

**Company registration number: 01005570**  
**Charity registration number: 500813**

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

**REPORT OF THE TRUSTEES &**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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

**CHAPTER (CARDIFF) LIMITED  
YEAR ENDED 31 MARCH 2021**

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**CHAPTER (CARDIFF) LIMITED  
REPORT OF THE TRUSTEES  
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The trustees present their report and accounts for the year ended 31 March 2021.

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

**SIGNIFICANT EVENT – COVID 19**

At the end of the 2019/20 financial year and in line with government directive Chapter, like all venues across the UK, was required to close on 17 March. Overnight, Chapter's income earning streams that brought in 82% of its revenues, equivalent to around £250,000 a month, were switched off. Whilst appreciating the significance of this decision and the immediate impact on the organisation, it is fair to say that neither executive management nor trustees envisaged the scale of the challenges we would encounter nor the length of time that the COVID pandemic would be with us.

Chapter was only able to open for a few weeks during the whole of the 2020/21 financial year. This has taken a serious toll on the charity's financial position, its staff and ability to deliver its programme of creative activities, education and community engagement. This situation is not unique to Chapter, but the way that staff and trustees have worked tirelessly through these challenges has been inspiring and as a charity we are proud of where we finished the financial year; still financially solvent and preparing to re-open to customers and audiences.

Closure on 17 March 2020, and the removal of our ability to trade, was profoundly worrying. Chapter had the cash to be able to pay staff in March but no idea how April salaries would be covered. With close to 100 staff, and respective families and dependents requiring those salaries, this caused immediate stress. Management took the decision to be open and transparent with staff as to the best course of communication.

Closure also had a significant impact on the 38 creative communities of artists and companies based within our building. With the venue closed, they were unable to trade or undertake their daily work, and so their welfare and respective businesses also sat central in our immediate thoughts. We must also remember the impact closure had on the many groups that meet at Chapter, such as Hijinx that work with vulnerable adults, and the loyal audience base who see Chapter as an integral part of their weekly cultural and social lives, and a focal point of their community.

**Staffing**

The decision was taken to create a core team of just nine staff to oversee what was then considered to be the critical actions and decisions. All other staff in both the charity and trading were sent home on full pay. The initial critical operations team consisted of the following: CEO, Director of Finance and Resources, Director of Programme, Director of Operations and Fundraising, Communications Officer, IT Manager, Buildings and Compliance Manager, Finance Manager and HR Advisor.

Initially, Senior Management took pay cuts ranging from 20-30% to support the charity. All other members of the critical operations team remained on 100% of their respective salaries.

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Additionally, the Film Hub Wales team all remained in post on 100% of their respective salaries, as they were paid from designated BFI project funds. They continued to work after the closure of Chapter to support the network of venues and film exhibition groups established by the project. As the weeks of the pandemic rolled by this was to include overseeing the distribution of BFI emergency funds designed to specifically support the film exhibition sector in Wales.

As the details of the UK Government's Job Retention Scheme (furlough) became apparent, we took immediate steps to ensure all remaining staff from both the Charity and Trading subsidiary were registered onto this scheme. Our actions ensured that these staff were paid at the end of April, albeit at the reduced 80% rate of the scheme.

As the year progressed it became clear that we would have to make a reduction in staff numbers in readiness for re-opening, whenever that time came. We are pleased to report that this was kept to an absolute minimum and was targeted in certain areas as opposed to across the whole charity.

Throughout the financial year, staff wellbeing was at the forefront of thinking for both board and management. Regular newsletters were created and staff groups were encouraged to keep in touch and look after each other. Staff have been encouraged to make use of the welfare service provided by our counselling agency Impact.

#### **Cash flow**

Chapter is a small independent charity and one of the immediate and pressing dangers was cash flow. There was the very real danger that one of our creditors would call in the debt effectively rendering the Charity insolvent. The stress in those early days for ourselves and indeed our suppliers was significant, and recognition must be given to the retained Finance team who managed these relationships, often challenging ones, in the early weeks of the pandemic.

#### **Public Body Stakeholders**

The major public bodies that Chapter has a relationship with are Arts Council Wales, British Film Institute (BFI) and Cardiff County Council. There is also a strong relationship with Welsh Government, with their funding support channeled through Arts Council of Wales.

It quickly became very apparent that emergency funds would be required to support Chapter and indeed the wider arts sector. Management was heavily involved in conveying the challenges of an arts organisation like Chapter, reliant on earning 82% of its own income - along with the wider challenges of small arts companies and freelancers - to policy makers within these respective stakeholders. As a result, both the BFI and Arts Council Wales moved to a position where they would advance annual grant funding. This had the effect of easing cash flow to creditors and supporting the payment of salaries whilst the process for claiming furlough payments was established.

Both Arts Council Wales and BFI were able to establish emergency support funds, over and above their respective grant funding, provided for out of reserves and the re-allocation of lottery income. By the end of June 2020 Chapter had received £175K from ACW and £60,000 from BFI to distribute through Film Hub Wales to those organisations in desperate need of support.

Welsh Government was able to establish economic support funds for the hospitality sector and Chapter was fortunate to take advantage of these schemes, both revenue and capital, through applications from our subsidiary trading company.

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Slowly the scale of the challenges facing the sector became apparent to the public bodies. Particularly, the risks to venues that over the years had predominantly adapted their business models to earn significant amounts of retained income. The key moment came in July when the UK Government announced the Cultural Recovery Fund, a £1.57 billion package of support for the arts. This was to be administered by the respective Arts Councils of the four nations, and through the Barnett Formula a fund of £54 million was established for Wales to support the arts, creative industries and cultural freelancers. Chapter successfully bid into this scheme and received £561K to support the charity's costs between September 2020 and March 2021.

This intervention by UK Government and then Welsh Government has been critical in supporting us through the pandemic. A second round of Cultural Recovery Funding (CRF2) was established towards the end of the 2020/21 financial year that would allow arts organisations, companies and freelancers to remain solvent for the first half of the 2021/22 financial year. Again, Chapter was successfully awarded funding totaling £642K that secured the future of the charity through the first months of the new financial year.

**Private Sector Fundraising and Donations**

The private sector, including trusts and foundations, also recognised the challenges faced by the sector and were adept in quickly establishing their own emergency rescue support funds. Chapter was delighted to receive substantial funds from the Moondance Foundation, Garfield Weston and Foyle Foundation.

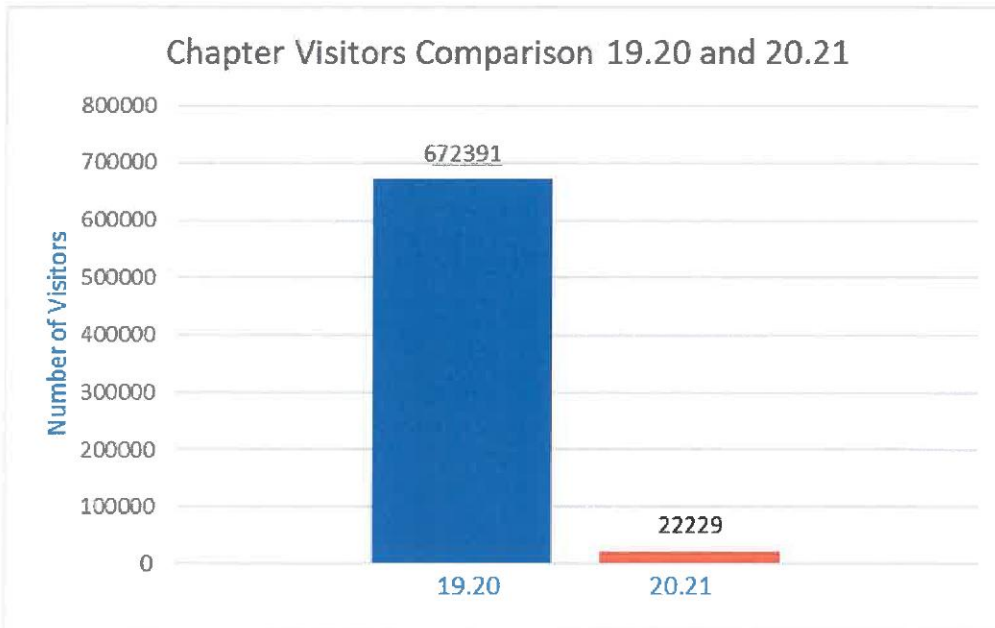
Perhaps the most pleasing element of our fundraising was the support shown by our customers and audiences. This not only demonstrated the value placed on us by our supporters, but was also a very powerful support voice for our lobbying to government and public bodies. By July, Chapter had raised in excess of £50K through individual donations made via our website and text giving schemes. Chapter is extraordinarily grateful and humbled by the financial support provided to it by its customers and audiences.

**Maximising Re-Opening**

For many venues the lockdown meant straightforward closure of their respective buildings, public spaces and auditoria. At Chapter such a simple step was not possible. With 38 companies and artists based with us it was important that we remained open to them. From the beginning of June, we ensured this happened, and to offer further support we reduced rents by 50% until the end of the calendar year. We did not need to do this, but it sat squarely within our values as a charity and creative hub in the capital city.

As you would expect of a charity that relies on earned income, we were keen to re-open as soon as we could and became the first professional venue in Wales to re-open when permission was given by Welsh Government in October 2020. Sadly, this period of opening only lasted a few weeks as the pandemic lockdown returned and the instruction to close again was given.

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### **Building Improvements**

Chapter is normally open seven days a week, 363 days a year. It is therefore very difficult to undertake substantial improvements to the building. We took the opportunity of closure to bring forward enhancements to our café bar social space and public bathrooms with funds already committed pre-pandemic from ACW Capital Lottery. We were also able, with agreement of ACW, to repurpose some of this spend to areas considered essential to support the sustainability and ability of Chapter to trade once we could re-open to the public. Substantial improvements were therefore made to the roof of Chapter along with the installation of a new cinema projector and upgrades to the technical equipment within the Seligman Theatre.

Significant steps were also taken to ensure COVID safety throughout our buildings for those still accessing the building, such as the creative community, and in readiness for re-opening to the public. Cleaning was increased and we purchased sanitiser, masks and PPE. Significant steps were also made to ensure touch and contact points for staff and customers would be reduced. We moved to an online ticket sales platform, ceased production of the monthly programme brochure and installed an ordering App within the café bar allowing the public to order from their respective tables instead of queueing at the till.

Chapter also made sure it would be ready to maximise the opportunities given by outside trading, once the weather improved, by purchasing a marquee and heaters for the front of the building.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects**

The charity's objects are the promotion, maintenance, improvement and advancement of education, particularly by the improvement of public tastes in the arts, including the arts of drama, mime, dancing, singing and music, painting, sculpture and film.

#### **Aims**

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

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**Objectives**

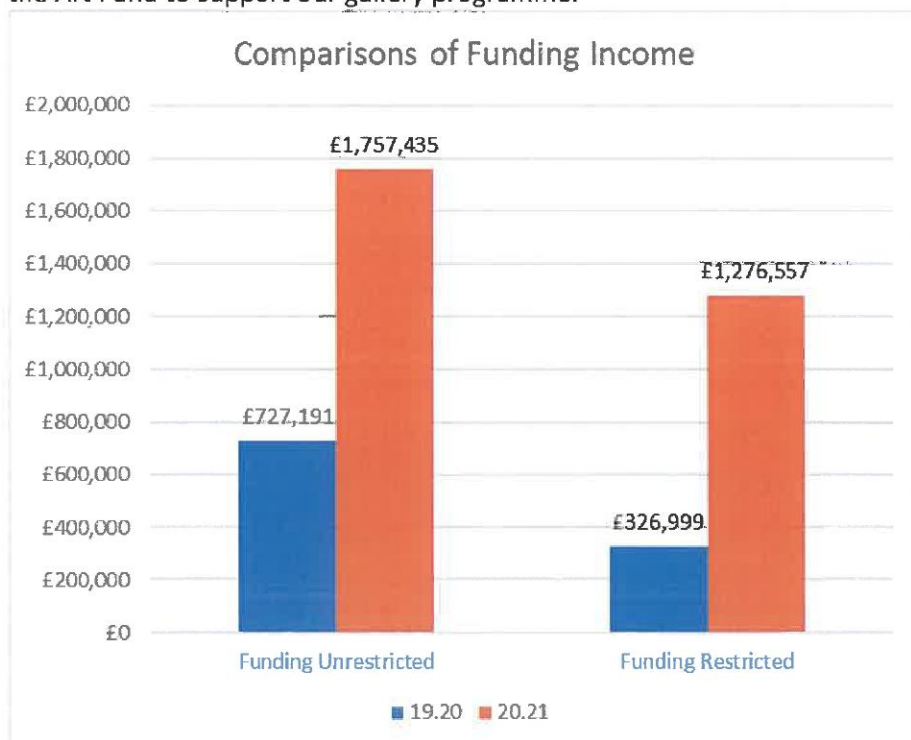
Chapter's main objectives at the start of this unprecedented year were:

- Prioritise the retention of staff through the UK Government Coronavirus Job Retention Scheme (Furlough).
- Find innovative ways to sustain the charity during the pandemic.
- Bring forward grant support from ACW, BFI to assist cash flow.
- Find ways to pay creditors.
- Retain the capital development programme.
- Create a 'mothball budget' that would reduce operational costs to a minimum.
- Fundraise and establish a programme of supporter donations.
- Create a digital online programme for our audiences.
- Support the wider creative sector through effective lobbying.
- Communicate the value of Chapter to audiences, stakeholders and government at both local and national level.
- Lobby ACW to postpone the Investment Review of Arts Portfolio Wales, the companies that receive annual revenue grant support.

**Significant Activities**

The commitment to Chapter illustrated by the nine staff who formed the critical operations team cannot be underestimated. Without their collective efforts this report would likely be dominated by the heading of closure. It is therefore appropriate to consider this as a significant activity for the year in itself, as without this dedication all other activities would not have materialised.

Raising emergency funding to sustain the charity was a significant undertaking. In total we raised £2.4million in rescue and support funds from trusts, foundations, government bodies and donations. But we also continued to raise funds for our programme of activities. One of the most significant awards was £40K from the Art Fund to support our gallery programme.



