brycheiniog National Park Authority (BBNPA), Wales Council for Voluntary Action (WCVA) and many connected community groups and users – see **Public Benefit**. Also vital to the Theatr's operation are our army of local volunteers who steward performances and act as advocates in the wider community, our company members, our Friends and Patrons.

Risk management

The board scrutinises the financial performance of TB Cyf. This is also done through regular dialogue with its key funding partners.

A risk register is in place and key risks are mitigated including insurance cover provision where this is relevant. Health and Safety within the organisation is overseen by the Buildings & Health and Safety sub-committee which also has overall responsibility for risk assessment and management. Full building and fire risk assessments are in place and actions are completed on a priority basis.

THEATR BRYCHEINIOG CYF

REPORT OF THE DIRECTORS/TRUSTEES (Continued) for the year ended 31 March 2023

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of Theatr Brycheiniog Cyf for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity 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 the financial statements, the trustees are required to:-

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the charitable company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

BY ORDER OF THE BOARD OF TRUSTEES:



Mr A K R Collinson
Chair, Trustees and Board of Directors

Dated: 5 September 2023

THEATR BRYCHEINIOG CYF

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THEATR BRYCHEINIOG CYF

Opinion

We have audited the financial statements of Theatr Brycheiniog Cyf (the "charitable company") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to note 2, which explains the reliance of the charitable company on the support of its key funders. As stated in note 2, these events or conditions, along with other matters explained in note 2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

THEATR BRYCHEINIOG CYF

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THEATR BRYCHEINIOG CYF

- 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 trustees' responsibilities statement set out on page 7, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the reporting framework (United Kingdom Generally Accepted Accounting Practice, United Kingdom Accounting Standards and the Companies Act 2006) and UK charities laws and regulations. In addition, we concluded that there are significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements such as Health and Safety Regulations, the General Data Protection Regulation and Licensing Regulations.
- We understood how the charitable company is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries by reviewing the minutes of board meetings and other committee minutes to identify any non-compliance with laws and regulations.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by discussing with management to understand where it considered there was susceptibility to fraud. We considered the controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that could materially impact the financial statements. Our procedures involved journal entry testing, with a focus on journals indicating large or unusual transactions, taking into account our understanding of the charitable company; enquiries of management and focussed testing in areas we assessed as being more susceptible to irregularities including fraud.

THEATR BRYCHEINIOG CYF

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THEATR BRYCHEINIOG CYF

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charitable company's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

W J James & Co

W J James & Co Limited
Chartered Accountants and
Statutory Auditors
10 Wheat Street
Brecon
Powys

Dated: 5 September 2023

W J James & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THEATR BRYCHEINIOG CYF

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME					
Donations and grants	3	254,369	-	254,369	497,886
<i>Income from charitable activities:</i>					
Operation of theatre and arts centre	4	207,730	177,272	385,002	127,588
<i>Income from other trading activities</i>	5	352,498	-	352,498	228,235
TOTAL INCOME	15	<u>814,597</u>	<u>177,272</u>	<u>991,869</u>	<u>853,709</u>
EXPENDITURE					
<i>Costs of raising funds:</i>					
Trading operations	6	88,791	-	88,791	40,431
<i>Expenditure on charitable activities:</i>					
Operation of theatre and arts centre	7	970,546	85,355	1,055,901	759,512
TOTAL EXPENDITURE	15	<u>1,059,337</u>	<u>85,355</u>	<u>1,144,692</u>	<u>799,943</u>
NET (EXPENDITURE)/INCOME		(244,740)	91,917	(152,823)	53,766
Transfers between funds	10	-	-	-	-
NET MOVEMENT IN FUNDS		<u>(244,740)</u>	<u>91,917</u>	<u>(152,823)</u>	<u>53,766</u>
<i>Reconciliation of funds</i>					
Fund balances brought forward at 1 April 2022		<u>167,155</u>	<u>51,092</u>	<u>218,247</u>	<u>164,481</u>
Fund balances carried forward at 31 March 2023	16	<u>(77,585)</u>	<u>143,009</u>	<u>65,424</u>	<u>218,247</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

BALANCE SHEET
as at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		209,143		114,368
CURRENT ASSETS					
Stock		12,891		8,227	
Debtors	13	15,402		44,050	
Cash at bank and in hand		55,084		215,888	
			83,377		268,165
CREDITORS: Amounts falling due within one year	14	227,096		164,286	
NET CURRENT ASSETS					
			(143,719)		103,879
TOTAL ASSETS LESS CURRENT LIABILITIES					
			65,424		218,247
			65,424		218,247
RESERVES					
Unrestricted income funds:					
General fund	15		(195,585)		49,155
Designated fund	15		118,000		118,000
			(77,585)		167,155
Restricted funds	15		143,009		51,092
			65,424		218,247