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The protection of employment at Chapter was extremely important to the values of the charity. We were very quick to place staff, outside of the core critical operations team of nine, onto Furlough and 'topped up' furlough payments when rescue funding support allowed.

The refurbishment of our café bar social space, repairs to the fabric of the building and installation of new equipment into the main theatre and cinema, were major undertakings with such a small core staff.

Our commitment to the creative companies based at Chapter was significant. Without our decision to re-open our buildings and provide access to their studios in June we would certainly have seen some cease trading. In addition, we supported our creative community by assisting them with rate relief applications to the council, notified them of the availability of recovery funds, both for individual freelancers and companies.

Chapter played an important role in lobbying and relaying detailed information to Arts Council Wales, Welsh Government and BFI on the challenges facing the sector, particularly venues and freelance artists. We were also keen to stress the benefits of the arts to people's mental health and wellbeing during the lockdown months. Meetings included with First Minister Mark Drakeford, Kevin Brennan MP, Jo Stevens MP, Shadow Minister for Culture and the Arts and national media coverage through Radio 5, Sky TV News, BBC TV News and sector lobbying arranged through the Creative Industries Federation.

Regular email communication to our audiences and customers updating them on the situation at Chapter and offering them various online programme and education activities. These were particularly appreciated during the lockdown months by families and individuals.

Arguably the most significant event for the arts sector has been the outpouring of emotion prompted by the death of George Floyd and the Black Lives Matter movement. The whole sector and that includes Chapter has had to take a step back and carefully consider the audiences and communities it engages with. The simple and uncomfortable truth is that Chapter does not engage with the depth and diversity of the communities and ethnicities that are present in Cardiff. We are arguably better than many of our peer arts organisations, but we can do better and should.

Arts Council Wales current strategy is "For the Benefit of All" as it recognises many communities feel excluded from participation in the arts. Going forward Chapter will play its part in looking at its unconscious biases. During the year we started the process by internally recognising our shortcomings and commitment to resolving them. Our Anti-Racism Action Plan and Code of Conduct, and revised Strategic Equalities Action Plan, demonstrate our commitment to move forward with inclusion and engagement at the forefront of our activity.

**Public benefit**

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

The section below 'Achievements, Performance and Plans for future periods' reflects the public benefit afforded by Chapter's activities during the year to 31 March 2021.

How the community of Canton and the artistic communities of Cardiff value Chapter is perhaps best demonstrated by the significant outpouring of support we received when we had to close in March 2020. This support was both emotional through messages of support and financial with literally thousands recognising the public benefit Chapter creates for the city.

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We have a long-standing commitment to inclusiveness through a wide ranging and diverse programme of events and activities supported by a pricing policy that reduces the financial barrier to attendance. Entrance into Chapter is free, as is the exhibition programme in our gallery, but this clearly does not go far enough in encouraging some communities, particularly those from lower socio-economic backgrounds, into Chapter. Our future planning needs to consider further the barriers to engagement in the arts at Chapter.

Many local organisations hold events and classes in Chapter's hire spaces at reasonable cost. These include the Frankie Rae School of Dance, Ribbons Ballet, Hijinx Theatre, who work with adults with learning difficulties and Actors Workshop. Chapter also undertakes an extensive learning programme that is managed by Chapter's programme team. However, as you would expect this had to be curtailed whilst schools were closed or open and not engaging in externally provided activities.

Our Learning and Participation Manager was furloughed for a period of time but once back in situ was able to support schools with online digital workshops and focused his attention to raising funds. £55K was secured from the BFI's Venue Education Fund and this project will be carried out over the next two years.

The public benefit of Chapter was also extended across Wales through the work of Film Hub Wales. Throughout the year they were able to provide support to the 200 plus members of the network they have established since beginning in 2013. Members include large venues such as the Torch Milford Haven to Cell B, a community run cinema in Blaenau Ffestiniog.

The move to digital programme during lockdown also stimulated our thinking regarding access and the barriers to access for disabled, D/deaf and blind/partially sighted visitors. Accessible modes of presentation and production are high on our list of investment, with our programme exploring best practice across the artforms.

#### **Volunteers**

Our volunteers are an incredibly important resource that we can call upon for stewarding of cinema and theatre performances and other events. We had to stand them down from duties as we closed, and they did not return during the financial year. We look forward to their return in 2021/22.

#### **Community Garden**

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

### **ACHIEVEMENTS AND PERFORMANCE AND PLANS FOR FUTURE PERIODS**

#### **Cinema**

During closure we adapted our film offer and, with grant support funds from the BFI, established the Chapter Player where audiences could watch a curated programme of films and festivals for a nominal fee/often free.

During the summer of 2020 we worked with an outdoor events company Orchard to establish whether we could offer an outdoor drive-in cinema movie experience. After extensive discussions with Cardiff Airport, it was decided that the venture was financially too risky to undertake and so was shelved.

The important work of Film Hub Wales was recognised and a one-year extension to the programme was granted early in 2021 ensuring the projects continuation to March 2023. Early in 2021 Film Hub Wales was able to appoint its first Made in Wales Officer with the remit to promote film productions made in Wales to audiences across the nation. Radha Patel joined us on a one-year contract with support from Welsh Government's Creative Wales unit. We hope this role will be extended further.

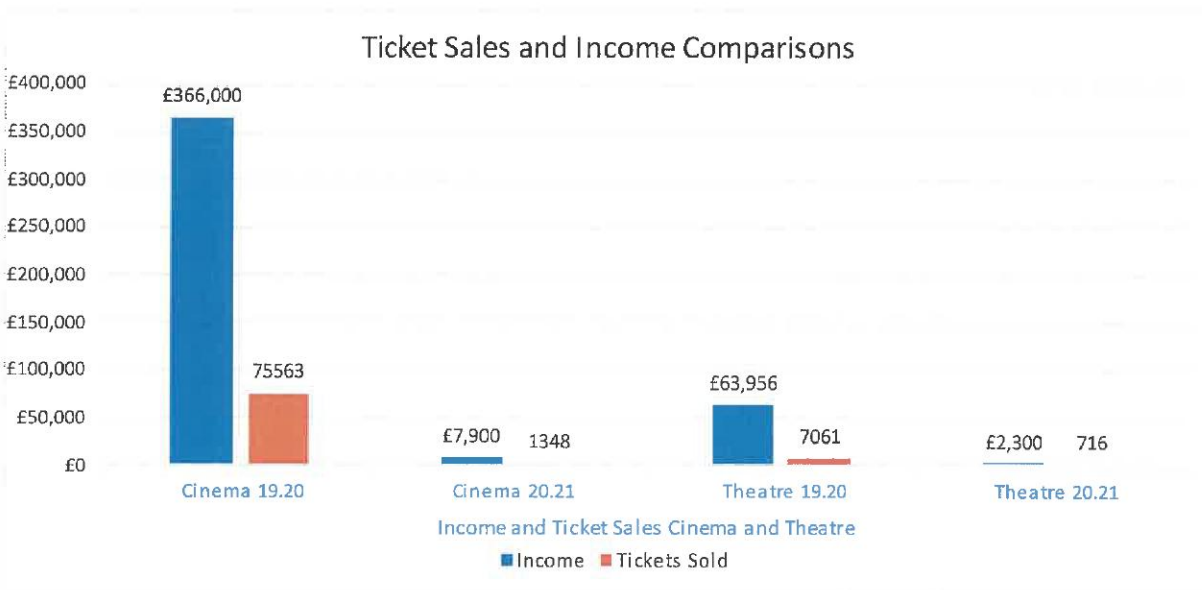
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Throughout the year our Cinema Programme Manager was in contact with distributors, agencies and film makers keeping up to date with product that was being prepared and lobbying for the industry to ensure its survival beyond the end of lockdown.

**Performance**

Our two Seligman Theatre spaces remained closed to the public for the whole of the year. However, they have been actively used by companies and artists working on R&D and rehearsals. The creation of work has therefore effectively continued. Groups that have used our spaces include Gwyn Emberton Dance, Hijinx, Music Theatre Wales and Dirty Protest.

During 2020 we were able to present some outdoor theatre performances for children in partnership with our resident company Theatr Iolo. Baby Bird and Bee and Hoof were both presented to sell-out performance runs.



**Visual Arts**

With our gallery closed Chapter has actively sought to engage in outreach work across the city. One example is the establishment of partnership between Chapter and Cardiff County Council to commission an artist to design a Pedestrian Crossing on Cowbridge Road close to Chapter. After an open call, a design submitted by Steffan Dafydd was awarded the commission, and this now sits with Cardiff County Council to undertake the required road improvement works.

Further artists commissions were undertaken throughout the financial year in recognition of the support so desperately needed for the artistic community.

The team continued to work with Artes Mundi in readiness for when the Biennale would be able to take place in person and virtually.

Throughout the year we kept abreast of relative developments in all the genres we work with to ensure that when we were able to open we could quickly resume a programme of exciting events and activities for our customers and audiences to engage with back in the building.

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**Creative Community**

As we went into lockdown we had 38 companies and artists based in studios and office across our buildings. We actively supported these companies and individuals to ensure they could continue to work and trade. Our support has been recognised across the city and as a result we have had numerous requests from artists and companies to move into Chapter. At a time when many felt isolated and alone, Chapter extended its creative community and at the end of March 2021, 53 companies and artists were based at Chapter as we took the decision to convert space for hires and classes into working studios.

This has been a great achievement for Chapter and is enormously positive for the city as it recognises the importance of Chapter in supporting the creative industries but also the vibrancy of the sector itself.

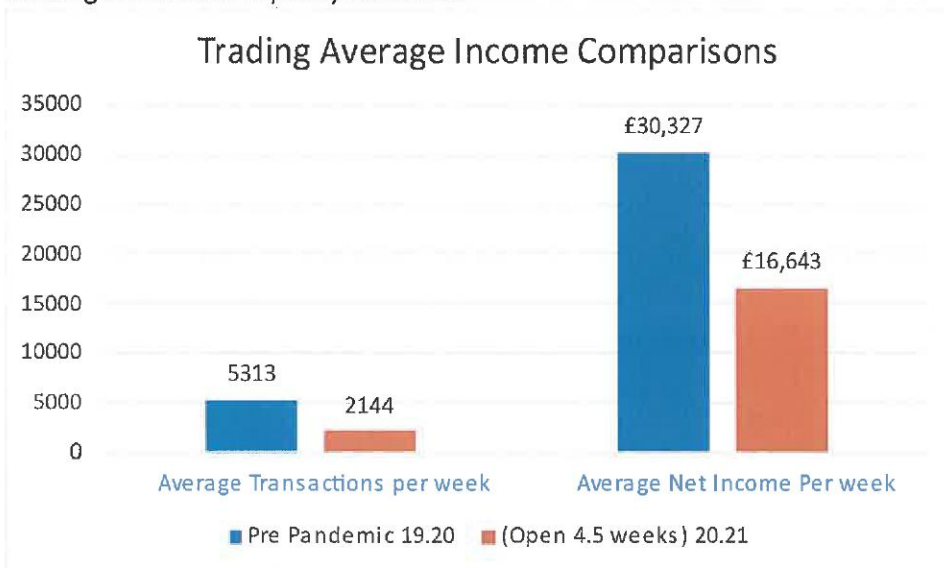
Our aim is to continue with our capital development plans that will see an increase in the provision of quality studios for the current creative community and those who wish to join us in the future.

**Café Bar Trading Subsidiary**

Chapter's Café Bar was able to trade for just a few weeks. During this a new format of service was established that introduced table service and the use of an ordering app to minimise personal contact. Whilst we were open the service was well supported and well received, however hospitality as an industry faced numerous challenges during the financial year and these have continued into 2021/22. These include customer hesitancy to return, cost increases, shortages of staff and the desire of many to leave the industry entirely.

As is to be expected the trading arm was not able to contribute to the charity during 2020/21 and returning the service to profitability will be a significant challenge for 2021/22 and beyond. Pre-Pandemic the trading arm was contributing between £250,000 – £300,000 a year.

In readiness for outdoor re-opening in April 2021, trading was able to buy a marquee for the front of the building to increase capacity outdoors.



**Challenges**

Going into 2021/22 the challenges facing Chapter are significant. The charity has been exceptionally successful in raising emergency support funds, but the reality is these funds from the public purse will not keep coming.

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Chapter needs to trade once again in all its areas during 2021/22, but the big question mark will be “what is the appetite of customers and audiences to return?”. The Chapter business model is very reliant on its trading activity as it receives just 18% of its annual turnover from ACW. There is no plan as such for this to change and the Investment Review, already postponed until 2023, may well need to be postponed further due to the challenges faced by the whole sector in Wales. Can a meaningful review be undertaken when doubt regarding sustainability is hanging over so many?

We took the decision to re-open as close to the pre-pandemic model as possible. We had to, as customers and audiences may well have roared back, we simply did not know. We will monitor the return of audiences. If the return is slow, it may be necessary for management and board to review its business model and adapt accordingly to whatever the new business realities are. As mentioned, one area of impact may well be the reduction in café bar trading profitability on the activities of the charity.



### **FINANCIAL REVIEW**

The consolidated Statement of Financial Activities shows a net surplus in unrestricted funds after transfers of £696,848. This surplus has increased our unrestricted reserves from £62,938 at 31 March 2020 to £759,786 at 31 March 2021. This remains a significant achievement despite the effect of COVID.

This year we had little opportunity to earn income, so in comparison to previous years, we secured core grants representing, 35% of income, restricted grants (including Coronavirus Job Retention Scheme) representing 55% of income and earned income (ticket sales, rents and donations) equating to 10% of turnover.

The principal sources of Chapter’s funding are shown in Note 3 and 4 to the Financial Statements.

### **Policy on reserves**

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

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

|         |                    |         |
|---------|--------------------|---------|
| 2017/18 | Unrestricted funds | (£119k) |
| 2018/19 | Unrestricted funds | (£19k)  |
| 2019/20 | Unrestricted funds | 63k     |
| 2020/21 | Unrestricted Funds | £759k   |

As we enter 2021/22 with COVID restrictions, it's unlikely that a growth in reserves will come from operational surpluses and we will still rely on emergency funding to support operational costs. Chapter's unrestricted reserves are mainly represented by fixed assets as can be seen in Note 24. Taking this into account, the 2021 free reserves position excluding long term liabilities is a negative £646,644.

|  |                     |
|--|---------------------|
| Unrestricted funds as of 31 <sup>st</sup> March 2021:  | £759,786            |
| Less unrestricted fixed assets:                        | <u>(£1,406,431)</u> |
| <b>Free reserves as at 31<sup>st</sup> March 2021:</b> | <b>(£646,646)</b>   |

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

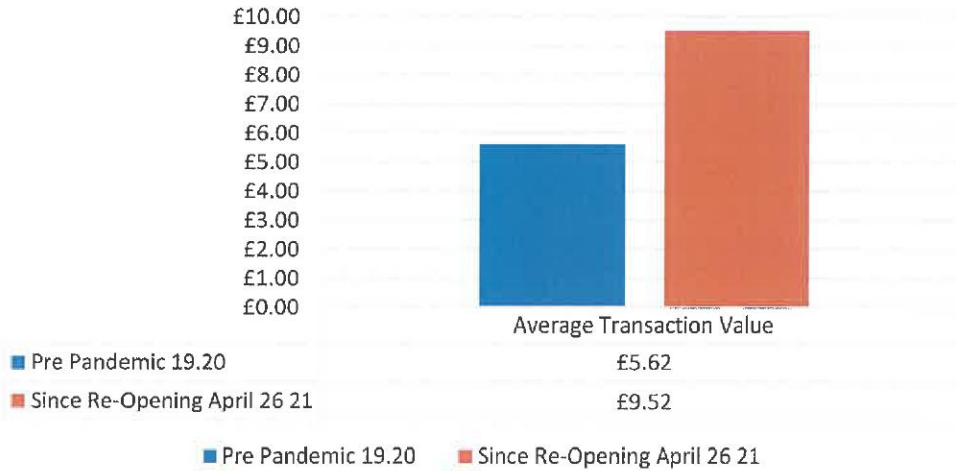
The Trustees consider that the charity's current funding and finance arrangements are now sufficient to ensure that late receipt of grant income can be accommodated and that any material adverse change in circumstances can be accommodated due to the impact of COVID.

**Chapter (Trading) Ltd**

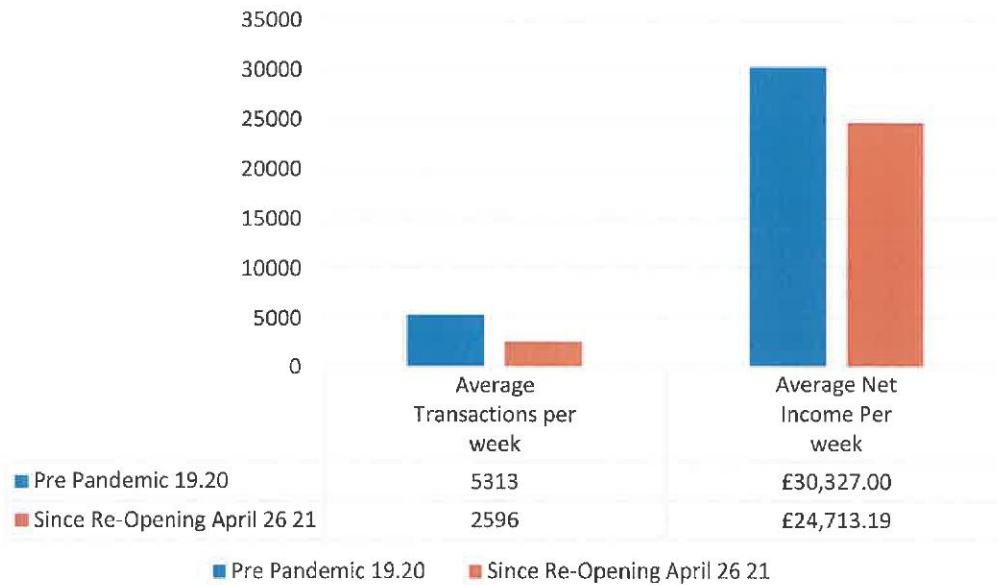
The trading subsidiary, which remained closed for most of the year due to the COVID pandemic made a loss of £80k. Since the café bar has been able to reopen (26 April 2021) trading has been steady and we are currently trading at about 80% of pre pandemic levels. Although this is aided somewhat, by VAT reduction to 5% (12.5% from October 2021) on about 50% of our income, we are buoyed by the number of people using Chapter and the average transaction value, as at mid-September 2021.

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**Average Transaction Value**



**Average Transactions and Average Income Per Week**



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**Principal risks & uncertainties**

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

- Non-Equalities Act compliant lift  
*The lift has been rebuilt, one small adaptation is still outstanding – announcements in the Welsh language.*
- Income risk  
*The ongoing impact of COVID clearly creates a significant risk to income going forward. It is impossible to gauge the appetite for audiences to return to see performances and screenings despite all the safety measures that are being implemented. Chapter's main sources of income (ticketing, café bar hospitality sales, conferences and meetings) have been largely decimated by COVID and will need to be rebuilt during 2021/22 and beyond.*
- Cash flow risk  
*This relates to the income risk above and is included due to the importance of cash flow to the organisation.*
- Government policy/actions  
*This is to recognise the uncontrollable forces that can affect our operations and strategy.*
- Non completion of the Chapter Capital Development
- Sustainability of the breadth of the Chapter arts programme.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Chapter Cardiff Limited is a registered charity and a limited company. It is governed by its Memorandum and Articles of Association.

Trustees are recruited by an open application process and interviewed and selected following a review of skills needed. Following appointment, trustees are invited to an introductory seminar to familiarise them with the organisation and with their responsibilities as trustees. A system of self-review triggers any further training.

Trustees serve on the main board and also on at least one of the sub-committees. They delegate the day to day running of the charity to the Chief Executive Officer (CEO) and the strategic management team. Decisions of policy and strategy are taken by the trustees in consultation with the CEO.

**Board of Trustees**

Our board were extremely supportive of the emergency decisions that management made to sustain the charity - such as the furlough of staff, the creation of a critical operations team of nine, and significant fundraising.

During the year two trustees, Emma del Torto and Cerys Furlong resigned due to needing to commit heavily to their respective businesses. At Christmas our Chair Elin Wyn, made it clear she would be stepping down in the autumn of 2021. At the start of 2021/22 two other trustees indicated they would be leaving in the autumn, Romy Johnson and Robert Andrews.

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The decision was taken not to rush into recruitment but establish what the new needs of the charity would be post pandemic and grow from there. A task and finish Governance Committee chaired by trustee Ewan Hilton was established to oversee the recruitment of trustees and a new Chair. The work of this committee started in February 2021 with the commissioning of an external governance review by consultant Tamsin Stirling.

Tamsin's review encouraged the charity to broaden the diversity of the board as a way of reaching out to new communities and appoint a new Chair first. This advice was accepted and recruitment agency Acorn, who have been specialising in diversifying board memberships, were engaged to recruit a new Chair. After an intense recruitment process, Kami Lamakan, an Iranian-born, Bristol-based businessperson was appointed and formally took over the Chair position after the September 2021 Board meeting. We look forward to working with him.

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

Chief Executive Officer  
Director of Programme and Deputy Director  
Director of Fundraising and Operations  
Director of Finance and Resources

In Autumn 2021, after 14 years with Chapter, Elaina Johnson took the decision to move onto a new opportunity with a Bristol-based children's charity. The charity is reviewing the staff structure and will be recruiting shortly.

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

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

**CHAPTER (CARDIFF) LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 MARCH 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

|                                    |  |   |
|------------------------------------|--|---|
| <b>Charity Name</b>                | Chapter (Cardiff) Limited  |   |
| <b>Company Registration Number</b> | 01005570   |   |
| <b>Charity Registration Number</b> | 500813   |   |
| <b>Registered Office</b>           | Chapter Arts Centre<br>Market Road<br>Canton<br>Cardiff<br>CF5 1QE   |   |
| <b>Trustees</b>                    | Catrin Daniel<br>Ewan Hilton<br>Stephen Meade<br>Romy Johnson – resigned 22/9/21<br>Elin Wyn – resigned 22/9/21<br>Alun Jones<br>Villida Ramasut<br>Robert Andrews – resigned 22/9/21<br>Benedict Borthwick<br>Emma Del Torto – resigned 8/2/21<br>Cerys Furlong – resigned 23/9/20<br>Laurence Khan<br>Kami Lamakan – appointed 22/9/21 |   |
| <b>Company Secretary</b>           | Sharon Stone   |   |
| <b>Key Management Personnel</b>    | A Eagle  | – Chief Executive                           |
|                                    | E Johnson  | – Director, External Relations              |
|                                    | S Stone  | – Director, Finance and Resources           |
|                                    | H Firth  | – Director of Programme and Deputy Director |
|                                    | K Parsons  | – Chapter Trading Limited                   |
| <b>Principal Bankers</b>           | Lloyds Bank<br>514 Cowbridge Road East<br>Cardiff<br>CF5 1BL   |   |
| <b>Auditors</b>                    | Azets Audit Services<br>Chartered Accountants & Statutory Auditors<br>Ty Derw<br>Lime Tree Court<br>Cardiff Gate Business Park<br>Cardiff<br>CF23 8AB  |   |

**CHAPTER (CARDIFF) LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 MARCH 2021**

**Trustees responsibilities in relation to the financial statements**

The trustees (who are also directors of Chapter (Cardiff) Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

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

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

  
.....

Kami Lamakan  
**Chair**

17-11-2021

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED  
FOR THE YEAR ENDED 31 MARCH 2021**

**Opinion**

We have audited the financial statements of Chapter (Cardiff) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31<sup>st</sup> March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED  
FOR THE YEAR ENDED 31 MARCH 2021**

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CHAPTER (CARDIFF) LIMITED  
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Sarah Case*

**Sarah Case FCA DChA**

*Senior Statutory Auditor*

**For and on behalf of Azets Audit Services**

Chartered Accountants & Statutory Auditors

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Date.....*30-11-2021*.....

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

**CHAPTER (CARDIFF) LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)  
**FOR THE YEAR ENDED 31 MARCH 2021**

|                                    | Note  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b> |       |                            |                          |                             |                             |
| Donations and legacies             | 3     | 1,193,455                  | 4,000                    | 1,197,455                   | 767,748                     |
| Charitable activities              | 4     | 673,647                    | 1,285,457                | 1,959,104                   | 812,714                     |
| Other trading activities           | 5     | 254,459                    | -                        | 254,459                     | 1,986,524                   |
| Other                              | 6     | 9,459                      | -                        | 9,459                       | 43,680                      |
| <b>Total income and endowments</b> |       | <u>2,131,020</u>           | <u>1,289,457</u>         | <u>3,420,477</u>            | <u>3,610,666</u>            |
| <b>Expenditure on:</b>             |       |                            |                          |                             |                             |
| Charitable activities              | 7     | 1,570,867                  | 813,759                  | 2,384,626                   | 3,665,398                   |
| <b>Total expenditure</b>           |       | <u>1,570,867</u>           | <u>813,759</u>           | <u>2,384,626</u>            | <u>3,665,398</u>            |
| <b>Net income/(expenditure)</b>    | 10    | 560,153                    | 475,698                  | 1,035,851                   | (54,732)                    |
| Transfers between funds            | 22,23 | 136,695                    | (136,695)                | -                           | -                           |
| <b>Net movement in funds</b>       |       | <u>696,848</u>             | <u>339,003</u>           | <u>1,035,851</u>            | <u>(54,732)</u>             |
| <b>Reconciliation of Funds</b>     |       |                            |                          |                             |                             |
| Total funds brought forward        | 22,23 | 62,938                     | 2,759,115                | 2,822,053                   | 2,876,785                   |
| <b>Total funds carried forward</b> | 23,24 | <u>759,786</u>             | <u>3,098,118</u>         | <u>3,857,904</u>            | <u>2,822,053</u>            |

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

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

The notes on pages 25 to 57 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY**  
**(Incorporating the INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|                                    | Note  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b> |       |                            |                          |                             |                             |
| Donations and legacies             | 3     | 1,100,455                  | 4,000                    | 1,104,455                   | 767,748                     |
| Charitable activities              | 4     | 673,647                    | 937,968                  | 1,611,615                   | 812,714                     |
| Other trading activities           | 5     | 161,877                    | -                        | 161,877                     | 374,768                     |
| Other                              | 6     | 9,459                      | -                        | 9,459                       | 289,080                     |
| <b>Total income and endowments</b> |       | <u>1,945,438</u>           | <u>941,968</u>           | <u>2,887,406</u>            | <u>2,244,310</u>            |
| <b>Expenditure on:</b>             |       |                            |                          |                             |                             |
| Charitable activities              | 7     | 1,305,027                  | 466,270                  | 1,771,297                   | 2,301,171                   |
| <b>Total expenditure</b>           |       | <u>1,305,027</u>           | <u>466,270</u>           | <u>1,771,297</u>            | <u>2,301,171</u>            |
| <b>Net income/(expenditure)</b>    | 10    | 640,411                    | 475,698                  | 1,116,109                   | (56,861)                    |
| Transfers between funds            | 22,23 | 136,695                    | (136,695)                | -                           | -                           |
| <b>Net movement in funds</b>       |       | <u>777,106</u>             | <u>339,003</u>           | <u>1,116,109</u>            | <u>(56,861)</u>             |
| <b>Reconciliation of Funds</b>     |       |                            |                          |                             |                             |
| Total funds brought forward        | 22,23 | 62,139                     | 2,759,115                | 2,821,254                   | 2,878,115                   |
| <b>Total funds carried forward</b> | 23,24 | <u>839,245</u>             | <u>3,098,118</u>         | <u>3,937,363</u>            | <u>2,821,254</u>            |