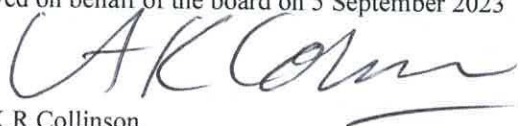
For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act relating to small companies but as the company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved on behalf of the board on 5 September 2023



Mr A K R Collinson
Chair

THEATR BRYCHEINIOG CYF

STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Note	2023 £	2022 £
Cash used in operating activities	24	40,352	208,987
<i>Cash flows from investing activities</i>			
Interest income		-	-
Purchase of tangible fixed assets		(201,156)	(121,247)
Proceeds from disposal of fixed assets		-	-
Cash provided by (used in) investing activities		<u>(201,156)</u>	<u>(121,247)</u>
Increase in cash and cash equivalents in the year		<u>(160,804)</u>	<u>87,740</u>
Cash and cash equivalents at the beginning of the year		215,888	128,148
Cash and cash equivalents at the end of the year		<u><u>55,084</u></u>	<u><u>215,888</u></u>

THEATR BRYCHEINIOG CYF

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

1. ACCOUNTING POLICIES

Theatr Brycheiniog Cyf is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are given in the Trustees' Report.

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

Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

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

Incoming resources

Voluntary income including donations, gifts and grants that provide core funding, or are of a general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or, where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

- Admission fees or performance related grants are received in advance of the performances or events to which they relate.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Donated goods

On receipt, donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1. ACCOUNTING POLICIES (Continued)

Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the staging of concerts, stage productions, art exhibitions and educational programmes, and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements, and these are included within charitable activities in the Statement of Financial Activities.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided on tangible fixed assets on a straight line basis at rates calculated to write off the cost of assets over their useful lives as follows:

Leasehold improvements	over the period of the lease
Fixtures and fittings	10% to 25% per annum
Technical equipment	25% per annum
General equipment	25% per annum

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts received.

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for specific future purposes or projects.

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

Leasing commitments

Rentals under operating leases are charged to the Statement of Financial Activities as incurred.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. ACCOUNTING POLICIES (Continued)

Pension costs

Some employees of the company are members of the Powys County Council Pension Fund which is funded by contributions from employees and the company as employer. The assets of the scheme are held separately in a fund administered for the benefit of Local Authority employees and other scheduled bodies. The scheme is a multi-employer defined benefit final salary scheme where the share of the assets and liabilities applicable to each employer can be separately identified. A full actuarial evaluation by a professionally qualified actuary is carried out every 3 years. In previous years the surplus/(deficit) in the scheme was recognised as an asset/(liability) on the balance sheet and changes in the asset/(liability) were accounted for in the Statement of Financial Activities. In the year ended 31 March 2019, Powys County Council agreed that it would take on the responsibility for the deficit on this scheme, and the company is only responsible for paying the regular employer contributions as set by the scheme Trustees on the advice of the actuaries. Consequently, the deficit on this scheme is no longer included on the company's balance sheet. This scheme is now closed to new members.

The charity also operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Irrecoverable Value Added Tax

The company's income consists of some income which is standard rated for VAT purposes and some income which is exempt from VAT. Under current VAT legislation, the mix of standard rated and exempt sources of income means that the charity is unable to recover all of the VAT charged on expenses. Any irrecoverable VAT incurred in the year is included in central premises costs in note 7.

2. GOING CONCERN

The charitable company remains heavily reliant on the grant aid provided by its core funders as shown in note 3 to these accounts. In particular, and as noted in the Directors' report, we are currently awaiting a decision on Arts Council of Wales Investment Review funding for the period beginning April 2024.

These accounts have been drawn up on the going concern basis on the assumption that the continued support of its core funders will enable the charitable company to continue as a going concern for the foreseeable future. They do not include any adjustments that would result if the charitable company was unable to continue as a going concern.