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

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

The notes on pages 25 to 57 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED  
CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2021**

|   | Note | 2021<br>£        | 2021<br>£               | 2020<br>£        | 2020<br>£               |
|---|------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets:</b>                                    |      |                  |                         |                  |                         |
| Tangible assets   | 13   |                  | 4,101,483               |                  | 4,024,617               |
| <b>Current assets:</b>                                  |      |                  |                         |                  |                         |
| Stocks  | 16   | 12,254           |                         | 23,475           |                         |
| Debtors   | 17   | 157,225          |                         | 84,779           |                         |
| Bank and cash balances                                  |      | <u>535,764</u>   |                         | <u>64,808</u>    |                         |
|   |      | <b>705,243</b>   |                         | <b>173,062</b>   |                         |
| <b>Liabilities:</b>                                     |      |                  |                         |                  |                         |
| Creditors: Amounts falling due within one year          | 18   | <u>(228,406)</u> |                         | <u>(838,543)</u> |                         |
| Net current assets/(liabilities)                        |      |                  | <u><b>476,837</b></u>   |                  | <u>(665,481)</u>        |
| <b>Total assets less current liabilities</b>            |      |                  | <b>4,578,320</b>        |                  | <b>3,359,136</b>        |
| Creditors: Amounts falling due after more than one year | 19   |                  | <u>(720,416)</u>        |                  | <u>(537,083)</u>        |
| <b>Net assets</b>                                       |      |                  | <u><b>3,857,904</b></u> |                  | <u><b>2,822,053</b></u> |
| <b>The funds of the charity:</b>                        |      |                  |                         |                  |                         |
| Restricted income funds                                 | 22   |                  | <b>3,098,118</b>        |                  | 2,759,115               |
| Unrestricted income funds                               | 23   |                  | <b>759,786</b>          |                  | 62,938                  |
| <b>Total charity funds</b>                              | 24   |                  | <u><b>3,857,904</b></u> |                  | <u><b>2,822,053</b></u> |

These financial statements were approved by the Board of Directors/Trustees on 17.11.2021



Kami Lamakan - Chair

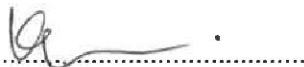
Company number 01005570

The notes on pages 25 to 57 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**BALANCE SHEET – CHARITY ONLY**  
**AS AT 31 MARCH 2021**

|   | Note | 2021<br>£      | 2021<br>£               | 2020<br>£        | 2020<br>£               |
|---|------|----------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets:</b>                                    |      |                |                         |                  |                         |
| Tangible assets   | 13   |                | 4,101,483               |                  | 4,024,617               |
| Investment in subsidiary                                | 14   |                | <u>2</u>                |                  | <u>2</u>                |
|   |      |                | <b>4,101,485</b>        |                  | <b>4,024,619</b>        |
| <b>Current assets:</b>                                  |      |                |                         |                  |                         |
| Stocks  | 16   | 1,872          |                         | 1,872            |                         |
| Debtors   | 17   | 84,554         |                         | 71,720           |                         |
| Bank and cash balances                                  |      | <u>510,636</u> |                         | <u>64,812</u>    |                         |
|   |      | <b>597,062</b> |                         | <b>138,404</b>   |                         |
| <b>Liabilities:</b>                                     |      |                |                         |                  |                         |
| Creditors: Amounts falling due within one year          | 18   |                | <u>(204,100)</u>        | <u>(804,686)</u> |                         |
| Net current assets/(liabilities)                        |      |                | <u><b>392,961</b></u>   |                  | <u>(666,282)</u>        |
| <b>Total assets less current liabilities</b>            |      |                | <b>4,494,446</b>        |                  | <b>3,358,337</b>        |
| Creditors: Amounts falling due after more than one year | 19   |                | <u>(557,083)</u>        |                  | <u>(537,083)</u>        |
| <b>Net assets</b>                                       |      |                | <u><b>3,937,363</b></u> |                  | <u><b>2,821,254</b></u> |
| <b>The funds of the charity:</b>                        |      |                |                         |                  |                         |
| Restricted income funds                                 | 22   |                | 3,098,118               |                  | 2,759,115               |
| Unrestricted income funds                               | 23   |                | <u>839,245</u>          |                  | <u>62,139</u>           |
| <b>Total charity funds</b>                              | 24   |                | <u><b>3,937,363</b></u> |                  | <u><b>2,821,254</b></u> |

These financial statements were approved by the Board of Directors/Trustees on 17.11.2021



Kami Lamakan - Chair  
 Company number 01005570

The notes on pages 25 to 57 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**CASH FLOW STATEMENT - CONSOLIDATED**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|   | Note | 2021<br>£             | 2020<br>£              |
|---|------|-----------------------|------------------------|
| Net cash used in operating activities                                     | 28   | <u>447,442</u>        | <u>(241,323)</u>       |
| <b><i>Cash flows from investing activities:</i></b>                       |      |                       |                        |
| Dividends, interest and rents from investments                            | 5    | 161,877               | 357,326                |
| Purchase of property plant and equipment                                  | 13   | <u>(203,857)</u>      | <u>(54,805)</u>        |
| <b>Net cash provided by investing activities</b>                          |      | <u>(41,980)</u>       | <u>302,521</u>         |
| <b><i>Cash flows from financing activities:</i></b>                       |      |                       |                        |
| Repayments of borrowing   |      | -                     | (22,578)               |
| New borrowing received  |      | <u>220,000</u>        | <u>-</u>               |
| <b>Net cash used in financing activities</b>                              |      | <u>220,000</u>        | <u>(22,578)</u>        |
| <b>Change in cash and cash equivalents in the reporting period</b>        |      | <b>625,462</b>        | <b>38,620</b>          |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |      | <b>(89,698)</b>       | <b>(128,318)</b>       |
| <b>Cash and cash equivalents at the end of the reporting period</b>       | 28   | <u><u>535,764</u></u> | <u><u>(89,698)</u></u> |

The notes on pages 25 to 57 form part of the financial statements

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES**

**Legal form and address**

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

**Basis of preparation**

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

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

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

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

**Group financial statements**

These consolidated financial statements include the financial statements of Chapter (Cardiff) Limited (the charitable company) and Chapter Trading Limited its wholly owned trading subsidiary, made up to 31 March 2021.

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

**Going concern**

The group reported a net unrestricted inflow of £696,848 for the year and had negative free reserves at the year end. The charity and the group are monitoring results on a frequent basis and the trustees are of the view that on this basis the charity and the group is a going concern and there are no material uncertainties about the charity and the group's ability to continue as a going concern.

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

The trustees are closely monitoring the charity's performance against forecasts and budgets and consider that the company will produce a surplus for the year to 31 March 2022. Future plans and forecasts for the charity aim to further increase the charity's unrestricted reserves.

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES (continued)**

**Fund accounting**

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

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

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

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

**Income recognition**

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

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

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

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

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

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

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES (continued)**

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

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

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

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

**Expenditure recognition**

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

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

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

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

**Netting off of income against expenditure**

It is not the policy of the charitable company to show incoming resources net of expenditure.

**Taxation**

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

**Fixed assets and depreciation**

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

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES (continued)**

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

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

Assets are capitalised at cost.

**Impairment of tangible fixed assets**

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

**Investments**

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

**Stocks**

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

**Cash and cash equivalents**

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

**Financial instruments**

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

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

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES (continued)**

**Basic financial assets**

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

**Derecognition of financial assets**

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

**Financial liabilities**

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

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

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

**Derecognition of financial liabilities**

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

**Employee Benefits**

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

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

**Pensions**

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

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES (continued)**

**Operating leases**

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

**Company status**

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

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

**3. INCOME FROM DONATIONS AND LEGACIES**

| <u>Group</u>                                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Donations*                                      | 93,207                     | 4,000                    | 97,207             | 61,527             |
| Grants  | 1,097,465                  | -                        | 1,097,465          | 663,441            |
| Membership                                      | 2,783                      | -                        | 2,783              | 21,380             |
| Sponsorship                                     | -                          | -                        | -                  | 21,400             |
|   | <u>1,193,455</u>           | <u>4,000</u>             | <u>1,197,455</u>   | <u>767,748</u>     |
| <b>Grants were received from the following:</b> |                            |                          |                    |                    |
| Arts Council of Wales – Core Grant Funding      | 664,620                    | -                        | 664,620            | 657,391            |
| Arts Council of Wales – Stabilisation           | 175,000                    | -                        | 175,000            | -                  |
| BFI Midlands                                    | -                          | -                        | -                  | 550                |
| BFI Midlands Cinema                             | -                          | -                        | -                  | 2,500              |
| BFI Organisation awards                         | 45,000                     | -                        | 45,000             | -                  |
| Cardiff Council                                 | 35,000                     | -                        | 35,000             | -                  |
| Film Hub for Cinema                             | -                          | -                        | -                  | 3,000              |
| Welsh Government Resilience                     | 177,845                    | -                        | 177,845            | -                  |
|   | <u>1,097,465</u>           | <u>-</u>                 | <u>1,097,465</u>   | <u>663,441</u>     |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**3. INCOME FROM DONATIONS AND LEGACIES (continued)**

| <u>Charity</u>                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Donations*                                      | 93,207                     | 4,000                    | 97,207             | 61,527             |
| Grants  | 1,004,465                  | -                        | 1,004,465          | 663,441            |
| Membership                                      | 2,783                      | -                        | 2,783              | 21,380             |
| Sponsorship                                     | -                          | -                        | -                  | 21,400             |
|   | <u>1,100,455</u>           | <u>4,000</u>             | <u>1,104,455</u>   | <u>767,748</u>     |
| <b>Grants were received from the following:</b> |                            |                          |                    |                    |
| Arts Council of Wales – Core Grant Funding      | 664,620                    | -                        | 664,620            | 657,391            |
| Arts Council of Wales – Stabilisation           | 175,000                    | -                        | 175,000            | -                  |
| BFI Midlands                                    | -                          | -                        | -                  | 550                |
| BFI Midlands Cinema                             | -                          | -                        | -                  | 2,500              |
| BFI Organisation awards                         | 45,000                     | -                        | 45,000             | -                  |
| Cardiff Council                                 | 20,000                     | -                        | 20,000             | -                  |
| Film Hub for Cinema                             | -                          | -                        | -                  | 3,000              |
| Welsh Government Resilience                     | 99,845                     | -                        | 99,845             | -                  |
|   | <u>1,004,465</u>           | <u>-</u>                 | <u>1,004,465</u>   | <u>663,441</u>     |

\* Included in donations is £30,000 from the Moondance Foundation (2020: £30,000).

**4. INCOME FROM CHARITABLE ACTIVITIES**

| <u>Group</u>   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|----------------|----------------------------|--------------------------|--------------------|--------------------|
| BFI            | -                          | 8,900                    | 8,900              | 950                |
| Cinema         | 9,306                      | -                        | 9,306              | 367,279            |
| Film education | 2,083                      | -                        | 2,083              | 6,735              |
| Grants         | 659,970                    | 1,276,557                | 1,936,527          | 390,749            |
| Events         | -                          | -                        | -                  | 2,794              |
| Theatre        | 2,288                      | -                        | 2,288              | 44,207             |
|                | <u>673,647</u>             | <u>1,285,457</u>         | <u>1,959,104</u>   | <u>812,714</u>     |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES (continued)**

**Group**

Grants were received from the following:

|  | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|--|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| <b>Project funding:</b>                              |                                     |                                   |                             |                             |
| Art fund   | -                                   | 36,000                            | 36,000                      | 1,500                       |
| Arts & Business – Culture Step                       | -                                   | -                                 | -                           | 750                         |
| Arts Council of Wales – Cultural<br>Recovery Fund    | 558,993                             | -                                 | 558,993                     | -                           |
| Arts Council of Wales –<br>Experimentica             | -                                   | 15,727                            | 15,727                      | -                           |
| Arts Council of Wales – Peilot                       | -                                   | -                                 | -                           | 9,000                       |
| Arts Council of Wales – Resilience                   | -                                   | 1,208                             | 1,208                       | -                           |
| Arts Council Wales – Karen Turner                    | -                                   | -                                 | -                           | 15,302                      |
| Ashley foundation                                    | -                                   | 5,000                             | 5,000                       | -                           |
| BFI Organisation Award                               | -                                   | -                                 | -                           | 60,000                      |
| British Council – Travel                             | -                                   | -                                 | -                           | 1,900                       |
| British Council- Canada AE Travel                    | -                                   | -                                 | -                           | 4,400                       |
| British Film Industry Hub                            | -                                   | 248,443                           | 248,443                     | 210,000                     |
| British Film Industry Hub – Clwster                  | -                                   | 2,000                             | 2,000                       | 8,000                       |
| British Film Industry Hub – Diversity                | -                                   | 45,000                            | 45,000                      | 45,000                      |
| British Film Industry Hub –<br>Education Feasibility | -                                   | -                                 | -                           | 2,400                       |
| British Film Industry Hub - Midlands                 | -                                   | 1,500                             | 1,500                       | -                           |
| British Film Industry Hub – Sharing<br>Together      | -                                   | 200                               | 200                         | 1,800                       |
| Cardiff Council – Road Crossing                      | -                                   | 1,500                             | 1,500                       | -                           |
| Creu Cymru   | -                                   | 1,000                             | 1,000                       | -                           |
| Darkley Trust  | -                                   | -                                 | -                           | 4,080                       |
| Ffilm Cymru  | -                                   | 14,800                            | 14,800                      | 5,000                       |
| Ffilm Cymru Connector Fund                           | -                                   | -                                 | -                           | 1,100                       |
| Foyle Foundation                                     | -                                   | 30,000                            | 30,000                      | -                           |
| Garfield Weston                                      | -                                   | 75,000                            | 75,000                      | -                           |
| Henry Moore Foundation                               | -                                   | 4,000                             | 4,000                       | 2,000                       |
| HMRC Job Retention Scheme                            | -                                   | 604,954                           | 604,954                     | -                           |
| Moondance Foundation                                 | 90,977                              | -                                 | 90,977                      | -                           |
| PRSF – Music Tour Ireland                            | -                                   | -                                 | -                           | 6,500                       |
| Rayne  | -                                   | -                                 | -                           | 9,017                       |
| Simon Gibson Trust                                   | 10,000                              | -                                 | 10,000                      | 3,000                       |
| Theatre’s Trust                                      | -                                   | 5,000                             | 5,000                       | -                           |
| WCVA – Third Sector Resilience<br>Fund               | -                                   | 60,000                            | 60,000                      | -                           |
| <b>Capital:</b>                                      |                                     |                                   |                             |                             |
| Arts Council Wales – Café Bar                        | -                                   | 104,197                           | 104,197                     | -                           |
| Arts Council of Wales – Cultural<br>Recovery Fund    | -                                   | 21,028                            | 21,028                      | -                           |
|  | <b>659,970</b>                      | <b>1,276,557</b>                  | <b>1,936,527</b>            | <b>390,749</b>              |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES (continued)**

| <b>Charity</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|----------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| BFI            | -                                   | 8,900                             | 8,900                       | 950                         |
| Cinema         | 9,306                               | -                                 | 9,306                       | 367,279                     |
| Film education | 2,083                               | -                                 | 2,083                       | 6,735                       |
| Grants         | 659,970                             | 929,068                           | 1,589,038                   | 390,749                     |
| Events         | -                                   | -                                 | -                           | 2,794                       |
| Theatre        | 2,288                               | -                                 | 2,288                       | 44,207                      |
|                | <b>673,647</b>                      | <b>937,968</b>                    | <b>1,611,615</b>            | <b>812,714</b>              |

**Charity**

Grants were received from the following:

|   | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| <b>Project funding:</b>                           |                                     |                                   |                             |                             |
| Art fund  | -                                   | 36,000                            | 36,000                      | 1,500                       |
| Arts & Business – Culture Step                    | -                                   | -                                 | -                           | 750                         |
| Arts Council of Wales – Cultural Recovery Fund    | 558,993                             | -                                 | 558,993                     | -                           |
| Arts Council of Wales – Experimentica             | -                                   | 15,727                            | 15,727                      | -                           |
| Arts Council of Wales – Peilot                    | -                                   | -                                 | -                           | 9,000                       |
| Arts Council of Wales – Resilience                | -                                   | 1,208                             | 1,208                       | -                           |
| Arts Council Wales – Karen Turner                 | -                                   | -                                 | -                           | 15,302                      |
| Ashley foundation                                 | -                                   | 5,000                             | 5,000                       | -                           |
| BFI Organisation Award                            | -                                   | -                                 | -                           | 60,000                      |
| British Council – Travel                          | -                                   | -                                 | -                           | 1,900                       |
| British Council- Canada AE Travel                 | -                                   | -                                 | -                           | 4,400                       |
| British Film Industry Hub                         | -                                   | 248,443                           | 248,443                     | 210,000                     |
| British Film Industry Hub – Clwster               | -                                   | 2,000                             | 2,000                       | 8,000                       |
| British Film Industry Hub – Diversity             | -                                   | 45,000                            | 45,000                      | 45,000                      |
| British Film Industry Hub – Education Feasibility | -                                   | -                                 | -                           | 2,400                       |
| British Film Industry Hub - Midlands              | -                                   | 1,500                             | 1,500                       | -                           |
| British Film Industry Hub – Sharing Together      | -                                   | 200                               | 200                         | 1,800                       |
| Cardiff Council – Road Crossing                   | -                                   | 1,500                             | 1,500                       | -                           |
| Creu Cymru  | -                                   | 1,000                             | 1,000                       | -                           |
| Darkley Trust                                     | -                                   | -                                 | -                           | 4,080                       |
| Ffilm Cymru                                       | -                                   | 14,800                            | 14,800                      | 5,000                       |
| Ffilm Cymru Connector Fund                        | -                                   | -                                 | -                           | 1,100                       |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES (continued)**

Grants were received from the following:

| <u>Charity (continued)</u>                        | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Foyle Foundation                                  | -                          | 30,000                   | 30,000             | -                  |
| Garfield Weston                                   | -                          | 75,000                   | 75,000             | -                  |
| Henry Moore Foundation                            | -                          | 4,000                    | 4,000              | 2,000              |
| HMRC Job Retention Scheme                         | -                          | 257,465                  | 257,465            | -                  |
| Moondance Foundation                              | 90,977                     | -                        | 90,977             | -                  |
| PRSF – Music Tour Ireland                         | -                          | -                        | -                  | 6,500              |
| Rayne   | -                          | -                        | -                  | 9,017              |
| Simon Gibson Trust                                | 10,000                     | -                        | 10,000             | 3,000              |
| Theatre’s Trust                                   | -                          | 5,000                    | 5,000              | -                  |
| WCVA – Third Sector Resilience<br>Fund            | -                          | 60,000                   | 60,000             | -                  |
| <b>Capital:</b>                                   |                            |                          |                    | -                  |
| Arts Council Wales – Café Bar                     | -                          | 104,197                  | 104,197            | -                  |
| Arts Council of Wales – Cultural<br>Recovery Fund | -                          | 21,028                   | 21,028             | -                  |
|   | <u>659,970</u>             | <u>929,068</u>           | <u>1,589,038</u>   | <u>390,749</u>     |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**5. INCOME FROM OTHER TRADING ACTIVITIES**

| <u>Group</u>                   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Facilities and property income | 161,877                    | -                        | 161,877            | 357,326            |
| Gallery shop                   | -                          | -                        | -                  | 17,442             |
| Trading subsidiaries           | 92,582                     | -                        | 92,582             | 1,611,756          |
|                                | <u>254,459</u>             | <u>-</u>                 | <u>254,459</u>     | <u>1,986,524</u>   |
| <br><u>Charity</u>             |                            |                          |                    |                    |
| Facilities and property income | 161,877                    | -                        | 161,877            | 357,326            |
| Gallery shop                   | -                          | -                        | -                  | 17,442             |
|                                | <u>161,877</u>             | <u>-</u>                 | <u>161,877</u>     | <u>374,768</u>     |

**6. INCOME FROM OTHER SOURCES**

| <u>Group</u>       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other income       | 2,470                      | -                        | 2,470              | 16,680             |
| Insurance          | 6,989                      | -                        | 6,989              | 27,000             |
|                    | <u>9,459</u>               | <u>-</u>                 | <u>9,459</u>       | <u>43,680</u>      |
| <br><u>Charity</u> |                            |                          |                    |                    |
| Management charges | -                          | -                        | -                  | 245,400            |
| Other income       | 2,470                      | -                        | 2,470              | 16,680             |
| Insurance          | 6,989                      | -                        | 6,989              | 27,000             |
|                    | <u>9,459</u>               | <u>-</u>                 | <u>9,459</u>       | <u>289,080</u>     |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

| <b>Group</b>                                   | <b>Direct<br/>£</b> | <b>Grants<br/>payable<br/>£</b> | <b>Support<br/>£</b> | <b>Governance</b> | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|--|---------------------|---------------------------------|----------------------|-------------------|-----------------------------|-----------------------------|
| Audit fees                                     | -                   | -                               | -                    | 7,050             | 7,050                       | 6,859                       |
| Bad debts                                      | 4,529               | -                               | -                    | -                 | 4,529                       | 1,000                       |
| BFI project costs                              | 16,684              | 160,593                         | -                    | -                 | 177,277                     | 132,010                     |
| Cinema distributors<br>payments                | 5,520               | -                               | -                    | -                 | 5,520                       | 172,786                     |
| Cleaning                                       | 12,512              | -                               | -                    | -                 | 12,512                      | 65,106                      |
| Credit card charges                            | 80                  | -                               | -                    | -                 | 80                          | 710                         |
| Depreciation                                   | 126,990             | -                               | -                    | -                 | 126,990                     | 127,997                     |
| Electricity                                    | 31,189              | -                               | -                    | -                 | 31,189                      | 75,139                      |
| Equipment repairs                              | 9,750               | -                               | -                    | -                 | 9,750                       | 15,652                      |
| Event costs                                    | -                   | -                               | -                    | -                 | -                           | 177                         |
| Gallery production costs                       | 16,791              | -                               | -                    | -                 | 16,791                      | 61,257                      |
| Gas  | 14,903              | -                               | -                    | -                 | 14,903                      | 24,862                      |
| Health & safety, security                      | 6,463               | -                               | -                    | -                 | 6,463                       | 4,976                       |
| Insurances                                     | 26,619              | -                               | -                    | -                 | 26,619                      | 23,252                      |
| Interest & charges                             | 25,233              | -                               | -                    | -                 | 25,233                      | 47,904                      |
| Irrecoverable VAT                              | 1,144               | -                               | -                    | -                 | 1,144                       | 1,570                       |
| IT support costs                               | 5,902               | -                               | 5,902                | -                 | 11,804                      | 9,268                       |
| Professional & Legal fees                      | 54,038              | -                               | -                    | -                 | 54,038                      | 33,484                      |
| Licences                                       | 27,755              | -                               | -                    | -                 | 27,755                      | 30,872                      |
| Maintenance                                    | 56,579              | -                               | -                    | -                 | 56,579                      | 28,430                      |
| Marketing, press, PR                           | 4,159               | -                               | -                    | -                 | 4,159                       | 67,896                      |
| Other direct costs                             | 14,488              | -                               | -                    | -                 | 14,488                      | 76,279                      |
| Photocopying                                   | 2,787               | -                               | 2,787                | -                 | 5,574                       | 7,324                       |
| Postage  | 980                 | -                               | -                    | -                 | 980                         | 1,810                       |
| Rates  | 5,810               | -                               | -                    | -                 | 5,810                       | 15,833                      |
| Refuse collection                              | 2,069               | -                               | -                    | -                 | 2,069                       | 4,428                       |
| Rent   | 1,222               | -                               | -                    | -                 | 1,222                       | 1,550                       |
| Stationery                                     | 995                 | -                               | -                    | -                 | 995                         | 1,712                       |
| Subscriptions                                  | 4,085               | -                               | -                    | -                 | 4,085                       | 2,919                       |
| Sundries                                       | -                   | -                               | 1,041                | -                 | 1,041                       | 3,538                       |
| Telephone/fax                                  | 9,156               | -                               | -                    | -                 | 9,156                       | 11,350                      |
| Theatre productions and<br>producer's payments | 3,144               | -                               | -                    | -                 | 3,144                       | 46,043                      |
| Training                                       | 2,420               | -                               | 2,420                | -                 | 4,840                       | 1,971                       |
| Travel   | 363                 | -                               | -                    | -                 | 363                         | 7,917                       |
| Wages and salaries                             | 1,090,949           | -                               | -                    | -                 | 1,090,949                   | 1,173,256                   |
| Water charges                                  | 6,195               | -                               | -                    | -                 | 6,195                       | 14,034                      |
|  | <b>1,591,503</b>    | <b>160,593</b>                  | <b>12,150</b>        | <b>7,050</b>      | <b>1,771,296</b>            | <b>2,301,171</b>            |
| Trading subsidiaries                           | 613,330             | -                               | -                    | -                 | 613,330                     | 1,364,227                   |
|  | <b>2,204,833</b>    | <b>160,593</b>                  | <b>12,150</b>        | <b>7,050</b>      | <b>2,384,626</b>            | <b>3,665,398</b>            |

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**7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

| <b>Charity</b>                                | <b>Direct<br/>£</b> | <b>Grants<br/>payable<br/>£</b> | <b>Support<br/>£</b> | <b>Governance</b> | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|---|---------------------|---------------------------------|----------------------|-------------------|-----------------------------|-----------------------------|
| Audit fees                                    | -                   | -                               | -                    | 7,050             | 7,050                       | 6,859                       |
| Bad debts                                     | 4,529               | -                               | -                    | -                 | 4,529                       | 1,000                       |
| BFI project costs                             | 16,684              | 160,593                         | -                    | -                 | 177,277                     | 132,010                     |
| Cinema distributors<br>payments               | 5,520               | -                               | -                    | -                 | 5,520                       | 172,786                     |
| Cleaning                                      | 12,512              | -                               | -                    | -                 | 12,512                      | 65,106                      |
| Credit card charges                           | 80                  | -                               | -                    | -                 | 80                          | 710                         |
| Depreciation                                  | 126,990             | -                               | -                    | -                 | 126,990                     | 127,997                     |
| Electricity                                   | 31,189              | -                               | -                    | -                 | 31,189                      | 75,139                      |
| Event costs                                   | 9,750               | -                               | -                    | -                 | 9,750                       | 15,652                      |
| Equipment repairs                             | -                   | -                               | -                    | -                 | -                           | 177                         |
| Gallery production costs                      | 16,791              | -                               | -                    | -                 | 16,791                      | 61,257                      |
| Gas   | 14,903              | -                               | -                    | -                 | 14,903                      | 24,862                      |
| Health & safety, security                     | 6,463               | -                               | -                    | -                 | 6,463                       | 4,976                       |
| Insurances                                    | 26,619              | -                               | -                    | -                 | 26,619                      | 23,252                      |
| Interest & charges                            | 25,233              | -                               | -                    | -                 | 25,233                      | 47,904                      |
| Irrecoverable VAT                             | 1,144               | -                               | -                    | -                 | 1,144                       | 1,570                       |
| IT support costs                              | 5,902               | -                               | 5,902                | -                 | 11,804                      | 9,268                       |
| Professional fees                             | 54,038              | -                               | -                    | -                 | 54,038                      | 33,484                      |
| Licences                                      | 27,755              | -                               | -                    | -                 | 27,755                      | 30,872                      |
| Maintenance                                   | 56,579              | -                               | -                    | -                 | 56,579                      | 28,430                      |
| Marketing, press, PR                          | 4,159               | -                               | -                    | -                 | 4,159                       | 67,896                      |
| Other direct costs                            | 14,489              | -                               | -                    | -                 | 14,489                      | 76,279                      |
| Photocopying                                  | 2,787               | -                               | 2,787                | -                 | 5,574                       | 7,324                       |
| Postage                                       | 980                 | -                               | -                    | -                 | 980                         | 1,810                       |
| Rates   | 5,810               | -                               | -                    | -                 | 5,810                       | 15,833                      |
| Refuse collection                             | 2,069               | -                               | -                    | -                 | 2,069                       | 4,428                       |
| Rent  | 1,222               | -                               | -                    | -                 | 1,222                       | 1,550                       |
| Stationery                                    | 995                 | -                               | -                    | -                 | 995                         | 1,712                       |
| Subscriptions                                 | 4,085               | -                               | -                    | -                 | 4,085                       | 2,919                       |
| Sundries                                      | -                   | -                               | 1,041                | -                 | 1,041                       | 3,538                       |
| Telephone/fax                                 | 9,156               | -                               | -                    | -                 | 9,156                       | 11,350                      |
| Theatre productions and<br>producers payments | 3,144               | -                               | -                    | -                 | 3,144                       | 46,043                      |
| Training                                      | 2,420               | -                               | 2,420                | -                 | 4,841                       | 1,971                       |
| Travel  | 363                 | -                               | -                    | -                 | 363                         | 7,917                       |
| Wages and salaries                            | 1,090,949           | -                               | -                    | -                 | 1,090,949                   | 1,173,256                   |
| Water charges                                 | 6,195               | -                               | -                    | -                 | 6,195                       | 14,034                      |
|   | <b>1,591,504</b>    | <b>160,593</b>                  | <b>12,150</b>        | <b>7,050</b>      | <b>1,771,297</b>            | <b>2,301,171</b>            |

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**7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

Contained in the above is grants payable by the charity totalling £160,593. These can be split into the following categories:

|                         | <b>Grants to<br/>Institutions<br/>£</b> |
|-------------------------|---|
| COVID-19 Resilience     | <b>97,141</b>                           |
| Strategic Network Award | <b>11,500</b>                           |
| Film Exhibition Fund    | <b>51,952</b>                           |
|                         | <b><u>160,593</u></b>                   |

During the year the charity provided 21 institutions with grants ranging from £600 to £10,050. Details of grants payable can be found in the trustees report and on the group's website.