THEATR BRYCHEINIOG CYF

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

3. INCOME FROM DONATIONS AND GRANTS	2023	2022
	£	£
Brecon Town Council – core funding	-	7,500
Powys County Council – core funding	21,719	21,719
Powys County Council – Covid-19 additional funding	-	4,000
Powys County Council – warm spaces	1,467	-
Arts Council of Wales – core funding	205,891	196,749
Arts Council of Wales – Cultural Recovery Fund 1 grant	-	16,831
Arts Council of Wales – Cultural Recovery Fund 2 grant	-	113,747
Arts Council of Wales – Cultural Recovery Fund 3 grant	13,500	121,500
	<hr/>	<hr/>
	242,577	482,046
Donations and sponsorship	11,792	15,840
	<hr/>	<hr/>
	254,369	497,886
	<hr/> <hr/>	<hr/> <hr/>
4. INCOME FROM CHARITABLE ACTIVITIES	2023	2022
	£	£
Income from admission charges	207,046	58,127
Merchandising and programmes	684	836
	<hr/>	<hr/>
Income from performances	207,730	58,963
Other grant income (unrestricted):-		
HM Revenue & Customs – Coronavirus Job Retention Scheme grant	-	31,853
Support from revenue grant income (restricted):-		
Welsh Government – We Need Bees performance	-	15,000
Royal National Theatre – Connections Festival	2,200	-
Atsain Anthem Music Fund	6,000	-
Brecon Beacons National Park Sustainable Development Fund	2,800	-
Colwinston Trust – Beacons Performance Past to Present	3,725	-
WCVA	4,863	-
Capital grant income (restricted):-		
Theatres Trust	-	5,000
Brecon Town Council	15,000	2,000
Arts Council of Wales	90,123	7,377
WCVA	50,286	7,395
Colwinston Trust – Beacons Performance Past to Present	1,275	-
Arnold Clark	1,000	-
	<hr/>	<hr/>
	177,272	36,772
	<hr/>	<hr/>
Total income from charitable activities	385,002	127,588
	<hr/> <hr/>	<hr/> <hr/>
5. INCOME FROM OTHER TRADING ACTIVITIES	2023	2022
	£	£
Hire of facilities	101,720	42,015
Bar sales, bistro and event catering	172,390	94,287
Other catering income	18,230	10,994
Other income	60,158	80,939
	<hr/>	<hr/>
	352,498	228,235
	<hr/> <hr/>	<hr/> <hr/>

THEATR BRYCHEINIOG CYF

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

6.	COSTS OF RAISING FUNDS		2023		2022
			£		£
	Bar and bistro purchases, event catering and vending supplies		88,791		40,431
			<u>88,791</u>		<u>40,431</u>
7.	ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES				
		Concerts and stage performances			
		Note	Education	2023	2022
			£	Total	Total
			£	£	£
	<i>Direct Charitable Expenditure</i>				
	Touring company performance fees, workshops and classes	143,517	-	143,517	72,077
	Backstage and other production costs	20,780	-	20,780	19,312
	Programme research		-	-	-
	Advertising, marketing and box office	63,678	-	63,678	57,250
	Central premises costs	175,340	-	175,340	140,751
	Staff costs	9	-	536,706	411,468
	Depreciation	106,380	-	106,380	49,154
	Governance costs	8	-	9,500	9,500
				<u>1,055,901</u>	<u>759,512</u>
			<u>-</u>	<u>1,055,901</u>	<u>759,512</u>
8.	GOVERNANCE COSTS		2023		2022
			£		£
	Auditor's remuneration		9,500		9,500
			<u>9,500</u>		<u>9,500</u>
9.	STAFF COSTS		2023		2022
			£		£
	Salaries and wages		482,195		378,372
	Social security costs		36,094		22,482
	Compensation for loss of office		-		1,340
	Employer pension contributions		12,489		9,274
	Recruitment costs		5,928		-
			<u>536,706</u>		<u>411,468</u>

No employee earned more than £60,000 (2022: nil).

The key management personnel of the charity comprise the trustees and the Theatre Director. The total employee benefits of the key management personnel of the Trust were £56,319 (2022: £48,736).

The average monthly head count was 36 staff (2022: 33) and the average number of full-time equivalent staff (including casual and part time staff) employed during the year was:

	2023	2022
Trading	15	10
Box office, sales and marketing	6	4
Concerts and stage performances	2	4
	<u>23</u>	<u>18</u>

THEATR BRYCHEINIOG CYF

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

10. TRANSFERS BETWEEN FUNDS

Transfers are made from restricted funds to the general fund in respect of any expenditure incurred through the general fund that relates to restricted funds, and between the general fund and designated funds in accordance with decisions by the Trustees to designate funds for specific purposes or projects.

11. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Technical equipment £	General equipment £	Total £
COST:					
At 1 April 2022	-	253,674	160,906	109,164	523,744
Additions	132,478	54,081	468	14,129	201,156
Disposals	-	-	-	(4,259)	(4,259)
At 31 March 2023	<u>132,478</u>	<u>307,755</u>	<u>161,374</u>	<u>119,034</u>	<u>720,641</u>
DEPRECIATION:					
At 1 April 2022	-	176,099	150,299	82,978	409,376
Charge for year	43,718	43,520	4,629	14,514	106,381
Eliminated on disposals	-	-	-	(4,259)	(4,259)
At 31 March 2023	<u>43,718</u>	<u>219,619</u>	<u>154,928</u>	<u>93,233</u>	<u>511,498</u>
NET BOOK VALUE:					
At 31 March 2023	<u>88,760</u>	<u>88,136</u>	<u>6,446</u>	<u>25,801</u>	<u>209,143</u>
At 31 March 2022	<u>-</u>	<u>77,575</u>	<u>10,607</u>	<u>26,186</u>	<u>114,368</u>

All fixed assets held are used for the management and administration of the theatre.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	3,862	6,586
Other debtors	1,260	15,564
Prepayments and accrued income	10,280	10,852
Value Added Tax	-	11,048
	<u>15,402</u>	<u>44,050</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	71,930	44,866
Other creditors	61,239	19,505
Accruals and deferred income	59,300	78,153
Advance ticket sales	24,651	21,762
Other taxes and social security	9,976	-
	<u>227,096</u>	<u>164,286</u>

THEATR BRYCHEINIOW CYF

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

15. ANALYSIS OF CHARITABLE FUNDS

	Balance at 1 April 2022 £	Movements in Reserves (including transfers)			Balance at 31 March 2023 £
		Incoming £	Outgoing £	Transfers £	
<i>Unrestricted funds</i>					
General fund	49,155	814,597	1,059,337	118,000	(77,585)
Designated funds					
Contingency Reserve	48,000	-	-	(48,000)	-
Staffing Resource Emergency fund	40,000	-	-	(40,000)	-
Utilities, Energy and Buildings Emergency Reserve	30,000	-	-	(30,000)	-
	<u>167,155</u>	<u>814,597</u>	<u>-</u>	<u>-</u>	<u>(77,585)</u>
<i>Restricted funds:</i>					
Capital grants	51,092	157,684	67,967	-	140,809
Theatrical History and Now fund	-	2,800	2,800	-	-
Beacons Performance Past to Present	-	3,725	3,725	-	-
WCVA fund	-	4,863	4,863	-	-
RNT Connections Festival	-	2,200	-	-	2,200
Atsain Anthem Music fund	-	6,000	6,000	-	-
	<u>51,092</u>	<u>177,272</u>	<u>85,355</u>	<u>-</u>	<u>143,009</u>
Total	<u>218,247</u>	<u>991,869</u>	<u>1,144,692</u>	<u>-</u>	<u>65,424</u>

Three designated funds were established by the Board during the previous year for the following purposes:-

- (i) A contingency fund in line with the Board's intended policy to set aside a sum of money, when funds allow, to provide stability in the charity's finances.
- (ii) The Staffing Resource Emergency fund to set aside sufficient money to cover the costs of the charity's obligations to staff in the unlikely event that it is forced cease operations.
- (iii) The Utilities, Energy and Buildings Emergency Reserve is money set aside to assist the charity in dealing with increases in costs and any critical emerging needs.

During the year the Board decided that as these were no longer required the balances should be transferred to the General Fund.

The capital grants fund represents grants received towards the purchase of specific assets. Grants receivable for these purposes are credited to this fund and then the depreciation of the grant funded assets is charged to this fund.

The Theatrical History and Now fund, the Beacons Performance Past to Present fund, the WCVA fund and the RNT Connections Festival fund all represent money received towards the cost of specific projects and performances and the costs of these are charged directly to the funds.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	Total fund £
Tangible fixed assets	68,334	140,809	209,143
Net current liabilities	(145,919)	2,200	(143,719)
	<u>(77,585)</u>	<u>143,009</u>	<u>65,424</u>

THEATR BRYCHEINIOG CYF

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

17. USE OF FACILITIES

Theatr Brycheiniog Cyf operates from Theatr Brycheiniog which is owned by Powys County Council. Rent of £100 per annum is charged for the use of this facility. The true value of the provision of this facility is not reflected in these financial statements, as the amount is not quantifiable.

18. SHARE CAPITAL

The company does not have a share capital, being limited by guarantee.

19. RELATED PARTY TRANSACTIONS AND REMUNERATION OF TRUSTEES

Neither the Trustees, nor any person connected with them, received any remuneration or other benefits from the Charity (2022: Nil). There were no related party transactions requiring disclosure in these financial statements.