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

|                       | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|-----------------------|-----------------------------|-----------------------------|
| <b><u>Group</u></b>   |                             |                             |
| Wages and salaries    | <b>1,452,607</b>            | 1,656,739                   |
| Social security costs | <b>99,491</b>               | 99,278                      |
| Employers pension     | <b>27,442</b>               | 32,534                      |
| Redundancy costs      | <b>32,966</b>               | 393                         |
|                       | <b><u>1,612,506</u></b>     | <b><u>1,788,944</u></b>     |
| <br>                  |                             |                             |
| <b><u>Charity</u></b> |                             |                             |
| Wages and salaries    | <b>964,286</b>              | 1,069,603                   |
| Social security costs | <b>73,959</b>               | 80,490                      |
| Employers pension     | <b>19,738</b>               | 22,770                      |
| Redundancy costs      | <b>32,966</b>               | 393                         |
|                       | <b><u>1,090,949</u></b>     | <b><u>1,173,256</u></b>     |

During 2020/21 there was 1 (2020: 1) employee who received employee benefits over £60,000. The employee received employee benefits ranging between £60,000-£70,000. Pension contributions for the individual totalled £2,503 (2020: £7,953).

The total amount of employee benefits received by key management personnel for their services to the group during the year totalled £279,033 (2020: £285,271).

The total amount of employee benefits received by key management personnel for their services to the charity during the year totalled £237,388 (2020: £225,258).

Included in the group wages and salaries above were termination and redundancy payments totalling £32,966 (2020: £393). There were no amounts outstanding at the current and prior year end.

No trustee received remuneration during the year (2020: £nil). No trustee was reimbursed for expenses (2020: one trustee was reimbursed totalling £1,017 for travel expenses).

**9. STAFF NUMBERS**

|  | <b>2021<br/>No</b> | <b>2020<br/>No</b> |
|--|--------------------|--------------------|
| <b><u>Group</u></b>                              |                    |                    |
| Average number of people employed by the group   | <b><u>80</u></b>   | <b><u>110</u></b>  |
| <br>   |                    |                    |
| <b><u>Charity</u></b>                            |                    |                    |
| Average number of people employed by the charity | <b><u>49</u></b>   | <b><u>58</u></b>   |

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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**10. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

|                                | <b>Group</b>   |         | <b>Charity</b> |         |
|--------------------------------|----------------|---------|----------------|---------|
|                                | <b>2021</b>    | 2020    | <b>2021</b>    | 2020    |
|                                | <b>£</b>       | £       | <b>£</b>       | £       |
| Rentals under operating leases | <b>14,754</b>  | 21,519  | <b>14,754</b>  | 10,876  |
| Depreciation                   | <b>126,991</b> | 127,997 | <b>126,991</b> | 127,997 |
| Auditors remuneration:         |                |         |                |         |
| Audit fees                     | <b>8,450</b>   | 7,100   | <b>5,050</b>   | 4,500   |
| Accountancy services           | <b>1,500</b>   | 1,500   | <b>750</b>     | 750     |

**11. TAXATION – GROUP AND CHARITY**

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

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

**12. INTEREST PAYABLE – GROUP AND CHARITY**

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

|                    | <b>Total<br/>2021<br/>£</b> | Total<br>2020<br>£ |
|--------------------|-----------------------------|--------------------|
| Bank loan interest | <b>18,410</b>               | 28,682             |

**CHAPTER (CARDIFF) LIMITED**  
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**13. TANGIBLE FIXED ASSETS**

| <u>Group &amp; Charity</u> | Freehold land<br>and<br>buildings<br>£ | Improve-<br>ments to<br>leasehold<br>buildings<br>£ | Leasehold<br>buildings<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£       |
|----------------------------|--|---|-----------------------------|-----------------------------|------------------|
| <b>Cost</b>                |  |   |                             |                             |                  |
| At 1 April 2020            | 562,000                                | 4,095,551   | 879,000                     | 1,028,241                   | 6,564,792        |
| Additions in year          | -                                      | 189,106   | -                           | 14,751                      | 203,857          |
| At 31 March 2021           | <u>562,000</u>                         | <u>4,284,657</u>                                    | <u>879,000</u>              | <u>1,042,992</u>            | <u>6,768,649</u> |
| <b>Depreciation</b>        |  |   |                             |                             |                  |
| At 1 April 2020            | 276,228                                | 583,284   | 659,581                     | 1,021,082                   | 2,540,175        |
| Charge for year            | 11,120                                 | 95,151  | 1,828                       | 18,892                      | 126,991          |
| At 31 March 2021           | <u>287,348</u>                         | <u>678,435</u>                                      | <u>661,409</u>              | <u>1,039,974</u>            | <u>2,667,166</u> |
| <b>Net book value</b>      |  |   |                             |                             |                  |
| At 31 March 2021           | <u>274,652</u>                         | <u>3,606,222</u>                                    | <u>217,591</u>              | <u>3,018</u>                | <u>4,101,483</u> |
| At 31 March 2020           | <u>285,772</u>                         | <u>3,512,267</u>                                    | <u>219,419</u>              | <u>7,159</u>                | <u>4,024,617</u> |

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

The Arts Council of Wales holds a legal charge over the leasehold property as a condition of their grant funding, the carrying value of the assets as at 31 March 2021 totalled £218,173 (2020: £220,001).

The bank loan is secured on the freehold land and buildings, the carrying value of the assets as at 31 March 2021 totalled £274,652 (2020: £285,772). The bank overdraft is secured against a second legal charge over the freehold land and buildings, the carrying value of the assets as at 31 March 2021 totalled £274,652 (2020: £285,772).

The leasehold building above is being depreciated over the term of the lease of 125 years. The carrying value of building as at 31 March 2021 totalled £218,173 (2020: £220,001).

**14. INVESTMENTS**

| <u>Charity</u>           | Investments<br>in group<br>undertakings<br>£ |
|--------------------------|--|
| Cost as at 31 March 2020 | 2  |
| Cost as at 31 March 2021 | <u>2</u>                                     |

**CHAPTER (CARDIFF) LIMITED  
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**15. TRADING SUBSIDIARY**

**Chapter Trading Limited:**

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

The results of the company for the year ended 31 March 2021 can be found below:

|   | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|---|-----------------------------|-----------------------------|
| Turnover  | <b>80,200</b>               | 1,529,910                   |
| Cost of sales and administration costs              | <b>(615,691)</b>            | (1,366,326)                 |
| Operating profit                                    | <b>(535,491)</b>            | 163,584                     |
| Management charge paid to Chapter (Cardiff) Limited | -                           | (245,400)                   |
|   | <b>(535,491)</b>            | (81,816)                    |
| Other income  | <b>455,232</b>              | 81,845                      |
| (Loss)/profit for the year                          | <b>(80,259)</b>             | 29                          |
| <b>Assets and liabilities:</b>                      |                             |                             |
| Total assets  | <b>140,284</b>              | 174,466                     |
| Total liabilities                                   | <b>(219,738)</b>            | (173,661)                   |
| Aggregate share capital and reserves                | <b>(79,454)</b>             | 805                         |

**Statement of changes in equity**

|  | <b>Share<br/>capital<br/>£</b> | <b>Profit and<br/>loss reserve<br/>£</b> | <b>2020<br/>Total<br/>£</b> |
|--|--------------------------------|--|-----------------------------|
| Balance at 1 April 2020                            | <b>2</b>                       | <b>803</b>                               | <b>805</b>                  |
| <b>Year ended 31 March 2021</b>                    |                                |  |                             |
| (Loss) and total comprehensive income for the year | -                              | <b>(80,259)</b>                          | <b>(80,259)</b>             |
| Balance at 31 March 2021                           | <b>2</b>                       | <b>(79,456)</b>                          | <b>(79,454)</b>             |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STOCKS**

|           | <b>Group</b>  |        | <b>Charity</b> |       |
|-----------|---------------|--------|----------------|-------|
|           | <b>2021</b>   | 2020   | <b>2021</b>    | 2020  |
|           | <b>£</b>      | £      | <b>£</b>       | £     |
| Caffi bar | <b>10,382</b> | 21,603 | -              | -     |
| Shop      | <b>1,872</b>  | 1,872  | <b>1,872</b>   | 1,872 |
|           | <b>12,254</b> | 23,475 | <b>1,872</b>   | 1,872 |

**17. DEBTORS**

|                                | <b>Group</b>   |        | <b>Charity</b> |        |
|--------------------------------|----------------|--------|----------------|--------|
|                                | <b>2021</b>    | 2020   | <b>2021</b>    | 2020   |
|                                | <b>£</b>       | £      | <b>£</b>       | £      |
| Trade debtors                  | <b>37,381</b>  | 58,129 | <b>9,147</b>   | 57,759 |
| Prepayments and accrued income | <b>102,256</b> | 13,961 | <b>63,256</b>  | 13,961 |
| Other debtors                  | <b>17,588</b>  | 12,689 | <b>12,151</b>  | -      |
|                                | <b>157,225</b> | 84,779 | <b>84,554</b>  | 71,720 |

**CHAPTER (CARDIFF) LIMITED**  
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**18. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

|  | Group          |                | Charity        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2021           | 2020           | 2021           | 2020           |
|  | £              | £              | £              | £              |
| Bank loan and overdraft                        | 59,246         | 177,085        | 22,579         | 157,226        |
| Trade creditors                                | 54,998         | 336,192        | 49,566         | 259,893        |
| Amounts due to subsidiary company undertakings | -              | -              | 32,099         | 139,804        |
| Taxation and social security                   | 25,748         | 54,456         | 19,061         | 40,183         |
| Other creditors                                | 15,676         | 92,383         | 12,207         | 40,487         |
| Accruals and deferred income                   | 72,738         | 178,427        | 68,588         | 167,093        |
|  | <u>228,406</u> | <u>838,543</u> | <u>204,100</u> | <u>804,686</u> |

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

|                        | 2021         | 2020           |
|------------------------|--------------|----------------|
|                        | £            | £              |
| Ticket sales           | 3,062        | 5,689          |
| Sponsorship and events | -            | 3,050          |
| Project income         | -            | 131,752        |
| Rent                   | -            | 4,373          |
|                        | <u>3,062</u> | <u>144,864</u> |

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

The movement in deferred income can be seen below:

|                         | 2021               | 2020               |
|-------------------------|--------------------|--------------------|
|                         | £                  | £                  |
| Balance brought forward | 144,864            | 231,281            |
| Income received         | 1,715,624          | 999,507            |
| Income released         | <u>(1,857,426)</u> | <u>(1,085,924)</u> |
| Balance carried forward | <u>3,062</u>       | <u>144,864</u>     |

**CHAPTER (CARDIFF) LIMITED**  
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**19. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|           | <b>Group</b>          |                | <b>Charity</b>        |                |
|-----------|-----------------------|----------------|-----------------------|----------------|
|           | <b>2021</b>           | 2020           | <b>2021</b>           | 2020           |
|           | £                     | £              | £                     | £              |
| Bank loan | <b>537,083</b>        | 537,083        | <b>537,083</b>        | 537,083        |
| CBILS     | <b>163,333</b>        | -              | -                     | -              |
| WCVA      | <b>20,000</b>         | -              | <b>20,000</b>         | -              |
|           | <b><u>720,416</u></b> | <u>537,083</u> | <b><u>557,083</u></b> | <u>537,083</u> |

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

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

A loan amount of £20,000 was received in March 2021 from WCVA with interest payable after 24 months at a rate of 3%. A payment plan is yet to be arranged; this will be set at the end of the first 24 months.

**20. BORROWING**

|  | <b>Group</b>           |                 | <b>Charity</b>         |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | <b>2021</b>            | 2020            | <b>2021</b>            | 2020            |
|  | £                      | £               | £                      | £               |
| Bank loan                                | <b>559,662</b>         | 560,627         | <b>559,662</b>         | 560,627         |
| CBILS loan                               | <b>200,000</b>         | -               | -                      | -               |
| WCVA                                     | <b>20,000</b>          | -               | <b>20,000</b>          | -               |
|  | <b><u>779,662</u></b>  | <u>560,627</u>  | <b><u>579,662</u></b>  | <u>560,627</u>  |
| Less amounts falling due within one year | <b><u>(59,246)</u></b> | <u>(23,544)</u> | <b><u>(22,579)</u></b> | <u>(23,544)</u> |
|  | <b><u>720,416</u></b>  | <u>537,083</u>  | <b><u>557,083</u></b>  | <u>537,083</u>  |

**CHAPTER (CARDIFF) LIMITED**  
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**20. BORROWING (CONTINUED)**

**Repayable by instalments**

|                       | Group          |                | Charity        |                |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | 2021           | 2020           | 2021           | 2020           |
|                       | £              | £              | £              | £              |
| Within one year       | 59,246         | 2,259          | 22,579         | 22,579         |
| Between 2 and 5 years | 142,667        | 86,000         | 106,000        | 86,000         |
| After 5 years         | <u>577,749</u> | <u>452,048</u> | <u>451,083</u> | <u>452,048</u> |

The bank loan is secured on the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE. The bank overdraft is secured against a second legal charge over the freehold land and buildings known as Market House, Market Road, Cardiff, CF5 1QE and an unlimited debenture incorporating a fixed and floating charge. The property has a carrying value of £274,652 (2020: £285,772).

**21. OPERATING LEASES – GROUP AND CHARITY**

|                     | Land & Buildings |            | Other         |               |
|---------------------|------------------|------------|---------------|---------------|
|                     | 2021             | 2020       | 2021          | 2020          |
|                     | £                | £          | £             | £             |
| <b>Falling due:</b> |                  |            |               |               |
| 1-2 years           | 1                | 1          | 14,753        | 10,875        |
| 2-5 years           | 4                | 4          | 2,336         | 11,513        |
| >5 years            | <u>115</u>       | <u>110</u> | <u>-</u>      | <u>-</u>      |
|                     | <u>120</u>       | <u>115</u> | <u>17,089</u> | <u>22,388</u> |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. RESTRICTED FUNDS**

| <b>Group</b>                                   | Balance at<br>1 April<br>2020<br>£ | Income<br>£      | Expenditure<br>£ | Transfers<br>£   | Balance at<br>31 March<br>2021<br>£ |
|--|------------------------------------|------------------|------------------|------------------|-------------------------------------|
| <b>Capital Grants:</b>                         |                                    |                  |                  |                  |                                     |
| Arts Council of Wales – Cultural Recovery Fund | -                                  | 21,028           | (21,028)         | -                | -                                   |
| Chapter Building                               | 2,583,457                          | 104,197          | 111,595          | (104,197)        | 2,695,052                           |
| Cardiff County Council                         | 3,251                              | -                | -                | (3,251)          | -                                   |
| SEWTA  | 1,009                              | -                | -                | (1,009)          | -                                   |
| Scottish Power                                 | 4,925                              | -                | -                | (4,925)          | -                                   |
| Waterloo Foundation                            | 4,378                              | -                | -                | (4,378)          | -                                   |
|  | <u>2,597,020</u>                   | <u>125,225</u>   | <u>90,567</u>    | <u>(117,760)</u> | <u>2,695,052</u>                    |
| <b>Revenue and Project Grants:</b>             |                                    |                  |                  |                  |                                     |
| Art fund                                       | -                                  | 36,000           | -                | -                | 36,000                              |
| Art Fund - Save Our Sculpture                  | 3,767                              | -                | (3,285)          | -                | 482                                 |
| Arts Council of Wales – Experimentica          | -                                  | 15,727           | -                | -                | 15,727                              |
| Arts Council of Wales – Resilience             | -                                  | 1,208            | (1,208)          | -                | -                                   |
| Ashley Foundation                              | -                                  | 5,000            | -                | -                | 5,000                               |
| BFI Film Education Feasibility Grant           | 2,171                              | -                | -                | -                | 2,171                               |
| British Film Industry - Film Hub Wales         | 63,367                             | 257,343          | (249,029)        | (16,000)         | 55,681                              |
| British Film Industry Hub – Anim18             | 1,348                              | -                | (144)            | -                | 1,204                               |
| British Film Industry Hub – Clwster            | 3,086                              | 2,000            | (4,908)          | -                | 178                                 |
| British Film Industry Hub – Diversity          | 10,196                             | 45,000           | (30,610)         | (3,000)          | 21,586                              |
| British Film Industry Hub – Film Fees          | -                                  | 1,500            | (675)            | -                | 825                                 |
| British Film Industry Hub – Sharing Together   | 462                                | 200              | -                | 65               | 727                                 |
| Cardiff Council – Road Crossing                | -                                  | 1,500            | (1,500)          | -                | -                                   |
| Cardiff University                             | 9,500                              | -                | -                | -                | 9,500                               |
| Contemporary Art                               | 3,000                              | -                | -                | -                | 3,000                               |
| Creu Cymru                                     | -                                  | 1,000            | (1,000)          | -                | -                                   |
| Darkley Trust                                  | 2,165                              | -                | (400)            | -                | 1,765                               |
| Dunhill Medical Foundation                     | 13,431                             | -                | -                | -                | 13,431                              |
| Ewart Parkinson Award                          | 5,150                              | -                | -                | -                | 5,150                               |
| Ffilm Cymru – Reopening                        | -                                  | 9,800            | -                | -                | 9,800                               |
| Ffilm Cymru – Young Programmers                | 11,793                             | 5,000            | -                | -                | 16,793                              |
| Film Cymru – Connector Fund                    | 1,100                              | -                | (835)            | -                | 265                                 |
| Foyle Foundation                               | -                                  | 30,000           | -                | -                | 30,000                              |
| Garfield Weston Foundation                     | -                                  | 75,000           | -                | -                | 75,000                              |
| Henry Moore Foundation                         | 3,000                              | 4,000            | -                | -                | 7,000                               |
| Henry Moore Foundation – Garth Evans           | 2,000                              | -                | -                | -                | 2,000                               |
| HMRC Coronavirus Job Retention Scheme          | -                                  | 604,954          | (604,954)        | -                | -                                   |
| Lightbox                                       | -                                  | 4,000            | -                | -                | 4,000                               |
| PRSF   | 6,500                              | -                | -                | -                | 6,500                               |
| Rayne Foundation                               | 20,059                             | -                | -                | -                | 20,059                              |
| Theatre Trust                                  | -                                  | 5,000            | -                | -                | 5,000                               |
| WCVA – Third Sector Resilience Fund            | -                                  | 60,000           | -                | -                | 60,000                              |
| Welsh government Made in Wales                 | -                                  | -                | (5,778)          | -                | 5,778                               |
|  | <u>162,095</u>                     | <u>1,164,232</u> | <u>(904,326)</u> | <u>(18,935)</u>  | <u>403,066</u>                      |
|  | <u>2,759,115</u>                   | <u>1,289,457</u> | <u>(813,759)</u> | <u>(136,695)</u> | <u>3,098,118</u>                    |

**CHAPTER (CARDIFF) LIMITED**  
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**22. RESTRICTED FUNDS (continued)**

| <b>Charity</b>                                 | Balance at<br>1 April<br>2020<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£   | Balance at<br>31 March<br>2021<br>£ |
|--|------------------------------------|----------------|------------------|------------------|-------------------------------------|
| <b>Capital Grants:</b>                         |                                    |                |                  |                  |                                     |
| Arts Council of Wales – Cultural Recovery Fund | -                                  | 21,028         | (21,028)         | -                | -                                   |
| Chapter Building                               | 2,583,457                          | 104,197        | 111,595          | (104,197)        | 2,695,052                           |
| Cardiff County Council                         | 3,251                              | -              | -                | (3,251)          | -                                   |
| SEWTA  | 1,009                              | -              | -                | (1,009)          | -                                   |
| Scottish Power                                 | 4,925                              | -              | -                | (4,925)          | -                                   |
| Waterloo Foundation                            | 4,378                              | -              | -                | (4,378)          | -                                   |
|  | <u>2,597,020</u>                   | <u>125,225</u> | <u>90,567</u>    | <u>(117,760)</u> | <u>2,695,052</u>                    |
| <b>Revenue and Project Grants:</b>             |                                    |                |                  |                  |                                     |
| Art fund                                       | -                                  | 36,000         | -                | -                | 36,000                              |
| Art Fund - Save Our Sculpture                  | 3,767                              | -              | (3,285)          | -                | 482                                 |
| Arts Council of Wales – Experimentica          | -                                  | 15,727         | -                | -                | 15,727                              |
| Arts Council of Wales – Resilience             | -                                  | 1,208          | (1,208)          | -                | -                                   |
| Ashley Foundation                              | -                                  | 5,000          | -                | -                | 5,000                               |
| BFI Film Education Feasibility Grant           | 2171                               | -              | -                | -                | 2,171                               |
| British Film Industry - Film Hub Wales         | 63,367                             | 257,343        | (249,029)        | (16,000)         | 55,681                              |
| British Film Industry Hub – Anim18             | 1,348                              | -              | (144)            | -                | 1,204                               |
| British Film Industry Hub – Clwster            | 3,086                              | 2,000          | (4,908)          | -                | 178                                 |
| British Film Industry Hub – Diversity          | 10,196                             | 45,000         | (30,610)         | (3,000)          | 21,586                              |
| British Film Industry Hub – Film Fees          | -                                  | 1,500          | (675)            | -                | 825                                 |
| British Film Industry Hub – Sharing Together   | 462                                | 200            | -                | 65               | 727                                 |
| Cardiff Council – Road Crossing                | -                                  | 1,500          | (1,500)          | -                | -                                   |
| Cardiff University                             | 9,500                              | -              | -                | -                | 9,500                               |
| Contemporary Art                               | 3,000                              | -              | -                | -                | 3,000                               |
| Creu Cymru                                     | -                                  | 1,000          | (1,000)          | -                | -                                   |
| Darkley Trust                                  | 2,165                              | -              | (400)            | -                | 1,765                               |
| Dunhill Medical Foundation                     | 13,431                             | -              | -                | -                | 13,431                              |
| Ewart Parkinson Award                          | 5,150                              | -              | -                | -                | 5,150                               |
| Ffilm Cymru – Reopening                        | -                                  | 9,800          | -                | -                | 9,800                               |
| Ffilm Cymru – Young Programmers                | 11,793                             | 5,000          | -                | -                | 16,793                              |
| Film Cymru – Connector Fund                    | 1,100                              | -              | (835)            | -                | 265                                 |
| Foyle Foundation                               | -                                  | 30,000         | -                | -                | 30,000                              |
| Garfield Weston Foundation                     | -                                  | 75,000         | -                | -                | 75,000                              |
| Henry Moore Foundation                         | 3,000                              | 4,000          | -                | -                | 7,000                               |
| Henry Moore Foundation – Garth Evans           | 2,000                              | -              | -                | -                | 2,000                               |
| HMRC Coronavirus Job Retention Scheme          | -                                  | 257,465        | (257,465)        | -                | -                                   |
| Lightbox                                       | -                                  | 4,000          | -                | -                | 4,000                               |
| PRSF   | 6,500                              | -              | -                | -                | 6,500                               |
| Rayne Foundation                               | 20,059                             | -              | -                | -                | 20,059                              |
| Theatre Trust                                  | -                                  | 5,000          | -                | -                | 5,000                               |
| WCVA – Third Sector Resilience Fund            | -                                  | 60,000         | -                | -                | 60,000                              |
| Welsh government Made in Wales                 | -                                  | -              | (5,778)          | -                | 5,778                               |
|  | <u>162,095</u>                     | <u>816,743</u> | <u>(556,837)</u> | <u>(18,935)</u>  | <u>403,066</u>                      |
|  | <u>2,759,115</u>                   | <u>941,968</u> | <u>(466,270)</u> | <u>(136,695)</u> | <u>3,098,118</u>                    |

**CHAPTER (CARDIFF) LIMITED**  
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**22. RESTRICTED FUNDS (continued)**

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

**Capital Grants:**

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

**Revenue Grant:**

**Art Fund**

To support gallery events in 2021/22.

**Art Fund - Save Our Sculpture**

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

**Arts Council of Wales - Experimenta**

Relates to funding received to support the 2021 Experimentica event.

**Arts Council of Wales - Resilience**

Relates to funding received to support the feasibility study.

**Ashley Foundation**

To support film education activity 2021.

**BFI Film Education Feasibility Grant**

To facilitate the research for a larger grant to support the education and outreach programme of activity.

**British Film Industry - Film Hub Wales**

For film hub core programme of activity.

**British Film Industry Hub - Anim18**

Grant to support a UK wide season celebrating British Animation.

**British Film Industry Hub - Clwster**

To research and develop the potential of promoting Welsh Stories to audiences across Wales.

**British Film Industry Hub - Diversity**

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

**British Film Industry Hub- Film Feels**

To invest in online activity , Chapter programme.

**British Film Industry Hub - Sharing Together**

To complete BFI Sharing Together Project.

**Cardiff Council - Road Crossing**

Competition to design road crossing, Cowbridge Road East as part of regeneration work.

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**22. RESTRICTED FUNDS (continued)**

**Cardiff University**

To support Chapter's Dementia work.

**Contemporary Art**

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

**Creu Cymru**

To support artist involvement in gallery exhibition.

**Darkley Trust**

To support Chapter's education and outreach work.

**Dunhill Medical Foundation**

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

**Ewart Parkinson Award**

Ewart Parkinson award to support film education programme.

**Ffilm Cymru - Reopening**

Funding received to support the cinema.

**Ffilm Cymru - Young Programmers**

Funding for Young Programmers.

**Ffilm Cymru - Connector Fund**

Film Agency Wales Project to promote new audiences.

**Foyle Foundation**

To support core programme.

**Garfield Weston Foundation**

To support activity.

**Henry Moore Foundation**

To support James Richards Exhibition.

**Henry Moore Foundation - Garth Evans**

To support the exhibition at Chapter.

**HMRC Coronavirus Job Retention Scheme**

Income received in relation to furlough scheme.

**Lightbox**

To fund a competition amongst school children to design the Lightbox.

**PRSF**

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

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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**22. RESTRICTED FUNDS (continued)**

**Rayne Foundation**

Grant to support Chapter's Dementia film programme.

**Theatre Trust**

To support reopening costs.

**WCVA - Third Sector Resilience Fund**

To support redevelopment of Chapter website.