20. OTHER FINANCIAL COMMITMENTS

At 31 March 2023 the company had annual commitments under non-cancellable operating leases of £100 per annum in respect of land and buildings with an expiry date of between one and five years, and £3,488 per annum in respect of plant and equipment with an expiry date of less than one year.

The total future minimum lease payments under non-cancellable operating leases are as follows:-

	2023 £	2022 £
Expiring in less than one year	1,744	-
Expiring between one and five years	200	5,532
Expiring in more than five years	-	-
	<u>1,944</u>	<u>5,532</u>

21. CONTINGENT LIABILITY

During the year ended 31 March 2015 the company undertook a full building survey of the condition of the premises from which it operates. The survey revealed a number of issues that require remedial work both in the short term and over a longer period. The total cost of the remedial work recommended by the building surveyors was estimated at £1,442,200.

Some of the urgent issues identified in that report have been dealt with, and since then Powys County Council included Theatr Brycheiniog in a successful bid for levelling up funding from UK Government. Their bid proposed that the levelling up project redevelop and maintain Theatr Brycheiniog to ensure the theatre is viable and can enhance and sustain its delivery of arts, cultural and wellbeing projects to the local community and visitors. The project is now at the tendering stage and the project is moving forward.

22. APB ETHICAL STANDARD – PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

23. PENSION COSTS

Defined contribution pension plan

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £7,758 (2022 - £5,087).

The defined contribution liability is allocated to unrestricted funds.

Defined benefit pension plan

The charity participates in the Powys County Council Pension Fund which is part of the Local Government Pension Scheme. This is a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The deficit on this fund is no longer shown on the balance sheet of the charity as Powys County Council agreed to take on the deficit on this scheme under a risk sharing agreement.

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	(152,823)	53,766
Add back depreciation charge	106,380	49,153
Deduct profit on disposal of fixed assets	-	-
Decrease (increase) in stock	(4,664)	(2,803)
Decrease (increase) in debtors	28,649	20,307
Increase (decrease) in creditors	62,810	88,564
	<hr/>	<hr/>
Net cash used in operating activities	40,352	208,987
	<hr/> <hr/>	<hr/> <hr/>

THEATR BRYCHEINIOW CYF

DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2023

	2023		2022	
	£	£	£	£
INCOME:				
Box office		207,046		58,127
Merchandising and programmes		684		836
Hire of facilities		101,721		42,015
Revenue grants		262,165		528,899
Bar sales, bistro and event catering		172,390		94,287
		<u>744,006</u>		<u>724,164</u>
OTHER INCOME:				
Donations and sponsorship		11,792		15,840
Release of capital grants		67,967		18,778
Other catering income		18,230		10,994
Other income		55,158		76,939
Employment Allowance		5,000		4,000
		<u>902,153</u>		<u>850,715</u>
EXPENDITURE:				
Event and project costs	143,517		72,077	
Bar and bistro purchases, event catering and vending supplies	88,791		40,431	
Salaries and wages	518,288		402,194	
Pension contributions	12,489		9,274	
Recruitment costs	5,928		-	
Telephone	2,426		3,976	
Postage and stationery	15,988		9,859	
Sales commission	10,329		3,580	
Advertising and printing	36,226		40,385	
General marketing costs	1,137		3,427	
Travelling	2,612		1,267	
Rent	100		100	
Heat and light	38,871		32,200	
Insurance	5,082		6,031	
Water rates	7,578		3,771	
Hire of equipment	16,649		15,057	
Equipment maintenance and consumables	4,131		4,265	
Repairs to property	26,690		19,326	
Subscriptions, affiliations, PRS and licences	10,182		7,273	
Refuse collection, computer and sundry expenses	21,930		18,914	
Auditor's remuneration	9,500		9,500	
Legal and professional fees	29,055		33,423	
Training	2,312		4,019	
Cleaning	10,643		5,350	
Bad debt expense	-		60	
Irrecoverable VAT	7,828		-	
Depreciation	106,380		49,153	
		<u>(1,134,662)</u>		<u>(794,912)</u>
Carried forward		(232,509)		55,803

This page does not form part of the statutory financial statements

THEATR BRYCHEINIOG CYF

DETAILED INCOME AND EXPENDITURE ACCOUNT (Continued)
for the year ended 31 March 2023

	2023		2022	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Brought forward		(232,509)		55,803
FINANCE COSTS:				
Bank charges	1,099		723	
Credit card charges	8,931		4,308	
		<u>(10,030)</u>		<u>(5,031)</u>
(DEFICIT)/SURPLUS FOR THE YEAR		<u><u>(242,539)</u></u>		<u><u>50,772</u></u>

This page does not form part of the statutory financial statements