**Welsh Government Made in Wales**

To promote Welsh film, managed by Film Hub Wales.

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**22. RESTRICTED FUNDS – GROUP AND CHARITY (continued)**

*Previous year*

|  | Balance at<br>1 April<br>2019<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£  | Balance at<br>31 March<br>2020<br>£ |
|--|------------------------------------|----------------|------------------|-----------------|-------------------------------------|
| <b>Capital Grants:</b>                         |                                    |                |                  |                 |                                     |
| Chapter Building                               | 2,683,560                          | -              | (100,103)        | -               | 2,583,457                           |
| Cardiff County Council                         | 3,282                              | -              | (31)             | -               | 3,251                               |
| SEWTA  | 1,866                              | -              | (857)            | -               | 1,009                               |
| Scottish Power                                 | 5,670                              | -              | (745)            | -               | 4,925                               |
| Waterloo Foundation                            | 5,040                              | -              | (662)            | -               | 4,378                               |
| <b>Revenue and Project Grants:</b>             |                                    |                |                  |                 |                                     |
| Art fund                                       | 8,792                              | 1,500          | (10,292)         | -               | -                                   |
| Art Fund - Save Our Sculpture                  | -                                  | 17,080         | (13,313)         | -               | 3,767                               |
| Arts Council of Wales – Karen Turner           | -                                  | 15,302         | (15,302)         | -               | -                                   |
| Arts Council of Wales – Peilot                 | 27,000                             | 11,209         | (21,006)         | (17,203)        | -                                   |
| BFI Grants to Chapter Cinema                   | 27,126                             | -              | (750)            | (26,376)        | -                                   |
| British Council – Canada                       | -                                  | 4,400          | (3,663)          | (737)           | -                                   |
| British Council – Travel AE                    | -                                  | 1,900          | (1,094)          | (806)           | -                                   |
| British Film Industry - Film Hub Wales         | 64,573                             | 210,000        | (193,921)        | (17,285)        | 63,367                              |
| British Film Industry Hub – Anim18             | 2,892                              | -              | (1,544)          | -               | 1,348                               |
| British Film Industry Hub – Clwster            | -                                  | 8,000          | (4,914)          | -               | 3,086                               |
| British Film Industry Hub – Diversity          | 9,302                              | 45,950         | (41,476)         | (3,580)         | 10,196                              |
| British Film Industry Hub - Queer Film Network | 788                                | -              | (788)            | -               | -                                   |
| British Film Industry Hub – Sharing Together   | -                                  | 1,800          | (1,178)          | (160)           | 462                                 |
| Cardiff University                             | 9,500                              | -              | -                | -               | 9,500                               |
| Contemporary Art                               | 3,000                              | -              | -                | -               | 3,000                               |
| Darkley Trust                                  | -                                  | 4,080          | (1,915)          | -               | 2,165                               |
| Dunhill Medical Foundation                     | 13,431                             | -              | -                | -               | 13,431                              |
| Esmee Fairbairn                                | 1,174                              | -              | -                | (1,174)         | -                                   |
| Ewart Parkinson Award                          | 5,150                              | -              | -                | -               | 5,150                               |
| Ffilm Cymru – Young Programmers                | 10,000                             | 5,000          | (3,207)          | -               | 11,793                              |
| Film Cymru – Connector Fund                    | -                                  | 1,100          | -                | -               | 1,100                               |
| Film Education Grant (BFI)                     | -                                  | 2,400          | (229)            | -               | 2,171                               |
| Henry Moore Foundation                         | 3,000                              | -              | -                | -               | 3,000                               |
| Henry Moore Foundation – Garth Evans           | -                                  | 2,000          | -                | -               | 2,000                               |
| PRSF   | -                                  | 6,500          | -                | -               | 6,500                               |
| Rayne Foundation                               | 11,042                             | 9,017          | -                | -               | 20,059                              |
|  | <u>2,896,188</u>                   | <u>347,238</u> | <u>(416,990)</u> | <u>(67,321)</u> | <u>2,759,115</u>                    |

**CHAPTER (CARDIFF) LIMITED**  
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**23. UNRESTRICTED FUNDS**

|                      | Balance at<br>1 April<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | Balance at<br>31 March<br>2021<br>£ |
|----------------------|------------------------------------|------------------|--------------------|----------------|-------------------------------------|
| <b>Group</b>         |                                    |                  |                    |                |                                     |
| General funds        | 62,938                             | 2,131,020        | (1,570,867)        | 136,695        | 759,786                             |
|                      | <u>62,938</u>                      | <u>2,131,020</u> | <u>(1,570,867)</u> | <u>136,695</u> | <u>759,786</u>                      |
| <b>Charity</b>       |                                    |                  |                    |                |                                     |
| General funds        | 62,139                             | 1,945,438        | (1,305,027)        | 136,695        | 839,245                             |
|                      | <u>62,139</u>                      | <u>1,945,438</u> | <u>(1,305,027)</u> | <u>136,695</u> | <u>839,245</u>                      |
| <i>Previous year</i> |                                    |                  |                    |                |                                     |
|                      | Balance at<br>1 April<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | Balance at<br>31 March<br>2020<br>£ |
| <b>Group</b>         |                                    |                  |                    |                |                                     |
| General funds        | (19,403)                           | 3,263,428        | (3,248,408)        | 67,321         | 62,938                              |
|                      | <u>(19,403)</u>                    | <u>3,263,428</u> | <u>(3,248,408)</u> | <u>67,321</u>  | <u>62,938</u>                       |
| <b>Charity</b>       |                                    |                  |                    |                |                                     |
| General funds        | (18,073)                           | 1,897,072        | (1,884,181)        | 67,321         | 62,139                              |
|                      | <u>(18,073)</u>                    | <u>1,897,072</u> | <u>(1,884,181)</u> | <u>67,321</u>  | <u>62,139</u>                       |

**CHAPTER (CARDIFF) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**24. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ |
|----------------------------------|----------------------------|--------------------------|--------------------|
| <b><u>Group</u></b>              |                            |                          |                    |
| Fixed assets                     | 1,406,431                  | 2,695,052                | 4,101,483          |
| Net current assets/(liabilities) | 73,771                     | 403,066                  | 476,837            |
| Long term liabilities            | <u>(720,416)</u>           | <u>-</u>                 | <u>(720,416)</u>   |
|                                  | <u>759,786</u>             | <u>3,098,118</u>         | <u>3,857,904</u>   |
| <br>                             |                            |                          |                    |
| <b><u>Charity</u></b>            |                            |                          |                    |
| Investments                      | 2                          | -                        | 2                  |
| Fixed assets                     | 1,406,431                  | 2,695,052                | 4,101,483          |
| Net current assets/(liabilities) | (10,105)                   | 403,066                  | 392,961            |
| Long term liabilities            | <u>(557,083)</u>           | <u>-</u>                 | <u>(557,083)</u>   |
|                                  | <u>839,245</u>             | <u>3,098,118</u>         | <u>3,937,363</u>   |
| <br>                             |                            |                          |                    |
| <i><u>Previous year</u></i>      |                            |                          |                    |
|                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ |
| <b><u>Group</u></b>              |                            |                          |                    |
| Fixed assets                     | 1,427,597                  | 2,597,020                | 4,024,617          |
| Net current (liabilities)/assets | (827,576)                  | 162,095                  | (665,481)          |
| Long term liabilities            | <u>(537,083)</u>           | <u>-</u>                 | <u>(537,083)</u>   |
|                                  | <u>62,938</u>              | <u>2,759,115</u>         | <u>2,822,053</u>   |
| <br>                             |                            |                          |                    |
| <b><u>Charity</u></b>            |                            |                          |                    |
| Investments                      | 2                          | -                        | 2                  |
| Fixed assets                     | 1,427,597                  | 2,597,020                | 4,024,617          |
| Net current (liabilities)/assets | (828,377)                  | 162,095                  | (666,282)          |
| Long term liabilities            | <u>(537,083)</u>           | <u>-</u>                 | <u>(537,083)</u>   |
|                                  | <u>62,139</u>              | <u>2,759,115</u>         | <u>2,821,254</u>   |

**CHAPTER (CARDIFF) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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**25. RELATED PARTIES**

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

Chapter (Cardiff) Limited received £nil in management fees from its wholly owned subsidiary, Chapter Trading Limited, during the year (2020: £245,400).

During the year Chapter (Cardiff) Limited invoiced Chapter Trading Limited for £nil (2020: £287,842) of recharges for wages, cost of sales, finance and marketing expenses. Chapter Trading Limited invoiced Chapter (Cardiff) Limited for similar recharges of £nil (2020: £1,199).

At the year end Chapter (Cardiff) Limited owed £32,099 to Chapter Trading Limited (2020: £139,804).

**26. SHARE CAPITAL**

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

**27. RETIREMENT BENEFIT SCHEMES**

**Defined contribution schemes**

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

The charge to profit or loss in respect of defined contribution schemes for the group was £27,442 (2020: £32,534). Amounts outstanding at the year end totalled £8,600 (2020: £22,205).

The charge to profit or loss in respect of defined contribution schemes for the charity was £19,738 (2020: £22,770). Amounts outstanding at the year end totalled £5,131 (2020: £14,620).

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

|  | 2021             | 2020             |
|--|------------------|------------------|
|  | £                | £                |
| <b>Net expenditure for the reporting period</b>            | <b>1,035,851</b> | <b>(54,732)</b>  |
| <i>Adjustments for:</i>                                    |                  |                  |
| Depreciation charges and impairment                        | 126,991          | 127,997          |
| Dividends, interest and rents from investments             | (161,877)        | (357,326)        |
| (Increase)/decrease in stocks                              | 11,221           | 3,062            |
| (Increase)/decrease in debtors                             | (72,446)         | 119,309          |
| Increase/(decrease) in creditors                           | (492,298)        | (79,633)         |
| <b>Net cash provided by/(used in) operating activities</b> | <b>447,442</b>   | <b>(241,323)</b> |

**Analysis of Cash and Cash Equivalents**

|  |                |               |
|--|----------------|---------------|
| Cash in hand                           | 535,764        | 64,808        |
| Overdraft facility repayable on demand | -              | (154,506)     |
| <b>Total Cash and Cash Equivalents</b> | <b>535,764</b> | <b>89,698</b> |

|   | At 1 April<br>2020 | Cash-flows     | As at 31<br>March 2021 |
|---|--------------------|----------------|------------------------|
|   | £                  | £              | £                      |
| Cash  | 64,808             | 470,956        | 535,764                |
| Overdraft facility repayable on demand          | (154,506)          | 154,506        | -                      |
| Bank loans falling due within one year          | (23,544)           | (35,702)       | (59,246)               |
| Bank loans falling due after more than one year | (537,083)          | (183,333)      | (720,416)              |
|   | <u>(650,325)</u>   | <u>406,431</u> | <u>(243,894)</u>       |

**29. POST BALANCE SHEET EVENTS**

**Market House**

The charity is currently in negotiations regarding the terms and conditions of the sale of Market House. The property sale is likely to be completed during the 2021/22 financial year.

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**30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

| <u>Group</u>                       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>2020<br>£ |
|------------------------------------|----------------------------|--------------------------|-----------------------------|
| <b>Income and endowments from:</b> |                            |                          |                             |
| Donations and legacies             | 750,668                    | 17,080                   | 767,748                     |
| Charitable activities              | 482,806                    | 329,908                  | 812,714                     |
| Other trading activities           | 1,986,274                  | 250                      | 1,986,524                   |
| Other                              | 43,680                     | -                        | 43,680                      |
| <b>Total income and endowments</b> | <u>3,263,428</u>           | <u>347,238</u>           | <u>3,610,666</u>            |
| <b>Expenditure on:</b>             |                            |                          |                             |
| Charitable activities              | <u>3,248,408</u>           | <u>416,990</u>           | <u>3,665,398</u>            |
| <b>Total expenditure</b>           | <u>3,248,408</u>           | <u>416,990</u>           | <u>3,665,398</u>            |
| <b>Net income/(expenditure)</b>    | 15,020                     | (69,752)                 | (54,732)                    |
| Transfers between funds            | <u>67,321</u>              | <u>(67,321)</u>          | <u>-</u>                    |
| <b>Net movement in funds</b>       | 82,341                     | (137,073)                | (54,732)                    |
| <b>Reconciliation of Funds</b>     |                            |                          |                             |
| Total funds brought forward        | <u>(19,403)</u>            | <u>2,896,188</u>         | <u>2,876,785</u>            |
| <b>Total funds carried forward</b> | <u>62,938</u>              | <u>2,759,115</u>         | <u>2,822,053</u>            |
| <b>Charity</b>                     |                            |                          |                             |
| <b>Income and endowments from:</b> |                            |                          |                             |
| Donations and legacies             | 750,668                    | 17,080                   | 767,748                     |
| Charitable activities              | 482,806                    | 329,908                  | 812,714                     |
| Other trading activities           | 374,518                    | 250                      | 374,768                     |
| Other                              | 289,080                    | -                        | 289,080                     |
| <b>Total income and endowments</b> | <u>1,897,072</u>           | <u>347,238</u>           | <u>2,244,310</u>            |
| <b>Expenditure on:</b>             |                            |                          |                             |
| Charitable activities              | <u>1,884,181</u>           | <u>416,990</u>           | <u>2,301,171</u>            |
| <b>Total expenditure</b>           | <u>1,884,181</u>           | <u>416,990</u>           | <u>2,301,171</u>            |
| <b>Net income/(expenditure)</b>    | 12,891                     | (69,752)                 | (56,861)                    |
| Transfers between funds            | <u>67,321</u>              | <u>(67,321)</u>          | <u>-</u>                    |
| <b>Net movement in funds</b>       | 80,212                     | (137,073)                | (56,861)                    |
| <b>Reconciliation of Funds</b>     |                            |                          |                             |
| Total funds brought forward        | <u>(18,073)</u>            | <u>2,896,188</u>         | <u>2,878,115</u>            |
| <b>Total funds carried forward</b> | <u>62,139</u>              | <u>2,759,115</u>         | <u>2,821,254</u>            |